



Australian Unity Modern Slavery Statement 2021

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Introduction



Bold



Warm



Honest

We acknowledge that modern slavery still exists, and we are proud to play our part in eliminating it in all forms. We strongly believe that the right to work free from slavery is a basic human right, and central to our philosophy of providing a safe place to work.

This statement outlines the steps that we (Australian Unity Limited) and our controlled entities have taken during the financial year ending 30 June 2021 to address the requirements of the *Modern Slavery Act 2018* (Cth).

It also outlines the steps we've taken to identify and assess the risk and mitigation of modern slavery in our supply chains and business operations, as well as the measures and initiatives underway to achieve this.

We've outlined our approach in our Group Modern Slavery Policy, which is approved by our Board.

About us

Established in 1840, we were Australia's first member-owned wellbeing company, delivering health, wealth, and care services. We're committed to real wellbeing for all Australians.

Today, while we've grown to a company whose operations employ more than 7,500 employees and serve hundreds of thousands of members and customers, we remain true to our roots.

Our broad range of products and services are focused on enhancing the wellbeing of Australians and are delivered by our three core operating platforms with a focus on Health, Wealth and Care.

For us, real wellbeing means so much more than physical health. It's about your standard of living and feeling safe in your home. It's your personal relationships and being connected to your community. It's about what you want to achieve in life, while having the security to get out and do what makes you happy.

We've been measuring the real wellbeing of Australians with Deakin University since 2000, through the Australian Unity Wellbeing Index. The Index is a tool that tracks how satisfied people across Australia are with their lives, using seven key areas of wellbeing. It has grown to become one of the most credible and enduring studies of wellbeing in Australia.

You can find more information about us in our [2021 Annual Report](#).

Our organisational structure

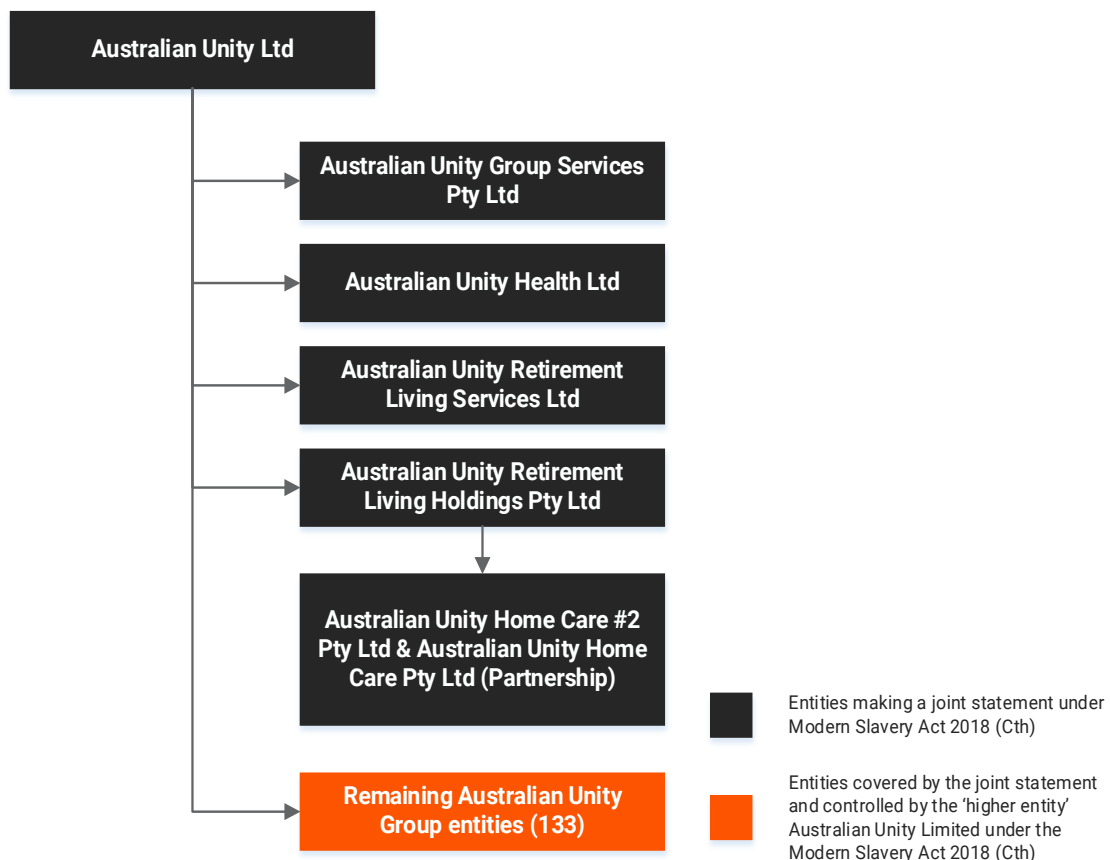
The reporting entities we cover

Australian Unity Group is made up of approximately 140 controlled entities within Australia (as at 30 June 2021).

Australian Unity Limited is our parent company and—for the purposes of this statement—the ‘higher entity’. Other than those we’ve listed; no other entity meets the reporting entity criteria under the *Modern Slavery Act 2018* (Cth).

This joint statement covers Australian Unity Limited, Australian Unity Group Services Pty Ltd, Australian Unity Health Limited, Australian Unity Retirement Living Holdings Pty Ltd, Australian Unity Retirement Living Services Limited and the Australian Unity Home Care #2 Pty Ltd & Australian Unity Home Care Pty Ltd (Partnership).

Simplified structure of Australian Unity reporting entities



Our policy and governance frameworks

Our Group Policy and Governance frameworks support a range of policies and procedures to promote ethical behavior and good governance. These help to ensure our decisions are made with transparency and integrity, and in line with regulatory and legislative requirements.

Our Group Modern Slavery Policy outlines our approach to modern slavery risk assessment and management across all group-controlled entities. It's supported by our Employee Code of Conduct, Supplier Code of Conduct and Welcoming Difference Policy, as well as complementary policies and standards such as the Enterprise Risk Management, Whistleblower Protection, Group Incident Management, Group Outsourcing, Vendor Management, Health and Safety, Anti-Money Laundering and Counter Terrorism Financing, Equal Opportunity Workplace Standard, Respectful Workplace Standard and Inclusive and Diverse Workplace Standard.

Living our values

To help people thrive, we seek to be bold, warm and honest in everything we do.

Our statement comes from a simple premise: if we can be bold, warm and honest with each other, our customers and everyone we connect with, we can deliver on our purpose to help people thrive and achieve real wellbeing.

Our Code of Conduct explains what we stand for, and helps our people live our values. If you're directly employed by us, you need to learn this Code and complete an online training module. Here are the guiding principles that underpin our Code:

- We consider if our actions align to our values of being bold, warm and honest.
- We do what's right by always acting professionally, ethically, legally and honestly.
- We protect intellectual property, privacy and confidentiality.
- We maintain a safe work environment and promote both the physical and mental wellbeing of staff.
- We act with integrity and honesty. We never exploit or take unfair advantage of our position or make or accept improper gifts or benefits.
- We speak up when we are concerned about something—no matter the situation.
- We know what's required of us under our policies and procedures, so we can comply with laws and regulations.

Compliance training

To support our policy and governance frameworks, we've created a robust schedule of compliance training and awareness sessions. Specific training courses are mandatory for all employees on an annual basis. Over the last year, we've also updated our existing compliance training courses to address Modern Slavery references and criteria where relevant. We've also delivered a specific Modern Slavery Risk training module, which is available to all employees.

Our workforce

Being a leading wellbeing company, we're always here for our people and we strive to protect and boost their physical and mental health, safety and overall wellbeing.

For us, creating a great place to work is about preventing everyday risks, hazards and incidents. It's our responsibility to reduce the risk of injury or illness at work, giving our people and everyone we engage with the confidence to feel safe and secure.

To help ensure we're living our values and creating a workplace free from discrimination, harassment and victimisation, we have recruitment and employment policies that address inclusion, anti-discrimination, equal opportunity, bullying and harassment.

As at 30 June 2021, our total, direct workforce was 6993 employees (all employed within Australia).

Our recruitment processes

When we're looking to bring on new people, we apply equity, fairness and transparency to the entire hiring, selection and appointment process.

Through our policies and processes across Talent Acquisition, Background Check, Anti-Discrimination & Equal Employment Opportunity and Remuneration, we provide employees with fair and consistent working conditions covering their hours of work, minimum wage and leave entitlements.



Our operations

Retail

We provide private health insurance, banking and general insurance products and services.

Independent and Assisted Living

We operate retirement communities and provide aged care, allied health and disability services. We also offer preventative health and chronic disease management services

Wealth and Capital Markets

We advise and manage investments, property assets and development funds and act as the Responsible Entity for various funds. We also offer independent financial advice and trustee services.

Our lines of business are across three key platforms and we provide all our products and services in Australia. We don't manufacture any goods in any of our businesses.

While most of our operations are insourced, a risk assessment for modern slavery practices across our core business areas have identified the following areas of focus that forms the basis for our modern slavery compliance initiatives:

1. Our supply chain vendors and suppliers
2. Our joint venture partners
3. Our outsourced vendors and third parties.

The Group's approach to modern slavery compliance is embedded into day to day operations and aims to build on the activities that were reported in our previous Modern Slavery Statement.

We've continued to focus on risk assessment of material vendors identified in our diverse supply chain of around 5000 suppliers across specific categories that we had assessed to have a greater risk of modern slavery:

- Technology
- Office services
- Facilities management
- Health equipment and consumables
- Professional services
- Construction
- Marketing
- Catering.

We've also focused on increasing our organisational awareness of modern slavery risks.

Lastly, we've continued to focus on other lesser risk categories in areas of the business we believe should be reviewed. These areas sit within our Wealth and Capital Markets and Independent & Assisted Living platforms—focusing on joint ventures, contractors and fund managers.

Our compliance initiatives

Our Group procurement function provides the common supply chain platform we use across our entire business. It's supported by strong vendor management frameworks, policies, processes and systems.

Our Supplier Code of Conduct continues to be central to the minimum standards we expect from our suppliers in relation to human rights, working conditions and ethical conduct for employees, contractors and business operations.

While we mostly source from local suppliers, we also purchase a limited amount of goods and services from multinational companies, including managed IT services, systems, applications, hardware and construction services.

FY 20 Activities

Over the course of the year, we completed the risk assessment of the material vendors across specific categories for the FY20 assessment. We've outlined the outcomes in the table below. This includes joint venture partners, outsourced providers and other third parties in the relevant categories.

FY20 Modern Slavery Third Party Category Risk Assessment

Vendor Category	Risk Rating
Health Care & Consumables	●
Catering	●
Medical Equipment and Materials	●
Facilities	●
Construction	●
Professional Services	●
Technology	●
Health Services	●
Office Services	●
Human Resource Services	●

The risk rating for each category represents an aggregated response for material vendors in that category. We performed these risk assessments by:

- Preparing a questionnaire to address the key aspects of modern slavery, such as supply chain, vendor management, employee management and compliance processes
- Sending the questionnaire to material vendors in each of the categories
- Reviewing their response alongside supplied documentation
- Going back to suppliers, where needed, seeking clarification, additional confirmation or risk mitigation confirmation.

The case study on the next page illustrates our approach.

Case Study- Rubber Glove Manufacturers

Through industry, our Group Legal team was informed there was a possibility we were sourcing rubber gloves from a sanctioned manufacturer. In April 2021, the United States had banned the importation of rubber gloves from Top Gloves Malaysia on allegations of modern slavery in its workforce. At that point, Top Glove was the manufacturer for close to 80% of rubber gloves in the world.

Our Group Legal team, working closely with Group Procurement and the relevant business units, identified that we had around three suppliers with potential exposure in this area. We reached out to these suppliers for the following reasons:

- We needed confirmation that their supplies were manufactured in Malaysia.
- We requested what due diligence and risk assessment they perform on their manufacturers.

Our suppliers responded quickly. They confirmed that, while their glove supplies were manufactured in Malaysia, their supplies weren't sourced from the sanctioned supplier. They also confirmed that their rigorous due diligence included site visits, audits, and independent inspections to monitor modern slavery risks from Malaysian suppliers.

Based on this response, we were satisfied that the risk of modern slavery from this incident was being managed. However, we set up media alerts to monitor the situation and included the lessons we've learned from this into considerations for future awareness sessions with vendor managers.



FY 21 Activities

For the current FY21 reporting period, our Group Governance team has worked closely with our Group Procurement team to reassess the risk across our supply chain on overall Group procurement spend as of 30 June 2021.

We continue to focus on the following modern slavery risk criteria when performing risk assessments in line with our Group Enterprise Risk Management Framework:

- Use of a workforce that is generally transient with a relatively high turnover
- Geographical locations of supplier's manufacturing facilities (or their suppliers)
- The potential for child labour within the supply chain
- Goods and services delivered with low margins and high volumes

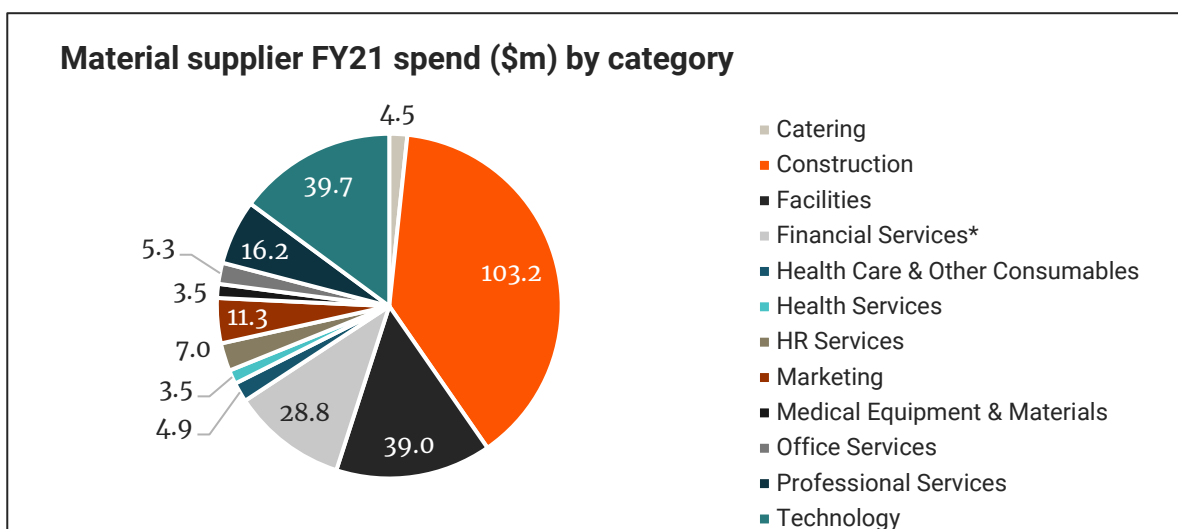
We've identified 161 vendors across the key categories of technology, healthcare and consumables, construction, facilities, catering, medical equipment, health services and office services. These vendors account for approximately AUD 267 million spend across the Group or approximately 80% of overall Group procurement spend for FY21.

We've further refined the risk assessment process by updating the risk assessment template to improve clarity and customise the approach for gathering responses from vendors selected for FY21. This includes greater reliance on published modern slavery statements that meet our risk assessment criteria. The risk assessment is in progress with completion expected Q3 FY22.

Organisational Awareness

We've developed a dedicated intranet awareness site for Modern Slavery, which includes Group policies, procedures and risk assessment templates on modern slavery. It gives our people access to the Group's view on modern slavery, our compliance activities, the role that our people perform, along with past Group Modern Slavery Statements.

We've also delivered a Modern Slavery training module, which is available for all our employees. And where relevant, we've updated our compliance suite of training modules to reflect modern slavery obligations and awareness



Our remediation and grievance mechanisms

Everyone has a voice at Australian Unity. We encourage our employees and suppliers to speak up about any conduct or activity they believe to be dishonest, corrupt, or illegal.

Through our Whistleblower Protection Policy, we provide guidance on how they can report their concerns free from retribution. It's a governance mechanism designed to facilitate open and frank communication channels are always available, and that genuine grievances are investigated quickly.

Consultation with joint & controlled entities

As we (Australian Unity Limited) own or control all joint entities providing this statement, we also maintain the common processes that support them.

These include the policies, processes, operations and supply chain management that underpin our modern slavery risk assessment, which was carried out by a working group made up of Risk and Compliance, Group Procurement and Supplier Managers from across our organisation.

The Australian Unity Limited Board Risk and Compliance Committee endorsed the contents of this statement.

Our journey ahead

In our third year of compliance reporting, we'll continue to refine and enhance our compliance processes, while staying committed to our compliance obligation activities.

We'll continue to focus on the following key initiatives, many of which are underway, which we'll provide an update on in our next statement (31 December 2022):

- Continue risk assessment activities for selected material vendors, so we can mitigate new and changing modern slavery risks that arise in our supply chain.
- Follow up and remediate where the risk assessment has identified gaps in the supplier response - to validate that risk of modern slavery is mitigated. This may include identifying alternative suppliers.
- Broaden the scope of the risk assessment to other parts of our supply chain. We expect this to initially address non-material vendors in high risk categories and subsequently material vendors in other categories. This is expected to provide the Group with a more complete overall view of modern slavery risks in our supply chain.
- Continue organisational awareness and communication initiatives across the Group. We expect to roll out compulsory compliance training for selected cohorts of users who engage in procurement and vendor management activities by the Q4 FY22.
- Develop key performance indicators to track and assess the effectiveness of the supplier modern slavery risk assessments and questionnaire results.
- Continue to drive better third-party risk management outcomes through various automation initiatives.

This statement is made pursuant to section 14(1) of the *Modern Slavery Act 2018* (Cth). It constitutes the joint statement of Australian Unity Limited (the ultimate parent company in the Australian Unity Group), Australian Unity Group Services Pty Ltd, Australian Unity Health Limited, Australian Unity Retirement Living Holdings Pty Ltd, Australian Unity Retirement Living Services Limited and the Australian Unity Home Care #2 Pty Ltd & Australian Unity Home Care Pty Ltd (Partnership) and has been approved by the Board of Australian Unity Limited (the 'higher entity').



Rohan Mead
Group Managing Director & Chief Executive Officer

31 December 2021