

Opal HealthCare

Modern Slavery Statement 2021

This is the second Modern Slavery Statement of DAC Finance Pty Ltd (ACN 129 420 222) trading as Opal HealthCare for the year ended 31 December 2021. This Statement was approved by the Board of Opal Healthcare on 27 April 2022 and covers all entities controlled by it.





Introduction

As a leading aged care provider focused on caring for others, the respect for human rights and people’s wellbeing is at the heart of what we do, and is reflected in our core values of



Compassion



Accountability



Respect



Excellence

Our purpose “to bring joy to those we care for” embodies our goal to improve the lives of our residents, while supporting our team members and creating a positive social impact within our Care Communities and beyond.

Our commitment to combat modern slavery is aligned with and guided by our purpose and values, and we recognise the role we play in the global effort to do so. This statement describes the actions taken by us in 2021 to identify, assess and mitigate

modern slavery risks in our operations and supply chain, in a year where our Care Communities and team members braved the storms of the Covid-19 pandemic.

As described in this Statement our journey has been one of continuous improvement, and we look forward to progressing it further in the next reporting periods.

Prof. Peter Shergold, Chair
DAC Finance Pty Limited

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Structure, operations and supply chain (Reporting Criteria 1 & 2)

2.1 Structure



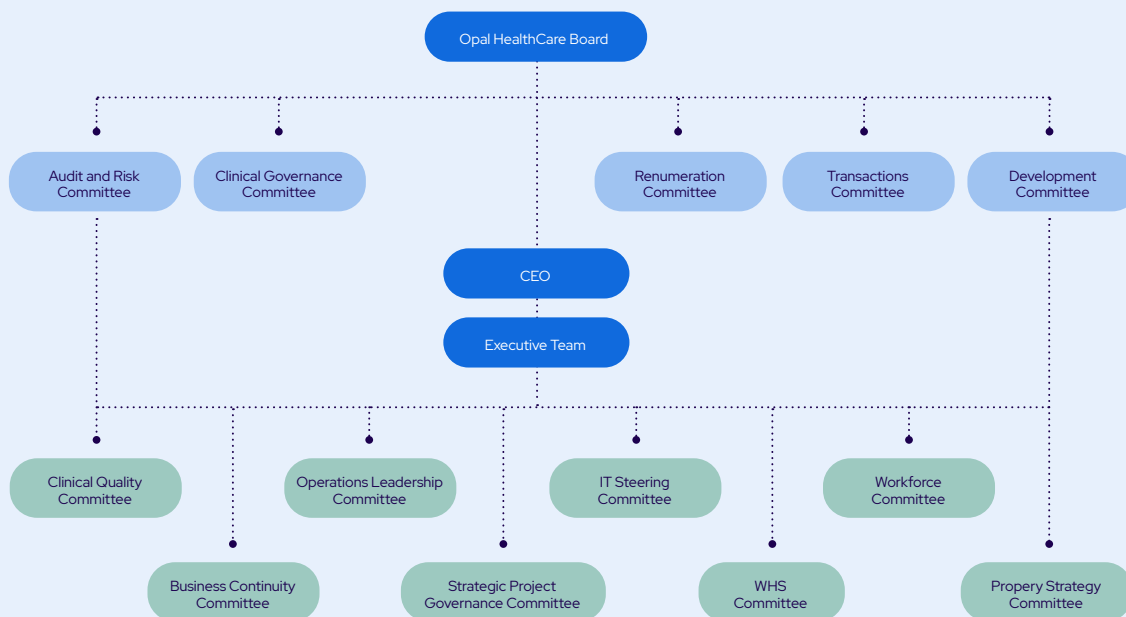
DAC Finance Pty Ltd (ACN 129 420 222) trading as Opal HealthCare is an Australian proprietary company which head office is in Sydney, New South Wales¹.

Opal HealthCare heads the Opal HealthCare Group (**Opal HealthCare, Group, Opal, we, us**) which includes Opal HealthCare, its subsidiaries² and the companies controlled by them³. All Group companies are Australian proprietary companies based and operating in Australia only.

The main operating Group company is Opal HealthCare’s subsidiary DPG Services Pty Limited (ACN 090 007 999), the approved provider which operates Opal HealthCare’s Care Communities and employs their team members. A few Group companies hold some of the Care Communities’ properties or act as trustee companies, while others have no operating activities.

The Opal HealthCare Group is governed by Opal HealthCare’s board with the assistance of its Committees, which include members of the Board and the Executive Leadership Team. The roles and responsibilities of the Board and its Committees are set out in their respective charters.

Modern Slavery risks management responsibilities sit with the Audit and Risk Committee which reports to the Board. The Group’s governance structure is set out below:



¹Level 11, 420 George Street Sydney NSW 2000

²DPS Services Pty Limited ACN 090 007 999, Aquarius Group Pty Limited ACN 152 767 747, DAC Finance (Vic) Pty Limited ACN 129 420 506, DAC Finance (NSW/Qld) Pty Limited ACN 129 420 499

³Domain Group Holdings Pty Limited ACN 123 178 496, Domain Group Investments Pty Limited ACN 123 179 251, Domain Aged Care Management Pty Limited ACN 113 753 834, Domain Aged Care (Services) Pty Limited ACN 114 145 578, Domain Aged Care No. 2 Pty Limited ACN 104 429 183, Domain Aged Care No. 3 Pty Limited ACN 128 348 569, Domain Aged Care (Qld) Pty Limited ACN 104 420 671, Domain Aged Care (Victoria) Pty Limited ACN 118 771 485, Domain Aged Care (Kirra Beach) Pty Limited ACN 115 506 444, Domain Aged Care (Ashmore) Pty Limited ACN 108 106 832, Domain Annex Pty Limited ACN 060 719 557, Aquarius Aged Care Pty Limited ACN 152 767 710, Aquarius Group Aged Care Pty Limited ACN 152 767 756, Aquarius AV Pty Limited ACN 152 767 738, Aquarius Health Pty Limited ACN 123 031 587 and Principal Healthcare Apartments Pty Ltd ACN 121 246 928

2.2 Operations



Opal HealthCare is one of the largest private aged care providers in Australia, caring for approx. 7,350⁴ residents across 84 Care Communities in New South Wales, Victoria, Queensland and Western Australia.

Our Care Communities offer respite and permanent residential aged care services, including dementia care and palliative care.

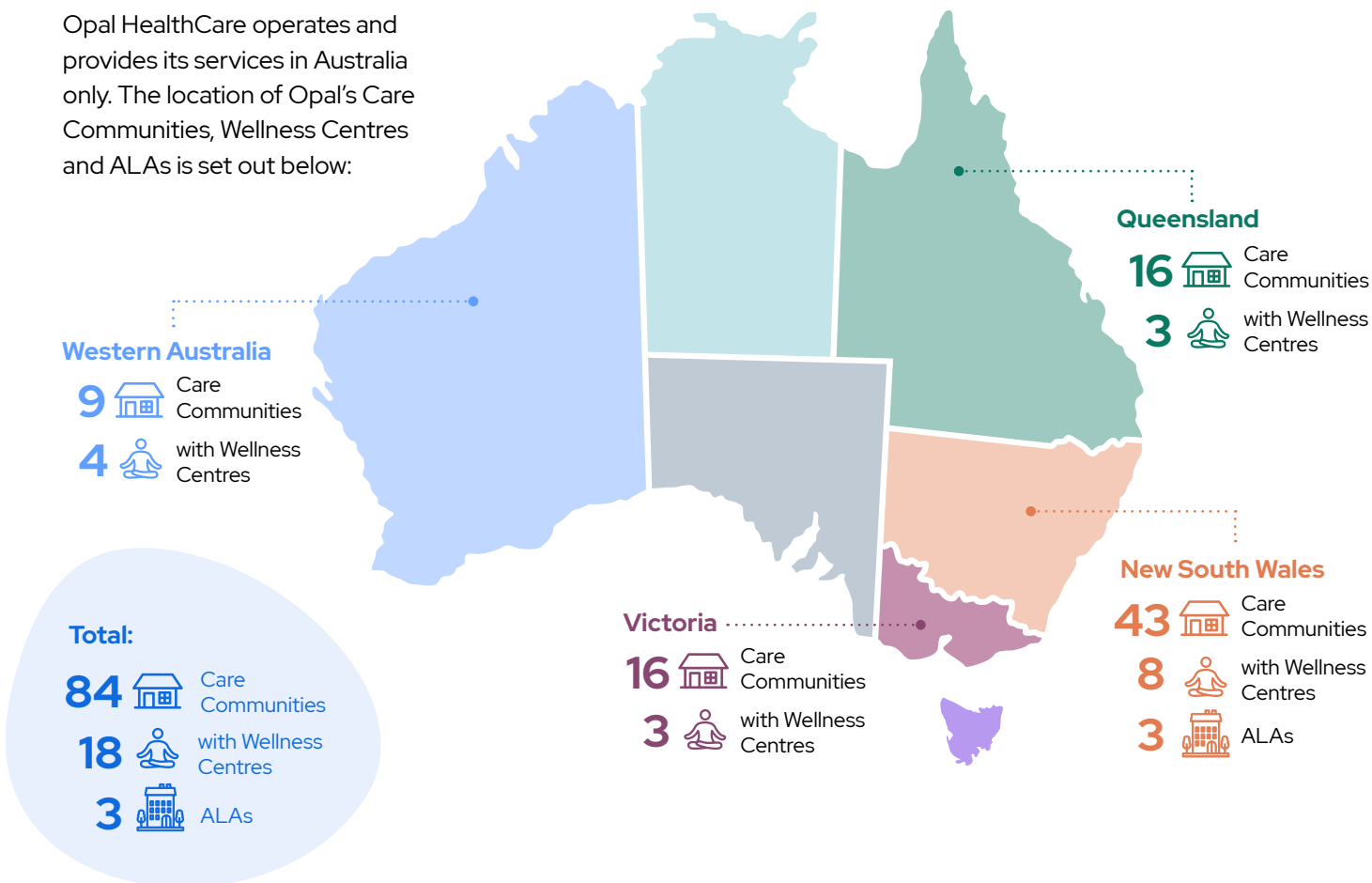
Opal HealthCare also offers reablement and rehabilitation services to improve residents' physical and emotional wellbeing through 18 wellness centres located within our Care Communities. These services are delivered with the assistance of third party allied health professionals, and some are also available to the public.

Additionally, Opal HealthCare operates 3 Assisted Living Apartment (ALA) villages in NSW, adjacent to its Care Communities in Springwood, Killarney Vale and Mount Hutton, offering retirement village accommodation to approx. 40 residents.

Each Care Community is operated by a dedicated team led by General and Care Managers who are supported by regional management teams and the Sydney Home Office team. Opal HealthCare employs approx. 9,615 team members⁵, mostly (approx. 72.47%) in clinical, nursing and resident facing care roles. Approx. 14.89% are employed in catering roles, and 4.93% in cleaning roles. All team members are based in our Care Communities in NSW, QLD, VIC and WA or with their regional supporting teams, except approx. 248 team members who are based in our Home Office in Sydney.

Temporary labour is hired through local agencies when needed, consisting of approx. 0.27% of total FTE hours in 2021.

Opal HealthCare operates and provides its services in Australia only. The location of Opal's Care Communities, Wellness Centres and ALAs is set out below:



Further information about Opal HealthCare can be found on our website www.opalhealthcare.com.au.

⁴ At the end of January 2022

⁵ At the end of January 2022

2.3 Supply Chain

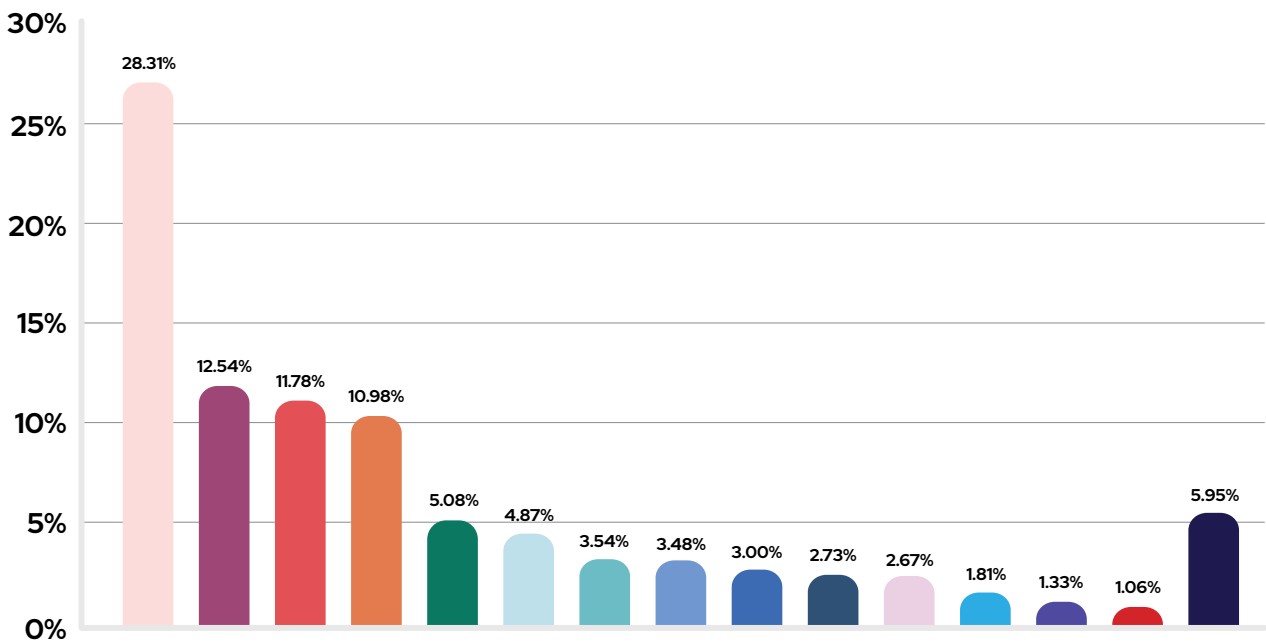


Opal HealthCare sources a broad range of products and services from a large number of suppliers, ranging from small local traders used for one off nominal value purchases to large listed vendors with long term supply agreements.

In 2021, Opal HealthCare procured products and services from approx. 2,540 direct (Tier 1) suppliers, all but a few (mostly software and technology suppliers) located in Australia.

Approx. 84% of Opal HealthCare’s annual spend was across 129 suppliers with an annual spend above \$200,000. Opal HealthCare’s annual spend with these suppliers was across the following supply categories:

Annual spend percentage⁶:



Supply category:

- Property rent and management services
- Medical and Allied Health Services (physiotherapy, vaccinations)
- Medical supplies (medical consumables and equipment)
- Food and groceries
- ICT Network and support (including telecommunications)
- Utilities (water, gas, electricity)
- Insurance
- Furniture, Fittings and Equipment
- Facilities Management and Maintenance (cleaning, security, fire safety, pest control, equipment servicing)
- Software
- Interior refurbishment
- Agency staff
- Waste Management
- Professional and advisory services
- Other categories of less than 1% each (including ICT Hardware, employee recruitment and checks, laundry, office suppliers, chemicals, marketing, media and communications, cable TV, linen, uniform, printing and signage, travel and auto leasing, business development, accreditation fees)

⁶ of total spend on suppliers with annual spend exceeding \$200K in 2021

3

Modern slavery risks in our operations and supply chain (Reporting Criteria 3)

3.1 Operations risks



The Opal HealthCare Group is located and operates in Australia only, and its operations are primarily services based – delivering resident facing care and related services.

Our team members are recruited in Australia and employed in Opal HealthCare’s Care Communities in New South Wales, Victoria, Queensland and Western Australia. We are proud of our strong focus on our team members’ personal wellbeing and development, which are promoted through:



A range of HR Policies, Procedures and Codes, including a Code of Conduct, Flexible working Arrangement policy, Anti-Discrimination, Harassment and Bullying policy, Organisational Diversity and Inclusion policy, Parental Leave policy, Breastfeeding Policy, Complaints and Grievance Handling policy, Recruitment and Selection policy, and Work Health and Safety policy.



Our recently launched **Opal HealthCare Academy** which offers a range of learning, development and leadership programs to upskill and promote team members and fast track their career to leadership roles (in partnership with leading education institutions).



Wellbeing initiatives, including the Team Member Employee Assistance Program offering team members external free counselling sessions, access to a range of wellbeing resources such as articles, podcasts and monthly communications with wellbeing suggestions and tips.



A dedicated health and safety function, overseen by State health and safety managers.

Where needed, team members are supported by temporary labour hired through local agencies. The Covid-19 pandemic which forced the isolation of team members caused staff shortages that had to be filled by agency staff. This resulted in an increase in the number of agency staff engaged in 2021 (approx. 0.27% of total FTE hours in 2021 compared to 0.1% in 2020). All our agency staff are sourced in Australia through Australian agencies subject to Australian laws, and most of them are highly skilled nursing staff (92%) with legal rights to work in Australia.

Overall, our workforce is protected by industrial laws and modern awards as well as the highly regulated nature of the aged care and nursing sector. Our team members also benefit from the protection of enterprise agreements and Opal HealthCare’s policies, procedures and wellbeing initiatives. We believe of all these protections provide robust safeguards against modern slavery and consider the modern slavery risks within our operations to be fairly low.

3.2 Supply chain risks

In financial year 2020,

we focused on mapping our tier 1 suppliers with an annual spend over \$200,000⁷ (key suppliers) to identify their location, the nature of products and services they supply to us and the modern slavery risks associated with them.

This was done by asking these key suppliers to complete the due diligence questionnaires developed by us to gather the information needed to assess their modern slavery risks.

In financial year 2021,

we consolidated and enhanced our key suppliers risk assessment process through the adoption of modern slavery risk thresholds and required actions approved by the Board, and the creation and roll out of a compliance checklist providing guidance on the required actions to team members involved in procuring products or services.

Below is a summary of our risk assessment methodology and process:



⁷ Excluding low risk generic suppliers such as State and local Government, Utilities, insurers and professional service providers.

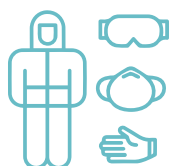
Utilising the UN Guiding Principles on Business and Human rights, we do not believe Opal HealthCare causes or contributes to modern slavery given the low risk within our operations and the fact that almost all our tier 1 suppliers are based and operate in Australia.

We appreciate however there is a potential for Opal HealthCare to be linked to modern slavery through third party supply arrangements beyond our tier 1 suppliers, where our tier 1 suppliers source products and services that are associated with modern slavery risk due to the nature of their industry or source country.

Below is a summary of the categories within our supply chain that were identified by us as associated with higher modern slavery risk⁸:

Supply category	Potential modern slavery risk in Opal HealthCare’s supply chain
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Medical consumables and PPE



The Covid-19 outbreaks at our Care Communities during 2021 required rapid sourcing of medical consumables and PPE supplies (particularly gloves and face masks) to protect our team members and residents. The surge in global demand for such supplies increased production pressures and the risk of modern slavery practices in manufacturing facilities in countries such as Malaysia, where exploitive recruitment practices and working conditions were exposed. Consequently, we recognise our potential to be linked to modern slavery through our procurement of PPE during Covid-19.

This potential modern slavery risk was mitigated by Opal HealthCare sourcing most of the PPE from its two preferred suppliers who have completed Opal’s due diligence process, added Opal’s required anti-slavery commitments and obligations to their contracts and also published their own modern slavery statements (in UK and Australia) detailing the actions taken by them to mitigate risks. Opal further worked with these suppliers to investigate risks beyond tier 1, including confirming the source countries of high risk PPE (see case study below). Only two other PPE suppliers were used when needed, a face masks supplier with less than \$5,000 spend and a gowns supplier who has been added to the due diligence process with no risks identified to date.

Case study – Malaysia gloves

During 2021 we learned from media reports that the US Customs and Border Protection (CBP) issued several “Withhold Release Orders” in relation to disposable gloves from Malaysia due to forced labor findings. We then liaised with our preferred PPE suppliers to investigate whether they source gloves from any of the suppliers issued a Withhold Release Order. Our two gloves suppliers confirmed they do not source from any of these suppliers.

Textiles



The Textile industry, particularly raw materials harvesting and processing as well as manufacturing in certain countries, is associated with higher modern slavery risk (child and forced labor) so Opal HealthCare could potentially be linked to modern slavery through its procurement of textile goods such as uniform, linen and drapes.

Opal HealthCare’s three key textile suppliers (linen, drapes and uniform) all operate in Australia and employ local labour. They all added Opal’s required anti-slavery commitments and obligations to their contracts, and also completed Opal’s due diligence questionnaires which identified some high-risk countries amongst their source countries (China, Bangladesh, Turkey).

Our uniform supplier is a division of a large reporting entity who published its own modern slavery statements which detail robust actions taken to mitigate modern slavery risks, including ethical sourcing and modern slavery policies, code of conduct, audits, Sedex due diligence and service level agreements.

Our linen supplier advised they have been using the same suppliers for 20 years and none of them was banned by US Customs and Border Protection. They noted they had regular site visits prior to Covid-19 which they expect to resume in 2022.

Our drapes supplier confirmed it sources from Australian based suppliers, and was asked to obtain further information from its suppliers regarding their source countries and modern slavery risk. In the next reporting periods we intend to work with this supplier to further investigate its modern slavery risks beyond tier 1.

⁸ This risk assessment is based amongst other things on information provided to Opal HealthCare by its suppliers, which Opal does not warrant the accuracy or completeness of.

Construction materials



There is a risk Opal HealthCare could be linked to modern slavery through its construction and refurbishment contractors, to the extent they source construction raw materials (for example stone, bricks, glass, timber, metals) from countries associated with higher modern slavery risk. Such modern slavery risk would exist in remoter layers of Opal's supply chain where there is very low visibility over supply arrangements.

All the construction contractors engaged by Opal HealthCare in 2021 operate in Australia, employ local labour and added Opal's required anti-slavery commitments and obligations to their contracts. They all also completed Opal's due diligence questionnaires, which detailed various actions implemented by them to mitigate modern slavery risks in their supply chain (including HR and modern slavery policies, supplier audits, training, contractual anti slavery requirements).

We have worked with these suppliers to investigate risks beyond tier 1 by identifying the source countries of the products they supply to us (see case study below), and intend to continue doing so in the next reporting periods.

Case study – Construction materials

Our due diligence questionnaire asks our suppliers to list the products they supply to us and their source countries, but some construction suppliers' response was too brief and general- for example "all materials for construction" or "details in monthly reports". We therefore requested these suppliers to provide a separate detailed list of their construction supplies and source countries, and these lists were then checked against the US Department of Labour 2020 list of goods produced by child and forced labor to assess the suppliers' risk profile.

Solar panels



China is the largest producer of Polysilicon for solar panels, with more than 50% of the production taking place in Xinjiang where coercive recruitment and exploitive labour practices of ethnic minorities are reported.

Opal HealthCare works with one solar panels supplier who completed Opal's due diligence questionnaire identifying China as one of their source countries. This supplier added Opal's required anti-slavery commitments and obligations to their contract, and advised it has implemented various actions to monitor and mitigate modern slavery risk, including factory visits, request for EcoVadis certification and contractual requirements from its suppliers. In the next reporting periods we intend to work with this supplier to further investigate its modern slavery risks beyond tier 1.

Electronic equipment (computers, phones)



Some of the electronic equipment procured by Opal HealthCare such as computers, tablets and phones incorporate raw materials which harvesting and mining are associated with modern slavery risk, such as cobalt, gold, titanium, tungsten and tin.

Such electronic equipment is sourced mainly from three multinationals headquartered in the US and is supplied to Opal HealthCare through their Australian based offices or resellers. These multinationals published modern slavery statements confirming their commitment to combat human trafficking and slavery and detailing robust actions taken by them for this purpose, including human rights and responsible sourcing policies, suppliers code of conduct and related contractual obligations, audits and due diligence, training and grievance mechanisms and remediation actions.

Cleaning services



The cleaning services sector is associated with higher modern slavery risk (unfair recruitment practices and working conditions) due to the low skilled low paid nature of this sector's workforce which often includes migrants with limited ability to understand or enforce their rights.

Opal HealthCare reduces this risk by directly employing its cleaning team members, who are protected by industrial laws, awards, enterprise agreements and Opal's policies. Where needed during Covid-19 outbreaks additional cleaning staff (approx. 0.0027% of total FTE hours in 2021) was sourced in Australia through Opal's preferred agencies who have completed Opal's due diligence, with one new agency added to the process.

Specialised cleaning services (ducts, fans, gutters) are provided by an external supplier who is undergoing due diligence with further information to be sought in the next reporting period.

In FY21 we attempted to increase our visibility over supply chain arrangements by investigating risk beyond tier 1 of some high-risk key suppliers as detailed above, however our ability to do so was impacted by the Covid-19 pandemic. Covid-19 required us to focus our time and resources on protecting our vulnerable residents and supporting our frontline team members to ensure our Care Communities were kept safe and that our residents continue to be cared for during long lockdown periods. It also limited the actions our suppliers could take to investigate

and mitigate risks in their supply chain, due to lockdowns and worldwide travel restrictions (which prevented site inspections for example).

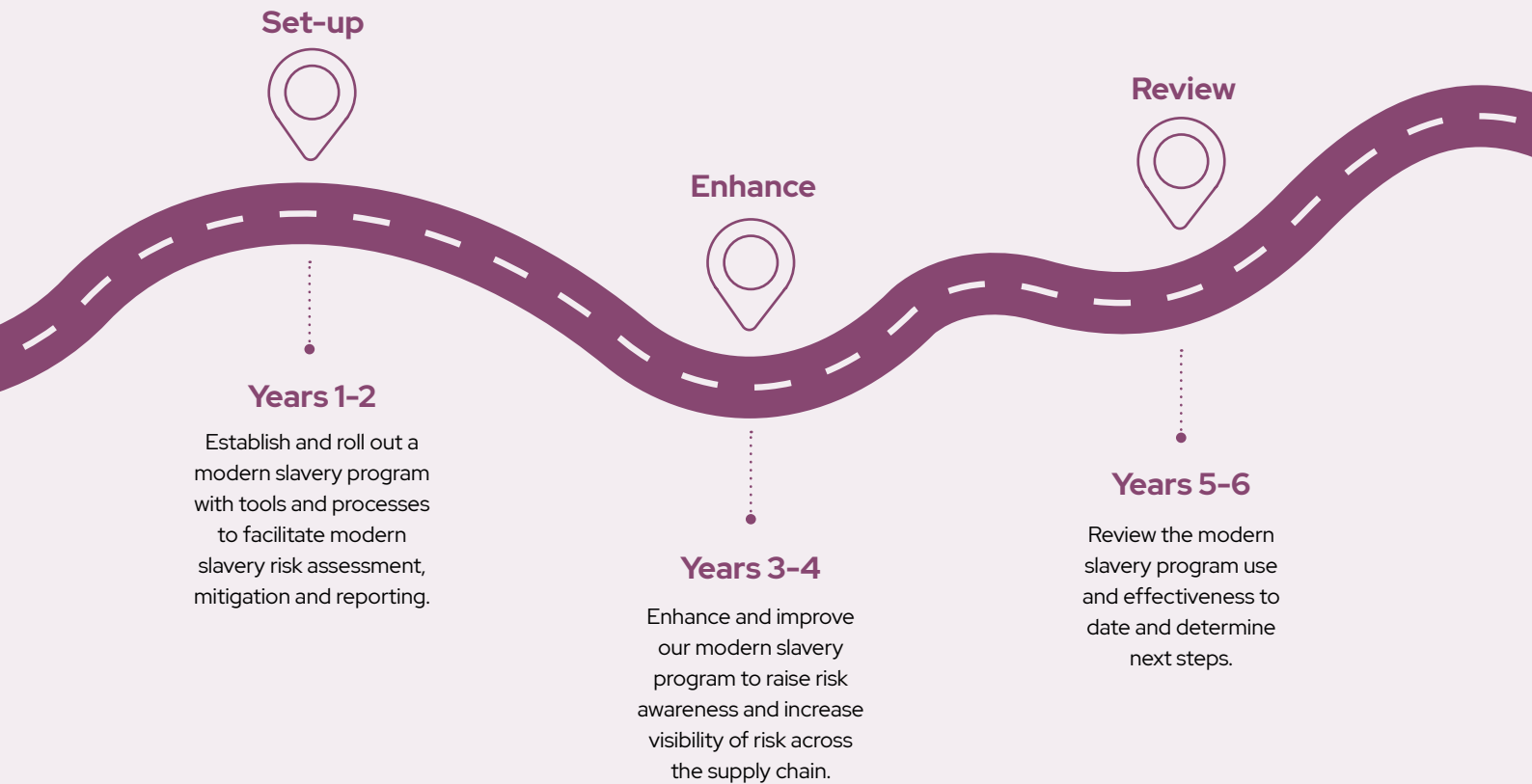
We intend to continue working with our high-risk key suppliers in the next reporting periods to further investigate risks beyond tier 1, and recognise that the journey ahead is long and challenging given the multi layered complexity and limited visibility of global supply chains.

4

Actions taken to assess and address modern slavery risks

(Reporting Criteria 4)

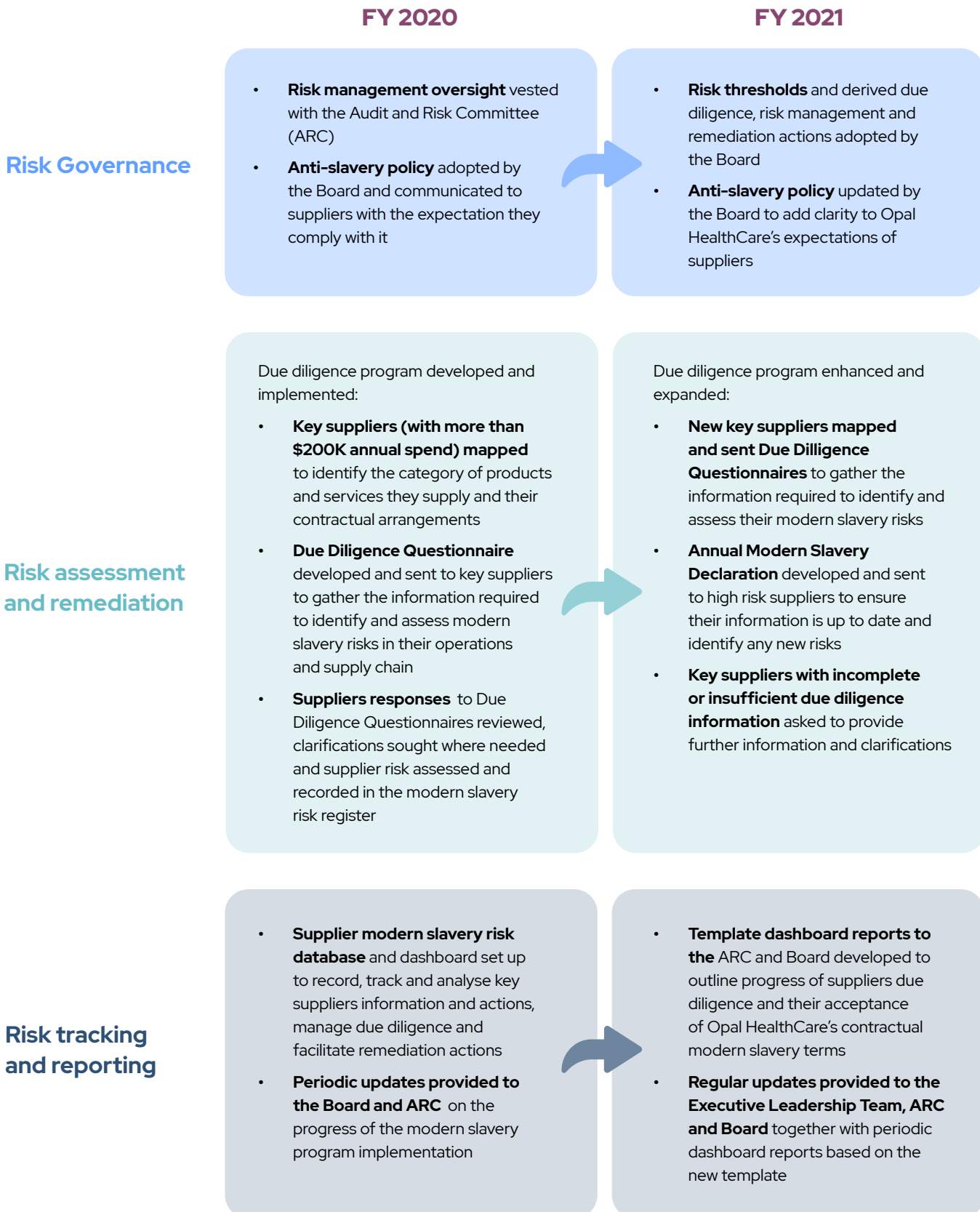
Our journey to assess and mitigate modern slavery risks in our operations and supply chain has been one of continuous improvement. As we complete two years of establishing and rolling out our modern slavery risk management program, we look forward to enhancing and improving it in the years ahead, in line with our six years roadmap set out below:

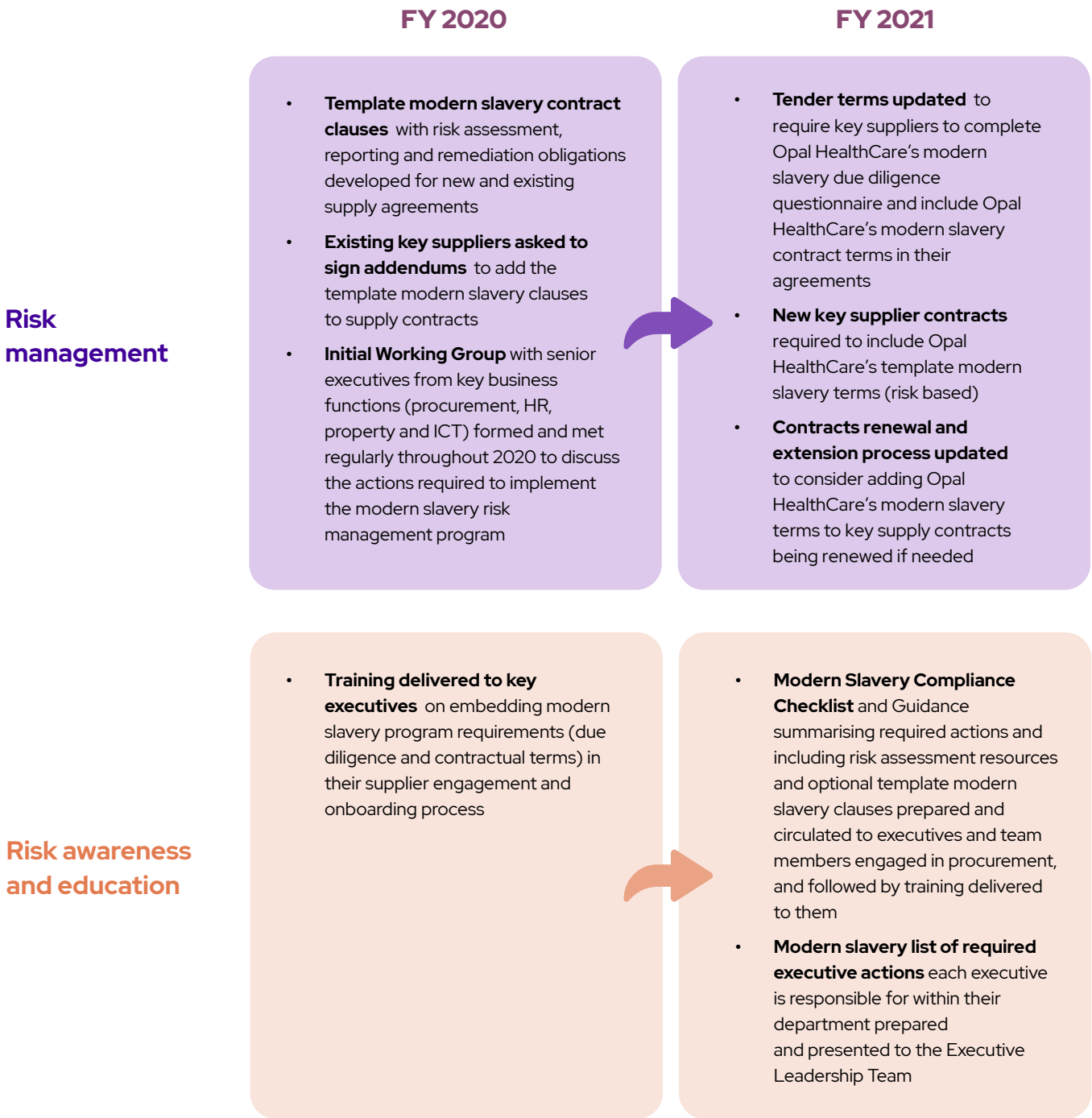


Our continuous improvement journey FY20-FY21



The actions taken by us in FY21 have built on the foundations laid in FY20 and expanded and refined them consistent with our targeted risk based approach focusing on high risk suppliers.





At the end of 2021, the Board set up a Modern Slavery Working Group consisting of senior members from Procurement, Risk and Legal. In the next reporting period, the group will develop and implement an action plan to improve efficiencies across our modern slavery program (see section 5 below) and increase stakeholders awareness to modern slavery risk.

5

Effectiveness of actions taken to assess and address modern slavery risks

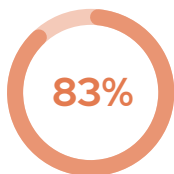
(Reporting Criteria 5)

Since rolling out our modern slavery compliance framework in FY20, we have continuously assessed its effectiveness and the effectiveness of the actions taken by us. While in the first reporting period our assessment was mainly quantitative, during the second reporting period we have also undertaken a qualitative assessment which will inform our actions in the next reporting periods.

From a quantitative perspective, we used the following assessment metrics:



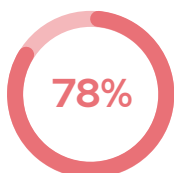
All key suppliers and high risk category key suppliers were mapped and recorded in our suppliers modern slavery central database (register), which tracks their due diligence status and information and whether their contract includes modern slavery related obligations



83% of the high risk category key suppliers (and 59% of the key suppliers) completed due diligence at least once





39% of the high risk category key suppliers completed updated due diligence in 2021





78% of the high risk category key suppliers (and 50% of the key suppliers) have modern slavery related obligations included in their contracts (or added to them via addendums); all new contracts with higher risk suppliers are required to include such terms

Also:

-  All executives and team members involved in procuring products or services or managing suppliers attended training in relation to the actions required to assess and manage their suppliers modern slavery risks (including onboarding and due diligence actions as well as inclusion of modern slavery related terms in supply contracts); training was completed by Procurement, HR, Property, Operations and ICT team members.


-  Regular updates on suppliers compliance with our modern slavery due diligence requirements and their acceptance of Opal HealthCare’s modern slavery contract terms were provided to the Audit and Risk Committee and the Board (4 updates in 2021).


-  Regular updates on suppliers compliance with our modern slavery due diligence requirements and their acceptance of Opal HealthCare’s modern slavery contract terms were provided to the Executive Leadership Team (4 updates in 2021).


-  No modern slavery related complaints or concerns were raised through our grievance mechanisms.

Our goal in the next reporting period is to increase the number of high risk category key suppliers who complete due diligence and have modern slavery terms included in their contracts, as well as explore ways to increase modern slavery awareness amongst relevant team members and suppliers.


From a qualitative perspective, we have assessed the scope and quality of the due diligence information provided by our suppliers and the way it is captured and presented, and identified opportunities to improve efficiencies by:


-  Simplifying and restructuring the format and layout of our modern slavery risk register and the way suppliers information is recorded, tracked and presented.

-  Simplifying and improving the due diligence questionnaire to increase supplier response rates and the clarity of information provided, and better align it with the modern slavery risk register.

-  Improving the content and layout of reports provided to the ARC and Board to ensure meaningful data is more clearly presented as required drive decisions and actions.

We will continue to assess the effectiveness of our modern slavery program and the actions taken by us on a regular basis:

-  From a quantitative perspective, based on metrics similar to the above and any new metrics that may be developed; and

-  From a qualitative perspective, based on the adequacy and quality of information gathered from our suppliers (which may inform changes to information collection and reporting processes and tools).

We will also be informed by any concerns that may be received through our grievance mechanisms, which include our Complaints and Grievance Handling policy, our Anti-Slavery policy and our Whistle-blower policy, that enable employees, suppliers and others to raise concerns in relation to modern slavery. We appreciate that the lack of complaints to date does not necessarily indicate the absence of modern slavery instances in our supply chain, as this may be due to insufficient awareness of the grievance mechanisms available. In the next reporting periods we will consider ways to further promote this mechanism amongst our team members and suppliers.



Consultation with controlled entities

(Reporting Criteria 6)

Opal HealthCare's board oversees the performance and operations of the Opal HealthCare Group. Our CEO takes part in Opal HealthCare's board meetings, and together with the CFO they serve as directors in all other Group companies' boards. All Group companies are managed by the same Executive Leadership Team and share the same operational and governance functions, workforce and registered address, and accordingly we consider that all Group companies were consulted with in relation to this statement.



Other relevant information

(Reporting Criteria 7)

Opal HealthCare's commitment to eliminate modern slavery is part of our broader human rights approach which aims to improve the life and wellbeing of others in our Care Communities and beyond. Our 2021 Social Impact Report available [here](#) showcases the positive social impact delivered by Opal HealthCare in 2021 through its Care Communities in various domains.