

Modern Slavery Statement 2022

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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 2022 (**FY22**), 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 third Modern Slavery Statement and was approved by the Estia Health Ltd Board on 15 December 2022. It sets out the actions taken and continuing to be taken to reduce the risk of modern slavery occurring within our business or supply chain.

Estia Health is one of Australia's largest providers of residential aged care employing approximately 7,500 nurses, carers and support staff who care for around 8,000 residents each year across 68 homes in South Australia, Victoria, New South Wales, and Queensland. Estia Health Ltd is listed on the Australian Stock Exchange (ASX Code: EHE). The Group operates within the regulatory requirements of the *Aged Care Act 1997* (Cth).

Our key focus at all times is the care, wellbeing, and safety of our residents and that of our staff who support them. People are therefore at the core of our business and our aim is to ensure that their fundamental human rights are respected in our own business, as well as by our business partners and suppliers. We are a signatory to the Aged Care Code of Conduct.

We rely on a diverse range of suppliers to source goods, services and equipment. During the COVID-19 pandemic, significantly increased levels of Personal Protective Equipment (**PPE**) were required to deliver our services, most of which is imported into Australia. During the year to 30 June 2022, the impact of the pandemic and global supply chain disruption, exacerbated by international conflicts, continued to affect all aspects of the Group's operations, including workforce availability and supply chains. These disruptions have the potential to amplify drivers of modern slavery.

We take the issue of modern slavery seriously and understand that the greatest potential risk arises from indirect impacts within our supply chain. We recognise that modern slavery cannot be eradicated instantaneously, however, we remain committed to continually improving and developing appropriate levels of best practices in identifying, monitoring, managing and reporting on modern slavery.



Sean Bilton

Chief Executive Officer and Managing Director



Sean Bilton

CEO and Managing Director

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

During FY22, the Group's services were delivered through 68 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 portfolio operating in network clusters

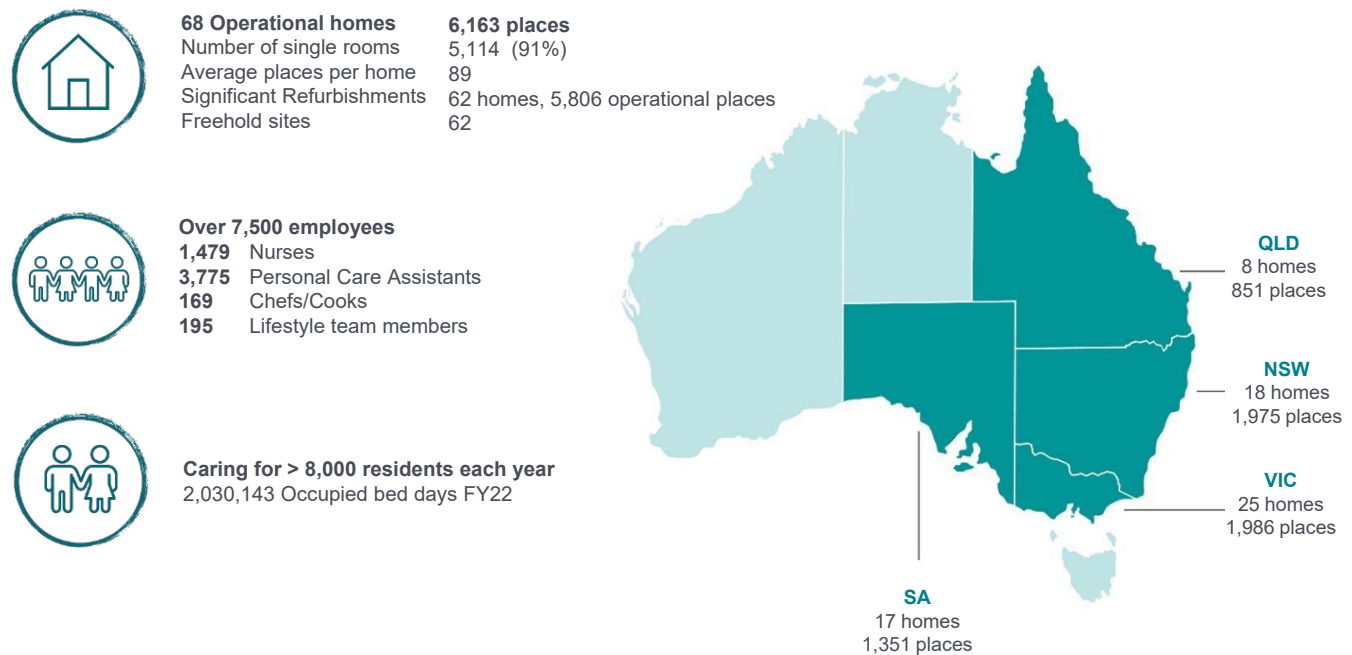


Figure 1: a snapshot of Estia Health at 30 June 2022

Group revenue for FY22 was \$680.0 million. Staff costs were \$488.8 million and non-staff costs were \$113.0 million. Further information about Estia Health, including operations, can be found in our [2022 Annual Report](#).

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 [2022 Corporate Governance Statement](#) outlines the corporate governance practices that are in place.

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

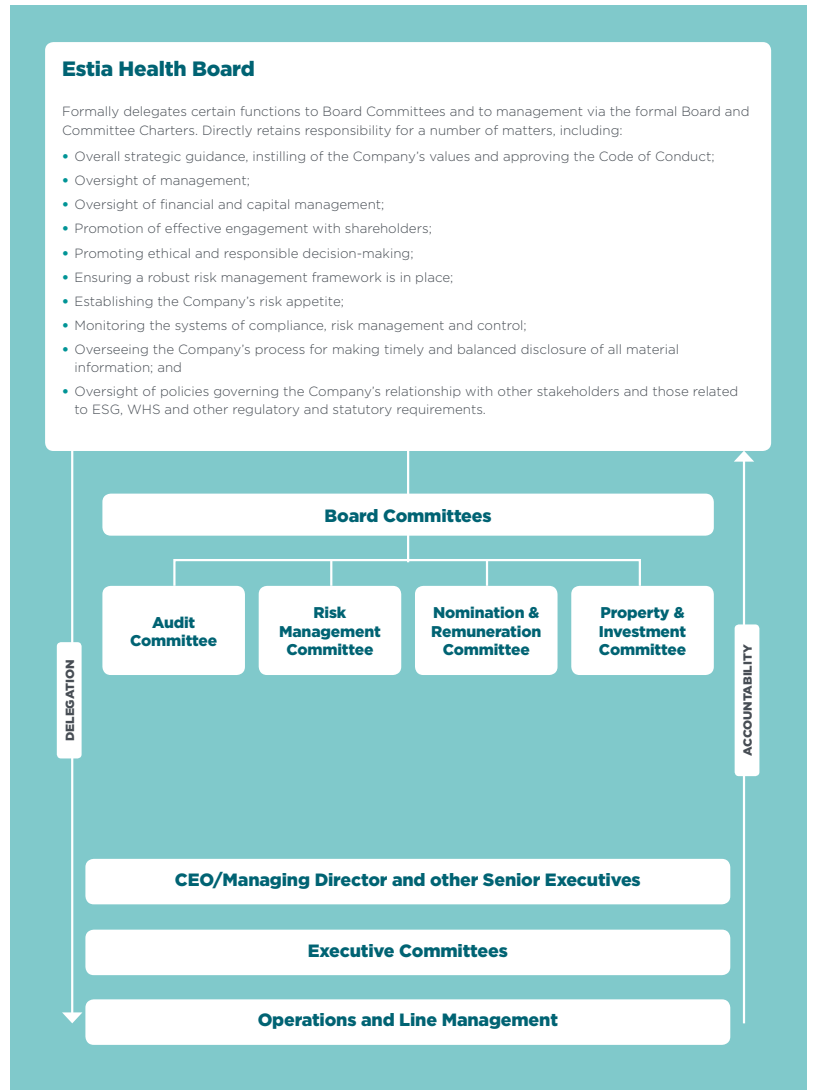


Figure 2: Estia Health structure

Supply chains

Estia Health's supply chain has not substantively changed from FY21. Preferred suppliers are negotiated and contracted centrally 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 - personal and professional services, allied health, accounting and auditing services, consultants, recruitment services and legal services.

3 Areas of modern slavery risk in operations and supply chains

Operational risks

Estia Health's operations are based wholly within Australia, which has one of the most highly developed workplace regulatory environments in the world. 81 percent 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.

96 percent 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.

The Group adheres to regulatory requirements, underpinned by internal policies and governance processes that promote a workplace culture of safety and care which uphold protections relating to workplace rights, freedom of association and freedom from workplace discrimination.

Due to the impacts of COVID-19 and ongoing workforce shortages, Estia Health has had to increase its use of temporary agency labour. Although all agency labour suppliers used are Australian-based and subject to Australia's workplace regime, there remains elevated levels of potential risks associated with the use of external labour hire agencies.

There are established grievance procedures, Employee Assistance Programs, an in-house Health and Safety team, and ultimately a confidential "whistleblower" hotline to allow staff, residents, families and visitors to raise issues of concern without fear of retribution.

After consideration, the Group believes there is a low likelihood of modern slavery harm arising within its own operations and direct workforce.

Supply chain risks

The Group is reliant on a significant number of third-party suppliers, delivering goods and services.

Areas with the potential for modern slavery harm to occur include:

- Food (all food is fresh cooked on premises).
- Medical and surgical supplies.
- Allied Health Services and consultants.
- Energy, utilities and communications.
- Home repairs and maintenance.
- Cleaning and waste disposal.
- Consulting and professional services.

In addition, capital goods, construction and refurbishment investment totalled \$33.5 million in the year.

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 through an online purchasing and payments system reduces the opportunity for home-based staff to purchase outside these approved channels and suppliers.

The 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.

As a result, the Group's supply chain is heavily concentrated within a small group of suppliers: more than 90 percent of Estia Health's total costs and resulting potential engagement with indirect modern slavery is made through 80 centrally contracted preferred suppliers.

In FY22 Estia Health engaged specialist support to extend its third-party risk assessment and mapping of Tier 1 suppliers to include 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.

Tier 1 comprises direct suppliers of the final product and Tier 2 comprise suppliers or sub-contractors or suppliers to Tier 1.

Summary of modern slavery risk by geography (including Tier 1 and Tier 2 suppliers)

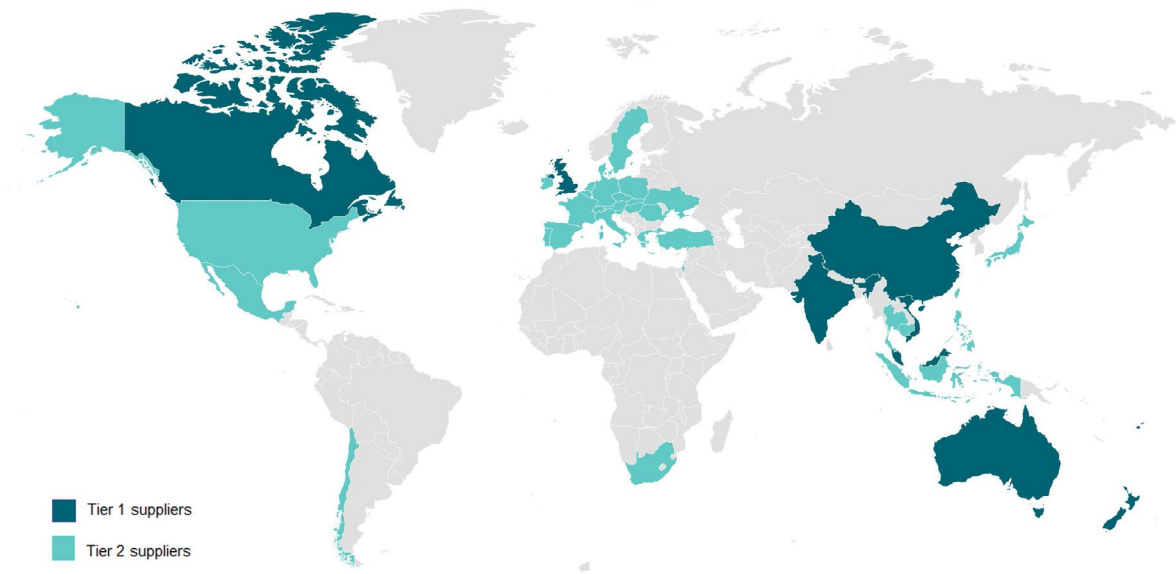


Figure 3: Map of Tier 1 and Tier 2 suppliers

4 Actions taken to assess and address modern slavery risks

Suppliers identified in a high-risk procurement category with an annual spend greater than \$100,000 were subject to a screening and evaluation process to assist with determining a risk rating and any level of ongoing engagement required. The overview and outcome of this process are shown below.

Risk Assess	High Risk Category	<ul style="list-style-type: none"> • Construction • Clothing and uniforms • Medical equipment and consumables • Labour hire agencies including nursing agencies • Electrical products 			
Screen	Nursing Agencies Annual spend over \$100K	Clothing and uniforms suppliers Annual spend over \$100K	Medical Equipment suppliers Annual spend over \$100K	Electrical equipment suppliers Annual spend over \$100K	Construction suppliers Over \$300K
Self Assessment Questionnaire	FY20 67 suppliers	FY21 16 suppliers	FY22 28 suppliers		
Supplier Risk Rating	12 high risk	1 high risk 9 medium risk 6 low risk	1 high risk 3 medium risk 9 low risk		
Supplier Evaluation	FY20-22 Further engagement was undertaken with identified suppliers to clarify and verify information. Where required, a targeted supplier action plan was implemented. This included engagement with suppliers that did not respond to the self-assessment screening survey.				

Figure 4: FY20-FY22 actions taken summary

Further FY22 progress against Estia Health's 2021-2023 Modern Slavery Roadmap is outlined below:

Roadmap areas	Roadmap actions	FY22 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"> Refinement of due diligence process Issued self-assessment survey to identified high risk suppliers Evaluated 13 suppliers' responses and requested further information Modern slavery clauses included into 15 new contracts
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"> Completed initial supplier modern slavery training workshop Completed internal engagement workshops for procurement team
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"> Established and reported against initial KPIs Developed draft effectiveness evaluation framework for rollout in FY23
4. Collaboration	<ul style="list-style-type: none"> Investigate and pursue collaboration with relevant networks and organisations 	<ul style="list-style-type: none"> Participated in external forums and engaged suppliers around developing a partnership approach for knowledge sharing across the health industry

Grievance mechanism

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

The Group undertakes mandatory training for staff in areas including:

- Bullying Discrimination and Harassment.
- Performance and Disciplinary.
- Workplace Health and Safety.
- Diversity and Inclusion Policy.

The Group has an established Reporting and Resolving a Grievance Policy, accessible to all staff internally which sets out the progressive means by which staff should escalate any areas of concern.

At the pinnacle of this Policy, if staff, residents, families, or suppliers are not satisfied or have concerns about raising matters with managers or colleagues, the Group has an anonymous and independently operated 'Say Something Hotline' and website where any matters of concern may be raised in line with the Group's Whistleblower Policy. In FY22, the independent hotline has received no calls in relation to potential modern slavery harm.

Remediation process

The Group's Reporting and Resolving a Grievance Policy sets out the approach to resolving and remediating concerns, including those relating to modern slavery concerns.

No matters relating to modern slavery harm have been identified to date which have required remediation.

5 Assessing the effectiveness of our actions

Three-step approach:

1. Step 1 – self-evaluation: the Sustainability Committee and Modern Slavery Working Group (**Working Group**) conduct an evaluation to assess progress against the Modern Slavery Roadmap and identify actions to evolve and mature the approach to addressing modern slavery risk.
2. Step 2 – supplier training survey: suppliers that attended training were invited to complete a follow-up survey to assess the training’s impact on their awareness and understanding of modern slavery issues. In FY22 five of the six attending suppliers provided feedback, suggesting areas for further training and the desire to continue to engage with Estia Health on the issue of modern slavery.
3. Step 3 – external expertise: the Group continues sourcing external expertise where required to improve Estia Health’s approach to modern slavery risk, including a long-term strategy towards implementing 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 has ultimate responsibility for the approval and oversight of the Group’s approach to the management of modern slavery risk and the disclosures within this Statement, receiving monthly updates from the Chief Executive and senior management as members, with input from the Executive Leadership team and independent advice where required.

The appointment in FY22 of a designated Head of Sustainability, with responsibility for modern slavery, has strengthened the governance and consultation framework in relation to modern slavery, supported by the Working Group which meets quarterly to review activities and progress.

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 has been 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 2021 to 30 June 2022.

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)

Dormant:

The following dormant subsidiaries were members of the Group during FY22 but were deregistered by 24 August 2022.

- Hayville Pty Ltd (ABN 50 002 934 161)
- Camden Village Pty Ltd (ABN 38 000 324 265)
- Kilbride Village Pty Ltd (ABN 71 092 321 438)

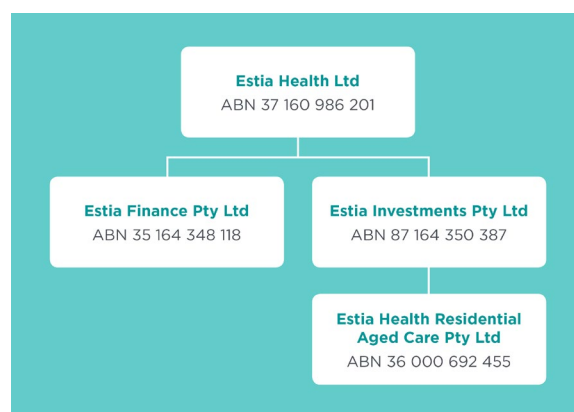


Figure 5: Estia Health Group reporting entity structure

Modern Slavery Act 2018 (Cth) - Statement Annexure

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of **Estia Health Ltd** as defined by the *Modern Slavery Act 2018 (Cth)*¹ (**the Act**) on 15 December 2022.

Signature of Responsible Member

This Modern Slavery Statement is signed by a *responsible member(s)* of **Estia Health Ltd** as defined by the the Act².



Dr. Gary Weiss, AM
Chairman



Sean Bilton
Chief Executive Officer and Managing Director

Mandatory criteria

The following page number/s of the statement address each of the mandatory criteria in Section 16 of the Act.

Mandatory criteria	Page number/s
a) Identify the reporting entity.	8
b) Describe the reporting entity's structure, operations and supply chains.	3 & 4
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	5 & 6
d) 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.	6 & 7
e) Describe how the reporting entity assesses the effectiveness of these actions.	8
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	8
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	9

1. Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

2. Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.