

Australian Unity Modern Slavery Statement 2022



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Introduction

We acknowledge that modern slavery still exists, and we are proud to play our part in eliminating it in all forms. We strongly believe that the right to work free from slavery is a basic human right, and central to our philosophy of providing a safe place to work.



This statement outlines the steps that we (Australian Unity Limited) and our controlled entities have taken during the financial year ending 30 June 2022 to address the requirements of the *Modern Slavery Act 2018* (Cth).

It also outlines the steps we've taken to identify and assess the risk and mitigation of modern slavery in our supply chains and business operations, as well as the measures and initiatives underway to achieve this.

We've outlined our approach in our Group Modern Slavery Policy, which is approved by our Board.

About us

Established in 1840, we were Australia's first member-owned wellbeing company, delivering health, wealth, and care services. We're committed to real wellbeing for all Australians.

Today, while we've grown to a company whose operations employs approximately 7000 employees and serve hundreds of thousands of members and customers, we remain true to our roots.

Our broad range of products and services are focused on enhancing the wellbeing of Australians and are delivered by our three core operating platforms with a focus on Health, Wealth and Care.

For us, real wellbeing means so much more than physical health. It's about your standard of living and feeling safe in your home. It's your personal relationships and being connected to your community. It's about what you want to achieve in life, while having the security to get out and do what makes you happy.

We've been measuring the real wellbeing of Australians with Deakin University since 2000, through the Australian Unity Wellbeing Index. The Index is a tool that tracks how satisfied people across Australia are with their lives, using seven key areas of wellbeing. It has grown to become one of the most credible and enduring studies of wellbeing in Australia.

You can find more information about us in our [Annual Report](#).

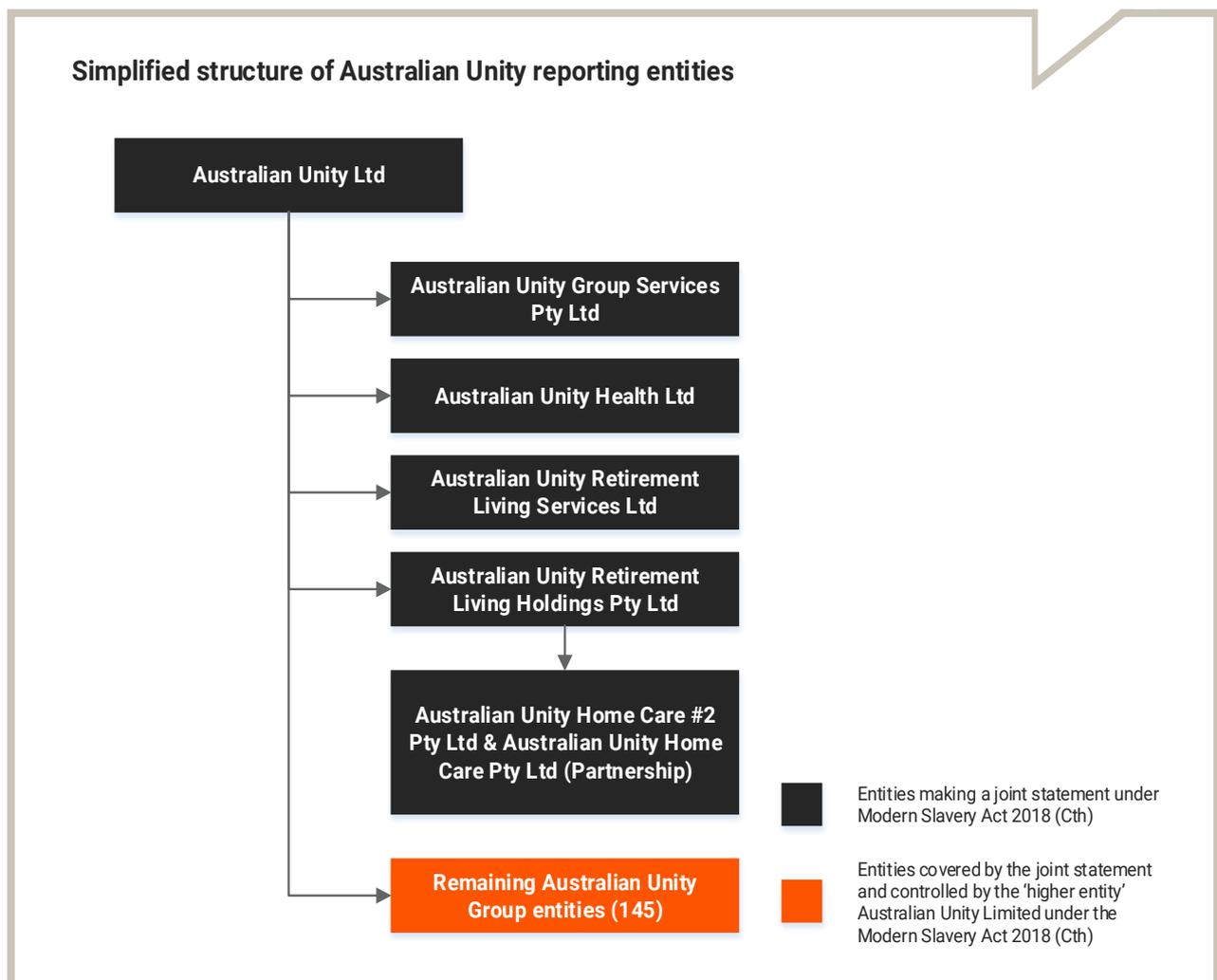
Our organisational structure

The reporting entities we cover

Australian Unity Group is made up of approximately 149 controlled entities within Australia (as of 30 June 2022).

Australian Unity Limited is our parent company and—for the purposes of this statement—the ‘higher entity’. Other than those we’ve listed; no other entity meets the reporting entity criteria under the *Modern Slavery Act 2018* (Cth).

This joint statement covers Australian Unity Limited, Australian Unity Group Services Pty Ltd, Australian Unity Health Limited, Australian Unity Retirement Living Holdings Pty Ltd, Australian Unity Retirement Living Services Limited and the Australian Unity Home Care #2 Pty Ltd & Australian Unity Home Care Pty Ltd (Partnership).



Our policy and governance frameworks

Our Group Policy and Governance frameworks support a range of policies and procedures to promote ethical behavior and good governance. These help to ensure our decisions are made with transparency and integrity, and in line with regulatory and legislative requirements.

Our Group Modern Slavery Policy outlines our approach to modern slavery risk assessment and management across all group-controlled entities. It's supported by our Employee Code of Conduct, Supplier Code of Conduct and Supporting Your Wellbeing policies, as well as complementary policies and standards which cover Enterprise Risk Management, Whistleblower Protection, Group Incident Management, Group Outsourcing, Vendor Management, Health and Safety, Anti-Money Laundering and Counter Terrorism Financing, Welcoming Difference Policy, Equal Opportunity Workplace Standard, Speaking Up Policy, Respectful Workplace Standard and Inclusive and Diverse Workplace Standard.

Living our values

To help people thrive, we seek to be bold, warm, and honest in everything we do.

Our statement comes from a simple premise: if we can be bold, warm, and honest with each other, our customers and everyone we connect with, we can deliver on our purpose to help people thrive and achieve real wellbeing.

Our Code of Conduct explains what we stand for, and helps our people live our values. If you're directly employed by us, you need to learn this Code and complete an online training module. Here are the guiding principles that underpin our Code:

- We consider if our actions align to our values of being bold, warm, and honest.
- We do what's right by always acting professionally, ethically, legally, and honestly.
- We protect intellectual property, privacy, and confidentiality.
- We maintain a safe work environment and promote both the physical and mental wellbeing of staff.
- We act with integrity and honesty. We never exploit or take unfair advantage of our position or make or accept improper gifts or benefits.
- We speak up when we are concerned about something—no matter the situation.
- We know what's required of us under our policies and procedures, so we can comply with laws and regulations.

Compliance training

To support our policy and governance frameworks, we've created a robust schedule of compliance training and awareness sessions. Specific training courses are mandatory for all employees on an annual basis. Over the last year, we've also updated our existing compliance training courses to incorporate Modern Slavery references and criteria where relevant. We've also delivered a specific Modern Slavery Risk training module, which is available to all employees.

Our workforce

Being a leading wellbeing company, we're always here for our people and we strive to protect and boost their physical and mental health, safety, and overall wellbeing. As of 30 June 2022, our total, direct workforce was approximately 7000 (all employed within Australia)

We support and celebrate the diversity of our people to build an inclusive culture across many geographical locations that represent Australia's First Nations, multicultural and diverse communities. We foster a discrimination free, equal opportunity and respectful workplace where all our people and those we work with can be the best they can be.

We have recruitment and employment policies that address inclusion, anti-discrimination, equal opportunity, bullying and harassment. When we're looking to bring on new people, we apply equity, fairness and transparency to the entire hiring, selection, and appointment process. Through our policies and processes across Talent Acquisition, Background Check, Anti-Discrimination & Equal Employment Opportunity and Remuneration, we provide employees with fair and consistent working conditions covering their hours of work, minimum wage and leave entitlements.

Australia's aged care workforce crisis has direct implications for the company, and we've made significant investments in a range of benefits and initiatives aimed at providing meaningful and rewarding employment and career opportunities.



As a wellbeing company with reach across the country, including regional and more remote locations, we've been at the frontline of the various trials and tribulations over the past few years—floods, bushfires, economic downturns, and the COVID-19 pandemic.

These challenges have tested our organisation and workforce to the adverse impacts of these events, particularly in relation to employee burnout, fatigue, and mental health. To help our employees through challenging times, we've actively engaged in implementing a range of mental health and wellbeing initiatives for our employees and families.

Our operations

Retail

We provide private health insurance, banking and general insurance products and services.

Independent and Assisted Living

We operate retirement communities and provide aged care, allied health, and disability services. We also offer preventative health and chronic disease management services

Wealth and Capital Markets

We advise and manage investments, property assets and development funds and act as the Responsible Entity for various funds. We also offer independent financial advice and trustee services.

Our lines of business are across three key platforms, and we provide all our products and services in Australia. We don't manufacture any goods in any of our businesses.

While most of our operations are insourced, a risk assessment for modern slavery practices across our core business areas have identified the following areas of focus that forms the basis for our modern slavery compliance initiatives:

1. Our supply chain vendors and suppliers
2. Our joint venture partners
3. Our outsourced vendors and third-parties.

The Group's approach to modern slavery compliance is embedded into day to day operations and aims to build on the activities that were reported in our previous Modern Slavery Statement.

We've continued to focus on risk assessment of material vendors identified in our diverse supply chain of around 5000 suppliers across specific categories that we had assessed to have a greater risk of modern slavery:

- Technology
- Office services
- Facilities management
- Health equipment and consumables
- Professional services
- Construction
- Marketing
- Catering.

We've also focused on increasing our organisational awareness of modern slavery risks.

Lastly, we've continued to focus on other lesser risk categories in areas of the business we believe should be reviewed. These areas sit within our Wealth and Capital Markets and Independent & Assisted Living platforms—focusing on joint ventures, contractors, and fund managers.

Our compliance initiatives

Over the period of 1 July 2021 to 30 June 2022, the focus of our Modern Slavery compliance activities continues to be on our high risk areas of our supply chain and material vendors.

Our Group procurement function provides the common supply chain platform we use across our entire business. It's supported by strong vendor management frameworks, policies, processes, and systems. Our Supplier Code of Conduct continues to be central to the minimum standards we expect from our suppliers in relation to human rights, working conditions and ethical conduct for employees, contractors, and business operations.

While we mostly source from local suppliers, we also purchase a limited amount of goods and services from multinational companies, including managed IT services, systems, applications, hardware, and construction services.

We completed the risk assessment that was ongoing as at the last Modern Slavery statement on material vendors across specific categories that were identified as of 30 June 2021. There were 161 vendors across the key categories of technology, healthcare and consumables, construction, facilities, catering, medical equipment, health services and office services and includes joint venture partners, outsourced providers, and other third-parties in the relevant categories. The outcome of the risk assessment is outlined below.

FY22 Modern Slavery Third-party Category Risk Assessment

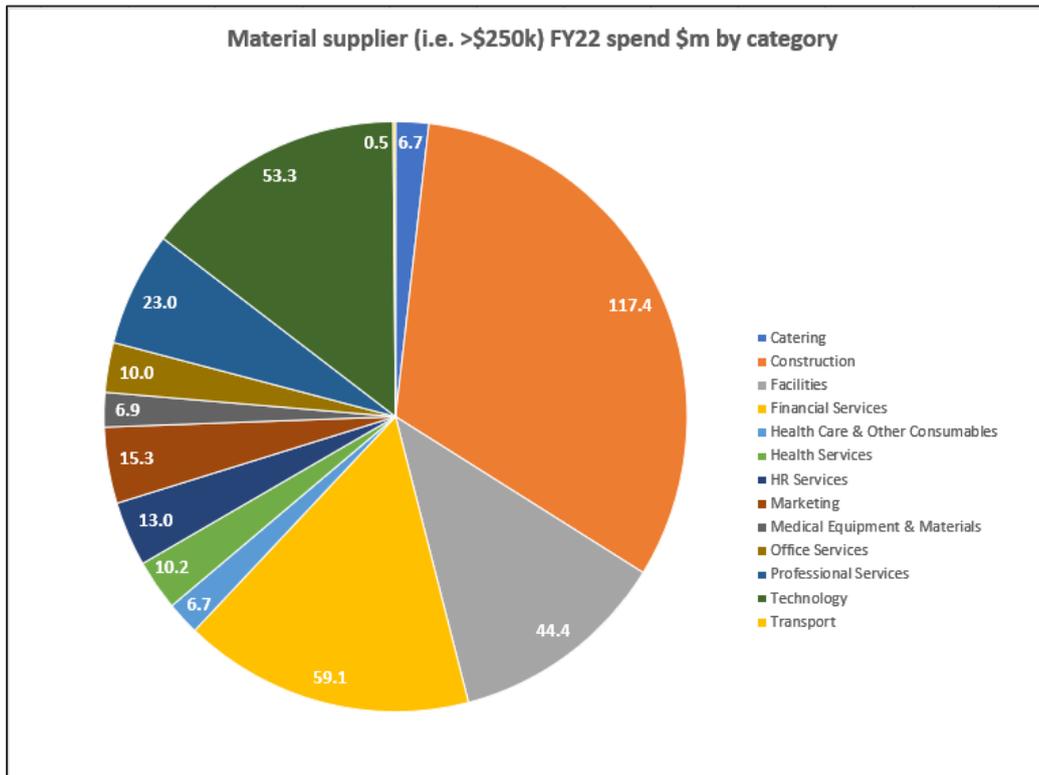
Vendor Category	Risk Rating
Health Care & Consumables	●
Catering	●
Medical Equipment and Materials	●
Facilities	●
Construction	●
Professional Services	●
Technology	●
Health Services	●
Office Services	●
Human Resource Services	●

The risk rating for each category represents an aggregated response for material vendors in that category. A general positive trend was noted in the outcome of the risk assessment as vendors and suppliers start to mature their modern slavery initiatives and have further embedded good governance, employment, and supplier management practices.

For the financial year ended 30 June 2022, our Group Governance team has worked closely with our Group Procurement team to reassess the risk across our supply chain on overall Group procurement spend. We continue to focus on the following modern slavery risk criteria when performing risk assessments in line with our Group Enterprise Risk Management Framework:

- Use of a workforce that is generally transient with a relatively high turnover
- Geographical locations of supplier's manufacturing facilities (or their suppliers)
- The potential for child labour within the supply chain
- Goods and services delivered with low margins and high volumes

We've identified approximately 217 vendors across the key categories of technology, healthcare and consumables, construction, facilities, catering, medical equipment, health services and office services. These vendors account for approximately AUD 366 million spend across the Group or approximately 82% of overall Group procurement spend as noted in the diagram below.



A risk assessment on these vendors is currently underway. The steps undertaken include:

- Preparing a questionnaire to address the key aspects of modern slavery, such as supply chain, vendor management, employee management and compliance processes
- Sending the questionnaire to material vendors in each of the categories
- Reviewing their response alongside supplied documentation
- Going back to suppliers, where needed, seeking clarification, additional confirmation, or risk mitigation confirmation.

We've continued to refine our risk assessment process as well as consider other methods of expanding our risk assessment. We had noted a greater reliance on published modern slavery statements previously and that has continued to be a key measure in our risk assessment process that provides an efficient and insightful outcome to the initiatives performed by our vendors.

We have further looked to expand our risk assessment scope for indirect vendors where it's feasible and relevant to the scope of our compliance activities. Please see the following case study on the next page.

Organisational Awareness

We've continued to ensure that our people are kept informed of our compliance initiatives. A summary communique was made to all leadership team members which included a copy of the 2021 lodged statement. In addition, we have also provided awareness updates via intranet articles to all employees. Our dedicated intranet awareness site continues to be refreshed and includes Group policies, procedures, and modern slavery risk assessment questionnaire. It gives our people access to the Group's view on modern slavery, our compliance activities, the role that our people perform, along with past Group Modern Slavery Statements.

Case Study- Risk Assessment on Indirect Third-Parties

During this reporting period, the company has commenced the process for extending our vendor and third-party risk assessment to include fourth parties in the vendor risk assessment where these vendors were deemed material and not addressed specifically in our current risk assessment processes. In our Wealth and Capital Markets platform, we have identified that there are vendors engaged in our property management joint ventures that are potentially high-risk vendors for modern slavery in line with the Group Policy. These vendors do not fall within the Group procurement processes and accordingly do not get picked up in the Group risk analysis.

One such example was a vendor that provides facility management services, which includes security, cleaning, and general maintenance as part of property strata arrangements. We extended our risk assessment questionnaire to the vendor who was able to provide us with a response and further attached supporting artefacts such as an ethical purchasing and modern slavery policy. Our review noted that the policy documents in place appear to address the critical requirements of modern slavery compliance and are comparable to others that we have noted in the industry.

We further anticipate that for FY23's compliance, we will look to extend our risk assessment to similar vendors across the group where deemed relevant and feasible.



Our remediation and grievance mechanisms

Everyone has a voice at Australian Unity. We encourage our employees and suppliers to speak up about any conduct or activity they believe to be dishonest, corrupt, or illegal.

Through our Whistleblower Protection and Speak Up Policy, we provide guidance on how they can report their concerns free from retribution. It's a governance mechanism designed to facilitate open and frank communication channels are always available, and that genuine grievances are investigated quickly.

Consultation with joint & controlled entities

As we (Australian Unity Limited) own or control all joint entities providing this statement, we also maintain the common processes that support them.

These include the policies, processes, operations, and supply chain management that underpin our modern slavery risk assessment, which was carried out by a working group made up of Risk and Compliance, Group Procurement and Supplier Managers from across our organisation.

The Australian Unity Limited Board Risk and Compliance Committee endorsed the contents of this statement.

Our journey ahead

In our fourth year of compliance reporting, we'll continue to refine and enhance our compliance processes, while staying committed to our compliance obligation activities.

We'll continue to focus on the following key initiatives, many of which are underway, which we'll provide an update on in our next statement (31 December 2023):

- Continue risk assessment activities for selected material vendors for FY22, so we can mitigate new and changing modern slavery risks that arise in our supply chain.
- Follow up and remediate where the risk assessment has identified gaps in the supplier response - to validate that risk of modern slavery is mitigated. This may include identifying alternative suppliers.
- In FY23, the Group expects to complete the implementation of third-party management module for the existing procure to pay system. The module increases the ability of the Group to be able to expand our risk and control initiatives with our vendors and third-parties.
- We envisage that this tool will enable FY24 compliance initiatives to be significantly expanded, expanding coverage of vendors in high-risk categories and subsequently material vendors in other categories. This is expected to provide the Group with a more complete overall view of modern slavery risks in our supply chain.
- We also believe that this tool will enable us to be able to develop key performance indicators to track and assess the effectiveness of the supplier modern slavery risk assessments and questionnaire results.
- We had expected to implement compulsory compliance training for a selected cohorts of users who engage in procurement and vendor management activities, but this has been deferred to be addressed as part of the tool deployment. The training module is available for all personnel to complete on a voluntary basis.

This statement is made pursuant to section 14(1) of the *Modern Slavery Act 2018* (Cth). It constitutes the joint statement of Australian Unity Limited (the ultimate parent company in the Australian Unity Group), Australian Unity Group Services Pty Ltd, Australian Unity Health Limited, Australian Unity Retirement Living Holdings Pty Ltd, Australian Unity Retirement Living Services Limited and the Australian Unity Home Care #2 Pty Ltd & Australian Unity Home Care Pty Ltd (Partnership) and has been approved by the Board of Australian Unity Limited (the 'higher entity') on 25 October 2022.



Rohan Mead
Group Managing Director & Chief Executive Officer

1 December 2022