

Modern Slavery Statement

For Reporting Period 1 July 2021 – 30 June 2022



Table of Contents

.....	0
.....	0
Introduction.....	2
1. Reporting Entity and Structure.....	2
2. ACL Group’s operations and supply chain.....	3
ACL Group’s Operations.....	3
ACL Group’s Supply Chain.....	4
3. Risks of modern slavery practices in ACL Group’s operations and supply chains.....	5
ACL’s Internal Risk Profile.....	5
ACL’s External Risk Profile.....	6
4. Actions taken by ACL Group to assess and address risks.....	7
5. Assessment of effectiveness of actions taken.....	10
6. Consultation.....	11
7. Other Relevant Information.....	12
COVID-19.....	12
Future Initiatives.....	12



Introduction

Australian Clinical Labs Limited (ACN 645 711 128) (**ACL**) is a leading provider of pathology services and skin cancer care in Australia. ACL, together with its owned and controlled entities (**ACL Group**) is committed to understanding and identifying potential modern slavery¹ risks in its operations and supply chains and taking reasonable measures with a view to address such risks, as appropriate.

This Modern Slavery Statement (**Statement**) is produced in compliance with the *Modern Slavery Act 2018* (Cth) (**MSA**) and details ACL Group's above commitment. It also includes information about the actions taken by the ACL Group to assess and address any risks identified during the twelve (12) months period ended on 30th June 2022 (**Reporting Period**).

1. Reporting Entity and Structure

The ACL Group operates through the corporate structure, comprising ACL as the ultimate holding company listed on the Australian Stock Exchange (**Reporting Entity**) and its subsidiaries as outlined in Figure 1 below. ACL's registered office and head office is located in Clayton, Victoria. This is a joint Statement prepared on a consolidated basis for all entities within the ACL Group for the Reporting Period.

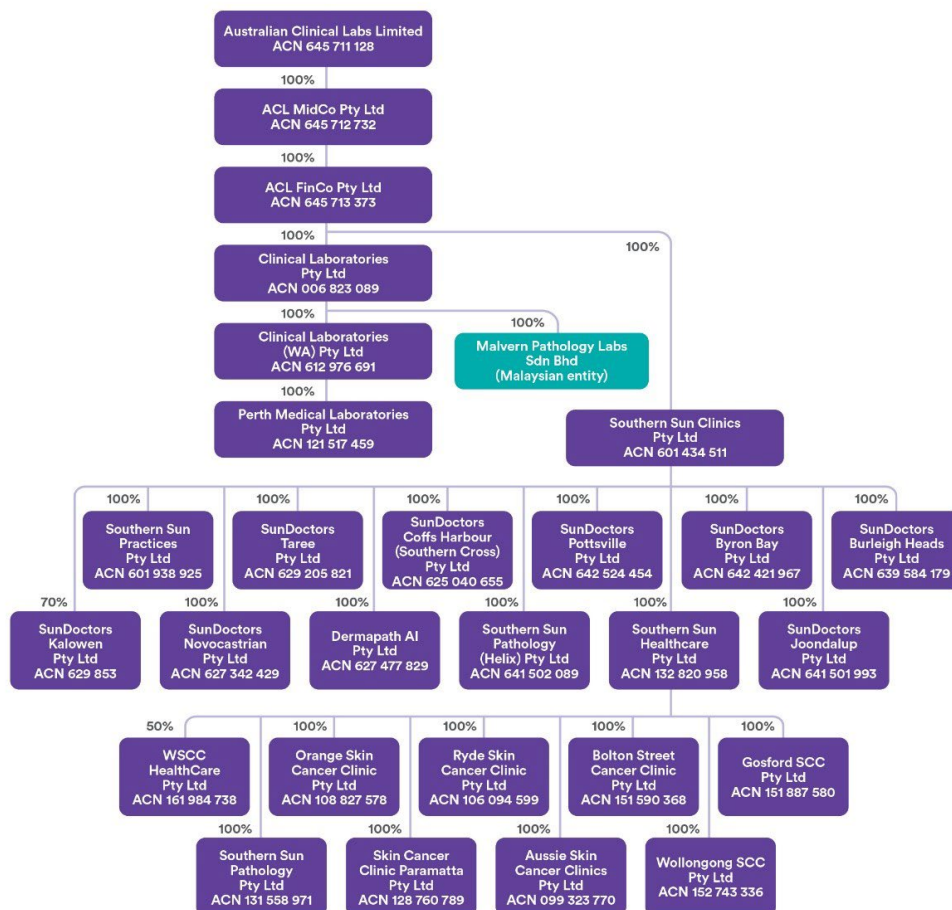


Figure 1: ACL Group's corporate structure as at 30th June 2022.

¹ Modern slavery is defined in the *Modern Slavery Act 2018* (Cth) to include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour.

2. ACL Group's operations and supply chain

ACL Group's Operations²

ACL is a leading provider of pathology services in Australia. ACL has laboratories and pathology collection centres in all Australian States and Territories (except Tasmania) and is one of the largest private hospital pathology businesses nationally.

ACL aims to combine talented people, medical and scientific leadership, with innovative thinking and technologies to empower decision making that saves and improves lives.

In FY22, ACL's laboratories performed close to 12.6m episodes for clinicians and patients within the community.

ACL is also a leading provider of skin cancer care via the SunDoctors brand – operating clinics across Queensland, New South Wales and Victoria.

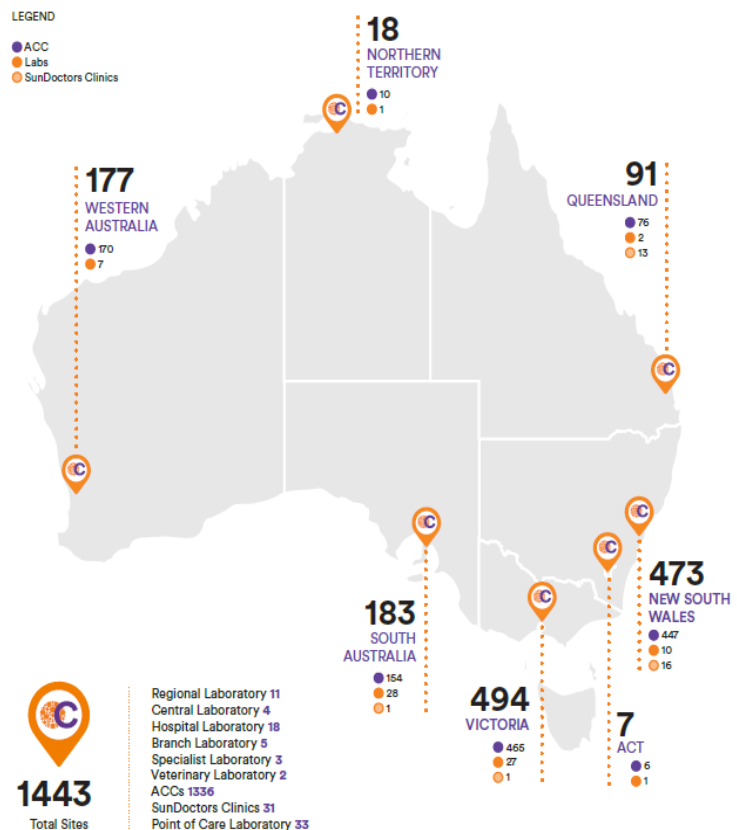


Figure 2: ACL Group's ACCs, skin cancer clinics and NATA - accredited laboratories across Australia.

ACL Group's national footprint now comprises over 1.3k Approved Collection Centres, 31 specialist skin cancer clinics and 76 NATA accredited laboratories across Australia and serves over 90 private and public hospitals nationally.

To support its operations, ACL Group engages approximately 5.4k staff comprising employed, contracted and casual workforce including pathologists, scientists, collectors and support staff. Out of the 5.4k staff, approximately 284 are located in Malaysia.

ACL also operates an off-shore data entry facility in Malaysia through its wholly owned subsidiary registered in Malaysia.³ ACL's Malaysian entity is subject to Malaysian laws including with respect to modern slavery.⁴ It is also subjected to same policies, processes and controls as ACL's domestically owned and controlled entities.

² Detailed information about ACL Group's operations is available on its websites at www.clinicalabs.com.au.

³ Malvern Pathology Labs Sdn Bhd.

⁴ Malaysia's Federal Constitution prohibits slavery and all forms of forced labour, deprivation of personal liberty, banishment and freedom of movement (Art 5,6, 9). Its Penal Code criminalises, kidnapping, abduction, slavery, exploitation and unlawful compulsory labour (ss 362-363, 365-368, 370-372, 374). Its *Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act*

In the Reporting Period, ACL Group made the following key changes to its operational footprint:

- acquired Medlab Pathology, a business founded in 2001 and since grown to be one of Australia’s largest independent pathology provider, based in New South Wales and Queensland;
- integrated SunDoctors, a group of skin cancer clinics and histopathology businesses, into the ACL Group network;
- opened and subsequently expanded new laboratory in Queensland, with a focus on Clinical Trials and Molecular Pathology;
- expanded its main New South Wales laboratory to increase testing capacity; and
- undertook a complete technology upgrade to the Oracle laboratory information system to enable further efficiencies.

More details on these activities can be found in [ACL’s 2022 Annual Report](#).

ACL Group’s Supply Chain

ACL Group endeavours to partner with suppliers that align with its values and commitments including to appropriately address the risks of modern slavery in its operations and supply chains. ACL Group’s total number of suppliers,⁵ and their broad geographical overview is reflected in Figure 3 below.

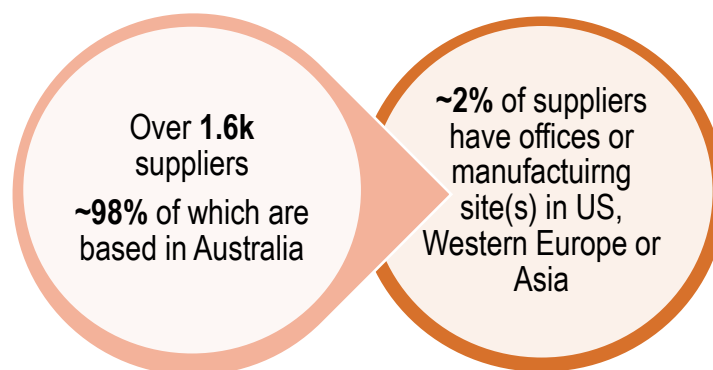


Figure 3: ACL Group’s total number of suppliers and their geographical overview

2007 creates offences relating to trafficking and exploitation which includes all forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude, any illegal activity or removal of human organs (ss 12-16, 18-22). Its *Employment Act 1995* provides minimum protection to employees with regard to their terms and conditions of service consisting of working hours, wages, holidays, retrenchment benefits etc. Its *Child Act 2001* protects girls against prostitution activities as well as provides for ‘protection homes’. Its *Law Reform (Marriage and Divorce) Act 1976* makes it an offence for a person to use force or threats to compel a person to marry against their will or to prevent from contacting a valid marriage once they have attained the age of 21 or 16, if woman. In addition to its domestic law, Malaysia has international obligations for slavery, institutions and practices similar to slavery, forced labour and human trafficking as it is a party to the Forced Labour Convention 1930, Supplementary Slavery Convention 1956, Worst Forms of Child Labour Convention 1999 and the Protocol to Prevent, Suppress and Punish Trafficking in Persons 2000.

⁵ The number of ACL Group’s suppliers varies from year to year as a result of acquisitions, disposals, changing operational requirements and supply chain optimization.

In the Reporting Period, ACL Group's supply chain consisted of over 1.6k suppliers that provided for:

- highly technical and specialised laboratory and other equipment;
- high-volume laboratory and other medical consumables;
- office equipment including for information technology;
- professional services including recruitment, consultancy, legal and financial advisory;
- accreditation, registration and certification including external quality assurance programs; and
- insurance, security, travel, facility maintenance, cleaning, waste disposal and catering services etc.

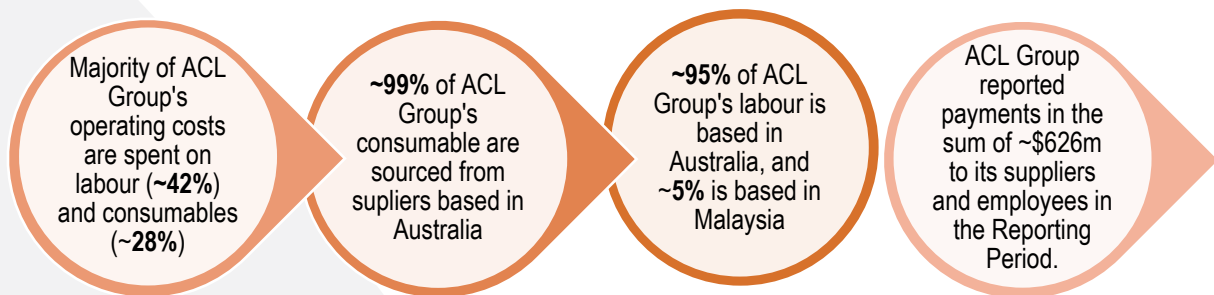


Figure 4: ACL Group's major supply categories and spend⁶ in the Reporting Period.

3. Risks of modern slavery practices in ACL Group's operations and supply chains

ACL Group acknowledges that specific supplier industries, products and services may carry more modern slavery risks than others and that geographical location of some suppliers, as well as that of their supply chains and operations, may contribute to defining ACL Group's risk profile.

ACL's Internal Risk Profile

Considering the changes to ACL Group's operational footprint and supply chains, ACL Group has continued to maintain a low internal modern slavery risk profile in the Reporting Period. ACL Group's policies; processes; controls; and continuous engagement, improvement and education culture, help shape its internal risk profile.

ACL Group's operations are also subject to regular internal and external audits associated with running a pathology (allied healthcare) practice and skin cancer clinics business. This subjects ACL Group to regular scrutiny that makes internal incidence of modern slavery unlikely. The current internal measures that help ACL Group to maintain a low internal risk profile include:

⁶ As reported in ACL's Annual Report 2022.

- following ethical recruitment and labour sourcing practices including using reputable recruitment agencies for personnel needs and not using seasonal or child labour within ACL Group's operations including Malaysia;
- employing staff under relevant Awards, National Employment Standards, enterprise bargaining agreements and / or contracts of employment;
- providing relevant training to staff for allowing them to fulfil their job functions appropriately;
- requiring all staff to comply with ACL Group's Code of Conduct and policies and procedures with respect to diversity and inclusion, anti-bribery and corruption and whistleblower protection; and
- promoting transparent workplace engagement culture including providing open access to ACL's whistleblower reporting mechanisms and embedding social responsibility in business practices.

ACL's External Risk Profile

ACL Group's industry of operation, geographical locations and types of products and services procured, contribute towards shaping its external risk profile. While ACL Group does not believe the industry, nature and location of its core operations would cause or contribute to modern slavery practices, it acknowledges that potential modern slavery risks may arise indirectly through its supply chains with respect to products or components manufactured or sourced from overseas.

As at the end of the Reporting Period, ACL Group's external risk profile in the key risk categories was assessed as follows:

- **Sector and Industry Risk:**

ACL Group continues to operate in the allied healthcare sector, which is not an industry that generally represents a high risk of modern slavery, due to stronger laws, regulations and practices.

- **Geographical Risk:**

ACL Group does not have any Tier 1⁷ suppliers in countries that may present high risks of modern slavery.⁸ Based on supplier engagement and feedback received to date, no particular modern slavery risks have been reported or identified within ACL Group's direct supply chain based on geographical location.

- **Product and Services Risk:**

The main area of modern slavery risk for ACL Group is the products or components, manufactured or sourced from high risk areas overseas, such as medical consumables and components of electronic items that may pose potential risk by product type.

⁷ Tier 1 supplier means ACL Group's direct suppliers.

⁸ Some countries have high risks of modern slavery due to reasons such as weak rule of law, poor governance, conflict, migration flow, socio-economic factors including poverty and lack of education, training or opportunities.

4. Actions taken by ACL Group to assess and address risks

ACL’s previous Modern Slavery Statement outlined the steps taken towards staged implementation of the modern slavery governance program initiated in FY2019-20,⁹ with a view to understand, identify, assess and appropriately address any modern slavery risk(s) that may exist within the group’s supply chain.

The program saw implementation of some effective measures where all suppliers are progressively managed centrally through procurement, quality and risk teams using a detailed due diligence process, which is then tailored depending on the relevant supplier’s circumstances, the nature of its operations, geographical location and product type involved.

As part of the due diligence process, ACL Group through its policy framework sets expectations, both internally and externally, as to its approach to conducting business and dealing with modern slavery risks that may arise in its and its suppliers’ operations and supply chains. An overview of ACL Group’s key policies is as follows:

Policy Name	Overview
Code of Conduct	ACL Group’s Code of Conduct outlines expectations for its directors, officers, employees, contractors, consultants and managers on how to behave and conduct business and includes guidelines on appropriate ethical standards, including a firm commitment to act honestly and fairly.
Supplier Relationship Management Policy	<p>ACL’s Supplier Relationship Management Policy sets expectations for suppliers in the areas of integrity, ethical and legal standards, compliance, confidentiality, labour rights and employment law, health and safety, environment, anti-bribery and corruption, fair competition and product quality. Amongst other things, it provides for:</p> <ul style="list-style-type: none"> • proactive engagement with key strategic and major suppliers, with a focus on building trusting, co-operative and long-term relationships; • ensuring key strategic and major suppliers adopt an approach to ethical business practices with a view to maintaining compliance with relevant legislation, regulations and governmental requirements and directions, including those regarding discrimination, equal opportunity and human rights; • all suppliers to read, understand and accept the policy before being engaged as it makes specific reference to


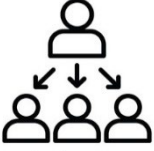



⁹ Modern Slavery Statement for Reporting Period 1 July 2019 to 30 June 2020, p5-6 and Modern Slavery Statement for Reporting Period 1 July 2020 to 30 June 2021, p5.



	<p>modern slavery risks and communicates expectations for suppliers to report such risks accordingly.</p>
<p>Whistleblower Protection Policy</p>	<p>In furtherance of its commitment to fostering a culture of compliance, ethical behaviour and good corporate governance, ACL Group has adopted a Whistleblower Protection Policy to provide a safe and confidential environment for individuals to raise concerns without fear of reprisal.</p> <p>The policy details various avenues through which protected disclosures can be made including by staff, contractors and suppliers (including anonymously). These avenues are also available to make any modern slavery related disclosures.</p>
<p>Anti-Bribery & Corruption Policy</p>	<p>ACL Group’s Anti-Bribery and Corruption Policy supports its Code of Conduct and firm commitment to conducting its business activities in an ethical, lawful and socially responsible manner, and in accordance with the laws and regulations of the countries in which it operates.</p> <p>It sets out responsibilities and provides for mechanisms to implement and monitor compliance including education, training, investigations and audits.</p>
<p>Diversity Policy</p>	<p>ACL’s Diversity Policy sets out its commitment to ensure that its corporate culture and values at all levels support diversity and inclusion in the workplace whilst maintaining a commitment to high performance culture.</p> <p>To this effect it sets out ACL Board’s responsibility to annually set measurable objectives for achieving diversity in the composition of its Board, senior management and workforce generally including where appropriate, diversity with respect to women in leadership, age diversity and cultural diversity.</p> <p>ACL recognises that in order to have an inclusive workplace, discrimination, bullying, harassment, vilification and victimisation cannot be tolerated.</p>

In furtherance of the commitment to continue to invest, engage, communicate, collaborate and respond, as part of its modern slavery governance program, ACL Group has endeavoured to further develop and enhance the program during the Reporting Period.

It introduced additional resources, measures and layers of control to manage identification of any modern slavery risks and guide key decision-making processes with respect to assessment and appropriate remediation of the such risks.

Key actions taken in the Reporting Period in this regard are highlighted below:

Invest	Engage	Communicate	Collaborate
Respond			
 <p>ACL Group continued to respond to feedback and invest in its modern slavery initiatives. It deployed resources in developing and implementing further measures and controls to help identify and assess any modern slavery risks within its evolving operational landscape and supply chains. It:</p> <ul style="list-style-type: none"> expanded the scope of its relevant policies & procedures with a view to ensure that newly acquired businesses (Medlab) and controlled entities (SunDoctors) comply with the same standards as they integrate and align with the ACL Group's core business; improved Malaysian risk reporting standard to ensure any modern slavery risks identified in the Malaysian supply chain are appropriately elevated, assessed and addressed; established cross-functional working group to routinely monitor suppliers and collaborate with the National Executive Team on appropriate response and development of risk management strategies with respect to any identified potential high risk supplier(s); developed a revised modern slavery questionnaire to enhance oversight of its suppliers across different risk profiles (including within Malaysian operations), ensure all suppliers are aligned with ACL Group's commitment on managing modern slavery risks, and to be more evidence based; progressed modern slavery risk rating across suppliers including within its newly acquired SunDoctors and Medlab 	 <p>ACL Group continued to engage, communicate and collaborate, both internally with staff and externally with suppliers, in relation to implementation of its modern slavery governance program. It:</p> <ul style="list-style-type: none"> worked with its controlled entities and its newly acquired business regarding expansion and implementation of relevant policies and procedures to ensure alignment of supplier evaluation, modern slavery risk management and reporting practices; Engaged with the head of Malaysian operations to understand local supplier assessment and risk management processes and extend, adapt and implement centralised processes to Malaysian operations; Communicated its key supplier governance policies and procedures through the induction process, to new staff involved in the procurement process to ensure that roles, responsibilities, and reporting relationships for procurement activities are clear and understood; Contacted certain suppliers to conduct a gap analysis of their existing control arrangements, and sought assurance that there were appropriate arrangements in place to identify, assess and address potential modern slavery risks in their supply chains; followed up with suppliers to demonstrate compliance with ACL Group's Supplier Relationship Management Policy which sets expectations on suppliers in 	  	

<p>businesses, as part of supply chain optimisation;</p> <ul style="list-style-type: none"> enhanced requests for information and follow up procedures for any potential medium or high-risk suppliers who do not engage or satisfactorily respond to the initial modern slavery questionnaire. 	<p>areas of integrity, ethical and sustainability standards;</p> <ul style="list-style-type: none"> Proposed incorporation of appropriate modern slavery provisions in relevant procurement contracts including imposing an obligation on suppliers to promptly report modern slavery risks in their supply chains. 
--	--

5. Assessment of effectiveness of actions taken

ACL Group considers that its modern slavery governance program established a strong foundation for compliance. Staged implementation of the program has thus far seen investment in risk management resources, positive engagement, open participation, policy development, increased awareness, communication strategy development and continued training.

The introduction of additional resources, measures, and layers of control has since enhanced the program. ACL Group remains committed to monitoring the effectiveness of its actions that will inform its decision-making and future initiatives. The assessment of effectiveness of the actions taken in the Reporting Period is outlined below:

Actions	Effectiveness parameters achieved
Invest	<p>Continued investment in resources including dedicated staff and risk management and reporting tools has allowed ACL Group to continue to monitor, assess and report on supplier activity with respect to modern slavery risks.</p> <p>The invested resources have facilitated all actions taken by the ACL Group thus far. This includes allowing implementation of comprehensive supplier due diligence processes and consistent mechanisms for identification, assessment and reporting of modern slavery risks across the business, including through independent whistleblower disclosure platform.</p>
Engage	<p>Expansion and implementation of relevant policies and procedures to Malaysian operations, newly acquired businesses and controlled entities allowed broader engagement with a view to ensure alignment of supplier evaluation, modern slavery risk management and reporting practices within the ACL Group.</p> <p>Similarly, revised modern slavery questionnaires and enhanced follow up request(s) for information procedures allowed improved supplier engagement and oversight across different risk profiles (including Malaysian operations) to ensure that all suppliers are aligned with ACL Group’s commitment to appropriately monitor, assess and address modern slavery risks within their operations and supply chains.</p>

<p>Communicate</p>	<p>Effective communication of key supplier governance policies and procedures to new staff including within procurement teams through induction process allowed heightened awareness and clarity of modern slavery risk management responsibilities and reporting obligations.</p> <p>Similar results were achieved externally when suppliers were followed up to demonstrate compliance and assurance was sought that appropriate measures and controls were in place to effectively identify, assess and report any modern slavery risks in their operations and supply chains.</p>
<p>Collaborate</p>	<p>Alignment of supplier evaluation processes, reporting practices and implementation of centralised policies including in Malaysian operations, newly acquired Medlab and SunDoctors businesses was achieved due to direct engagement, open communication and effective collaboration between various business units within the ACL Group.</p> <p>Effective collaboration was also important and demonstrated when conducting ‘gap analysis’ within some of the suppliers’ existing modern slavery risk management and control environments to assess their effectiveness and alignment with the ACL Group’s expectations.</p>
<p>Respond</p>	<p>In order to mitigate modern slavery risks, potentially presenting from ACL Group’s supplier operations or supply chains, incorporation of appropriate modern slavery provisions in relevant procurement contracts was proposed as a response.</p> <p>Such provisions, where considered appropriate, may impose an obligation on the supplier to promptly report any real or potential modern slavery risks in their operations and supply chain(s), and include where appropriate, rights to seek evidence of compliance, conduct audits, and / or terminate the contract for breach or non-compliance.</p>

6. Consultation

ACL’s commitment to assess and appropriately address modern slavery risks in its operations and supply chains is overseen by ACL’s Board of Directors as guided by its Audit and Risk Committee and supported by ACL’s Executive Management Team.

In accordance with section 14 of the MSA, this Statement has been prepared in consultation with each entity within the ownership or control of the ACL Group. The consultation process involved engaging with relevant members of the National Executive Management Team, Chief Risk Officer, key managers and teams within procurement, finance, risk, quality, legal and human resources areas.

This Statement has been approved by ACL Group’s Board of Directors, being its principal governing body and is signed by its Group Chief Executive Officer and Managing Director, being a responsible member of the Reporting Entity.

7. Other Relevant Information

COVID-19

ACL recognises that the impacts of the COVID-19 pandemic may have increased the vulnerability of workers in global supply chains to modern slavery, including workers in Australia. ACL Group will continue to endeavour to assess and consider any new or increased modern slavery risks arising from the pandemic and address them appropriately.

Future Initiatives

As part of its continuous improvement commitment, ACL Group will reflect on its modern slavery initiatives in light of any future operational and supply chain changes and continue to review and adjust them with a view to ensure that they remain effective in identifying, assessing and addressing any potential modern slavery risks in its operations or supply chains.

Going forward, ACL Group aims to consider:

- identifying any education / development needs across the business and engage in appropriate interventions to progress promoting risk informed culture with respect to modern slavery risks;
- implementing an awareness campaign to build on existing guidance material in the form of in-class training or online e-learning modules to encourage and promote education and re-enforce the importance of compliance with modern slavery processes among staff;
- engaging a third party to commence a program of testing controls in the modern slavery governance program to determine the extent of its effectiveness in identifying, assessing and managing modern slavery risks; and
- exploring options to establishing a risk champion program to support cultural uplift in risk management practices across the business.



Melinda McGrath

Group Chief Executive Officer & Managing Director

30th November 2022