

Modern Slavery Statement

For Reporting Period
1 July 2023
– 30 June 2024



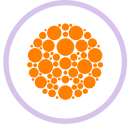


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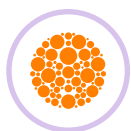
Consultation

ACL's commitment to assess and appropriately address modern slavery risks in its operations and supply chain 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 Modern Slavery Act, 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 ACL Group's National Executive Management Team, Chief Risk Officer, key managers and teams within procurement, finance, risk, quality, legal and human resources areas.

ACL Group's Board of Directors have approved this Statement, 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.

This statement was revised and approved by the Board on 2 December 2024 to incorporate minor updates to formatting and wording to improve clarity. Changes can be found on pages 7, 8 and 9.



Introduction

Australian Clinical Labs Limited (ACN 645 711 128) (**ACL**) is a leading provider of pathology services and skin cancer care in Australia. Together with its subsidiaries (collectively referred to as the ACL Group), ACL is committed to identifying and addressing potential risks of modern slavery¹ in its operations and supply chains.

This Modern Slavery Statement (**Statement**) outlines ACL's commitment to preventing modern slavery in accordance with the *Modern Slavery Act 2018* (Cth) (**MSA**). It provides information on the actions taken over the past year, from 1 July 2023, to 30 June 2024 (**Reporting Period**), to assess and mitigate any identified risks.

1. Reporting Entity and Structure

The ACL Group operates as a corporate entity, with ACL serving as the ultimate holding company listed on the Australian Stock Exchange (**Reporting Entity**). The structure includes ACL and its subsidiaries, as illustrated in Figure 1 below. The registered and head office of ACL is located in Clayton, Victoria. This Statement has been prepared on a consolidated basis for all entities within the ACL Group for the Reporting Period.

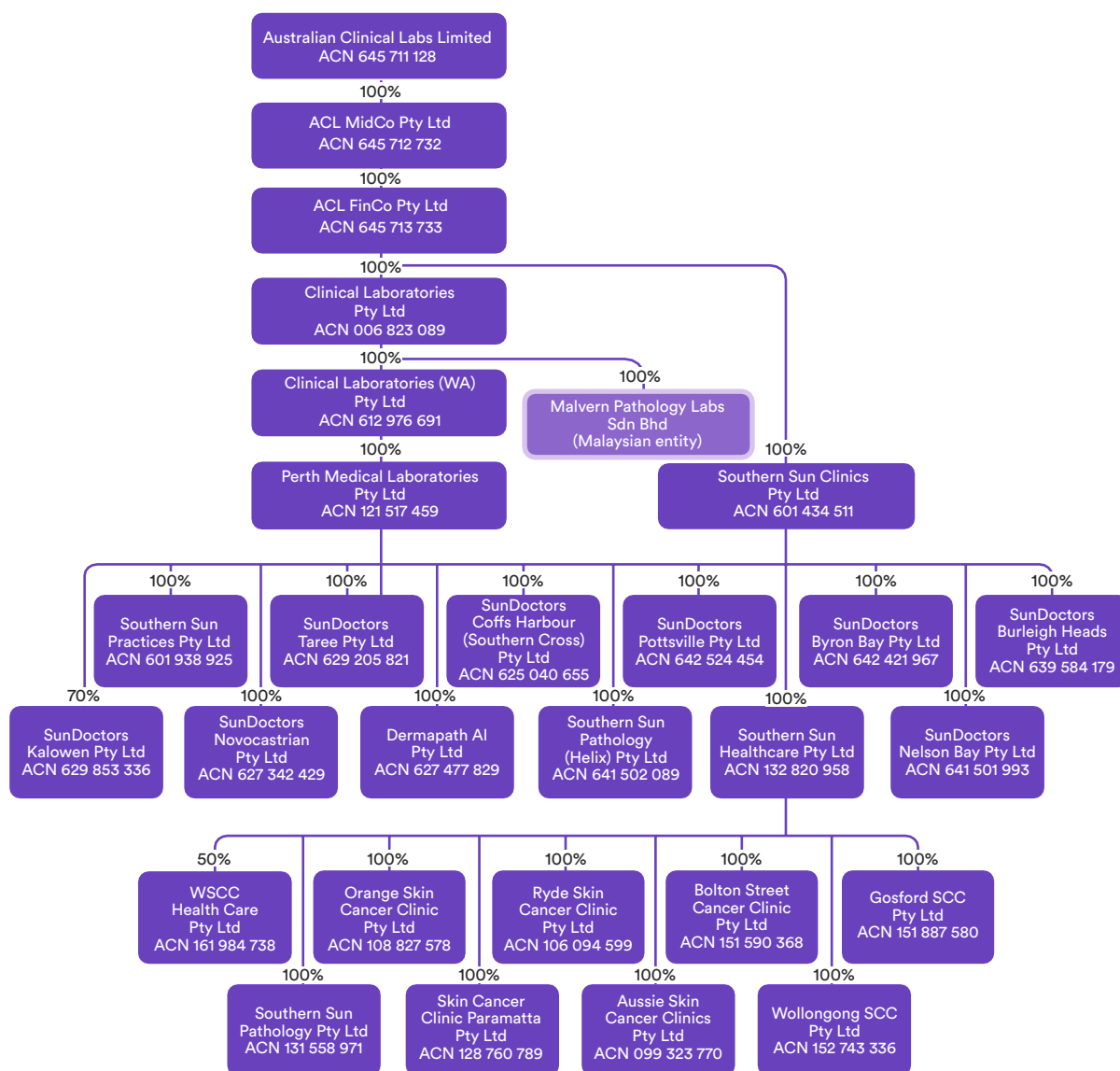
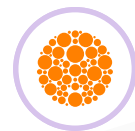


Figure 1: ACL Group's Corporate Structure as of 30 June 2024.

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 Operations

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. It stands as one of the largest private hospital pathology businesses in the country.

Additionally, ACL is prominent provider of skin cancer care through its SunDoctors brand, with clinics in Queensland, New South Wales, and Victoria. The ACL Group's extensive national presence includes over 1,300 approved collection centres, 31 specialised skin cancer clinics, and 70 NATA accredited laboratories throughout Australia, serving more than 90 private and public hospitals nationally. During the Reporting Period, ACL's laboratories performed approximately 12 million episodes for clinicians and patients within the community.

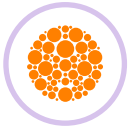
To support its operations, ACL Group employs approximately 5,000 employees, including pathologists, scientists, collectors, and support personnel in Australia, encompassing both contracted and casual roles. Approximately 375 employees are based in Malaysia, where ACL operates an offshore data entry facility through its wholly owned subsidiary². This entity complies with Malaysian laws, including those related to modern slavery³, and follows the same policies, processes, and controls as ACL's operations in Australia.

For further information about ACL Group's activities, please refer to [ACL's 2024 Annual Report](#).



2. Malvern Pathology Labs Sdn Bhd.

3. 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 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.



ACL Group's Supply Chain

ACL Group is dedicated to partnering with suppliers that align with its values and commitments, particularly in addressing the risks of modern slavery in its operations and supply chains. The total number of suppliers of ACL Group⁴ and their geographical distribution are illustrated in Figure 2 below.



Figure 2: ACL Group's total number of suppliers and their geographical overview.

During the Reporting Period, ACL Group's supply chain included more than 1,400 suppliers, providing a range of products and services, including:

- Highly technical and specialised laboratory equipment;
- High-volume laboratory and medical consumables;
- Office equipment, including information technology resources;
- Professional services such as recruitment, consultancy, legal and financial advisory;
- Accreditation, registration, and certification services, including external quality assurance programs;
- Insurance, security, travel, facility maintenance, cleaning, waste disposal, and catering services.

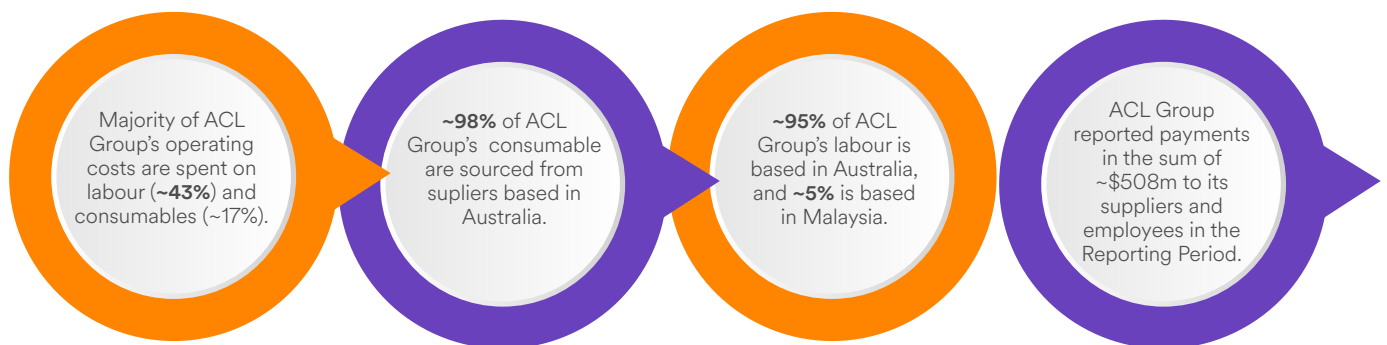
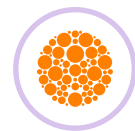


Figure 3: ACL Group's major supply categories and spend⁵ in the Reporting Period.

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

5. As reported in ACL's Annual Report 2024.



3. Risks of Modern Slavery Practices in ACL Group's Operations and Supply Chains

Understanding Modern Slavery Risks

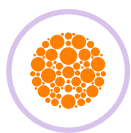
ACL Group recognises that certain supplier industries, products, and services may pose a higher risk of modern slavery than others and that geographical location of some suppliers, as well as that of their supply chains and operations, may contribute to defining ACL Group's risk profile. Using the United Nation's Guiding Principles on Business and Human Rights, ACL Group has determined that it has maintained a low internal risk profile for modern slavery during the Reporting Period.

ACL's Internal Risk Profile

This low risk is supported by comprehensive policies, processes, controls, and a culture focused on continuous engagement, improvement, and education.

In addition to the policies summarised below, ACL Group have several other key measures in place that help it to maintain a low internal risk profile include:

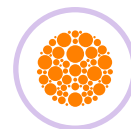




Internal Policies

ACL Group establishes expectations through its policy framework, both internally and externally, regarding its approach to conducting business and addressing modern slavery risks that may arise in suppliers' operations and supply chains. Below is an overview of ACL Group's key policies:

Policy Name	Overview
Code of Conduct	<p>ACL Group's Code of Conduct establishes clear expectations for directors, officers, employees, contractors, consultants, and managers to conduct business lawfully and uphold ethical standards. This commitment extends to preventing modern slavery in all forms, ensuring that ACL's operations respect human rights and promote responsible business practices.</p> <p>The Code emphasises that all employees are required to understand these standards and work within them. Additionally, employees must report any violations of the Code.</p>
Supplier Relationship Management Policy	<p>ACL's Supplier Relationship Management Policy outlines expectations for suppliers regarding integrity, ethical and legal standards, compliance, confidentiality, labour rights, employment law, health and safety, environmental responsibility, anti-bribery and corruption, fair competition, and product quality. The policy includes:</p> <ul style="list-style-type: none"> Proactive engagement with key strategic and major suppliers to foster trusting, cooperative, and long-term relationships, ensuring alignment on ethical labour practices and modern slavery prevention. Ensuring that key suppliers adopt ethical business practices that comply with relevant legislation, regulations, and government requirements, including those related to discrimination, equal opportunity, and human rights. A requirement for all suppliers to read, understand, and accept the policy prior to engagement, emphasising the importance of addressing modern slavery risks and clearly stating expectations for suppliers to report such risks.
Whistleblower Protection Policy	<p>As part of its commitment to fostering a culture of compliance, ethical behaviour, and good corporate governance, ACL Group has implemented a Whistleblower Protection Policy. This policy ensures a safe and confidential environment for individuals to report concerns, including those related to modern slavery, without fear of retaliation.</p> <p>The policy outlines various channels for making protected disclosures, available to employees, contractors, and suppliers, including options for anonymous reporting. These channels specifically include the ability to raise any concerns related to modern slavery practices.</p>
Anti-Bribery & Corruption Policy	<p>ACL Group's Anti-Bribery and Corruption Policy complements its Code of Conduct and underscores the company's commitment to conducting business in an ethical, lawful, and socially responsible manner, in line with the laws and regulations of the countries where it operates.</p> <p>The policy outlines specific responsibilities and includes mechanisms for implementing and monitoring compliance. This encompasses education and training programs, as well as procedures for investigations and audits, all aimed at promoting transparency and integrity, including in relation to modern slavery practices.</p>
Diversity Policy	<p>ACL's Diversity Policy reflects its commitment to fostering a corporate culture that values diversity and inclusion at all levels, while also maintaining high performance standards.</p> <p>To support this commitment, the ACL Board is responsible for annually establishing measurable objectives to enhance diversity in the composition of the Board, senior management, and the workforce. This includes specific goals related to gender diversity in leadership, age diversity, and cultural diversity.</p> <p>ACL acknowledges that creating an inclusive workplace requires a zero-tolerance approach to discrimination, bullying, harassment, vilification, and victimisation, which are all detrimental to a respectful and equitable environment. This commitment extends to ensuring that all employees feel safe and valued, further supporting efforts to combat modern slavery and promote human rights.</p>



ACL's External Risk Profile

ACL Group's external risk profile is influenced by the industry of operation, geographical locations and types of products and services procured. While ACL Group does not believe that its core operations contribute to modern slavery, it recognises that potential risks may arise indirectly through its supply chains, particularly for products or components manufactured or sourced from overseas.

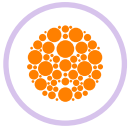
As of the end of the Reporting Period, ACL Group assessed its external risk profile in the key categories as follows:

	<ul style="list-style-type: none">• Sector and Industry Risk: ACL Group operates in the allied healthcare sector, which generally poses a low risk for modern slavery, due to robust laws, regulations, and industry practices.
	<ul style="list-style-type: none">• Geographical Risk: ACL Group does not have any Tier 1⁶ suppliers in countries identified as high-risk for modern slavery⁷. Feedback from supplier engagement indicates that no specific modern slavery risks have been reported or identified within ACL Group's direct supply chain based on geographical location.
	<ul style="list-style-type: none">• Product and Services Risk: The primary area of concern for modern slavery risk for ACL Group involves products or components manufactured or sourced from high-risk areas overseas. This includes medical consumables and components of electronic items, which may carry potential risk based on their product type.

This assessment was conducted in alignment with the United Nations Guiding Principles on Business and Human Rights, using a risk assessment tool that integrates these factors to effectively evaluate the overall risk profile for modern slavery.

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

7. 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.

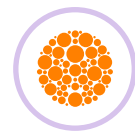


4. Actions Taken by ACL Group to Assess and Address Risks

ACL Group is actively enhancing its response to modern slavery by identifying potential risks in operations and supply chains, implementing mitigating actions, and educating employees. In FY 2024 and up to the date of this Statement, the following initiatives were completed:

Key Initiatives

	1. Integration into Procurement Practices: Commenced work to integrate modern slavery considerations into procurement policies and practices to ensure ethical sourcing, by standardising guidelines that mandate ethical sourcing across all supplier relationships.
	2. ESG Integration: Assessed 100% of all suppliers with contracts valued at \$500,000 or more for potential modern slavery risks, exceeding the 80% target established in ACL Group's Environmental, Social, and Governance (ESG) Statement from the previous reporting period.
	3. Supplier Assessment Questionnaires: Distributed supplier questionnaires to all major suppliers to gather information on their modern slavery practices, achieving a 100% response rate, while also conducting additional due diligence, where appropriate.
	4. Remediation Processes: Established clear remediation processes for cases if modern slavery risks are identified with suppliers, ensuring that affected parties receive support while strengthening ACL Group's response capabilities and commitment to upholding human rights within the supply chain.
	5. Training and Awareness Program: Developed an interactive online training module for employees, including those in Malaysia, to help them recognise signs of modern slavery and understand their role in prevention efforts.
	6. Whistleblower Enhancements: Formed a whistleblower committee with senior management representation and incorporated expert feedback to refine grievance and whistleblower procedures.
	7. Code of Conduct Training: Continued reinforcing provisions related to modern slavery in the Code of Conduct, requiring employees to report risks promptly. Updated review processes achieved a 95% completion rate among key employee group.
	8. Proactive Engagement: Continued collaboration with suppliers to improve their performance and compliance with ethical standards, with ongoing efforts resulting in positive improvements in compliance ratings.
	9. Transparent Reporting: Provided quarterly updates on modern slavery performance to the Board and Audit and Risk Committee, ensuring accountability at the highest levels.

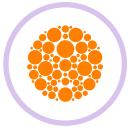


5. Assessment of Effectiveness of Actions Taken

ACL Group relies on a range of tools and methods to ensure the ongoing effectiveness of its actions in the context of modern slavery. During the Reporting Period, the effectiveness of ACL's actions was as follows:

How ACL Group Assesses Its Effectiveness

	How ACL Group Assesses its Effectiveness	Key Outcomes in FY24
Annual Policy Reviews	<ul style="list-style-type: none"> ACL Group conducted regular reviews of key policies to ensure their currency and effectiveness, including an annual assessment of policies related to modern slavery. The implementation of these policies and governance framework was monitored through quarterly reporting to the Board and the Audit and Risk Committee. 	<ul style="list-style-type: none"> Regular reviews of employee entitlements have highlighted the need for stronger governance and reporting, leading to enhanced oversight and regular board updates. An updated Code of Conduct was also introduced to employees as a mandatory training module, accompanied by weekly compliance reports to track adherence in response to the annual reviews.
Supplier Questionnaire and Risk Assessment	<ul style="list-style-type: none"> ACL Group used a Supplier Questionnaire to gather information about its suppliers' operational and supply chain processes, ensuring its understanding of modern slavery risks was accurate. It also collaborated with suppliers to validate its insights into potential risks in its extended supply chain. 	<ul style="list-style-type: none"> The Questionnaire has enhanced the organisation's understanding of how its suppliers address any modern slavery risks within their supply chain.
Stakeholder Feedback for Continuous Improvement	<ul style="list-style-type: none"> ACL Group actively sought feedback from stakeholders, such as suppliers and industry experts, to drive continuous improvement in its modern slavery approach. 	<ul style="list-style-type: none"> Engagement with suppliers and industry experts highlighted the value of ACL Group's Supplier Questionnaire in identifying risk reduction strategies. This engagement has also contributed to ongoing efforts to further refine and standardise the Questionnaire to optimise its impact and usability.
Utilising Findings from Internal Audits	<ul style="list-style-type: none"> ACL Group monitors the performance of key programs through various methods, including collaboration with audit providers to gain insights and identify trends. 	<ul style="list-style-type: none"> Internal reviews have highlighted opportunities for ACL Group to continuously enhance its operational processes, including those related to pay structures and payroll systems.
Consultation with Employees	<ul style="list-style-type: none"> ACL Group consulted with employees to ensure that policies related to modern slavery was fit for purpose and accessible, including those related to grievance mechanisms and whistleblower processes. 	<ul style="list-style-type: none"> Employee feedback on the grievance and whistleblower processes emphasised the opportunity to strengthen governance and enhance reporting mechanisms. In response, ACL reinforced its existing whistleblower framework by establishing a dedicated whistleblower committee, providing employees with additional channels to raise concerns, including those related to potential modern slavery risks, whether within the company or its supply chain.
Monitoring Training and Development Needs	<ul style="list-style-type: none"> ACL Group evaluated the training and development needs of employees to ensure that those in key positions are adequately prepared to recognise and respond to modern slavery practices effectively. 	<ul style="list-style-type: none"> As part of a commitment to continuous improvement, an awareness campaign will be launched to enhance existing training efforts. This initiative will build on current guidance materials to further educate employees and reinforce the importance of compliance with modern slavery processes.
Comparison with Industry Best Practices	<ul style="list-style-type: none"> ACL Group benchmarked its modern slavery statement against those of industry peers, evaluating its approach against reporting criteria outlined in the MSA. 	<ul style="list-style-type: none"> The benchmarking exercise revealed that ACL Group's statement is in strong alignment with legal requirements and industry norms in terms of a structure and activities. This alignment serves as confirmation that the company's efforts are not only compliant but also effective, as they reflect both legal obligations and best practices within the sector.



6. Other Relevant Information

Future Initiatives

As part of its commitment to continuous improvement, ACL Group will assess its modern slavery initiatives to align with any future changes in its operations and supply chains. In FY 2025, ACL Group will endeavour to focus on the following key areas for enhancement, where appropriate:

- Continue to collaborate with suppliers to enhance awareness and compliance regarding modern slavery.
- Ensure that all suppliers understand and adhere to the ACL's Code of Conduct, with follow-ups, as necessary.
- Continue to conduct due diligence and, if needed, initiate remediation efforts with key suppliers in any identified risk areas through detailed questionnaires, risk stratification, and interviews.
- Consider rolling out 'mandatory' training modules to raise employee awareness about modern slavery and ACL Group's obligations under relevant legislation.
- Consider initiating efforts to enhance awareness among smaller suppliers lacking formal policies and procedures for managing modern slavery risks.
- Explore partnerships with non-governmental organisations and experts to develop best practices and resources for raising awareness and preventing modern slavery risks in supply chains.

Melinda McGrath

Melinda McGrath
Group Chief Executive Officer & Managing Director

2 December 2024



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