



Modern Slavery Statement 2023

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Acknowledgement of Country

Estia Health acknowledges all Aboriginal and Torres Strait Islander Traditional Owners of Country throughout Australia and recognises their connection to land, sea, culture and community. We pay our respect to Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander Peoples.

1 CEO and Managing Director's Message

I am pleased to present the Modern Slavery Statement of Estia Health Ltd and its subsidiaries (the **Group**, or **Estia Health**) for the year ended 30 June 2023 (**FY23**), which has been prepared and delivered in accordance with the requirements and criteria of the *Modern Slavery Act 2018* (Cth). This is the Group's fourth Modern Slavery Statement and was approved by the Estia Health Ltd Board on 16 November 2023. The statement outlines the approach and actions taken to address the risk of modern slavery in our operations and supply chains.



Sean Bilton
CEO and Managing Director

At Estia Health, we are committed to delivering residential aged care services and conducting our operations in a way that respects the human rights of our employees, the people we work with, and the communities in which we operate. This extends to safeguarding the rights of individuals that form part of our supply chain.

In recognising the potential risks inherent in modern slavery, we continue to monitor our operations and those of our suppliers. We understand the greatest risks lie within indirect supply chains, with our suppliers playing a pivotal role in procuring essential goods and services through multi-tiered supply chains.

Embedded within our ethos of care, and in our efforts to safeguard society's most vulnerable, we have introduced the Supplier Code of Conduct (the Code) which sets out the minimum standards expected of our suppliers. These standards have been integrated into the contractual arrangements for the supply of goods and services, with expectation of supplier adherence to the Code, and due diligence to be conducted within their own supply chains.

By nurturing a culture of best practice, legal adherence, and alignment with international frameworks, we form part of a community committed to ending modern slavery. To our suppliers, we extend our gratitude for their support, transparency and collaboration as we address modern slavery risk and achieve positive and long-lasting improvements across our shared supply chains.

A handwritten signature in black ink, appearing to read 'S Bilton', written in a cursive style.

Sean Bilton
CEO and Managing Director

2 About Estia Health – our structure, operations, and supply chains

Formed in October 2013, Estia Health Limited (the Group) is a provider of residential aged care in Australia operating 6,720 resident places across New South Wales, Queensland, South Australia and Victoria.

During FY23, the Group's services were delivered through 73 homes, operating within local networks aimed at providing resident-centred services tailored to the needs and characteristics valued within their local communities. The Group has no operations outside Australia.

Diversified geographic and demographic profile

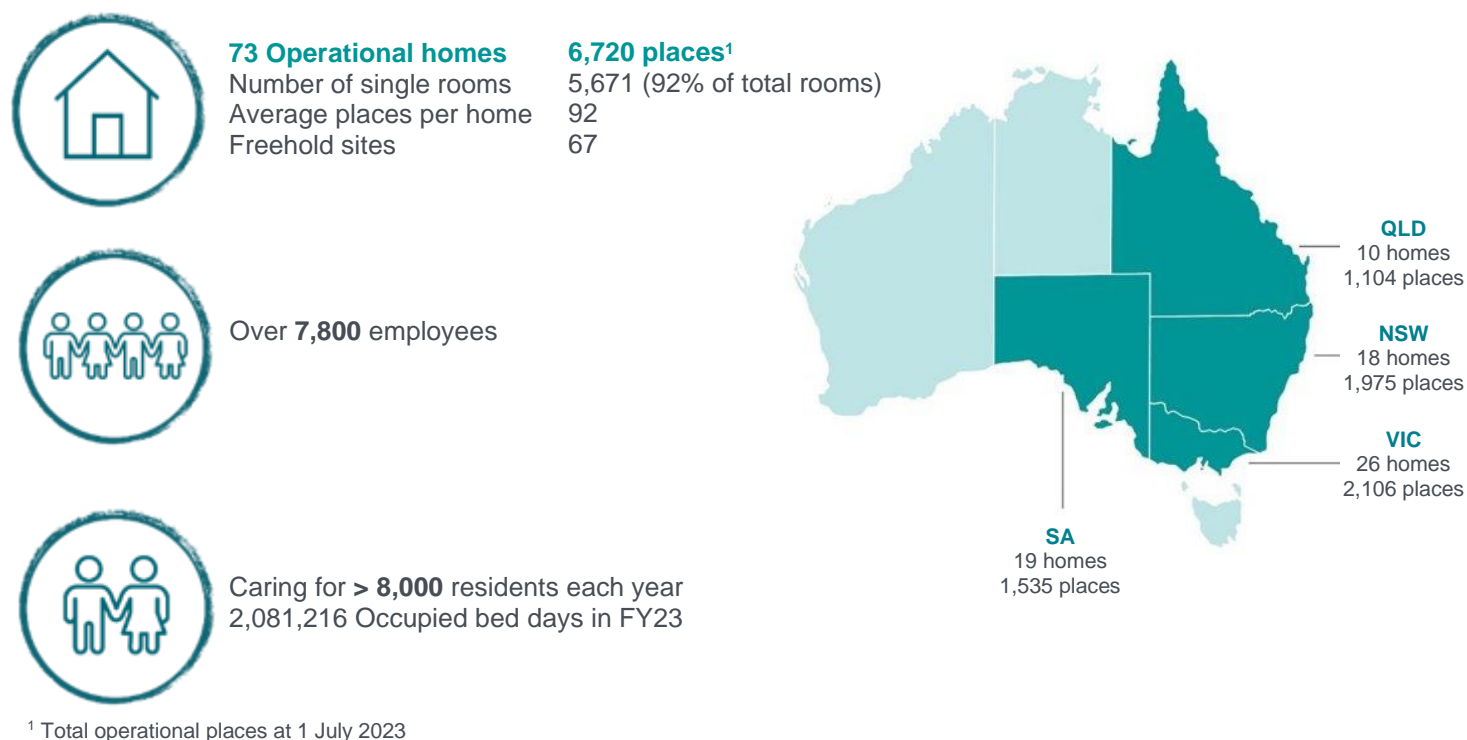


Figure 1: a snapshot of Estia Health at 30 June 2023

In FY23, the Group revenue was \$738.7 million. During this period, staff costs amounted to \$531.5m, while non-staff costs totalled \$121.9m. Further information on Estia Health can be found on the Estia Health [company information](#) page.

Structure and operations

The Group has an established governance framework appropriate to and in accordance with the requirements of the ASX Corporate Governance Principles and the requirements of the Aged Care Act.

The Group's Corporate Governance Statement outlines the corporate governance practices.

Local home roles: each home has a local management team supplemented by state-based support teams and a centralised shared services function. Home-based staff roles include nurses, carers, lifestyle assistants, and chefs.

Central services teams provide policy, process, support and monitoring across:

- clinical services & quality of care,
- health and safety,
- human resources,
- information technology,
- finance,
- property services,
- centralised procurement and supplier selection.



Figure 2: Estia Health structure

Supply chains

Estia Health's supply chain remains consistent with the previous year (FY22) without material changes. The provision of goods and services are from companies that, in the majority, are engaged on a long-term, contractual basis. By maintaining a stable and preferred supplier network, we aim to enhance operational efficiency and uphold the principles of accountability and transparency within our supply chain operations. Preferred suppliers are centrally contracted for the majority of goods and services in the key spend categories of:

- 1 Corporate and operational procurement:**
includes catering and hospitality, medical equipment, personal protective equipment (PPE) and consumables, allied health services, labour hire, uniforms and clothing, information technology and electrical equipment and office supplies.
- 2 Capital and property work:**
includes the products and services required for refurbishment and upkeep of existing homes and the development and construction of new aged care homes.
- 3 Professional services:**
includes professional services, accounting and auditing services, consultants, recruitment services and legal services.

3 Areas of modern slavery risk in operations and supply chains

We are aware modern slavery risks can arise within our business operations, as well as in the broader value chain, through suppliers.

Operational risks

Estia Health's homes and direct operations are based in Australia and operate in a highly regulated labour market, with a low likelihood of modern slavery cases occurring within direct operations and direct workforce. The Group adheres and reports against regulatory requirements and enacts internal policies and governance processes to promote a workplace culture of safety and care, and upholds protections relating to workplace rights, freedom of association and workplace discrimination.

81.3% of the Group's costs (excluding depreciation, interest and tax) are incurred as remuneration to Australian-based employees and contractors who are protected by Australian workplace regulations and monitoring by unions and government agencies. 95% of the Group's employees are engaged under union negotiated State-based Enterprise Agreements which cover a wide range of terms and conditions, in addition to pay levels.

At times, it may be necessary to engage recruitment agencies, or labour hire agencies to fulfil short term temporary needs. Recruitment and selection processes adhere to Equal Opportunity and Anti-Discrimination legislation, and Fair Work legislation. Recruitment and Onboarding policy informs the process of appointment of individuals in all positions, this process extends to the engagement of labour hire, temporary or interim personnel through Estia Health agreed suppliers.

Our operational framework is informed by a range of measures including the Group Code of Conduct, Supplier Code of Conduct, Whistleblower Policy, Reporting and Resolving a Grievance Policy, and Diversity and Inclusion Policy. These components reinforce our modern slavery response. After consideration, the Group believes there is a low likelihood of modern slavery harm arising within its own operation and direct workforce.

Supply chain risks

In 2023, the Global Slavery Index (GSI) estimated that up to 41,000 people are living in conditions of modern slavery in Australia. The Group is reliant on a significant number of third-party suppliers, delivering goods and services, with areas with the potential for modern slavery harm including:

- food (all food is fresh and cooked on premises)
- allied health services and consultants
- cleaning and waste disposal
- medical and surgical supplies
- energy, utilities, and communications
- home repairs and maintenance
- consulting and professional services

The Group's central procurement team negotiates and establishes contractual terms and conditions with preferred suppliers whose use is mandated throughout the Group's homes. A requirement for ordering of goods and services is through an online purchasing and payments system, reducing the opportunity for home-based staff to purchase outside these approved channels and suppliers.

Centralised contracting of preferred suppliers allows greater control over the vetting and assessment of potential providers and increases the ability to identify, assess and mitigate potential risk of modern slavery harm arising within the Group's supply chains.

The Group's supply chain is concentrated within a small group of suppliers. This year we collaborated with 26 suppliers to raise awareness of the Supplier Code of Conduct and the inclusion of the Modern Slavery clause into Estia Health contracts.

In FY22, Estia Health engaged a third-party to evaluate our suppliers and to improve visibility within our supply chain and operations. This specialised support conducted third-party risk assessment and mapping of Tier 1 suppliers and Tier 2 suppliers inherent modern slavery risk by country of origin, industry, product, commodity and spend level, utilising a range of databases to incorporate findings into the assessment model.

In FY23, Estia Health’s commitment to mitigating modern slavery risks extended to publishing our Supplier Code of Conduct, setting standards and expectations of our suppliers, and introducing a modern slavery clause into goods and services procurement contracts.

4 Actions taken to assess and address modern slavery risks

Estia Health's approach to addressing modern slavery is guided by the *Modern Slavery Act 2018* (Cth). In FY23, third party analysis revealed that of the suppliers that completed the self-assessment survey in FY22, one was deemed high risk due to being classified in a potential high-risk category for modern slavery. This required further clarification and verification of the supplier's internal policies, which Estia Health investigated in FY23 and found no relevant material risk to the organisation. As part of the Group’s focus on maturing due diligence procedures, Estia Health incorporated a modern slavery clause into new and renewed contractual agreements, initiating further engagement with suppliers in identifying and managing the risk of modern slavery in supply chains.

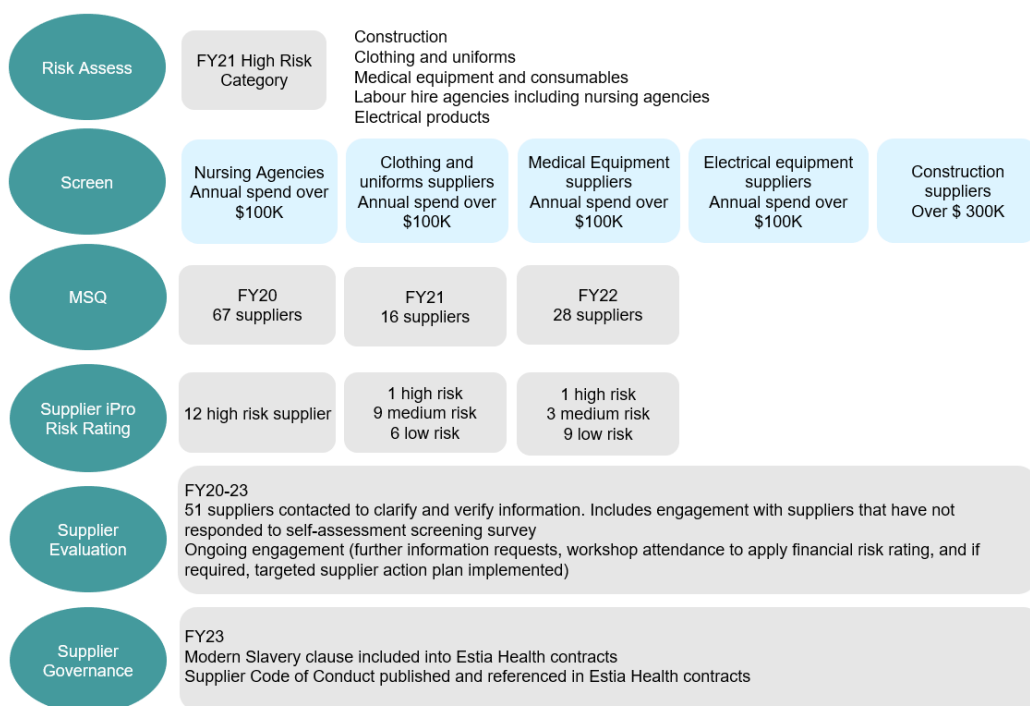


Figure 3: FY20-FY23 actions taken summary

Further FY23 progress against Estia Health's 2021-2023 Modern Slavery Roadmap is outlined below:

Roadmap areas	Roadmap actions	FY23 progress update
1. Governance and due diligence	<ul style="list-style-type: none"> Expand existing policies and Code of Conduct Continue due diligence process Incorporation of modern slavery process into contracts 	<ul style="list-style-type: none"> Integrated the Modern Slavery clause into Estia Health contracts, issued 20 preferred suppliers with updated procurement contract. Published the Supplier Code of Conduct. Issued Supplier Code of Conduct to 26 preferred suppliers, with \$97m in spend covered. Developed sustainable procurement guidelines, embedding modern slavery due diligence into procurement processes.
2. Engagement and training	<ul style="list-style-type: none"> Open communication channels with suppliers and employees Implement an internal modern slavery training program for key teams (e.g. procurement, property) 	<ul style="list-style-type: none"> Engaged with 26 preferred suppliers of the Supplier Code of Conduct and the inclusion of the Modern Slavery clause into Estia Health contracts. Implemented an external modern slavery training program to 7 suppliers. Implemented an internal modern slavery training program for the procurement team. Implemented whistleblower training, with 5667 completions across the Group, as at FY23 end.
3. Remediation and reporting	<ul style="list-style-type: none"> Design and implement a remediation process Develop and implement a reporting and evaluation framework 	<ul style="list-style-type: none"> Reviewed remediation process. Decision tree analysis developed for modern slavery risks.
4. Collaboration	<ul style="list-style-type: none"> Investigate and pursue collaboration with relevant networks and organisations 	<ul style="list-style-type: none"> Investigated and engaged in external forums through corporate membership (The Ethics Alliance). Collaborated with 26 suppliers as part of the Supplier Code of Conduct implementation.

Grievance mechanism

The Group supports a structured process for escalating concerns, addressing and resolving complaints through established grievance procedures, readily accessible to all staff. These mechanisms provide a process for employees and external parties to report concerns.

Code of Conduct

The Group's Code of Conduct for all employees and contractors sets out the values, commitments, policies and provides a framework to provide the confidence of our workforce, residents, communities, and investors. The Code is designed to help our employees and contractors understand their responsibilities and obligations, guidance on expected conduct, performance, and ethical standards.

The Group undertakes mandatory training for staff in areas including:

- bullying, discrimination & harassment
- workplace health, safety and wellbeing

Supplier Code of Conduct

The Supplier Code of Conduct sets out the minimum standards expected of Estia Health suppliers, contractors, consultants, agents and other providers of goods and services. By entering a contract with Estia Health, suppliers agree to make all reasonable endeavours to comply with the Code and ensure their employees, subcontractors, and agents also adhere to its principles.

Whistleblower Policy

The Whistleblower Policy guides confidential reporting of observed or suspected reportable misconduct. This Policy provides whistleblower protection under whistleblowing laws, with specific protections against harassment, vilification, or employment consequences to anyone who makes a report. The Audit Committee is advised of all incidents reported under this policy. Whistleblower training continued, with 5667 completions across the Group at the end of FY23.

Whistleblower hotline

The 'Say Something Hotline' whistleblower hotline, independently operated, allows for anonymous disclosures of suspected misconduct, including modern slavery concerns. Suppliers, contractors, and sub-contractors can utilise Estia Health's Whistleblower Policy and services to report modern slavery concerns. In FY23, the hotline received no modern slavery calls.

Health, Safety, and Wellbeing Policy

The Health, Safety, and Wellbeing Policy and procedure commits to providing and maintaining a working environment that is safe, without risks to health, and eliminates or minimises work-related hazards and risks. The policy complies with the Work Health and Safety Acts and Regulations for the jurisdictions in which we operate, as well as codes of practice. The process allows for the reporting of safety concerns and risks to managers, and SolvSafety, an online safety management system. Further, at the commencement of employment, all employees are required to complete mandatory 'Staying safe at work' training, with 7088 completions across the Group at the end of FY23.

Employee Assistance Program

The employee support service REACH is an independent Employee Assistance Program service, and acts as a channel for staff, residents, families and visitors to raise issues of concern.

Remediation process

The Group has established standards, policy, procedures, and controls as part of the remediation process, including the Reporting and Resolving a Grievance Policy. This policy applies to all employees, other workers, and contractors of Estia Health, and provides a guideline for dealing with a grievance and the process for escalation, without fear of retribution. In FY23, no calls were received by the 'Say Something Hotline' whistleblower hotline in relation to Modern Slavery concerns, and no supplier contracts were terminated as a result of Modern Slavery concerns.

5 Assessing the effectiveness of our actions

The Group evaluates modern slavery risks for Estia Health's operations and supply chain. Effectiveness is assessed through engagement with suppliers. This approach includes:

1. self-evaluation: the Sustainability Committee evaluates progress on the Modern Slavery Roadmap, identifying actions to enhance our approach to modern slavery risk. In addition, the Group applies due diligence when onboarding new suppliers
2. external expertise: the Group sources external specialist expertise to improve Estia Health's approach to modern slavery, in efforts to enhance Estia Health's modern slavery strategy and long-term best practice

6 Consultation

A groupwide consultation process was conducted with the directors and management of each entity within the Group. This group-wide consultation process was led by the common operational and executive leadership of the Group. Estia Health's Board holds the responsibility for approving and supervising the Group's modern slavery risk management approach and the disclosures in this Statement. The Board receives frequent updates from the Chief Executive and senior management, incorporating insights from the Executive Leadership team and independent advisors, as necessary.

The Sustainability Committee, composed of senior leaders and subject matter experts, guides Estia Health's efforts in environmental, social, and governance matters, including modern slavery. This committee oversees and reviews the implementation of sustainability strategies, activities, and projects. It meets approximately monthly and consists of key Executive, the Head of Sustainability, and senior managers across the Group.

7 Reporting entities

Estia Health Ltd (ACN 160 986 201) is an Australian public company listed on the Australian Securities Exchange (ASX: EHE). The company's registered office is at Level 9, 227 Elizabeth Street, Sydney, NSW Australia.

This Statement was published in accordance with the *Modern Slavery Act 2018* (Cth) on behalf of Estia Health Ltd and its subsidiary companies (referred to as 'Estia Health' or 'the Group' or 'the Company' or 'we' or 'our' or 'us') for the period from 1 July 2022 to 30 June 2023.

Ultimate Holding Company

- Estia Health Ltd

Wholly Owned Subsidiaries

Active:

- Estia Investments Pty Ltd
- Estia Finance Pty
- Estia Health Residential Aged Care Pty Ltd (formerly named Kenna Investments Pty Ltd)



Figure 4: Estia Health Group reporting entity structure

Estia Health

New South Wales

Registered Office

Level 9, 227 Elizabeth Street

Sydney NSW 2000

T +61 2 9265 7900

E info@estiahealth.com.au

Victoria Office

Level 2, 1155 Toorak Road

Camberwell VIC 3124

T +61 3 9811 9777

T +61 3 8657 0899

E info@estiahealth.com.au

Investor Relations

T +61 2 9265 7900

E investor@estiahealth.com.au

Shareholder Enquiries

Link Market Services

T +61 1300 554 474

E registrars@linkmarketservices.com.au

estiahealth.com.au

