

Aveo Group: Modern Slavery Statement

1. Introduction

This is Aveo Group Limited's Modern Slavery Statement (**Statement**) for the reporting period 1 January 2024 to 31 December 2024. The Statement 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. Latest estimates by the International Labour Organisation (ILO) show that forced labour and forced marriage have increased significantly in the last five years. 10 million more people were in modern slavery in 2021 compared to 2016 global estimates, bringing the total to 50 million worldwide. Women and children remain disproportionately vulnerable.¹ It is estimated that in Australia, over 1900 people are currently victims of modern slavery and it is estimated that only 1 in 5 victims of slavery are identified.²

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.³

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.⁴ 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.

¹ <https://www.ilo.org/topics-and-sectors/forced-labour-modern-slavery-and-trafficking-persons>

² <https://antislavery.org.au/modern-slavery/>

³ Page 9 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)

⁴ Page 10 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)

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 were consulted during the preparation of the Statement, as well as various Aveo business units including Legal, Audit & Risk, People and Culture, Procurement, Portfolio Management, Operations, Development and Payroll. Following that, the Statement received board endorsement. The Statement is reviewed, updated and approved by the board on an annual basis.

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.

3. Key Actions During the Reporting Period

During the reporting period, the key actions taken to identify, assess and address modern slavery risks included:

- In 2022, Aveo began using Ethixbase, a supply chain management tool, to screen its suppliers, including their compliance with Modern Slavery and labour laws. Early in its implementation, Ethixbase was used to screen new suppliers, but in 2024, the Procurement Team began applying Ethixbase screening to existing suppliers. Since 2022, over 718 suppliers have been screened through Ethixbase. The goal is to build an Ethixbase database of all Aveo suppliers that are high-spend and/or that operate in industries that are at higher risk of modern slavery.
- Aveo updated its Supplier Code of Conduct and Procurement and Business Dealings Policy in 2024. The updates to these key documents provide additional guidance in relation to modern slavery screening and emphasise the high priority placed on this requirement in the supplier due diligence and screening process.
- Aveo's Investment Committee rules were amended to require all business case proponents to consider and discuss the modern slavery risks associated with their proposed project or spending request in the business case tabled with the Committee. These risks and any controls to minimise the risks are then taken into account by the Investment Committee when making its decision whether to proceed.
- Aveo continues to minimise the number of labour hire agencies that we engage and all labour hire suppliers have now gone through the Ethixbase screening process.

Please see the case study below which provides an example of how these key actions have enhanced Aveo's management of modern slavery risk.

Case Study – New Uniform Supplier

In 2024, Aveo put the supply of its uniforms out to tender. Because of the updates to Aveo's policies and the increased awareness of modern slavery risks in general and the recognition that modern slavery risks are greater in certain industries such as garment production, the procurement team designed the tender documents to include a requirement for interested parties to provide details of their modern slavery risks and controls in their proposals.

The team received 7 legitimate tenders and each addressed modern slavery to varying degrees. The supplier that was ultimately selected provided the most transparency and detail around their modern slavery compliance framework. This included factory locations, factory audit schedules and results, duration of relationships with key downstream suppliers, and steps taken to reduce modern slavery risk, such as bringing the manufacturing of some components in house.

As part of its commitment to encouraging other organisations to enhance their modern slavery controls, the procurement team gave unsuccessful tenderers feedback on their modern slavery approaches as compared to that of the successful tenderer. And although the modern slavery information provided by the successful tenderer is company-specific and industry-specific, it has been – and will be – used as a benchmark and best practice guide that demonstrates the quality and quantity of information that suppliers should provide to Aveo to help us better understand and minimise the risk of modern slavery in our supply chains.

4. Structure, Operations and Supply Chains

Aveo's Business and Operations

Aveo provides accommodation and care at home services to older Australians.

We currently have 67 retirement living communities under management, having built the portfolio via a combination of acquisitions, brownfield and greenfield developments and redevelopments. Over 10,000 residents live in Aveo communities. 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 gains.

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

Aveo also provides care and support services which include:

- Aveo Care at Home business, which provides home care services to a number of Aveo's retirement living communities and homes within the surrounding markets; and
- Select Dining, a national food services and nutrition offering which embraces residents' differing dietary requirements as they age. Select Dining operates across 52 kitchens.

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) provide the following services: construction and facilities maintenance; professional services; labour hire services; and telecommunications and IT services.

Aveo has created and regularly updates 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, sanctions, anti-bribery and corruption, occupational health and safety, and other legislative obligations. Aveo has introduced clauses in our standard contracts requiring all suppliers to adhere to Aveo's policies on these issues.

During 2024, extensive changes were made to the Procurement and Business Dealings Policy in order to broaden and enhance safeguards and risk mitigation around supplier engagement. Enhancements include:

- Mandatory Ethixbase screening for certain categories of suppliers, including those in industries considered to be at high risk with regard to modern slavery.
- The inclusion of a risk matrix prepared by the procurement team which makes it easier for people to understand what their screening obligations are when it comes to different categories of suppliers.
- Mandatory training on the policy and related issues for all employees who are involved in procurement.

5. 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.

Sanctions Policy

- Aveo adopted its Sanctions Policy in 2023. The policy sets out Aveo's standards and expectations to ensure compliance with applicable sanctions as well as its approach to identifying, mitigating and managing Sanctions compliance risks.

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

A modern slavery clause has been included in all of Aveo's standard contracts.

Internal due diligence process

To identify and assess the level of modern slavery risk in our operations and supply chains, we conduct internal due diligence processes across all relevant business units to track progress on the identification and management of modern slavery risks. This information is updated at regular intervals with questions directed at:

- How that business unit approaches and selects suppliers;
- The type of due diligence conducted on suppliers;
- Whether a supplier relationship has been terminated because of modern slavery concerns; and
- Whether outsourced labour providers are used.

Supplier screening process

To better assess risks in our supply chain and to manage high-risk suppliers, Aveo has implemented a supplier screening process via the Ethixbase platform which assesses a variety of risk factors including: modern slavery; anti-fraud, bribery and corruption; privacy; sanctions; and sustainability.

Please refer to the discussion above in the section entitled 'How Aveo deals with Suppliers'.

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 may not be audited in any structured or periodic way.

Aveo is enhancing its ability to manage modern slavery risks in these three business areas in the following key ways:

- Through the Ethixbase supplier screening process;
- By implementing new processes and procedures to provide a greater degree of centralised oversight over the vetting, engagement and use of suppliers; and
- By limiting the number of labour hire service providers with whom we engage.

6. Effectiveness

We assess the effectiveness of our efforts based on the number of suppliers that pass through our rigorous Ethixbase screening process, as well as the expansion of Ethixbase across all business units.

In line with our commitment to continuously improve our response to modern slavery risks, in 2025 we will undertake a review of our modern slavery screening questions. We will also evaluate the questionnaire provided to tenderers to

7. 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. There are two employing entities in the Group and representatives from both have been consulted in the management of modern slavery risks. In addition, employees and managers of these entities are required to complete the Modern Slavery training. The majority of entities in the Group share common directors and the business is run as a single business despite separate corporate entities owning different properties. In instances where there are external directors or where the directors do not sit on other group entity boards, these directors have been provided information on Aveo's Modern Slavery obligations and the ways in which Aveo manages Modern Slavery risk.

8. 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 4 – Structure, Operations & Supply Chains
2. Describe the reporting entity's structure, operations and supply chains	Section 4 – 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 5 – 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	Sections 3 and 5 – Identifying, assessing and addressing risks
5. Describe how the reporting entity assesses the effectiveness of these actions	Section 6 - 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 7 – Consultation with Aveo group entities



7. Provide any other relevant information.	Section 8 – Other relevant information
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Signed on behalf of Aveo Group Ltd by its Director:

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

Tony Randello

28 March 2025

Date