



SONIC
HEALTHCARE
LIMITED

Our Commitment to Human Rights 2023

Modern Slavery Statement



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About this Statement

Sonic Healthcare Limited ACN 004 196 909 (Sonic) is an Australian public company listed on the Australian Securities Exchange (ASX: SHL). Sonic's registered office is Level 22, Grosvenor Place, 225 George Street, Sydney NSW 2000, Australia. This Modern Slavery Statement (Statement) has been published in accordance with the Australian Modern Slavery Act 2018 (Cth) and the Modern Slavery Act 2015 (UK).

The Statement sets out the actions Sonic has taken to assess and address modern slavery and human rights risks and any potential incidents in our domestic and global operations and supply chains during year ending 30 June 2023.

This Statement assumes the definition of Modern Slavery to include the trafficking of people, slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or service, and the worst forms of child labour (as defined in Article 3 of the ILO Convention).

This Statement was approved by the Sonic Healthcare Board on 9 November 2023 and is signed by the Chief Executive Officer of Sonic Healthcare Limited, who is also a member of the Board. This Statement is published on our [website](#).

Entities covered by this Statement

Sonic makes this single joint Statement on behalf of itself and each Australian reporting entity (listed below), as defined in Section 5 of the Australian Modern Slavery Act:

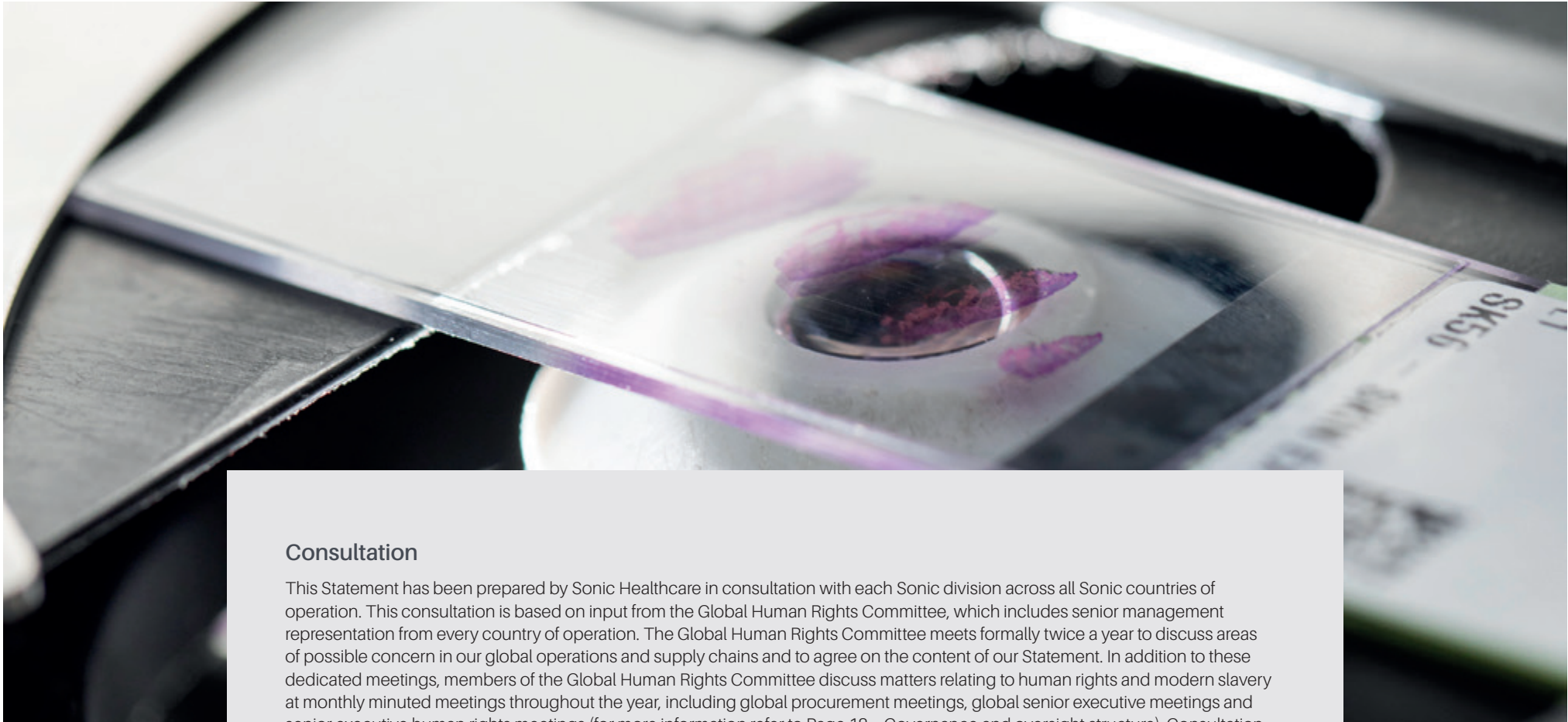
- Sonic Healthcare Services Pty Limited
- Douglass Hanly Moir Pathology Pty Limited
- Clinipath Laboratories Pty Limited
- Clinipath Pathology Pty Limited
- Melbourne Pathology Pty Limited
- Sullivan Nicolaides Pty Limited
- Queensland X-Ray Pty Limited
- SKG Radiology Pty Limited
- Sonic Clinical Services Pty Limited
- IPN Medical Centres Pty Limited
- Sonic HealthPlus Pty Limited

This Statement also fulfils the requirements of Section 54 of the Modern Slavery Act 2015 (UK), and has been prepared and published on behalf of:

- The Doctors Laboratory Limited (Sonic's primary UK subsidiary)
- Health Services Laboratories (to the extent it provides support to The Doctors Laboratory Limited and carries on a business in its own capacity).

In addition to the above reporting entities, this Statement also covers all other entities ultimately controlled by Sonic, a full list of which can be found in Note 29 of Sonic's Annual Report 2023, available at www.sonichealthcare.com/annual-reports.

For the avoidance of doubt, this statement does not cover Sonic's joint ventures in which Sonic does not have operational control.



Consultation

This Statement has been prepared by Sonic Healthcare in consultation with each Sonic division across all Sonic countries of operation. This consultation is based on input from the Global Human Rights Committee, which includes senior management representation from every country of operation. The Global Human Rights Committee meets formally twice a year to discuss areas of possible concern in our global operations and supply chains and to agree on the content of our Statement. In addition to these dedicated meetings, members of the Global Human Rights Committee discuss matters relating to human rights and modern slavery at monthly minuted meetings throughout the year, including global procurement meetings, global senior executive meetings and senior executive human rights meetings (for more information refer to Page 18 - Governance and oversight structure). Consultation also includes input from Sonic Healthcare's Board of Directors who oversee and approve the content of this Statement.

Acknowledgement of Country

Sonic Healthcare acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past, present and emerging, and extend this recognition and respect to Indigenous peoples around the world.

As a global corporate citizen, Sonic Healthcare understands the important role we play in helping to eradicate modern slavery and human rights abuses.

7

Countries of operation

40,500

Total workforce

>16,000

Direct suppliers



CEO's Message

As a global corporate citizen, Sonic Healthcare understands the important role we play in helping to eradicate modern slavery and human rights abuses. In 2021, the Global Slavery Index estimated that 50 million people were living in conditions of modern slavery – a figure that has increased 25% over the previous five years, and which may be further exacerbated by the effects of natural disasters and escalating global conflicts.

Over the last 12 months at Sonic Healthcare, we have increased our efforts to foster a culture that actively looks for possible human rights violations. In addition to staff training, we have broadened our supplier due diligence program and prioritised additional investigation of higher risk areas. Importantly, we have built additional capacity across our operations to identify and respond to potential instances of human rights abuses, including expanding the resources and expertise in our Global Human Rights Committee.

We will continue to build on these foundations by improving our supplier onboarding process, and rolling out training to even more staff.

Ongoing vigilance is paramount when dealing with possible human rights violations. We look forward to implementing further initiatives in the future as we work diligently to protect human rights and eradicate all forms of slavery. On behalf of the Board of Sonic Healthcare, which has approved this Statement, I am pleased to present it for your reading.

Dr Colin Goldschmidt

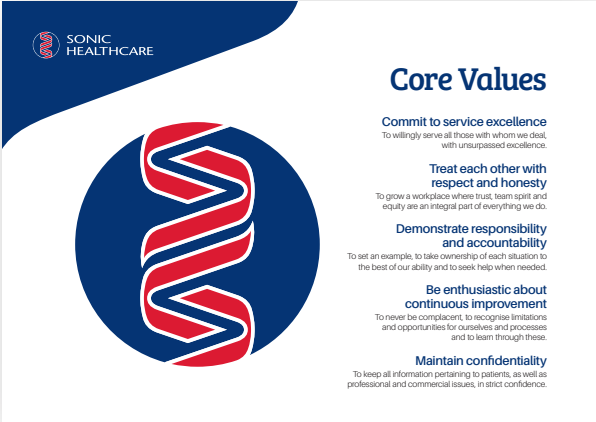
CEO - Sonic Healthcare

9 November 2023

Making a meaningful difference

Sonic’s purpose is to make a meaningful difference to the quality of people’s lives utilising our medical and scientific expertise to deliver high-quality diagnostic testing and medical procedures.

This central tenet is put into action every single day through our individual and collective commitment to Sonic’s Core Values and Medical Leadership Principles, which guide our internal and external behaviours and attitudes.



Our Core Values

Sonic’s Core Values were developed by Sonic staff to act as guiding principles for how we conduct ourselves as an organisation. They are used around the world to set the standard for the collegiate and supportive way in which we behave towards fellow staff members, as well as the professionalism with which we conduct ourselves in our day-to-day duties. Individually, our Core Values articulate our commitment to medical excellence. Collectively, they empower our people to deliver exceptional medical services to doctors, patients and communities.

Medical Leadership Principles

Medicine is a complex profession that requires insight, sensitivity and a lifelong commitment to learning, in order to provide the best possible patient care and clinical outcomes. Sonic believes that Medical Leadership facilitates the highest standards of clinical and operational excellence for the doctors, patients and communities we serve. It also reflects a deep understanding of the special complexities, obligations and privileges of medical practice.



SUSTAINABLE DEVELOPMENT GOALS



Sonic Healthcare recognises the role we play in the global effort to address worldwide sustainability and human rights challenges, especially our role as an enabler of good health and wellbeing. In support of the United Nation's Sustainable Development Goals (SDGs), we have identified nine priority goals that align with our role as a global, federated healthcare provider, five of which relate to our activities that contribute towards the eradication of modern slavery.

For further information on how we align to the UNSDGs, please refer to our [FY2023 Sustainability Report](#)

Our structure, and operations

Sonic Healthcare is a specialist provider of pathology/laboratory medicine, radiology, general practice medicine and corporate medical services. We have grown to become one of the world's leading healthcare companies, with operations in Australia, USA, Germany, UK, Belgium, Switzerland and New Zealand.

Sonic's businesses operate within a federated model, with individual subsidiaries or geographical divisions working in a synergistic network to achieve best-practice outcomes in relation to service and business excellence. This structure reinforces the identity and management autonomy of each local operation, which has its own CEO (or President) and management team. When Sonic acquires businesses, the acquired business generally maintains its management autonomy, brand and, consequently, local 'flavour'. This structure best preserves acquired goodwill, promotes the employment of local people where possible within the communities in which we serve, and resonates most strongly with local medical communities.

Structure of Sonic entities

Sonic's federated structure is complemented by a strong culture of collaboration, intercompany communication and best-practice sharing. A team of executives in Sonic's Global Office in Sydney, Australia, maintains organisation-wide leadership responsibilities to ensure that relevant matters are managed in a Group-wide manner, and to optimise synergies and improve organisational performance.

In FY2023, Sonic employed more than 40,500 people who proudly delivered high-quality medical and diagnostic services to 126 million people across numerous communities.

Focusing on our people, serving our communities






Below is a simplified structure of Sonic's global operating divisions.



Our operating segments

Sonic is divided into three functional divisions:

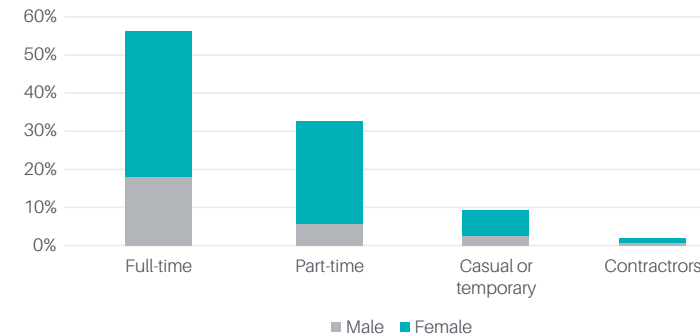
	Operational segment	Overview of services
	<p>Pathology/Laboratory Medicine Australia, USA, Germany, UK, Belgium, Switzerland and New Zealand</p>	<p>Pathology/laboratory medicine is the branch of medicine that studies samples of blood, urine, tissue and bodily fluids to identify patients at risk of disease, to determine the cause and nature of disease, and to guide and monitor treatment and progress of disease management.</p> <p>Medical laboratory test results provide clinicians with the information they need to manage patients in a timely and appropriate way, enabling optimal health outcomes for the individual as well as the community.</p>
	<p>Radiology Australia</p>	<p>Radiology is the branch of medicine that uses non-invasive technologies to create images of the bones, tissues and organs within the human body. These images are interpreted by a radiologist or nuclear medicine physician, to identify or monitor diseases or injuries. The findings are then included in a written report to the referring doctor.</p> <p>Diagnostic imaging technologies include X-rays, computed tomography (CT), magnetic resonance imaging (MRI), ultrasounds, nuclear medicine, positron emission tomography (PET) and more.</p> <p>Imaging methods are also used to help radiologists perform procedures, such as biopsies, fine needle aspirations and image-guided treatments, known as interventional radiology.</p>
	<p>Clinical Services Australia</p>	<p>General Practice is the medical discipline that delivers primary healthcare in the community. General Practice is usually the first port of call for patients, and deals with everything, from colds and flu through to acute and chronic illnesses. General Practitioners also provide preventative care and health education to patients.</p> <p>The holistic approach of General Practice aims to consider the biological, psychological and social factors relevant to the medical care of each patient. The discipline is not confined to specific organs of the body and involves treating people with multiple health issues.</p> <p>We also provide occupational healthcare and general medical services to workplaces, including pre-employment medical checks, injury prevention management, general practice, vaccinations, disability medical assessments and allied health services.</p>

Our workforce

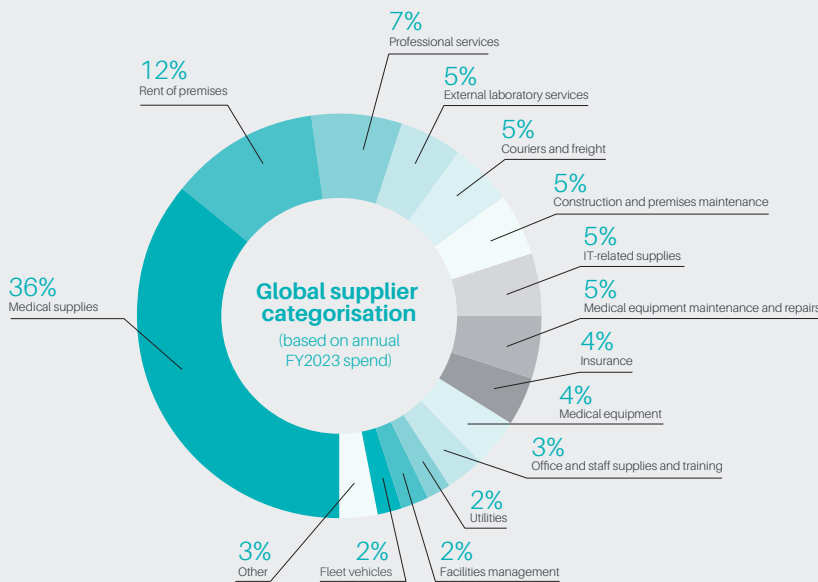
As a global organisation, Sonic recognises the important role we play in contributing to our communities. This starts with our commitment to our people, ensuring they work in an environment that is safe, equitable and rewarding.

At the end of FY2023, Sonic’s total workforce consisted of 40,500 people, comprising 56% full-time employees, 33% part-time employees, 9% casual and temporary employees, and 2% contractors. The majority of the contractors engaged were medical and other professionals.

Status of employment



Relative spend proportion by product/service category



Our supply chains

Sonic has extensive supply chains, with more than 16,000 direct (Tier 1) suppliers, providing goods and/or services to the Sonic Group across our seven countries of operation. The graph to the left illustrates Sonic’s spend proportion by product/service category, highlighting that our supply chains are largely focused on sourcing specialised medical equipment and consumables that support the provision of high-quality diagnostic testing and medical procedures.

Specialised medical equipment (and associated maintenance and repairs) and medical supplies account for approximately 45% of Sonic’s supply chain spend. These categories have been the primary focus of our investigations into compliance with human rights and modern slavery legislation. Sonic also sources ancillary goods and services, some of which fall into higher-risk categories of modern slavery. These categories include IT supplies and services, facility services and maintenance, construction, fleet vehicles and logistics.

Although these categories comprise a relatively small overall spend, they are becoming the subject of more detailed modern slavery investigations internally (see [Page 22](#) – Case studies).

Although Sonic has a large number of suppliers, approximately 30% of our spend is consolidated to 20 reputable, multinational, Tier 1 medical consumable and equipment suppliers. These suppliers are predominantly headquartered in countries with a low risk of modern slavery, including the USA, UK, Italy, Switzerland and Japan. Sourcing from these suppliers is typically via long-term supply contracts. While Tier 1 suppliers of these products and services are based in low-risk countries, associated Tier 2 suppliers may be located in countries with higher inherent risks of human rights violations. Investigations during the year have included a ‘deep dive’ into the Tier 1 and Tier 2 supply chains of selected personal protective equipment (PPE) used in Sonic’s operations – specifically the manufacture and supply of disposable gloves (see [Page 22](#) – The risk of modern slavery in our supply chains).

Sonic's countries of operation, employee numbers and proportional supplier spend

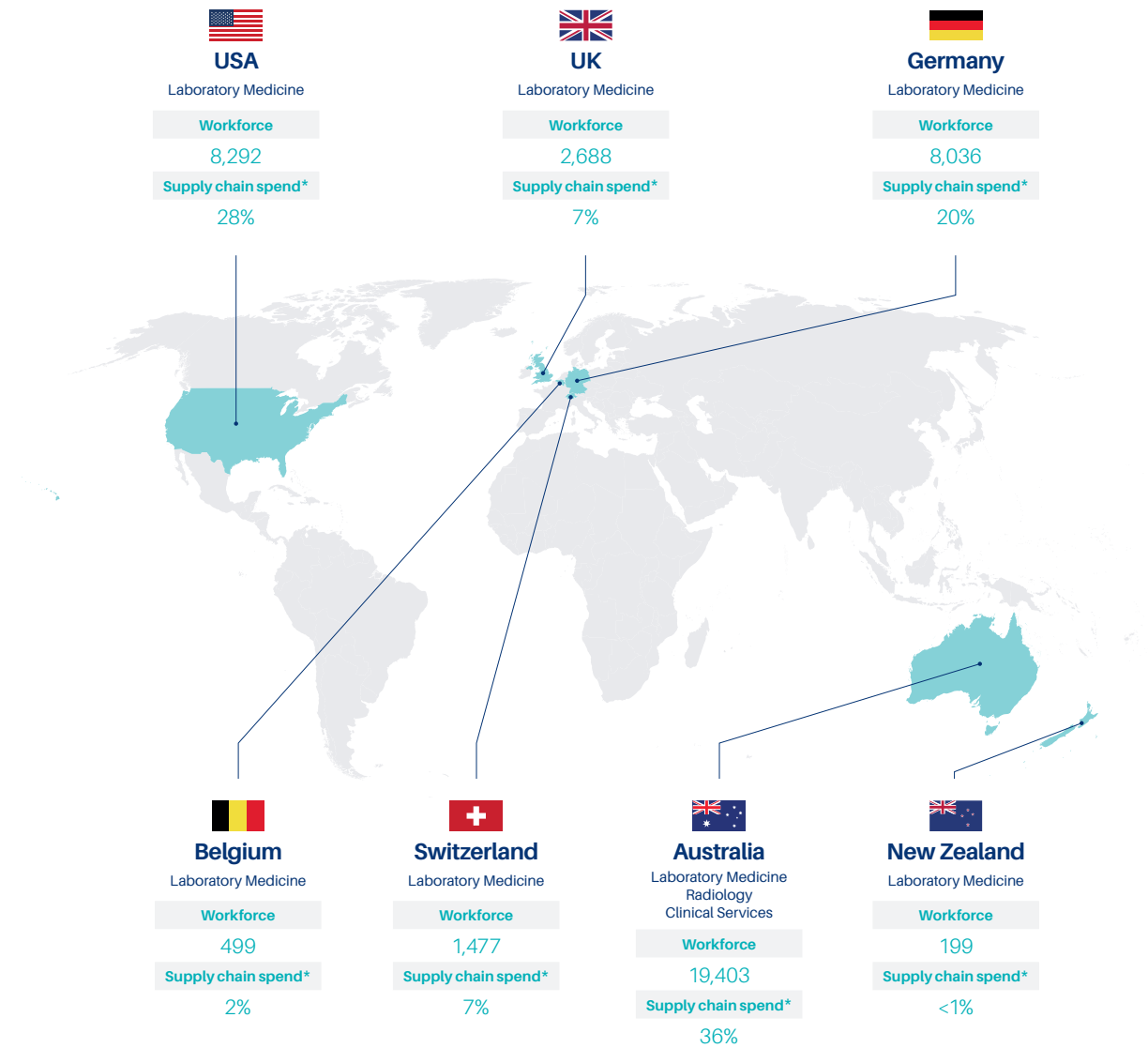
The map to the right shows Sonic's spend proportion by Tier 1 supplier location (country). It demonstrates that our goods and services are provided in jurisdictions with a low risk of modern slavery, noting that this represents the location of the supplier, not necessarily the country of origin of products sourced.

Risk profiling in our operations

All Sonic Healthcare companies operate in countries that have a low-risk rating for the prevalence of modern slavery*.

- Low
- Medium
- High
- No Sonic operations

*Risk profiling in our operations based on [Global Slavery Index 2023 Dataset, Walk Free](#)



*Represents the country's proportion of Sonic Healthcare's global supplier spend

Risks of modern slavery in our supply chains and operations

Sonic is committed to identifying possible instances of modern slavery within our operations and supply chains, and utilises a risk management framework to identify and manage these risks.

Principles used to guide Sonic's approach to modern slavery risks



The risk of modern slavery in our operations

Using the United Nation’s Guiding Principles on Business and Human Rights, we have determined that the risk of Sonic causing or contributing to modern slavery within our own operations is very low.

Sonic entities operate in countries with a low inherent risk of human rights violations and modern slavery practices. This is augmented by ongoing monitoring and auditing of our operations and employment practices, together with a culture of modern slavery awareness, which helps to minimise the chances of human rights violations or instances of modern slavery.

Sonic’s terms and conditions of employment are heavily regulated by a combination of the following:

- International human rights conventions and treaties
- Country-specific statutory labour laws and regulations
- Global Sonic codes and policies covering conduct, human rights, workplace health and safety and modern slavery
- Local employment policies and procedures historically developed in consultation with employees.

Our internal audits cover employment conditions, the dissemination of training and the education of staff on their rights, at both an international and local level.

Our Global Whistleblower Policy encourages employees and stakeholders to report incidents or concerns relating to sub-standard terms and conditions of employment, human rights violations or modern slavery practices. To date, we have not received reports of such matters within our operations.





The risk of modern slavery in our supply chains

Sonic recognises that we may be directly linked to adverse human rights impacts as a result of our business relationships with our more than 16,000 direct (Tier 1) suppliers across our seven countries of operation, in addition to the many thousands of Tier 2 (and beyond) suppliers with whom we do not have a direct relationship.

We use a multi-faceted risk assessment framework to assess the risk of modern slavery within our supply chains. This includes the following information sources:

- Supplier human rights/modern slavery questionnaires
- Employee (and other stakeholder) reports of potential or actual instances of modern slavery or other human rights violations
- Media monitoring and various government importation prohibitions e.g. U.S. Customs and Border Protection Withhold Release Order and Findings List
- Periodic validation of supplier adherence to Sonic’s Supplier Policy through
 - annual supplier business review meetings
 - desktop and supplier site audits.

Given the increasing complexity around assessing modern slavery risks deeper in supply chains, we are now focusing and prioritising our efforts on higher-risk supply chain categories, such as medical consumables, cleaning services, transport and logistics and waste services.

The table on the following pages lists the product and service categories procured by the Sonic Group in FY2023, together with their risk rating based on industry and geography. Whilst these categories are procured from reputable Tier 1 suppliers in low-risk jurisdictions, there are inherent risks of modern slavery activities further along the supply chains.

Supplier risk assessment

Main supply chain categories	Spend	Products and services	Risk rating based on industry and geography
Medical supplies	36%	<ul style="list-style-type: none"> Medical consumables, reagents and chemicals Personal protective equipment (PPE) Disposable gloves 	<p>Low risk</p> <p>Tier 1 suppliers are mostly headquartered in USA, Europe, UK, Japan and Australia. These businesses are large and most have satisfactorily completed modern slavery questionnaires.</p> <p>Medium-high risk</p> <p>Sonic sources a significant volume of disposable gloves from reputable Tier 1 healthcare consumable suppliers across all regions of operation. There is a noted high risk of adverse human rights impacts, particularly labour violations in the manufacturing (Tier 2 and beyond suppliers) of disposable gloves. Workers in this industry are vulnerable to exploitative practices, such as sub-standard living conditions (where employee accommodation is provided), excessive working hours, which may be exacerbated during high periods of demand, such as pandemics, possible confiscation of identity documents, and potential restriction of movement. These workers are also vulnerable to debt bondage where they are charged excessive recruitment fees by a third-party labour hire firm to secure employment, which they may be unable to repay.</p>
Rent of premises	12%	<ul style="list-style-type: none"> Premises rent and related costs paid to our landlords 	<p>Low risk</p> <p>Suppliers are based within our seven countries of operation. There are possible Tier 2 risks if the landlords' charges include cleaning and other related facility services (refer to risks noted in facilities management category).</p>
Professional services	7%	<ul style="list-style-type: none"> Legal and accounting firms, professional consultants and contractors, such as specialist medical locums, marketing, HR/recruitment firms and IT 	<p>Low risk</p> <p>Suppliers are based within our seven countries of operation and most engagements of temporary workforce and contractors relate to medical and other professionals.</p>
External laboratory services	5%	<ul style="list-style-type: none"> Testing outsourced to third-party specialist medical providers 	<p>Low risk</p> <p>Suppliers are based within our seven countries of operation.</p>
Couriers and freight	5%	<ul style="list-style-type: none"> Third-party couriers, freight, postage and mail services 	<p>Medium risk</p> <p>Freight and transport services, including shipping, distribution and storage. Groups include seafarers, drivers, port and other workers.</p> <p>Local postage and mail services are considered low risk.</p>
Construction and premises maintenance	5%	<ul style="list-style-type: none"> Building contractors and professionals used for the construction and maintenance of premises 	<p>Medium risk</p> <p>Construction and maintenance only occurs in Sonic's seven countries of operation. However, third-party outsourcing of property maintenance may impose a risk of migrant labour exploitation.</p>

Supplier risk assessment (continued)

Main supply chain categories	Spend	Products and services	Risk rating based on industry and geography
IT-related supplies	5%	<ul style="list-style-type: none"> Computer hardware and consumables, software, including usage and maintenance, managed print and other IT services and supplies 	<p>Medium risk</p> <p>Raw materials and the manufacture of consumables may take place in geographies of concern.</p>
Medical equipment maintenance and repairs	5%	<ul style="list-style-type: none"> Medical equipment repairs and maintenance 	<p>Low risk</p> <p>Suppliers are based within our seven countries of operation.</p>
Insurance	4%	<ul style="list-style-type: none"> Normal business and commercial insurances Employment related insurances 	<p>Low risk</p> <p>Suppliers are based within our seven countries of operation.</p>
Medical equipment	4%	<ul style="list-style-type: none"> Medical equipment purchased 	<p>Low risk</p> <p>Suppliers are mostly headquartered in USA, Europe, UK, Japan and Australia. These businesses are large and most have satisfactorily completed modern slavery questionnaires.</p>
Office, staff supplies and training	3%	<ul style="list-style-type: none"> Stationery, office equipment and consumables, staff amenities, uniforms, cleaning products Staff training 	<p>Predominantly low risk</p> <p>Tier 1 suppliers (mainly distributors) are deemed to be low risk.</p>
Utilities	2%	<ul style="list-style-type: none"> Electricity, gas, water, telephone and data services 	<p>Low risk</p> <p>Suppliers are based within our seven countries of operation. However, possible higher risks may be associated with utility providers using call centres outside Sonic’s stable countries of operations.</p>
Facilities management	2%	<ul style="list-style-type: none"> Cleaning Security Waste removal 	<p>Medium risk</p> <p>Possible exploitation of migrant workers subcontracted through labour hire companies. Also possibility of bonded labour.</p> <p>Sonic relies on cleaning service suppliers for the provision of cleaning services for its facilities. Sonic uses reputable Tier 1 suppliers in country for this purpose. This category presents a higher risk of modern slavery for a number of reasons, including the industry’s reliance on migrant labour, visa holders and sub-contractors. These workers are vulnerable to coercive and/or exploitative labour practices, including debt bondage.</p>
Fleet vehicles	2%	<ul style="list-style-type: none"> Fleet vehicles, including repairs, maintenance and fuel 	<p>Low-medium risk</p> <p>Raw materials and production of parts may take place in countries of higher risk.</p>
Other	3%	<ul style="list-style-type: none"> All other suppliers 	<p>Low risk</p> <p>Includes items such as memberships, donations, advertising, marketing, hire equipment, licence fees and general expenses.</p>

Actions taken to assess and address modern slavery risks

Sonic continues to make steady progress towards our goal of contributing to the eradication of modern slavery.

Our efforts are underpinned by our Core Values and Medical Leadership Principles, which act as a guiding force for our employees around the world, and relate to modern slavery eradication and human rights protections.

Summary of key actions for FY2023

- 1

Expansion of supplier due diligence questionnaire program

 - 40% of Sonic's suppliers (by spend) have completed the questionnaire and/or provided their own Modern Slavery Statement to help determine and quantify supplier risk.

- 2

Continued expansion of employee awareness and capability

 - Employee training program expanded to all countries of operation.
 - 10,600 employees trained to date
 - >95% completion rate in key employee groups.

- 3

Improved governance

 - Scope of the Global Human Rights Committee was defined more explicitly and processes for investigation were formalised.
 - Composition of the Committee expanded to include a senior management representative from every country of operation.

- 4

Updated policies

 - Relevant policies were reviewed and updated to better define Sonic's expectations for key stakeholders.

- 5

Improved supplier compliance and selection process

 - Human rights and modern slavery clauses integrated into key contracts.
 - Commenced investigation of supplier onboarding system.

- 6

Monitoring for new and emerging risks

 - Vigilant scanning of various information sources to detect new and emerging risks.

Action 1: Expansion of the supplier due diligence questionnaire program

Sonic's Supplier Human Rights/Modern Slavery Questionnaire collects information about the operations and supply chains of Sonic's Tier 1 (direct) suppliers, as well as selected higher risk suppliers beyond Tier 1 (indirect suppliers, such as manufacturers). The questionnaire facilitates due diligence on the following matters:

- product/service category, as supplied to Sonic
- country of origin of key products and services supplied
- whether the supplier has become aware of any actual or potential risks in their supply chains and the nature of those risks
- the presence and nature of policies aimed at identifying and mitigating modern slavery and human rights violations within the supplier's domestic and global operations and supply chains
- whether the supplier's contracts with their own suppliers contain clauses to ensure compliance with relevant policies and/or legislation on modern slavery, labour standards and human rights
- whether the supplier has procedures to monitor compliance with documented policies and any relevant modern slavery legislation
- whether the supplier has whistleblower mechanisms in place that are accessible to employees, suppliers, consultants and sub-contractors, to anonymously raise concerns related to labour conditions or workplace grievances
- whether education and training in relation to modern slavery and human rights is provided to employees and other stakeholders.

In addition, the questionnaire seeks confirmation of the following:

- compliance with Sonic's Supplier Policy
- compliance with Sonic's Labour Standards & Human Rights Policy
- that all employees and subcontractors are engaged on the basis that they have freely chosen employment and that the conditions of work are not in violation of modern slavery or human rights legislation.

Each supplier's response is collated, assessed and assigned a risk score. This score informs the level of follow-up required.

Some suppliers choose to provide their own Modern Slavery Statement in lieu of completing our questionnaire. In these instances they are asked to provide the statement that relates to their local jurisdiction. To date, approximately 350 Tier 1 and certain higher-risk Tier 2 suppliers have provided Sonic with reasonable evidence of their efforts to assess and address modern slavery within their operations and supply chains, either by way of completing the questionnaire or by providing a copy of their Modern Slavery Statement, or both. This represents approximately 40% of Sonic's global spend.

Action 2: Continued expansion of employee awareness and capability

Sonic uses an interactive online learning module to educate global employees about modern slavery and broader human rights issues. This learning tool builds awareness amongst our employees, enabling them to better detect modern slavery risks and escalate them, as appropriate, using Sonic's reporting mechanisms. More than 10,600 global employees have completed this training to date, with a completion rate of 95% for staff in designated functions (includes staff with higher exposure to modern slavery risks, such as management, procurement, finance and human resources).

Modern slavery training and education is provided to key management and the Board on at least an annual basis.



Action 3: Improved governance

In FY2023, Sonic expanded the Human Rights and Modern Slavery Working Group to include representatives from every country of Sonic’s operations. The group was renamed the Global Human Rights Committee. This Committee has three major functions:

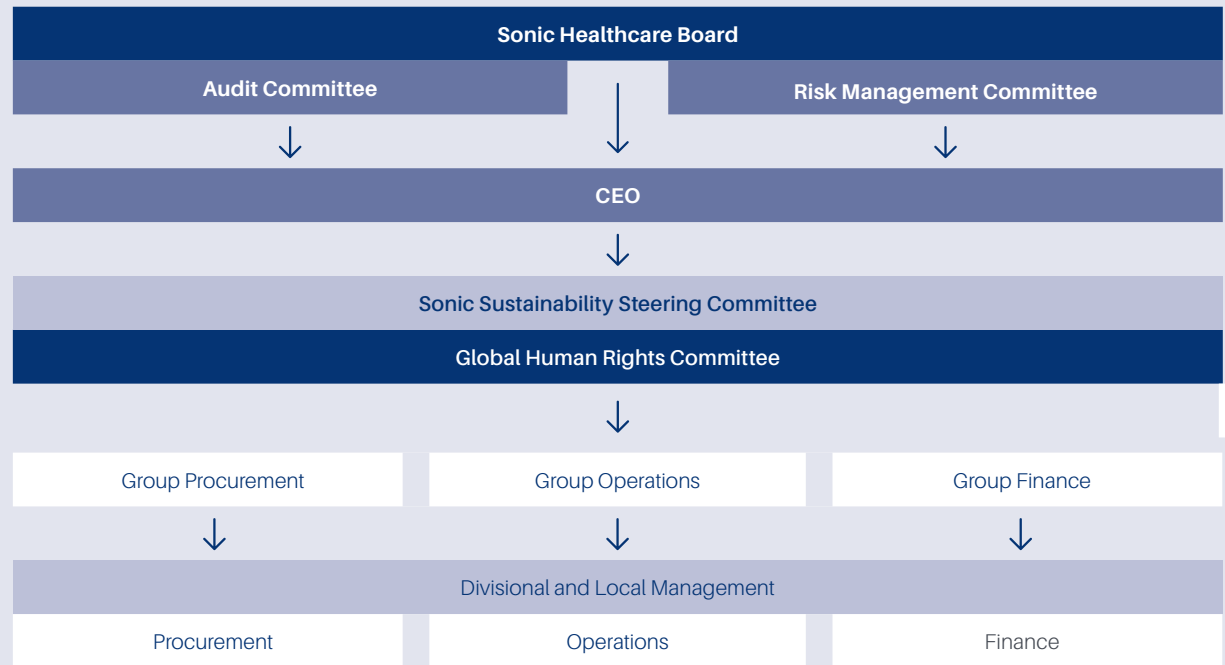
1. To provide a global forum to discuss potential human rights risks in our supply chains and operations, and possible remediating actions.
2. To oversee compliance with our relevant policies, processes and systems across our operations and supply chains.
3. To meet global reporting requirements on human rights and modern slavery matters.

The Sonic Global Human Rights Committee includes senior group executives with global responsibilities in management, procurement, operations, workforce, culture, communications, finance and legal, together with senior managers from all countries of Sonic operations.

Working within the Board-approved risk-management framework, sections of the Global Human Rights Committee meet monthly to review the effectiveness and progress of current activities, and to track processes for receiving, evaluating and acting upon supplier risk data, including:

- supplier questionnaires
- market intelligence
- new and emerging modern slavery risks
- alleged incidents
- audit and due diligence.

The Committee works collaboratively within the framework of the Global Sustainability Steering Committee and reports to the CEO and the Board of Directors.



This framework is supported by a range of policies and charters that require staff to operate in an ethical, safe and legally compliant manner. Some of these policies are specific to modern slavery, while others relate to more general human rights requirements. These include Sonic’s Board Charter, Code of Conduct, Labour Standards & Human Rights Policy, Global Whistleblower Policy and Supplier Policy (refer to page 19 of this Statement for further detail).

Action 4: Updated policies

As part of our global commitment to eliminate modern slavery and human rights infringements in our own organisations and supply chains, Sonic performs ongoing reviews of our key policies to ensure compliance with Australian and UK modern slavery legislation and other human rights laws, as well as satisfying our own expectations. Our policies, statements and charters are reviewed annually to ensure they remain relevant and updated for new requirements, emerging trends and risks. These documents include:

Policy	Overview
Board Charter	Outlines the functions reserved for the Board and those delegated by the Board to management
Code of Conduct	Describes our shared values and sets out the standards of behaviour expected of all those who represent Sonic and act on its behalf
Labour Standards & Human Rights Policy	Describes our commitment to respecting human rights and upholding labour standards, and is aligned with the principles established within the Universal Declaration of Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
Supplier Policy	Outlines our requirements and how we will support all suppliers, service providers and any other agents in Sonic's supply chain to adopt an ethical and sustainable approach to all business practices
Global Whistleblower Policy	Supports the reporting of misconduct, illegal acts or any improper state of affairs relating to Sonic's businesses

The full suite of policies, charters and other documents can be found online at: www.sonichealthcare.com/policies

These policies, charters and codes have been reviewed against the following best practice references, to ensure Sonic's policy approach is in line with expectations:

- [ILO Declaration on Fundamental Principles and Rights at Work](#), produced by the International Labour Organization
- [Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities](#), produced by the Department of Home Affairs, Australian Government
- [Ethical Procurement for Health: Workbook 2.0](#), developed as a partnership between the Sustainable Development Unit for the Health and Social Care Sector, British Medical Association, Ethical Trading Initiative, and the Department of Health
- [Beyond compliance: Effective reporting under the Modern Slavery Act - A civil society guide for commercial organisations on the transparency in supply chains clause](#), produced by CORE (Corporate Responsibility) Coalition, 2016
- [Transparency in Supply Chains etc. A practical guide](#), produced by the Home Office of the UK Government
- [The FTSE 100 Modern Slavery Statement benchmark methodology](#), published by the Business and Human Rights Resource Centre in the UK
- [United Nations Human Rights Office of the High Commissioner. Guiding Principles on Business and Human Rights.](#)

Our Code of Conduct and our Labour Standards & Human Rights Policy state that we do not accept any form of slavery and prohibit the use of all forms of forced labour, including bonded labour and slave labour.



Action 5: Improved supplier compliance and selection process

Sonic is committed to working with suppliers who deliver the high standards of quality, safety and service excellence we expect, and who show high levels of commitment to environmental sustainability, social responsibility and governance (ESG). Our supplier expectations are set out in the [Sonic Healthcare Supplier Policy](#).

The Supplier Policy is reviewed each year and key suppliers' compliance is checked annually via questionnaires and/or business review meetings. Sonic is investigating an automated system for managing and storing these responses. Sonic undertakes regular assessments of supplier commitment to sustainability principles and practices, including a review of environmental, social and governance (ESG) policies and credentials, and compliance with global human rights laws.

Compliance with the Sonic Supplier Policy is being strengthened by the inclusion of standard contractual clauses relating to human rights/modern slavery and sustainability. In FY2023 we developed a set of ESG clauses that are progressively being included in contracts pertaining to medical supplies and equipment.

Sonic believes that mutually beneficial partnerships are built on trust, transparency and a sense of shared commitment. We encourage suppliers to be open and honest about their modern slavery risks, so we can work with them to achieve compliance and to implement practical solutions. We frequently engage with our key suppliers and have open two-way dialogue about any challenges they may face in the management of their modern slavery risks.

In FY2023, members of the Sonic Healthcare Global Human Rights Committee visited the manufacturing sites of three major suppliers in Europe. The visiting members performed inspections of the facilities, engaged with staff, interviewed management and reviewed ESG activities.

Given the geographical diversity of our sourcing countries and the varied nature of our supplier risk profiles, we will continue to evolve our approach to visiting and auditing the manufacturing sites of major or high-risk suppliers.

Action 6: Monitoring for new and emerging risks

Sonic has active media monitoring processes in place to alert us to suspected or actual incidents of modern slavery that may relate to Sonic's operations or supply chains. These are reported to the Sonic Global Human Rights Committee who investigate whether they relate to Sonic. The Committee then takes appropriate action on a case-by-case basis, with responses contextualised to Sonic's level of involvement, as defined by the UNGP's continuum of involvement. This process has been particularly helpful in providing us with intelligence on disposable glove manufacturing practices.



Grievance mechanisms and remediation

Consistent with our Core Value of 'Demonstrating responsibility and accountability', Sonic supports the reporting of misconduct, illegal acts or any improper state of affairs relating to Sonic's businesses.

Sonic's jurisdictional-based whistleblower arrangements and Global Whistleblower Policy have been put in place to support people to raise concerns about wrongdoing within the Sonic Group, with formal protection from victimisation, harassment or discriminatory treatment. Examples of information that can be disclosed under the Global Whistleblower Policy include concerns about working practices or situations that would be considered a breach of Sonic's Labour Standards & Human Rights Policy, especially any activity or situation that could be considered to be a form of modern slavery. Disclosures may be made anonymously. All whistleblowers who disclose their identity while making a relevant disclosure are afforded confidentiality protection in respect of their identity.

These grievance mechanisms are readily available to Sonic and its various stakeholders, including:

- an officer of Sonic
- an employee of Sonic (whether permanent, part-time, fixed-term or temporary)
- an individual who supplies goods or services to Sonic (or an employee of a person who supplies goods or services to Sonic), including contractors, consultants and secondees
- a relative, spouse or dependant of any of the above persons
- a dependant of a spouse of any of the above persons.

Upon receiving a disclosure, Sonic will first make preliminary enquiries. Based on that preliminary assessment, and depending on the nature of the matter, Sonic will further assess, inquire into, investigate or take other action in response to the disclosure.

Where reported or actual instances of adverse human rights impacts occur within our supply chains, Sonic's approach is to engage with the relevant supplier to understand the nature and details of the impacts, and ultimately engage with the supplier to provide a positive outcome for affected workers. Sonic has developed a number of processes to enhance positive engagement with suppliers, such as site audits, communication forums and contractual undertakings to abide by the requirements of the Sonic Supplier Policy and other relevant policies and the Modern Slavery legislation. If these processes do not result in the desired change in supplier conduct, and if the misconduct is sufficiently impactful, Sonic reserves the right to end our business relationship with the supplier.

Case study 1: Sourcing disposable gloves

Following recent reports in the media about human rights violations by some companies involved with the manufacturing of disposable gloves, Sonic undertook a comprehensive assessment of our glove suppliers across all regions in FY2023.

Whilst Sonic procures gloves from Tier 1 distributors – typically large, reputable healthcare consumables suppliers, in all countries of operation – the assessment identified that Sonic was procuring gloves from more than 20 Tier 2 suppliers with variable operational and supply chain controls embedded within their organisations.

A process was undertaken in Australia to source and contract one suitable supplier for the provision of disposable gloves. A deep-dive assessment of the proposed supplier and manufacturer was performed to gain visibility over the operational and supply chain controls they had in place to detect and prevent modern slavery. This process included a review of their relevant policies and a formal interview with key executives from the company, where they explained how these policies were implemented and monitored for compliance in practice, together with the remediation processes if they were found to cause, contribute or be directly linked to adverse human rights impacts through their operations or supply chains. The interview focused on several key operational matters, including:

- the standard of accommodation provided for migrant workers (where accommodation was provided)
- the processes for managing and monitoring employee working hours, to ensure that workers were not working excessive hours
- the presence and enforcement of policies in relation to the use of recruitment firms and whether employees were required to pay recruitment fees
- assurance that employees have free access to identity documents, including passports, medical attention and freedom of movement more broadly.

The interview revealed that the manufacturer had previously used the services of recruitment firms who had charged a number of employees recruitment fees in prior years. The supplier was transparent in describing how they remediated the situation and provided evidence of such, along with evidence of the processes they put in place to prevent recurrence.

Through this process, the Tier 2 supplier showed evidence of their 'zero-recruitment-fee policy' and that they had back-paid all employees who incurred those expenses.

We have continued to meet with the supplier at periodic intervals to monitor their compliance to their policies as well as the relevant legislation, and have been satisfied with the information provided to date. Additionally, we have increased our business partnership with this supplier to supply product in other regions of operation where we were unable to obtain sufficiently detailed information regarding another manufacturer's operations and supply chain practices.

Given the geographical diversity of our sourcing countries and the varied nature of our supplier risk profiles, we will continue to evolve our approach to identifying and dealing with such issues. As a healthcare company with a significant global footprint, we believe we have the potential to exert influence to create positive change on industry practices.

To gain even greater visibility to the operations of the Tier 2 supplier, Sonic representatives will conduct a site audit of the manufacturing facility in FY2024.



Case study 2: Cleaning services

Sonic uses the services of Tier 1 cleaning service providers at facilities within each country of operation. In FY2023, a cleaner at a Sonic facility informed a Sonic employee that they had not been paid their full entitlements by their employer. The Sonic employee escalated this to a member of the Global Human Rights Committee who immediately conducted an investigation with the supplier. The supplier identified that they had engaged a Tier 2 sub-contractor at that site and immediately asked the sub-contractor to pay the employee their due entitlements. To improve the working conditions for the cleaner, the Tier 1 supplier engaged the cleaner directly as an employee, thereby improving Sonic’s visibility to the supplier’s activities. Whilst underpayment of entitlements is not in itself a form of modern slavery, it has the potential to escalate. This example highlights the seriousness with which Sonic treats such reports and demonstrates the effectiveness of the reporting and investigation process. It also illustrates the broader awareness of modern slavery violations among Sonic’s general staff.



Peer collaboration and external stakeholder engagement

In FY2023, Sonic collaborated with peers in the healthcare industry to further advance our approach to modern slavery. We also engaged with expert advisors (including consultants and lawyers), and other stakeholders (including investors) who requested further information on our modern slavery risk-management processes.



Independent assessment

Sonic’s standing as a socially responsible company is evidenced by the ratings we receive in various independent assessments of environmental, social and governance practices. These include:



Detailed



Prime



FTSE4Good

Global Index
Australia 30 Index



AA - Leader

Assessing the effectiveness of our actions

As part of our commitment to eliminating all forms of modern slavery within our operations and supply chains, we conduct ongoing reviews of the effectiveness of our actions taken to assess and address actual or potential human rights or modern slavery risks and violations.

Sonic uses the following activities to measure the effectiveness of our actions:



Consult with employees to ensure that the online human rights and modern slavery training module is fit for purpose and accessible.



Monitor training completion rates to ensure high completion rates (95%) in key roles where employees have a greater ability to detect modern slavery practices.



Continue to use the Human Rights/Modern Slavery Supplier Questionnaire as a foundational activity to gather information on our suppliers' operational and supply chain processes, and engage regularly with suppliers to ensure that the questionnaire is fit for purpose..



Check-in regularly with suppliers to see how they are progressing any actions to which they have committed



Ensure that our policies relating to modern slavery are reviewed annually and updated as required.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS



Compare our actions to industry best practice to identify improvement opportunities.



Continue to utilise the Global Human Rights Committee to monitor our progress against our stated actions.



Continue to utilise the findings from our internal audits, as conducted by our Business Assurance team, to further enhance our operational processes.



Utilise feedback from stakeholders, such as investor groups, to drive continuous improvement in our modern slavery approach.

Our modern slavery review processes in FY2023 included a small number of investigations into potential claims of human rights issues in our supply chains. Despite this, no actual instances of modern slavery were detected in our operations or supply chains during the reporting period. This does not mean that instances of modern slavery do not exist, therefore we remain committed to vigilant monitoring and to evolving our systems and processes.

Future initiatives

In line with the ongoing evolution of our approach to our modern slavery risk management framework, future improvement initiatives will focus on the following key areas.

Summary of key initiatives for FY2024

1

Standardising supplier onboarding program across entities.

2

Performing additional due diligence on known and emerging higher-risk suppliers, including solar panels, fleet vehicles, IT hardware, transport and uniforms.

3

Verifying compliance of suppliers' obligations.

4

Expanding our program of site audits for selected Tier 1 and 2 suppliers.

5

Building awareness and capacity among our smaller suppliers who may lack formal policies and procedures for the management of modern slavery risks.

6

Expanding our roll out of the modern slavery training module to more employees.

7

Expanding collaboration with industry peers to leverage our impact to drive positive change.

In addition to the initiatives listed above, we will continue to review our company-wide policies and realign as required. We will also maintain and strengthen our high levels of engagement with suppliers, in order to continually improve our processes and gain deeper insights into our supply chains.

Appendix

Addressing the Australian MSA and UK MSA reporting criteria

Modern Slavery Act mandatory reporting criterion - Australia	Modern Slavery Act mandatory reporting criterion - UK	Reference in this Statement
<ul style="list-style-type: none"> Identify the reporting entity. 	<ul style="list-style-type: none"> Not required. 	Section 1, page 2
<ul style="list-style-type: none"> Describe the reporting entity's structure, operations and supply chain. 	<ul style="list-style-type: none"> Organisation's structure, its business and its supply chains. 	Section 2, pages 7-10
<ul style="list-style-type: none"> Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities it owns or controls. 	<ul style="list-style-type: none"> Parts of the organisation's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk 	Section 3, pages 11-15
<ul style="list-style-type: none"> Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address risks, including due diligence and remediation processes. 	<ul style="list-style-type: none"> The steps the organisation has taken during the financial year to ensure that slavery and human trafficking are not taking place in any of its supply chains, and in any part of its own business. Organisation's policies in relation to slavery and human trafficking; its due-diligence processes in relation to slavery and human trafficking in its business and supply chains; the training about slavery and human trafficking available to its staff. Organisation's effectiveness in ensuring that slavery and human trafficking are not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate. The training about slavery and human trafficking available to its staff 	Section 4, pages 16-23
<ul style="list-style-type: none"> Describe how the reporting entity assesses the effectiveness of such actions. 	<ul style="list-style-type: none"> Not required 	Section 5, page 24
<ul style="list-style-type: none"> Describe the process of consultation with any entities the reporting entity owns or controls and, for a reporting entity covered by a joint statement, the entity giving the statement. 	<ul style="list-style-type: none"> Not required 	Section 1, page 3
<ul style="list-style-type: none"> Include any other information that the reporting entity, or the entity giving the statement, considers relevant. 	<ul style="list-style-type: none"> Not required 	Section 6, page 25



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