

Aveo Group: Modern Slavery Statement

1. Introduction

This is Aveo Group Limited's Modern Slavery Statement (**Statement**), which sets out the steps Aveo Group Limited (**Aveo**) has taken to identify, manage and reduce the risks of modern slavery in its operations and supply chains. This Statement has been prepared to satisfy Aveo's reporting requirement under the Commonwealth *Modern Slavery Act 2018*.

Aveo takes its commitment to respecting human rights seriously, including its commitment to identifying, managing and reducing modern slavery risks. This commitment is reflected in our core values of kindness, care and respect. We are dedicated to maintaining a culture of lawful and ethical behaviour by supporting the United Nations' Universal Declaration of Human Rights and working to ensure that our suppliers uphold fundamental human rights.

In today's complex and interconnected world, virtually no organisation is immune from the risk of modern slavery in its operations and supply chains. The United Nations estimates that there are approximately 40 million victims of modern slavery globally. In Australia, the Government has estimated that there were 1567 modern slavery victims between 2015 and 2017.¹

Under Australian law, modern slavery is defined as including certain types of serious exploitation such as trafficking in persons; slavery; servitude; forced labour; debt bondage; deceptive recruiting for labour or services and child labour. Modern slavery can be present in every industry and sector, and is often tied to other crimes and activities that encroach upon human rights, such as corruption and environmental damage.²

Freedom from slavery is a fundamental human right. The *UN Guiding Principles on Business and Human Rights* recognise that entities have a responsibility to respect human rights in their operations and supply chains. This includes taking steps to prevent, mitigate and remedy modern slavery risks.³ Aveo takes this responsibility seriously, and also recognises that taking responsibility makes good business sense: it can lead to improved quality in our supply chains, improved investor and consumer confidence, and better relationships with our workers and local communities.

Aveo is committed to continually improving our processes and thinking in the ways we identify, manage and reduce our modern slavery risk. Given the complexity of the issue, we recognise that taking meaningful and effective action will take time and resources, and we intend to demonstrate the advancement of our approach in subsequent statements.

2. Development and endorsement of this statement

In developing this Statement, Aveo has had careful regard to each of the mandatory reporting criteria set out in the *Modern Slavery Act 2018* and the guidance set out in the Government's "[Guidance for Reporting Entities](#)".

The board of Aveo, senior management and executives have been consulted in preparing this Statement, as well as various Aveo business units including Legal, Audit & Risk, People and Culture, Property & Shared Services (encompassing Projects, Assets and Facilities,

¹ Page 9 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)

² Page 9 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)

³ Page 10 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)



Refurbishments and Reinstatements and Food Services), Development and Payroll. Following that, the Statement has received board endorsement.

Key actions taken to identify, assess and address modern slavery risks for the reporting period are:

- preparation of Aveo's Human Rights Position and Strategy Paper;
- inclusion of a modern slavery clause in our standard contracts, with most updates now complete;
- preliminary preparation of modern slavery risk training to be delivered to key employees involved in procurement and engagement of third party labour hire companies;
- preliminary development of a supplier screening procedure and questionnaire, which is subject to continuous improvement and is being incorporated as part of a broader programme of improving supplier due diligence; and
- carrying out modern slavery risk assessments across key business units .

This statement has been prepared by Aveo, and covers Aveo Group Limited, Aveo Healthcare Limited and other relevant entities within the Aveo corporate group, including subsidiary companies owned by Aveo. In preparation of this statement, key personnel and representatives from all entities were consulted.

3. Structure, Operations and Supply Chains

Aveo's business & operations

Aveo provides accommodation and care services to senior residents through its various offerings including independent living apartments, Freedom Care Communities, and traditional residential aged care facilities.



Aveo currently has 90+ retirement communities under management, having built the portfolio via a combination of acquisitions, brownfield and greenfield developments and redevelopments. The portfolio consists of well-established retirement communities which are predominantly located in prime metropolitan areas, and which offer independent living units, serviced apartments and home care accommodation formats.

Our established business generates profit through a number of different revenue streams, predominantly through the resale of existing units to new incoming residents and the buyback and sale of units to new residents. Across all accommodation types, the main revenue sources are management fees collected upon entry/exit, establishment fees paid at entry and capital gain collected from residents upon exit and resale of units to new incoming residents.

In terms of its development business, Aveo also develops retirement products, recognising development margin as newly built units are completed and sold.

Finally, Aveo's care and support services division consists of four Residential Aged Care facilities with a total of 347 beds, collocated with Aveo's retirement communities. This division generates profit through care and support services, which include:

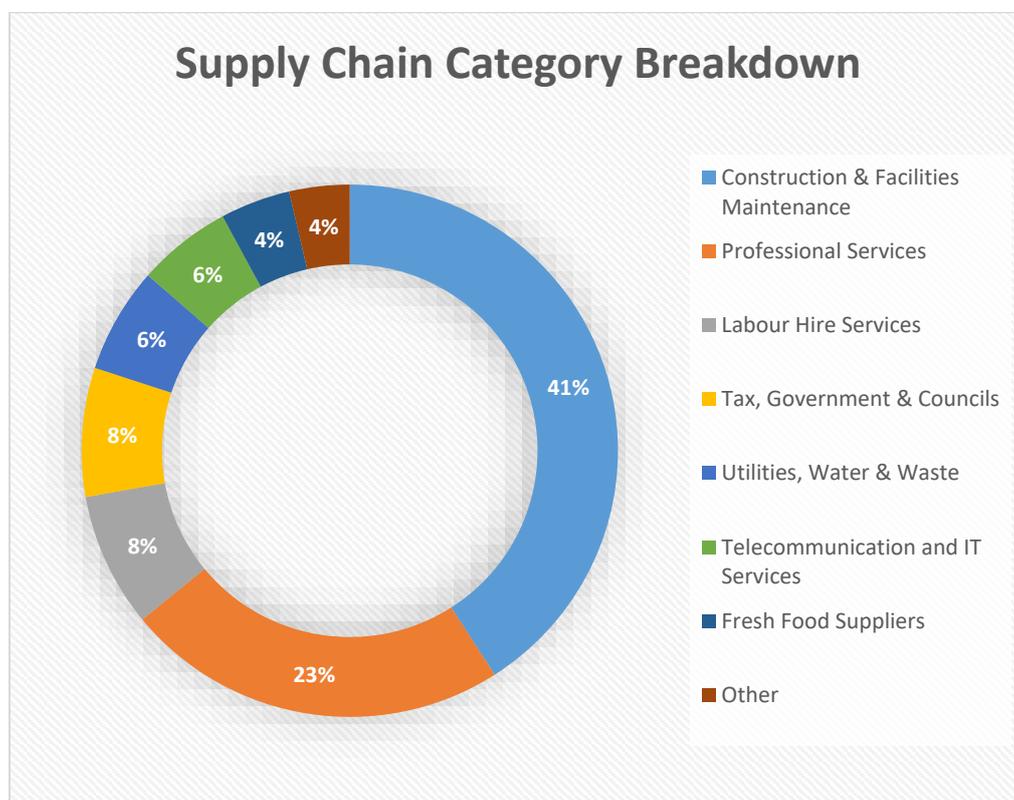
- the Aveo Care at Home business, which provides home care services to a number of Aveo's retirement communities and homes within the surrounding markets;

- a national food and nutrition offering which embraces residents’ differing dietary requirements as they age, with Select Dining in 62 kitchens and Nutrition Select home food delivery to residents;
- Aveo Connect, which provides telecommunications services including phone and internet services, entertainment and monitoring systems; and
- Allied health, although Aveo divested its interests in the two joint ventures carrying out these activities in June and November 2020, respectively.

Supply chains

Aveo’s suppliers

Aveo works with a diverse range of suppliers, from small businesses to globally recognised firms. Our main suppliers (by spend) are set out as follows:



How Aveo deals with suppliers

In late 2020, Aveo Group created a group-wide procurement and business dealings policy which governs Aveo’s approach to evaluating, selecting and dealing with suppliers. A key objective of the policy is to ensure responsibility and compliance for internal staff and our suppliers, which includes components such as Aveo’s Supplier Code of Conduct, modern slavery, privacy, anti-bribery and corruption, occupational health and safety, and other legislative obligations.

Whilst the procurement and business dealings policy is relatively new, compliance is increasing both internally and externally as part of our engagement strategy with Aveo staff and suppliers.

Presently Aveo engages a third party vendor management provider to on-board and screen many of our suppliers. This third party provider manages 30% of our supply base by spend, typically being those engaged for construction, maintenance and operations services at our communities. These suppliers are where Aveo sees the greatest risk with regards to modern slavery. Our remaining suppliers (70% of our supply base) are engaged and managed through our corporate system.

Our third party vendor management provider manages inductions, onboarding and compliance programs. The suppliers managed by our third party are provided with a copy of Aveo's Supplier Code of Conduct amongst other policy documents and are expressly required to comply with it. The code of conduct sets out, among other things, prohibitions on forced labour, inhumane treatment of workers, child labour, and other modern slavery related practices.

Suppliers who are managed through our corporate system tend to be those used at a broader level (e.g. utilities, communications & technology, marketing). These suppliers are not currently subject to onboarding requirements that address conduct that may encapsulate modern slavery. While these suppliers are considered to be lower risk with regards to modern slavery, a continuous improvement program is expected to capture these suppliers in a new onboarding process that addresses relevant supply chain due diligence issues, modern slavery included.

Suppliers are also screened based on the risk and value of the contract as interpreted by Aveo. Where Aveo sees a heightened risk, the procurement and business dealings policy suggests carrying out further due diligence on the supplier by requesting that the supplier complete a comprehensive screening questionnaire relating to anti-bribery and corruption, modern slavery and other factors. Compliance with this requirement is one of the matters being reviewed and addressed by our continuous improvement program.

The modern slavery statement prepared by Aveo for the next reporting period will provide an update on the progress of this initiative.

4. Identifying, assessing and addressing risks

Policy framework

Aveo operates within a policy framework that has been designed to ensure the highest standards of conduct and ethical behaviour, including in relation to modern slavery risks. This framework comprises:

Code of Conduct

- Our Code of Conduct states that Aveo will not work with suppliers and providers who engage in exploitative behaviours or modern-day slavery such as child labour, debt bondage, inhumane treatment of employees and forced or compulsory labour.

Supplier Code of Conduct

- The Supplier Code of Conduct sets out, among other things, certain minimum standards in relation to human rights, forced labour and inhuman treatment of workers, child labour, wages, benefits & working



hours, and ethical business practices. These standards require Aveo's suppliers to comply with international and local obligations, such as the Universal Declaration of Human Rights and standards set by the International Labour Organisation.

Group Procurement & Business Dealings Policy

- Our Procurement and Business Dealings Policy governs Aveo's approach to evaluating, selecting and dealing with suppliers. A key objective of the policy is to ensure responsibility and compliance for internal staff and our suppliers, including components such as Aveo's Supplier Code of Conduct and modern slavery.

Anti-Fraud, Bribery & Corruption Policy

- Aveo's Anti-Fraud, Bribery and Corruption Programme, and its constituent policies and procedures, have been developed to ensure high standards of conduct and ethical behaviour in all of our business activities. Individual and corporate entities associated with Aveo, which act for or on behalf of Aveo, or who perform functions in relation to or on behalf of Aveo are expected to have and comply with policies managing Fraud, Bribery and Corruption risk.

Whistleblower Policy and "Speak up" culture

- Aveo's Whistleblower policy has been designed to promote a safe and confidential environment where employees can raise genuine concerns regarding actual or suspected contraventions of our ethical and legal standards without fear of reprisal or discriminatory treatment. Whistleblowing reports can be made to eligible recipients through multiple channels, are confidential, and reporters can elect to remain anonymous.

The policies that directly address the issue of modern slavery include the Group Procurement and Business Dealings Policy, Code of Conduct and Supplier Code of Conduct. This policy framework is the foundational layer of Aveo's approach to address modern slavery risk in its operations and supply chains.

Standard contracts

One key action we have taken to address modern slavery risks is the inclusion of a modern slavery clause in Aveo's standard contracts, with one standard contract to be amended before this initiative is complete.

Internal due diligence process

To identify and assess the level of modern slavery risk in our operations and supply chains, we have started an internal due diligence process across all relevant business units to track progress on the identification and management of modern slavery risks. Currently, the due diligence process comprises a modern slavery questionnaire which is designed to assess modern slavery risk in each business unit's dealings with its suppliers. Among other items, each business unit is asked to answer the following questions:

- how it approaches and selects suppliers;
- the type of due diligence it conducts on suppliers, including questions about any past modern slavery or human rights issues;
- whether it has ever terminated a supplier relationship because of modern slavery concerns;
- whether it uses outsourced labour providers;
- whether its contracts include obligations on suppliers to comply with modern slavery laws and Aveo's Code of Conduct; and
- the business unit's procedure for addressing its relationship with supplier if it suspects the supplier is in breach of a modern slavery obligation.

Supplier due diligence

To better assess risks in our supply chain, Aveo has created a supplier screening process which assesses a variety of risk factors including modern slavery; anti-fraud, bribery and corruption; privacy; and sustainability.

As part of our continuous improvement program, we are currently reviewing our supplier onboarding process to more comprehensively address supply chain due diligence issues such as modern slavery. While the details are yet to be finalised, it is expected that suppliers may be required to complete different levels of screening based on a number of criteria at Aveo's discretion, such as size or the presence of particular risk factors. As part of the screening process, suppliers will be required to complete a questionnaire which includes questions on compliance with modern slavery obligations. The screening process will be conducted for potential suppliers or as part of an onboarding refresh for existing suppliers.

We expect to have completed the development and rollout of a new supplier onboarding process by the end of 2022.

Addressing risks

After reviewing the results of our internal and supplier due diligence investigations, we identified three business areas as presenting higher risks of modern slavery: Food and Catering Services, Development and those using outsourced labour (predominantly operations).

Food and Catering Services

- We recognise that the many suppliers involved in the Food and Catering supply chain make Aveo susceptible to indirectly using suppliers who may engage in modern slavery practices.

Labour Hire Services (procured by various business units, mainly operations, with support from Human Resources)

- We recognise that Aveo's use of outsourced labour providers makes it susceptible to indirectly using workers who may be subject to modern slavery practices.

Construction (Procured by various business units, mainly Development)

- We recognise that our builders often externally source materials or use offshore manufacturing plants that may engage in modern slavery practices, and that these suppliers are not audited in any structured or periodic way.

Aveo is committed to developing a strategy for managing the modern slavery risks in these three business areas through the proposed update of our vendor due diligence process, currently being examined and developed.

Responding to modern slavery risks during COVID-19

We recognise that COVID-19 exacerbates modern slavery risks, because of (among other things) the health risk, job insecurity or excessive overtime it may impose on workers. The pandemic, along with its related border closures and travel restrictions, has also destabilised or displaced migrant workers who are not afforded the same protections as citizens by the government.

The current COVID-19 crisis remains the most significant risk facing Aveo and demands continued management effort, particularly in relation to employee and resident safety, regulatory compliance, sales, resident experience, liquidity, business continuity and reputation management. Management remains vigilant and continues to adopt a proactive and agile COVID-19 pandemic response, congruent with prevailing government directives and industry recommendations. In particular, we have proactively taken steps to protect workers in our operations.

In light of the health risks posed by COVID-19, workplace safety remains Aveo's top priority. Aveo's Chief Risk Officer and COVID Response Lead has worked with stakeholders across operations, risk, safety and clinical governance to develop a robust and agile Pandemic Response Strategy.

Aveo's COVID Response Strategy broadly encompasses:

- Regular communications to staff and residents;
- Maintenance of a COVID resource library, including mental health support aids;
- PPE supplies including additional clinical resources;
- Control of visitor and third party provider access, subject to State Government directives;
- Enhanced registration process across our Aged Care and Retirement Communities (QR code and bio-screening);
- Self-isolation protocols for residents and staff, as required, depending on their COVID-19 risk profile and locality to a COVID-19 hotspot;
- Workforce management and staff training on donning and doffing of PPE, infection prevention and control, and pandemic response;
- Vaccination efforts (both influenza and COVID-19);
- COVIDSafe Plans for food and beverage; sales tours; community operations; and
- 'Mask for a Task' PPE use in care delivery and food service.

Aveo has also established an internal COVID-19 Hotline. The Hotline is staffed by qualified nurses who triage calls and provide advice and instruction to Aveo staff and residents who report situations of exposure, sickness, COVID testing etc. Workforce alerts are automatically triggered out when a call is logged by a staff member and they are placed on isolation/stay at home orders while recovering from illness or awaiting test results.

The Hotline triaged over 7,800 incoming calls and made over 9,200 outgoing (follow-up/welfare) calls in the twelve months to March 2021.

In support of broader COVID response efforts, Aveo developed a Return to Office Strategy, with corporate workforces progressing to Phase 4 of return to office plans targeting 80% to 100% occupancy. Infection prevention and control activities, physical distancing, PPE use, QR Code registration and Aveo's COVID Hotline protocols remain in effect.

At a site level, all communities have developed and implemented a Community Response Manual setting out the detailed actions taken at different alert levels.

The community manual is a comprehensive guide that gives effect to Aveo's enterprise level pandemic response strategy document.

The Community Response Manual has proven to be effective in the management of infectious outbreaks such as the Northern Beaches Clusters in Sydney during December 2020. A "Re-Exit" strategy is in place and has been activated in circumstances where restrictions have been reapplied by State Governments. The embedding of a long-term strategic solution to adjust to a "new normal" beyond the immediate crisis is in place, and has strengthened Aveo's resilience and agility in safeguarding both resident and organisational interests.

5. Effectiveness

In line with our commitment to continuously improving our response to modern slavery risks, in 2021 we will progress our engagement with our suppliers and our business to develop methods of assessing the effectiveness of our actions in relation to modern slavery. This will include developing a suite of key performance indicators such as:

- in relation to our current programme of broadening and strengthening our supplier screening process, the proportion of our suppliers undergoing screening once the programme is rolled out;
- as we develop tailored training to be provided to key employees involved in recruitment and engagement of contractors, tracking of the completion rate of that training; and
- the number of grievances raised and remediated/resolved in relation to external parties (such as suppliers).

This process will be overseen by the Board's Audit and Risk Committee, which meets quarterly. Each committee meeting going forward will include consideration of Modern Slavery matters.

6. Consultation with Aveo group entities

To ensure that we are comprehensively managing our modern slavery risk, Aveo has consulted and collaborated with all relevant business units and entities forming part of its corporate group.

As part of the consultation process, we distributed questionnaires across key areas of the business to assess modern slavery risks in each relevant business unit, as detailed above in section 4.

7. Other relevant information

This Statement was prepared to satisfy the mandatory reporting criteria set out in the *Modern Slavery Act 2018*. The table below sets out where the Statement addresses each mandatory reporting criterion.

Mandatory reporting criterion	Aveo Modern Slavery Statement
1. Identify the reporting entity	Section 3 – Structure, Operations & Supply Chains
2. Describe the reporting entity's structure, operations and supply chains	Section 3 – Structure, Operations & Supply Chains
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Section 4 – Identifying, assessing and addressing risks
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Section 4 – Identifying, assessing and addressing risks
5. Describe how the reporting entity assesses the effectiveness of these actions	Section 5 - Effectiveness
6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Section 6 – Consultation with Aveo group entities
7. Provide any other relevant information.	Section 7 – Other relevant information



Signed on behalf of Aveo Group Ltd by its Director:

A handwritten signature in black ink, appearing to read "Tony Randello", written over a horizontal line.

29 June 2021

Signature

Date

Tony Randello

Print Name