



Modern Slavery Statement

For Reporting Period 1 July 2022 – 30 June 2023

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Introduction

Australian Clinical Labs Limited (ACN 645 711 128) (**ACL**) is a leading provider of pathology services and skin cancer care in Australia. ACL, together with its owned and controlled entities (**ACL Group**) is committed to understanding and identifying potential modern slavery¹ risks in its operations and supply chains and taking reasonable measures with a view to address such risks, as appropriate.

This Modern Slavery Statement (**Statement**) is produced in compliance with the *Modern Slavery Act 2018* (Cth) (**MSA**) and details ACL Group's above commitment. It also includes information about the actions taken by the ACL Group to assess and address any risks identified during the twelve (12) months period ended on 30th June 2023 (**Reporting Period**).

1. Reporting Entity and Structure

The ACL Group operates through the corporate structure, comprising ACL as the ultimate holding company listed on the Australian Stock Exchange (**Reporting Entity**) and its subsidiaries as outlined in Figure 1 below. ACL's registered office and head office is located in Clayton, Victoria. This is a joint Statement prepared on a consolidated basis for all entities within the ACL Group for the Reporting Period.

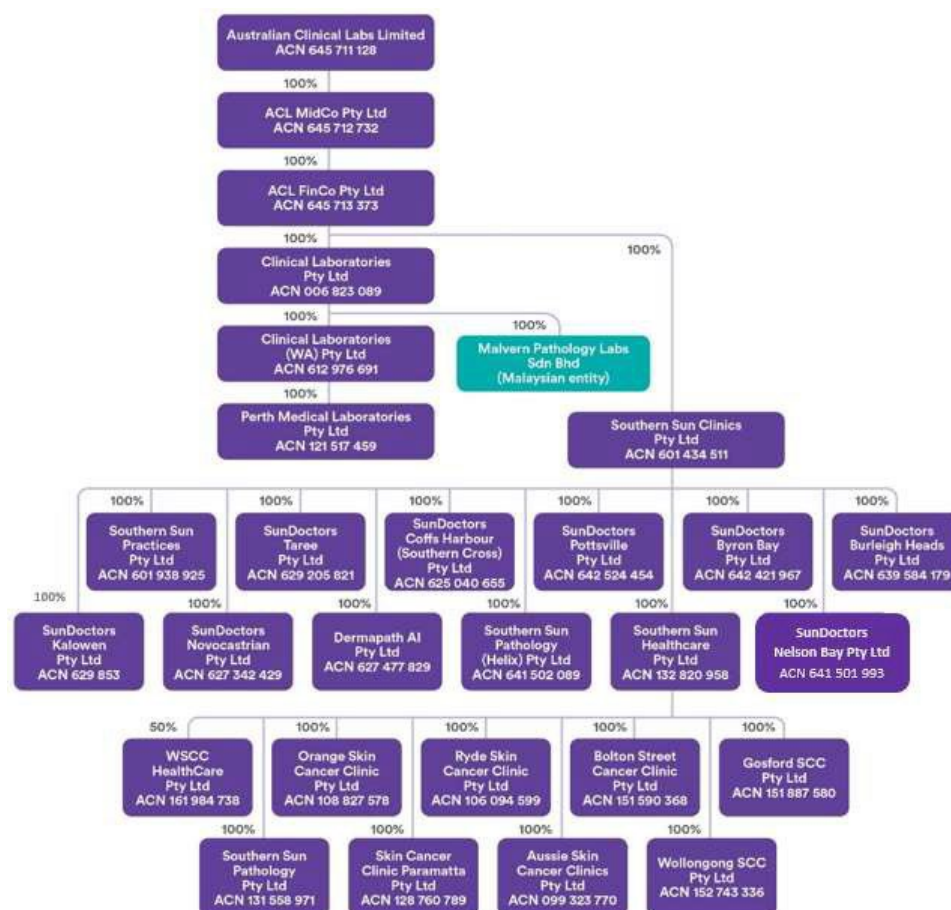


Figure 1: ACL Group's corporate structure as at 30th June 2023.

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 Operations²

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) and is one of the largest private hospital pathology businesses nationally.

ACL is also a leading provider of skin cancer care via the SunDoctors brand – operating clinics across Queensland, New South Wales, and Victoria.

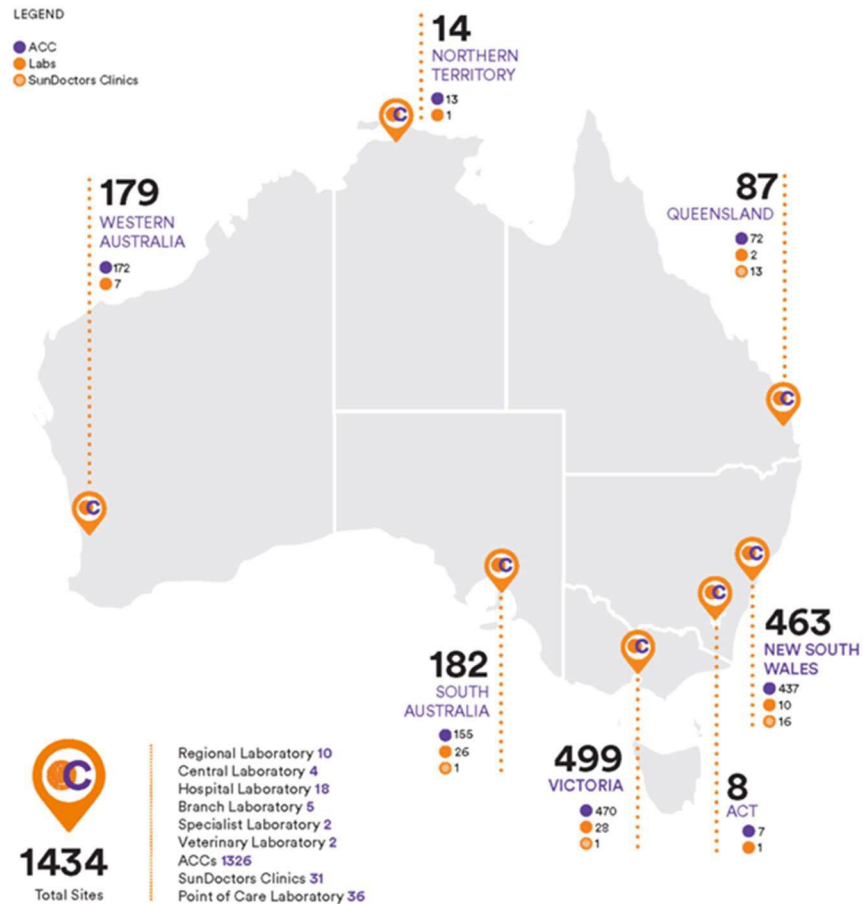


Figure 2: ACL Group's ACCs, skin cancer clinics and NATA - accredited laboratories across Australia.

ACL Group's national footprint now comprises over 1.3k Approved Collection Centres, 31 specialist skin cancer clinics and 73 NATA accredited laboratories across Australia and served over 90 private and public hospitals nationally. In the Reporting Period, ACL's laboratories performed approximately 12m episodes for clinicians and patients within the community.

To support its operations, ACL Group engages approximately 5k staff comprising employed, contracted, and casual workforce including pathologists, scientists, collectors, and support staff in Australia.

Approximately 315 of all staff are located in Malaysia. ACL also operates an offshore data entry facility in Malaysia through its wholly owned subsidiary registered in Malaysia.³ ACL's Malaysian entity is subject to

² Detailed information about ACL Group's operations is available on its websites at www.clinicalabs.com.au.

³ Malvern Pathology Labs Sdn Bhd.

Malaysian laws including with respect to modern slavery.⁴ It is also subjected to the same policies, processes, and controls as ACL's domestically owned and controlled entities.

More details on the Group's activities can be found in [ACL's 2023 Annual Report](#).

ACL Group's Supply Chain

ACL Group endeavours to partner with suppliers that align with its values and commitments including to appropriately address the risks of modern slavery in its operations and supply chains. ACL Group's total number of suppliers,⁵ and their broad geographical overview is reflected in Figure 3 below.



Figure 3: ACL Group's total number of suppliers and their geographical overview

In the Reporting Period, ACL Group's supply chain consisted of over 1.5k suppliers that provided for:

- highly technical and specialised laboratory and other equipment;
- high-volume laboratory and other medical consumables;
- office equipment including for information technology;
- professional services including recruitment, consultancy, legal and financial advisory;
- accreditation, registration, and certification including external quality assurance programs; and

⁴ 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.

⁵ The number of ACL Group's suppliers varies from year to year as a result of acquisitions, disposals, changing operational requirements and supply chain optimization.

- insurance, security, travel, facility maintenance, cleaning, waste disposal and catering services etc.

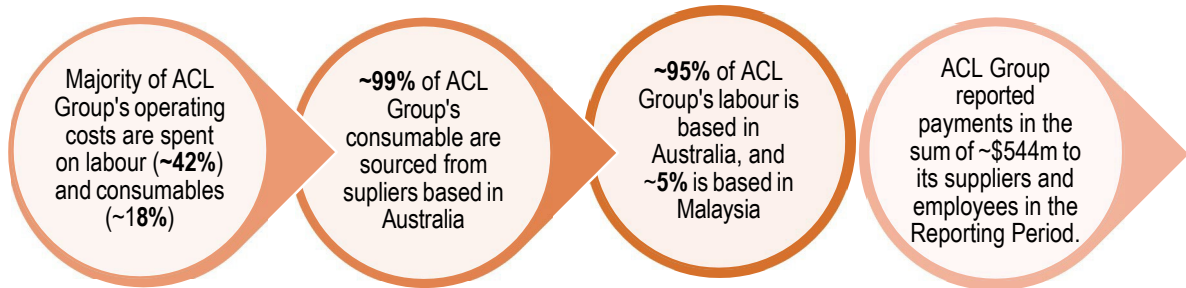


Figure 4: ACL Group's major supply categories and spend⁶ in the Reporting Period.

3. Risks of modern slavery practices in ACL Group's operations and supply chains

ACL Group acknowledges that specific supplier industries, products and services may carry more modern slavery risks 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.

ACL's Internal Risk Profile

Considering the changes to ACL Group's operational footprint and supply chains, ACL Group has continued to maintain a low internal modern slavery risk profile in the Reporting Period. ACL Group's policies; processes; controls; and continuous engagement, improvement and education culture, help shape its internal risk profile.

ACL Group's operations are also subject to regular internal and external audits associated with running a pathology (allied healthcare) practice and skin cancer clinics business. This subjects ACL Group to regular scrutiny that makes internal incidence of modern slavery unlikely. The current internal measures that help ACL Group to maintain a low internal risk profile include:

- following ethical recruitment and labour sourcing practices including using reputable recruitment agencies for personnel needs and not using seasonal or child labour within ACL Group's operations including Malaysia;
- employing staff under relevant Awards, National Employment Standards, enterprise bargaining agreements and / or contracts of employment;
- providing relevant training to staff for allowing them to fulfil their job functions appropriately;

⁶ As reported in ACL's Annual Report 2023.

- requiring all staff to comply with ACL Group's Code of Conduct and policies and procedures with respect to diversity and inclusion, anti-bribery and corruption and whistleblower protection; and
- promoting transparent workplace engagement culture including providing open access to ACL's whistleblower reporting mechanisms and embedding social responsibility in business practices.

ACL's External Risk Profile

ACL Group's industry of operation, geographical locations and types of products and services procured, contribute towards shaping its external risk profile. While ACL Group does not believe the industry, nature and location of its core operations would cause or contribute to modern slavery practices, it acknowledges that potential modern slavery risks may arise indirectly through its supply chains with respect to products or components manufactured or sourced from overseas.

As at the end of the Reporting Period, ACL Group's external risk profile in the key risk categories was assessed as follows:

- **Sector and Industry Risk:**

ACL Group continues to operate in the allied healthcare sector, which is not an industry that generally represents a high risk of modern slavery, due to stronger laws, regulations, and practices.

- **Geographical Risk:**

ACL Group does not have any Tier 1⁷ suppliers in countries that may present high risks of modern slavery.⁸ Based on supplier engagement and feedback received to date, no particular modern slavery risks have been reported or identified within ACL Group's direct supply chain based on geographical location.

- **Product and Services Risk:**

The main area of modern slavery risk for ACL Group is the products or components, manufactured or sourced from high-risk areas overseas, such as medical consumables and components of electronic items that may pose potential risk by product type.

4. Actions taken by ACL Group to assess and address risks

ACL's previous Modern Slavery Statements outlined the steps taken towards staged implementation of the modern slavery governance program initiated in FY2019-20,⁹ with a view to understand, identify, assess, and appropriately address any modern slavery risk(s) that may exist within the group's supply chain.

⁷ Tier 1 supplier means ACL Group's direct suppliers.

⁸ 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.

⁹ See Modern Slavery Statements for Reporting Periods ending 30th June 2020, 30th June 2021, and 30th June 2022.

The program saw implementation of some effective measures where all suppliers are progressively managed centrally through procurement, quality and risk teams using a detailed due diligence process, which is then tailored depending on the relevant supplier’s circumstances, the nature of its operations, geographical location and product type involved.

As part of the due diligence process, ACL Group, through its policy framework sets expectations, both internally and externally, as to its approach to conducting business and dealing with modern slavery risks that may arise in its suppliers’ operations and supply chains. An overview of ACL Group’s key policies is as follows:


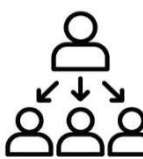
Policy Name	Overview
Code of Conduct	<p>ACL Group’s Code of Conduct outlines expectations for its directors, officers, employees, contractors, consultants, and managers on how to behave and conduct business and includes guidelines on appropriate ethical standards, including a firm commitment to act honestly and fairly.</p>
Supplier Relationship Management Policy	<p>ACL’s Supplier Relationship Management Policy sets expectations for suppliers in the areas of integrity, ethical and legal standards, compliance, confidentiality, labour rights and employment law, health and safety, environment, anti-bribery and corruption, fair competition, and product quality. Amongst other things, it provides for:</p> <ul style="list-style-type: none"> • proactive engagement with key strategic and major suppliers, with a focus on building trusting, co-operative and long-term relationships; • ensuring key strategic and major suppliers adopt an approach to ethical business practices with a view to maintaining compliance with relevant legislation, regulations and governmental requirements and directions, including those regarding discrimination, equal opportunity and human rights; • all suppliers to read, understand and accept the policy before being engaged as it makes specific reference to modern slavery risks and communicates expectations for suppliers to report such risks accordingly.
Whistleblower Protection Policy	<p>In furtherance of its commitment to fostering a culture of compliance, ethical behaviour and good corporate governance, ACL Group has adopted a Whistleblower Protection Policy to provide a safe and confidential environment for individuals to raise concerns without fear of reprisal.</p>

<p>Anti-Bribery & Corruption Policy</p>	<p>The policy details various avenues through which protected disclosures can be made by staff, contractors, and suppliers (including anonymously). These avenues are also available to make any modern slavery related disclosures.</p> <p>ACL Group’s Anti-Bribery and Corruption Policy supports its Code of Conduct and firm commitment to conducting its business activities in an ethical, lawful, and socially responsible manner, and in accordance with the laws and regulations of the countries in which it operates.</p> <p>It sets out responsibilities and provides for mechanisms to implement and monitor compliance including education, training, investigations, and audits.</p>
<p>Diversity Policy</p>	<p>ACL’s Diversity Policy sets out its commitment to ensure that its corporate culture and values at all levels support diversity and inclusion in the workplace whilst maintaining a commitment to high performance culture.</p> <p>To this effect it sets out ACL Board’s responsibility to annually set measurable objectives for achieving diversity in the composition of its Board, senior management and workforce generally including where appropriate, diversity with respect to women in leadership, age diversity and cultural diversity.</p> <p>ACL recognises that in order to have an inclusive workplace, discrimination, bullying, harassment, vilification, and victimisation cannot be tolerated.</p>

In furtherance of the commitment to continue to invest, engage, communicate, collaborate, and respond, as part of its modern slavery governance program, ACL Group has endeavoured to further develop and enhance the program during the Reporting Period.

It introduced additional resources, measures, and layers of control to manage identification of any modern slavery risks and guide key decision-making processes with respect to assessment and appropriate remediation of such risks.

Key actions taken in the Reporting Period in this regard are highlighted below:

Invest	Engage	Communicate	Collaborate	Respond
 <p>ACL Group continued to respond to feedback and invest in its modern slavery initiatives. It deployed resources in developing and implementing</p>				<p>ACL Group continued to engage, communicate, and collaborate, both internally with staff and externally with suppliers, in relation</p>

further measures and controls to help identify and assess any modern slavery risks within its evolving operational landscape and supply chains. It:

- appointed a National Procurement Manager who will help develop and implement stronger purchasing principles and accountabilities relating to ethical sourcing;
- included a modern slavery supplier assessment target in ACL Group's ESG Statement;
- enhanced due diligence requirements for any identified high-risk suppliers requiring them to provide supporting evidence of their responses to ACL Group's modern slavery questionnaire;
- assessed the potential modern slavery risk of approximately 30% of the ACL Group's suppliers in the Reporting Period;
- continued to expand the scope of relevant supplier policies and procedures across the business to ensure that controlled entities comply with the same standards as they integrated and aligned with ACL Group's core business;
- continued to maintain a cross-functional working group to routinely monitor any high-risk suppliers to inform the ACL Group's National Executive Management Team of any potential modern slavery risks;



to implementation of its modern slavery governance program. It:

- continued to engage and collaborate with suppliers that posed a potential risk of modern slavery in ACL Group's supply chain to improve their performance ratings;
- provided quarterly reporting to the Board and Audit and Risk Committee on modern slavery performance;
- worked with its controlled entities regarding expansion and implementation of relevant policies and procedures to ensure alignment of supplier evaluation, modern slavery risk management and reporting practices;
- continued to enhance ACL Group's approach to modern slavery reporting, including by sharing reflections on its modern slavery risk management journey thus far with its Malaysian operations;
- continued to communicate its key supplier governance policies and procedures to new staff involved in the procurement process to ensure that roles, responsibilities, and reporting relationships for procurement activities are clear and understood;
- contacted certain suppliers to conduct a gap analysis of their existing control arrangements, and sought assurance that there were appropriate arrangements in place to identify, assess and address potential modern slavery risks in their supply chains;



<ul style="list-style-type: none"> • simplified ACL Group’s modern slavery questionnaire to enhance oversight of its suppliers across different risk profiles and improve engagement with participants; • enhanced requests for information and follow up procedures for any potential medium or high-risk suppliers; • assessed the effectiveness of ACL Group’s training through engagement with team members and supplier participants; and • sought feedback from an expert whistleblower intermediary service to enhance ACL Group’s whistleblower and grievance procedures. 	<ul style="list-style-type: none"> • continued to follow up with suppliers to demonstrate compliance with ACL Group’s Supplier Relationship Management Policy which sets expectations on suppliers in areas of integrity, ethical and sustainability standards; and • continued to reinforce appropriate modern slavery provisions in relevant procurement contracts including imposing an obligation on suppliers to promptly report modern slavery risks in their supply chains and respond to modern slavery risks.
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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. The assessment of effectiveness of the actions taken in the Reporting Period is outlined below:

Actions	Effectiveness parameters achieved
Invest	Continued investment in dedicated staff, reporting tools, and industry experts has allowed ACL Group to continue to monitor, assess and report on supplier activity with respect to modern slavery risks. Appointment of National Procurement Manager is helping in developing and implementing stronger purchasing principles and accountabilities relating to ethical sourcing. Further, investment in engaging an expert whistleblower intermediary service is helping in reviewing and advising on ACL Group’s whistleblower and grievance mechanisms.
Engage	Expansion and implementation of relevant policies and procedures to all controlled entities including Malaysia allowed broader engagement and alignment of supplier

	<p>evaluation, modern slavery risk management and reporting practices within the ACL Group.</p> <p>Similarly, simplified modern slavery questionnaire and enhanced follow up request(s) for information procedures and due diligence requirements allowed improved supplier engagement and oversight across different risk profiles to ensure that all suppliers were aligned with ACL Group’s commitment to appropriately monitor, assess, and address modern slavery risks within their operations and supply chains.</p>
Communicate	<p>Effective communication of key supplier governance policies and procedures to new staff including within procurement teams through induction process allowed heightened awareness and clarity of modern slavery risk management responsibilities and reporting obligations.</p> <p>Consistently, detailed consultations by the ACL Group with its suppliers effectively validated the ACL Group’s understanding of modern slavery risks in its extended supply chain.</p>
Collaborate	<p>Alignment of supplier evaluation processes, reporting practices and implementation of centralised policies was achieved through direct engagement, open communication, and effective collaboration between various business units within the ACL Group.</p> <p>Effective collaboration in reporting by suppliers was achieved by practices such as sharing reflections with suppliers about ACL Group’s expectations from them to promptly report any real or potential modern slavery risks in their operations and supply chain(s).</p>
Respond	<p>In order to mitigate modern slavery risks, potentially presenting from ACL Group’s supplier operations or supply chains, appropriate modern slavery provisions in relevant procurement contracts were incorporated, as a response.</p> <p>ACL Group also maintained a cross-functional working group to routinely monitor any high-risk suppliers and inform ACL Group’s National Executive Management Team, for appropriate response.</p>

6. Consultation

ACL’s commitment to assess and appropriately address modern slavery risks in its operations and supply chains 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 MSA, 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.

This Statement has been approved by ACL Group's Board of Directors, 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.

7. Other Relevant Information

Future Initiatives

As part of its continuous improvement commitment, ACL Group will reflect on its modern slavery initiatives considering any future operational and supply chain changes and continue to review and adjust them with a view to ensure that they remain effective in identifying, assessing, and addressing any potential modern slavery risks in its operations or supply chains.

Going forward, ACL Group aims to consider:

- opportunities to engage subject matter experts to form partnerships supporting increased knowledge and remediation strategies for complex issues;
- opportunities to conduct control effectiveness tests on key risk controls relating to modern slavery risk management and implement improvements where considered appropriate;
- any education / development needs across the business and engage in appropriate interventions to progress promoting risk informed culture with respect to modern slavery risks; and
- implementing an awareness campaign to build on existing guidance material in the form of in-class training or online e-learning modules to encourage and promote education and re-inforce the importance of compliance with modern slavery processes among staff.



Melinda McGrath

Group Chief Executive Officer & Managing Director

1st December 2023