



2023 Modern Slavery Statement

Cover image:

Guiano Punzalan
Collector, Lavery Pathology

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This is Healius Limited's Modern Slavery Statement ("Statement") covering FY 2023, issued under the Australian Modern Slavery Act. This Statement outlines what Healius and its subsidiaries ("Healius") have done to detect and prevent modern slavery and human trafficking risks in its business and supply chains.

Professor Alexander Pitman
BMedSci, MBBS, MMed(Rad), FRANZCR, FAANMS
Director of Imaging
Northern Beaches Medical Imaging
Lumus Imaging





Message from the CEO

On behalf of the Board of Healius, I am pleased to present our 2023 Modern Slavery Statement.

We are committed to being a socially responsible company and to assisting in the elimination of modern slavery in all its forms.

Our values 'WE CARE' underpin a culture of care and empathy, which also extends to our many stakeholders, internal and external. Our commitment to human rights and the eradication of all types of modern slavery is overseen by the Healius Board, the People & Governance Committee and supported by the Sustainability Steering Committee.

This Modern Slavery Statement includes Healius' framework for managing and mitigating modern slavery risk and the actions we have taken and will continue to take to address this risk.

Maxine Jaquet
Managing Director and Chief Executive Officer

19 December 2023

About Healius

For over 30 years, Healius has been one of Australia's leading healthcare companies. We are committed to supporting quality, cost-efficient and accessible healthcare, leading Australia to a healthier future.

Healius has two core businesses, Pathology and Imaging. Through its unique footprint of 2,300 centres and its 11,000+ employees, Healius provides specialty diagnostic services to consumers and their referring practitioners¹.

Healius' commitment to human rights and the eradication of all types of modern slavery is overseen by the People & Governance Committee of the Healius Board, supported by the executive Sustainability Steering Committee. Our approach to modern slavery risk management builds upon our 'WE CARE' values and established frameworks as an accredited healthcare provider and public listed company in Australia, including our Risk Management Framework, Standards of Behaviour and Conduct Policy, Procurement Policy, Supplier Code of Conduct and Whistleblower Protection Policy.

Our values

At Healius, 'WE CARE' represents our values, with the aspiration of creating a culture of care and empathy for our people that mirrors the care and empathy patients expect from them. Everyone at Healius is expected to embrace and embody these values in their working lives.



Work it together

We believe when we bring out the best in each other, there's no limit to what we can do.



Empathy for everyone

We believe we build better relationships when we take the time to understand and care about each other.



Committed to excellence

We believe we should always go above and beyond for patients, customers and each other.



Act with integrity

We believe in trusting each other and always supporting those who are fair and honest.



Recognise our people

We believe the hard work we put in every single day deserves to be acknowledged and celebrated.



Embrace innovation

We believe everything we do can benefit from a different perspective. Great ideas can come from anyone.

¹ During the period of this Statement, Healius also had a Day Hospitals business in its portfolio and this Statement covers this division as well as the core pathology and imaging divisions.

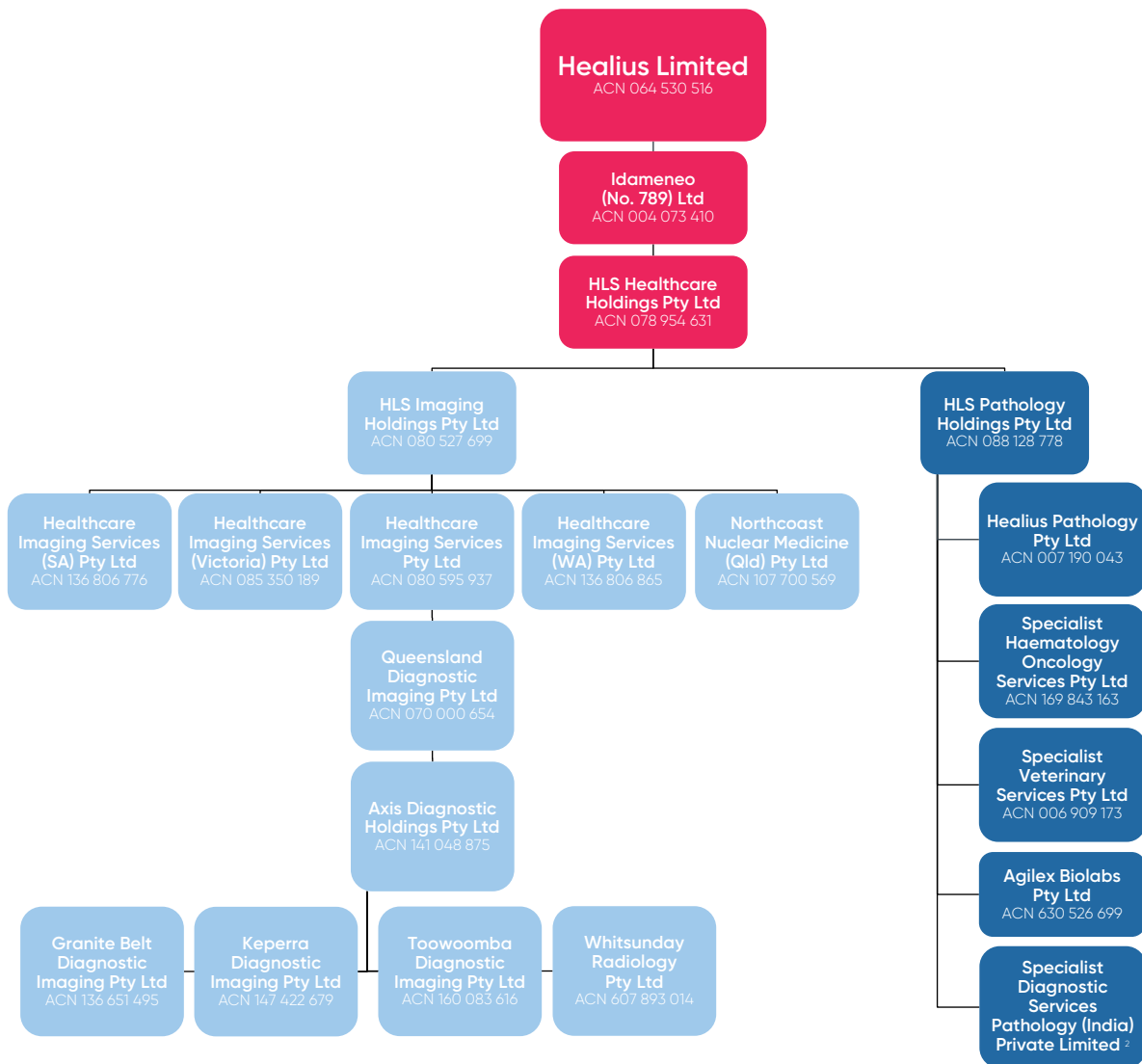
Legal entities covered by this Statement

Healius is a leading Australian healthcare company providing diagnostic services to consumers and referring practitioners, as well as enabling a range of independent healthcare professionals to deliver patient care in our facilities and in partnership with Healius' nurses and support staff. Healius is listed on the Australian Securities Exchange and is headquartered in Sydney, NSW.

In addition to Healius Limited, the Holding Company, Healius comprises a significant number of separate subsidiary companies whose activities are grouped into operating divisions.

This Statement covers the financial year ended 30 June 2023 and has been prepared on a consolidated basis. The legal entities covered by this Statement and a description of the businesses through which these legal entities deliver healthcare services to Australian healthcare professionals and patients is set out below.

Healius Group – consolidated modern slavery reporting entities 2023 ¹



1 This structure is current as at 30 June 2023 and shows all active operating companies within our segments. For a complete list of all entities forming part of the Healius group, refer to Note D1 to the Financial Statements within our FY 2023 Annual Report.

2 Back-office support operation incorporated in India.

Our businesses

Pathology



Healius Pathology is one of Australia's leading providers of private medical laboratory and pathology services. Healius Pathology operates 95 medical laboratories and approximately 2,000 patient collection centres across metropolitan, regional and remote Australia. It employs around 170 specialist pathologists and around 6,000 full-time equivalent staff (FTEs) being scientists, technicians, collectors and team members.

Through a variety of established state-based and specialty brands, Healius Pathology provides leading medical laboratory and pathology services across key diagnostic activities. These include anatomical pathology (histopathology and cytology), clinical pathology (biochemistry, haematology, immunology and microbiology), genomic diagnostics and veterinary pathology.

With presence in every state and territory across Australia, Healius Pathology brands include QML, Laverty, Dorevitch, Western Diagnostic Pathology, TML and Abbott Pathology which operate in Queensland, New South Wales (including Australian Capital Territory), Victoria, Western Australia and Northern Territory, Tasmania, and South Australia respectively.

Key specialty brands include:

- **Genomic Diagnostics**, one of Australia's leading non-government diagnostic genetic sequencing facilities
- **Kossard**, leader in dermatopathology with an established reputation in the specialist community
- **Agilex Biolabs**, Australia's largest, most experienced and scientifically advanced bioanalytical laboratory with over 25 years' experience in clinical trials and providing bioanalytical services for therapeutics, immunoassay bioanalysis of large molecules, biologics and vaccine development
- **Specialist Veterinary Services**, a network of veterinary pathology laboratories with recognisable state-based brands

Each year, Healius Pathology provides approximately one in three Medicare-funded pathology tests in Australia. Its services extend from exclusively servicing some of Australia's largest and most complex private and public hospitals to regional areas and remote Australian Indigenous communities.

Imaging



Lumus Imaging operates a network of 148 sites across the country, comprising stand-alone community imaging centres, and imaging facilities located within private and public hospitals and in medical centres.

With a highly-trained team of over 160 radiologists, together with radiographers, sonographers, nuclear medicine technologists, nurses, centre support and corporate teams, computerised tomography (CT), mammography, magnetic resonance imaging (MRI), nuclear medicine, positron emission tomography (PET) and interventional radiology (including treatment by spinal and joint injections).

Radiologists undertake a range of imaging services including specialist women's health, cardiac, neurology, vascular, musculoskeletal and dental imaging. Over three million radiography examinations are conducted in Lumus Imaging's sites each year.





Our Australian operations and people

The majority of Healius' operations are in Australia and include salaried staff, employees under collective bargaining arrangements and modern pay awards, temporary contractors and casual employees. In FY 2023 there were 11,409 team members employed by Healius.

Approximately 90% of staff (excluding temporary contractors) are covered by an industrial instrument such as modern awards or enterprise agreements. The terms of these instruments lessen the prospects of conduct within our operations that could deteriorate into modern slavery.

Healius' systems aim for continuous improvement in its treatment of employees including compensation, work-life balance, financial and non-financial benefits, support professional development and health and safety.



Our offshore operations and people

As well as managing domestic and offshore suppliers, Healius' Pathology division includes back-office support operations located in India, made up of 585 employees.

Healius' offshore employees are compensated in line with, or exceed, local government minimum wage compliance in the relevant locations. Healius management conducts site visits (as required) of our offshore operations and maintain regular communication and oversight through weekly meetings with onshore team leaders and fortnightly meetings between the onshore and offshore management teams. Through consultation with local operations, Healius has assessed the risk of modern slavery, including its supply chains and risk of exploited labour.

In addition, Healius has and will continue to engage experts to provide recommendations on risk and compliance requirements for our offshore operations and hold governance forums with offshore leaders and contract suppliers.



Our supply chains and procurement framework

Across the scope of its operations, Healius sources a wide array of healthcare-related products and services, as well as more usual business-related products and services. These may originate within Australia or offshore.

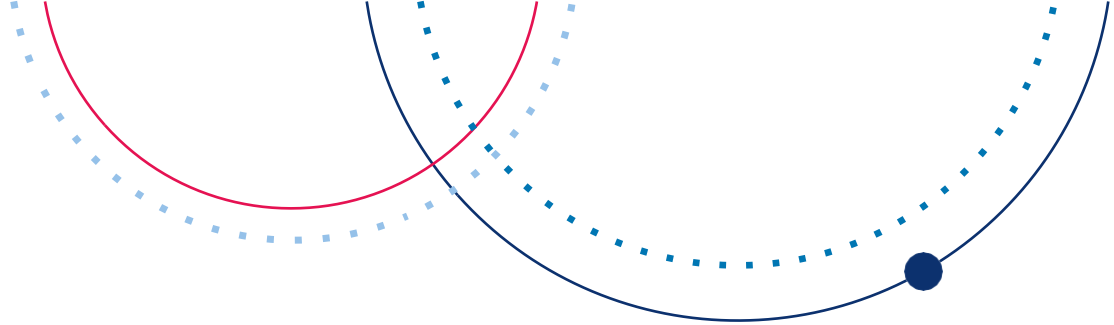
Key supply chain classes are:

- Medical consumable expenses (e.g. personal protective equipment, reagents)
- Property rental expense
- Utilities and other property related services (e.g. facilities management services such as cleaning and security)
- Repairs and maintenance (including equipment)
- IT expenses (IT hardware, software and third-party support)
- Short-term equipment hire
- General expenses (including non-medical consumables such as office supplies, general staff and travel costs, motor vehicles, workers compensation and insurance costs, Pathology third-party courier and referred work, consultants, professional services)

Healius draws from both domestic and international suppliers to ensure the provision of quality, ethical products and services to generate optimum value with a whole-of-life focus.

In evaluating our preferred suppliers and strategic partners, our selection criteria include understanding the resilience of the supply chain, methods of production, environmental sustainability in manufacture and logistics, labour hire practices and value for money. The evaluation includes detailed assessments of how the supplier addresses the risks of modern slavery both within their control and also upstream from suppliers of input goods and services.

Suppliers are required to adhere to Healius' policies and procedures, in particular, our *Procurement Policy* and our *Supplier Code of Conduct*



Procurement Policy

Healius' Procurement Policy ensures that procurement activities are conducted commercially, ethically and sustainably to generate optimum value with a whole-of-life focus. The Policy covers the following:

Supplier relationships

Healius is committed to building a strong reputation with suppliers by demonstrating probity, integrity, impartiality, confidentiality, transparency, accountability and respect by partnering and managing relationships strategically with suppliers.

Sustainability

Where possible, procurement should have the most positive environmental, social and economic impact over the entire lifecycle of a good or service following a risk-based approach.

Managing risk

Our aim is to ensure that all procurement is conducted within a framework in compliance with Group procedures, tools and templates, based on a risk-based approach. Conflicts of interest are considered and managed appropriately.

Value for money

Healius is committed to obtaining the best overall outcome in terms of value for money, performance and whole-of-life-costs by leveraging the full purchasing power of the Healius Group. Value for money is demonstrated through competitive process and/or rigorous benchmarking.

Supplier Code of Conduct

Labour, Human Rights and Modern Slavery

Healius is opposed to all forms of modern slavery and expects its suppliers to respect human rights and ensure that they do not engage in or are complicit with human rights abuses, including modern slavery.

Ethics

Healius is committed to a culture of corporate compliance and ethical behaviour and expects its suppliers to carry out their duties ethically, responsibly and without improper influences, and thereby protect the integrity of the business.

Health and safety

Our aim is to provide a safe and efficient workplace without injuries to staff, contractors and the public. We expect suppliers to be accountable and responsible for managing their health and safety risk.

Environment

Healius is committed to managing operations in an environmentally sustainable manner and expects its suppliers to maximise resource efficiency and reduce the consumption of energy and natural resources and waste.

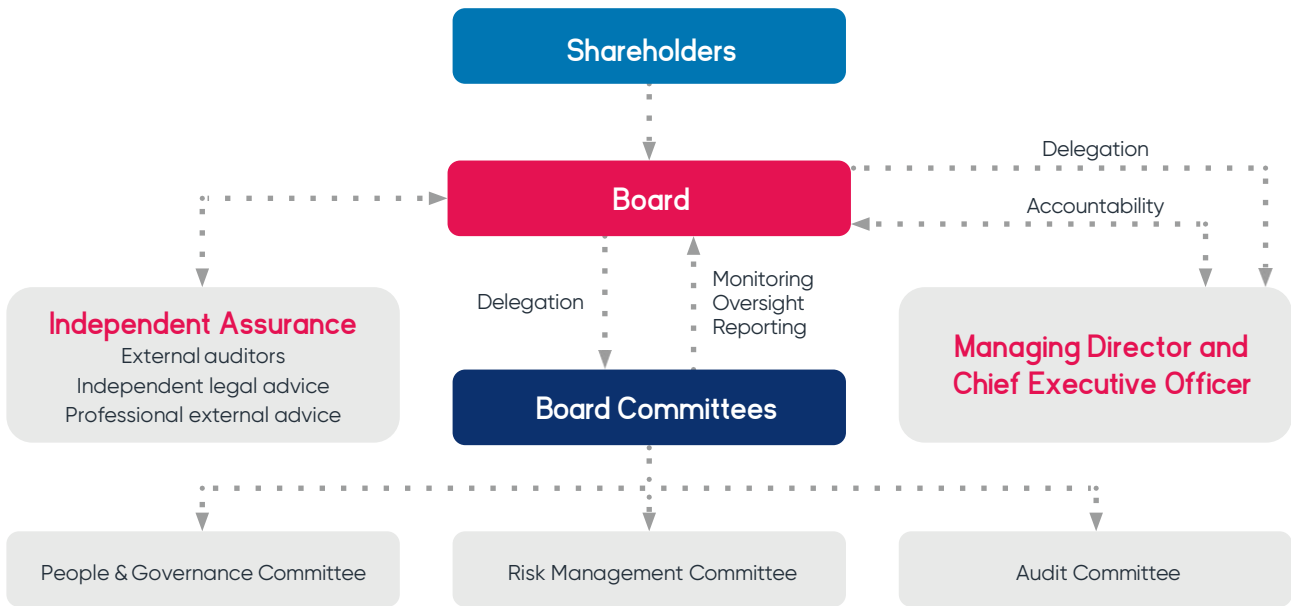
Diversity and inclusion

We recognise that a diverse and inclusive workplace in which all individuals, with a broad range of backgrounds, skills, experience and perspectives, contributes to our success. We also expect our suppliers to promote an inclusive and diverse workforce.

Our governance and risk framework

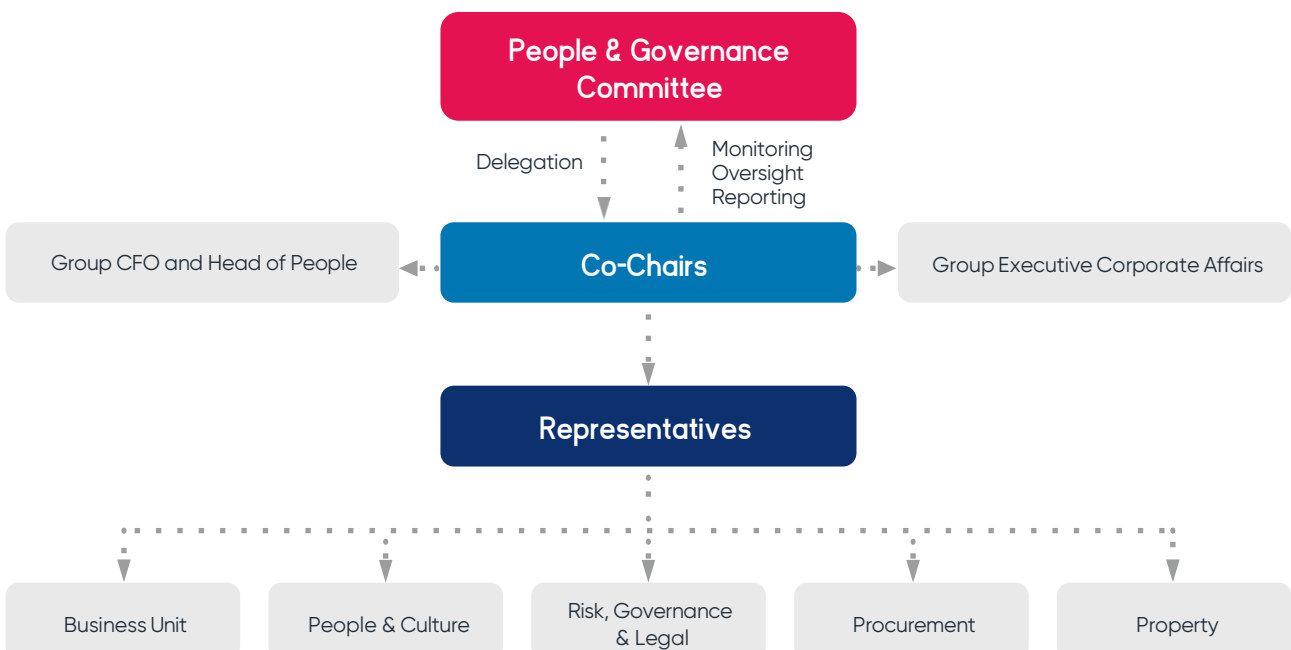
Overseen by the People & Governance Committee in conjunction with the Risk Management Committee, Healius is committed to maintaining high ethical standards and conducting business with integrity, which is one of our core values. This includes a commitment to human rights and the eradication of all types of modern slavery.

Governance structure



Sustainability Steering Committee

The Sustainability Steering Committee, reporting directly to the People & Governance Committee of the Healius Board, is responsible for providing oversight and management of modern slavery risks (amongst other key environmental, social and governance issues). It is co-chaired by two members of the Healius Executive Leadership Team and has a wide range of functions represented on it.



Healius works within an accountable system that includes corporate governance policies and practices, and risk management processes. These are designed to promote and strengthen responsible management.

Our Risk Management Framework formalises the approach adopted to manage risk and provides Healius with a consistent methodology to be applied to all strategic, operational and contractual objectives. Healius assesses the consequence of likelihood of risks in all significant areas of the business including modern slavery.

The Risk Management Framework is supported by a range of policies that ensure we operate in a manner that is safe, ethical and compliant. Some policies relate specifically to modern slavery, while others are more general in nature and refer to our ethical standards and human rights responses.

As part of its commitment to managing the risks, these policies are continually reviewed to ensure compliance with all legislation, including modern slavery. Relevant policies include:

- Board Charter
- Standards of Behaviour and Conduct Policy
- Anti-bribery and Anti-fraud Policy
- Risk Management Policy
- Procurement Policy
- Supplier Code of Conduct
- Work Health & Safety Policy
- Whistleblower Protection Policy

These policies are available on our website at: www.healius.com.au.



Our Whistleblower Protection Policy

Healius encourages all its people to act with honesty and integrity and is committed to a culture of corporate compliance and ethical behaviour generally. The Whistleblower Protection Policy is in place to foster openness and transparency and to support people who raise concerns about the actions of Healius, without fear of being subjected to punishment, harassment, or discriminatory treatment. Healius has engaged an external third-party service provider to provide a confidential and, if requested by a whistleblower, anonymous line of communication.

In the context of modern slavery, the policy specifically includes suppliers under the umbrella of persons who may be a whistleblower. Details of how to make a notification – including anonymously – are publicly available on our website.

Our FY 2023 measures to address modern slavery risks

Healius is committed to respecting all human rights and to the eradication of all types of modern slavery associated with our business. Healius believes that this commitment is fundamental to a sustainable future.

Healius continues to build and improve on its response to modern slavery. This includes detecting potential modern slavery risks in our operations and supply chains, implementing mitigating actions and educating our people. In FY 2023 and up to the date of this report, Healius has completed the following initiatives:

Consultation and collaboration

Consultation with relevant stakeholders including suppliers and industry peers to understand their approach to modern slavery and actions going forward. Healius has requested that suppliers submit their modern slavery compliance statements.

Industry platforms which monitor offshore manufacturing facilities are continuing to emerge with increasing emphasis on compliance to Modern Slavery frameworks in developed economies. We are continuing to evaluate these platforms, however in the interim we will continue to use UNSPSC classifications to track spend data to identify suppliers who may be at risk of modern slavery. This allows us to conduct more thorough due diligence on those suppliers identified, working with them to develop and implement responsible sourcing practices, or potentially even terminating the relationship if the risk cannot be sufficiently mitigated.

Modern slavery education

Our Modern Slavery training module is compulsory for our people, with a focus on those in procurement roles, to ensure our people are aware of modern slavery (including what it is) and the associated risks, Healius' obligations under legislation, and steps that can be taken if a modern slavery risk is identified.

Risk framework

Sustainability Steering Committee

The multi-functional executive Sustainability Steering Committee is responsible for providing oversight on the identification and response to key ESG issues, including modern slavery. The Committee reports to the People & Governance Committee of the Healius Board and meets on a regular basis.

Healius key policies

Healius continually reviews key policies to ensure compliance with all legislation, including modern slavery.

Procurement

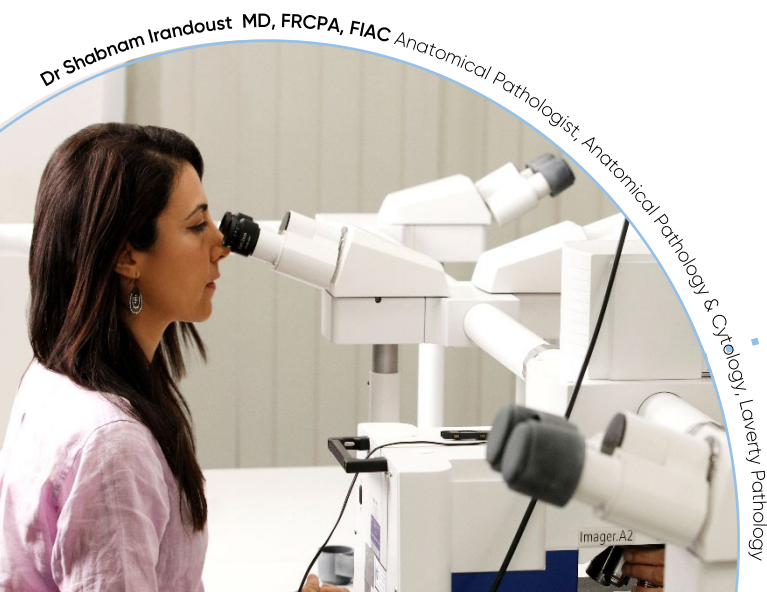
Procurement procedures

Our centralised Procurement function ensures contract terms are standardised and consistent across suppliers, and compliant with Healius' policies. This leads to greater levels of accountability and collaboration.

When evaluating our preferred suppliers and strategic partners, our selection criteria include understanding the resilience of the supply chain, methods of production, environmental sustainability in manufacture and logistics, labour hire practices and value for money. The evaluation includes detailed assessments of how the supplier addresses the risks of modern slavery both within their control and upstream from suppliers of input goods and services.

Supplier Code of Conduct

Healius' Supplier Code of Conduct has been incorporated into supplier contracts and purchase orders, specifically referencing our respect of human rights and expectation that our suppliers ensure that they do not engage in or are complicit in any human rights abuses, including modern slavery.



Modern slavery contract clauses

All new agreements include provisions which prohibit the supplier from engaging in conduct or activities that would constitute modern slavery and compels suppliers to provide records as required for Healius to comply with the Modern Slavery Act. The contract clause specifies that non-compliance would be in breach of these new Agreements and references various punitive actions which could result.

Risk evaluation protocol

Supply chain risk is assessed using a risk assessment tool which combines overall spend by supplier within the Healius Group and specific evaluation criteria which quantifies risk based on the following:

- Internal policies including whistleblower protections and staff training practices
- Vendor employment practices (migrant and student employment practices)
- Geographic location of operations (e.g., prevalence of corruption or weak rule of law)
- Vendor operating model (labour hire and outsourcing, aggressive pricing practices, complex or non-transparent supply chains)
- Industry types such as medical personal protective equipment, cleaning, security and IT support services.

The results of this risk evaluation are set out on the following page. Supplier questionnaires are provided to suppliers who are considered to have higher risk of modern slavery based on this evaluation. The questionnaires request further information to assist in the detection of any modern slavery risks. In FY 2023, there was 95% compliance from suppliers in responding to questionnaires.

Offshore operations

Our consultation process with our offshore operations ensures the risk of modern slavery is appropriately assessed and managed. Healius management conducted a site visit in October 2022 following the easing of travel restrictions post pandemic. Healius will look to re-introduce regular site visits in FY 2024.

Regular communication and oversight are maintained through weekly meetings with onshore team leaders and fortnightly meetings between onshore and offshore management team to discuss any operational issues. In addition to ensuring our offshore employees are remunerated fairly and in compliance with Indian and state labour laws, we provide meals to our employees, ensure that our facilities are well maintained and offer team building social events to create a positive work environment.

Agencies are not used as a part of the recruitment process for our offshore operations, which is run internally by our local management team to ensure ethical recruitment practices are maintained.

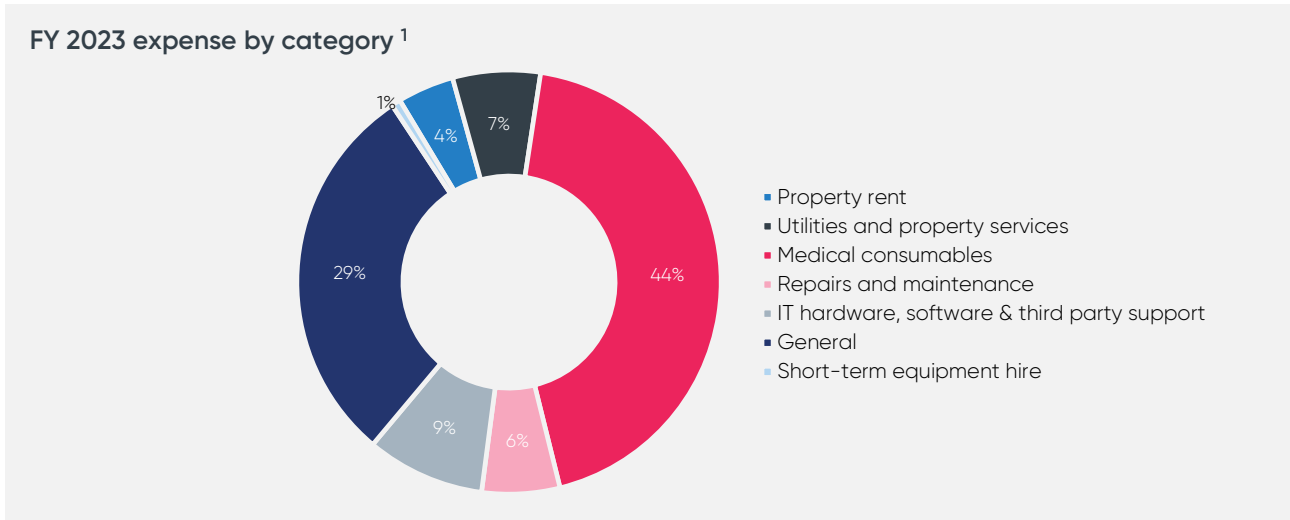
Through our consultation process, we have not identified any incidences of or concerns in relation to modern slavery. As a part of our risk mitigation, we also have a long-standing engagement with a local (India-based) accounting and consultancy firm to assist us in ensuring we are always compliant with local labour laws and regulations.



Our FY 2023 risk evaluation

To ensure that modern slavery risk is appropriately managed, Healius focuses on identification and evaluation of potential risk areas including, as noted above, overall spend and identification of jurisdictions and industries that pose a higher risk.

Major categories of our external spend in the financial year were identified as follows:

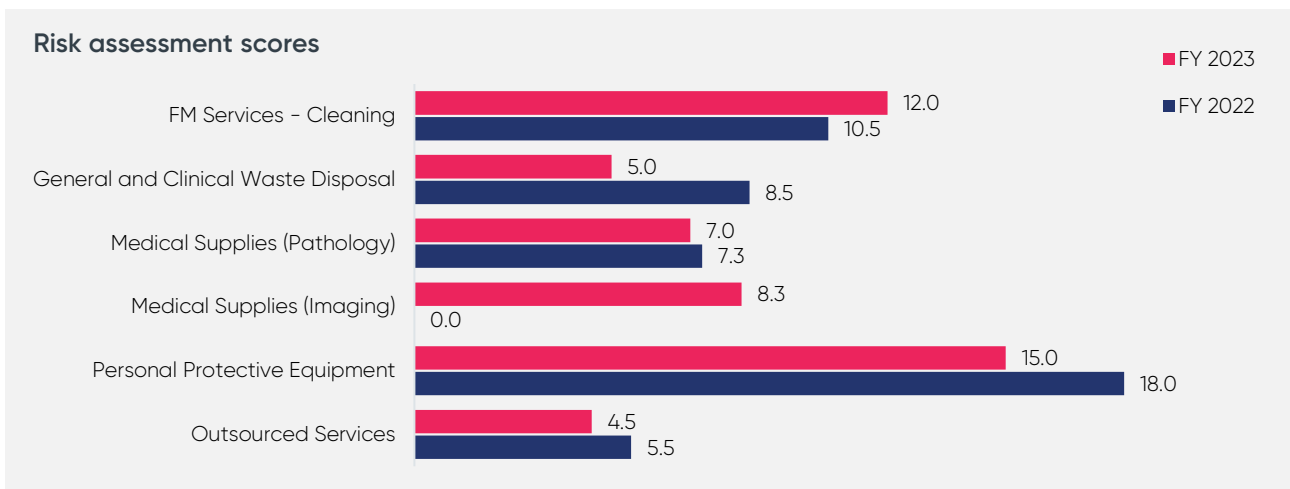


Healius' procurement team has undertaken an assessment of the risk of modern slavery in our supply chains, considering factors which can elevate modern slavery risks in particular areas of its supply chains.

In addition to the evaluation criteria, risk factors considered include:

- Employment practices which rely on temporary labour, international student labour, itinerant workers
- Business models which rely on high levels of labour hire, outsourced services or manufacturing in developing countries, franchises, known complex supply chains
- Sourcing of goods or services from geographic locations where corruption indices are high, rule of law is poor, displacement of people is high, known State failures in protection of human rights.

The chart below demonstrates risk assessment scores by supply category. Healius' risk threshold for warranting a more detailed investigation is 20 out of the maximum 58.



General risk ratings are applied to each supplier category based on consideration of the above. Supply chain risk assessment is an ongoing process.

¹ Aligned to FY 2023 Profit and Loss for continuing operations disclosures (excludes salaries and wages, depreciation and amortisation, financing costs and tax).

Category	Inherent Risk Level	Assessment and Mitigation	Risk Rating
Medical consumables 44% spend	Moderate 	<p>Healius' medical consumables are sourced from reputable Tier 1 suppliers with manufacturing operations in countries with local modern slavery or human rights legislation.</p> <p>Healius has commenced procurement activities for personal protective equipment (PPE), with a new sourcing agreement in place for gloves. Sourcing activities will be on-going as Healius progresses its review of medical consumables and its sub-categories.</p> <p>Healius' standard tender process requires all prospective and incumbent suppliers to be reviewed against our sustainability criteria, which includes an assessment of modern slavery risk. Suppliers that are deemed to be high risk are excluded from further consideration.</p>	Low
Property rent 4% spend	Low 	<p>Due to Healius' national property portfolio, the profile of its landlords ranges from institutional to small scale non-professional landlords. Given the nature of the spend, risk of modern slavery is low.</p>	Low
Utilities and property services 7% spend	Moderate 	<p>Most utilities and property services are engaged via a third-party facilities management partner with mature management systems that address the risk of modern slavery. Key services within this category include cleaning, security and waste management, all of which were tendered and consolidated to a handful of large reputable suppliers within the last two years.</p> <p>Procurement of these services is managed in-house by Healius, where a sustainability lens is applied and suppliers are assessed for risk of modern slavery.</p>	Low
Repairs and maintenance 6% spend	Low 	<p>Repairs and maintenance are undertaken by local Australian vendors engaged by a third-party facilities management organisation which undertakes modern slavery due diligence.</p>	Low
IT hardware, software and third-party support 9% spend	Moderate 	<p>Most IT expenditure is with reputable third-party suppliers. While there is an inherent moderate risk of modern slavery in the electronic components within end-user computing such as laptops, Healius' key suppliers have ethical sourcing processes in place that address the risk of modern slavery within their supply chains.</p> <p>IT support services are outsourced to a provider in India. The agreement has been reinforced with obligations on the vendor to comply with our <i>Modern Slavery Act</i> requirements.</p>	Low
General 30% spend	Low 	<p>Healius generally engages top tier providers and service firms with strong corporate governance.</p> <p>As above, select finance support services are outsourced to providers in India. The agreements have been reinforced with obligations on the vendor to comply with our <i>Modern Slavery Act</i> requirements, which includes a self-certification exercise on modern slavery compliance and risk assessment.</p>	Low

Low

Moderate

High

Our next steps

Healius continues to develop and improve the foundations and processes to effectively identify and manage modern slavery risks going forward. Our FY 2024 key action points are as follows:

Procurement

Collaborative engagement

Ongoing collaborative engagement with Tier 1 suppliers in cleaning, medical consumables, personal protective equipment, end-user computing and other industries where the risk of labour exploitation is high.

Supplier Code of Conduct

Ensuring our Supplier Code of Conduct is understood and adhered to by all major suppliers and follow-up as required (including referencing in all supply contracts). The specific Modern Slavery clauses in all new contracts allow Healius termination rights in the event of breach without immediate rectification.

Due diligence

Undertaking due diligence and, if required, remediation with key suppliers in identified key risk areas via detailed supplier questionnaires, risk stratification and where necessary, interviews and site visits.

Automated vendor data

Conduct an RFI with accredited independent Modern Slavery and ESG industry platforms which enable us to monitor our industry supply chain through the provision of bespoke reporting and access to real time information on modern slavery risks.

In 2024, Healius will seek to collaborate with industry peers to promote the adoption a single solution where we can share information focused on common suppliers and supply chain practices.

Key Performance Indicators

Continue to assess appropriate Key Performance Indicators to measure our effectiveness in addressing and assessing modern slavery.

Offshore operations

Engagement and consultation

Continued engagement and consultation with our Pathology offshore operations focusing on key employment terms and key supplier contracts in greater detail.

Consultation

Internal accountability pathways

We have established clear lines of accountability within the business across key disciplines in operations and procurement to ensure modern slavery risk can be both monitored and controlled.

Training module

Continuing to educate our people on modern slavery. Progress the deployment of the compulsory training module to raise staff awareness around modern slavery and the Group's obligations under the current legislation.

Risk framework

Risk Registers

Continue to assess modern slavery risks, and where appropriate, include in Group and divisional Risk Registers, which are ultimately reported to and reviewed by the Board's Risk Management Committee.

Assessment

Quality assurance and review

Consideration will also be given to the use of external quality assurance and review providers to assess the effectiveness of our response to modern slavery.

This Statement has been prepared by the Sustainability Steering Committee and reviewed and approved by the Healius Board.



www.healius.com.au