

Modern Slavery Act Statement

2019/2020



Anglicare

Modern Slavery Act Statement 2019/2020

Anglican Community Services

This statement, pursuant to the Australian Modern Slavery Act 2018 (Cth), sets out the actions taken by Anglican Community Services (referred to as “ACS”, “us”, “we” or “our”) to address modern slavery and human trafficking risks in our business and supply chain for the financial year ending 30 June 2020.¹

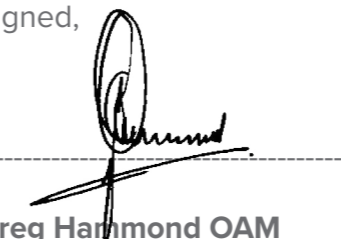
ACS is committed to eradicating modern slavery and human trafficking by:

- acting ethically and with integrity and transparency in all of our business dealings and relationships; and
- implementing processes to minimise the occurrence of modern slavery and human trafficking either within our own operations or in any of its supply chains.

In 2020, we adopted an Ethical Purchasing Policy and Supplier Code of Practice which aims to align purchasing decisions with our values and to encourage our suppliers to do likewise. Our aim is to achieve change via co-operation and vigilance. We understand that to minimise the occurrence of modern slavery in our supply chains, we need to understand our suppliers better. Accordingly, we deployed an online modern slavery questionnaire for our suppliers from FY20. The responses formed an important part of ACS’s modern slavery risk review.

This statement was approved by the Board of ACS on 9 February 2021.

Signed,



Greg Hammond OAM
Chairman Anglican Community Services Board

9 February 2021

¹. Anglican Community Services, trading as Anglicare, is an incorporated entity independent from any other ‘Anglicare’ or entity associated with the ‘Anglicare’ name.

1. About us

ACS exists to serve people in need in our community, enrich lives and share the love of Jesus. We offer life-enriching care and compassion for each person, meeting material, physical, emotional, social, and spiritual needs. We provide a range of services that promotes dignity, safety, participation, and wellbeing for people in their relationships, homes, and communities.

As a public benevolent institution, our objectives are to further the work of the Anglican Church of Australia, Diocese of Sydney by promoting and proclaiming the gospel of the Lord Jesus Christ while undertaking works of public benevolence that reflect the love of God as shown in Christ.

Organisational structure

Anglican Community Services, trading as Anglicare, is a body corporate incorporated under the powers given to the Synod of the Anglican Church Diocese of Sydney by an Act of NSW Parliament, now known as the Anglican Church of Australia (Bodies Corporate) Act 1938.

On 1 July 2016, Anglicare Sydney (also known as Sydney Anglican Home Mission Society) and Anglican Retirement Villages (ARV) officially merged to become 'Anglican Community Services', trading as Anglicare.

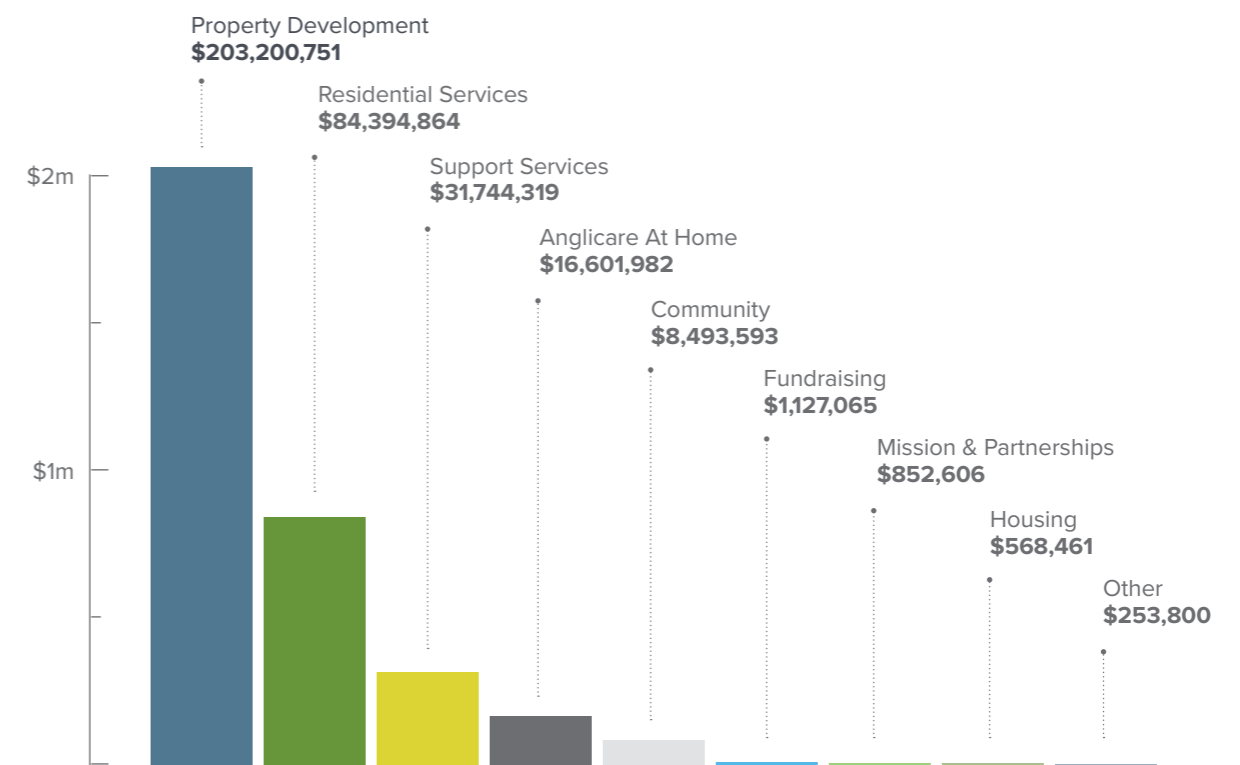
ACS is an ACNC registered charity and our head office is located at Level 2, 62 Norwest Boulevard, Baulkham Hills NSW 2153. ACS has a geographical coverage that includes greater Sydney, Illawarra and New England region.

Operations

Our operations are entirely based in Australia and comprises eight business units: Community, Corporate Services, Finance, Mission & Partnership, Operational Support, Property, Residential, and Customer Experience.

Our operations include:

- the provision of retirement living (retirement villages);
- the provision of residential aged care;
- the provision of home care services to older people living in their own homes within the wider community;
- the provision of accommodation to older people at risk of homelessness (or already homeless);
- the provision of a range of nursing and paramedical support services to older people; and
- the provision of a wide range of community support services including, mental health and care support, family and relationships services, out of home care, sustainable living support services, advocacy and social research, disaster recovery services, chaplaincy and pastoral care.



Property development is a substantial component of our operations based on the annualised procurement spend across the organisation. Our Property Team manage all developments related to Retirement living and Residential aged care.

ACS employs 4,153 people (comprising 3352 permanent, 154 fixed term and 647 casual employees) who perform a range of roles falling within the following careers:

- care, health and lifestyle
- operations and hospitality
- corporate and administration

More than half of our workforce perform the following types of roles:

- Carer/care worker
- Registered nurse and nursing assistants
- Sery staff
- Lifestyle worker / lifestyle carer
- Laundry staff
- Administration assistant

ACS’s employees also include trainers, support workers, managers, coordinators, physiotherapists, maintenance personnel, cleaners, gardeners, drivers, counsellors, chaplains, case workers and cooks. However, cleaning and maintenance is predominately outsourced for most of our sites with one contractor appointed to service the cleaning needs across our residential aged care, retirement living and offices. Nursing agencies, allied health and property services are also sectors where ACS draw on outsourced workers as and when required. The outsourcing of staff is our third largest area of spend.

Supply chain

ACS recognises that our corporate and social responsibilities reside in both our own direct activities and our supply chains, and seeks to purchase products and services that are ethically produced. We look for suppliers that demonstrate a commitment to implementing policies and practices

consistent with and complementary to, our own. Our [Ethical Purchasing Policy](#) (Policy) and Supplier Code of Practice (Code) commenced on 1 January 2020. New suppliers tendering for ACS works or suppliers currently supplying goods and services to ACS are now required to certify their compliance with the Code.

The Code outlines 12 general principles we believe our suppliers should comply with in order to minimise slavery or human trafficking in their workplaces or supply chains. Suppliers required to report pursuant to the Modern Slavery Act 2018 (Cth) must also certify their compliance with the legislation.

In the 2019/2020 financial year, ACS recorded a gross annual revenue of \$400,208,000 and a total procurement spend of approximately \$350 million on goods and services to support our operations. An overview of the procurement spend by services stream is shown above:

We purchase products and services from a broad range of suppliers across various sectors, including:

- Property development
- Allied health services
- Business support services
- Communications
- Staffing – allied health and clinicians
- Facilities management – security, maintenance, landscaping
- Food services
- Catering and kitchen equipment
- IT equipment and software
- Vehicles
- Professional services
- Legal and consultancy
- Insurance
- Marketing and advertising
- Mobility and aged care equipment
- Furniture and fittings
- Medical supplies
- Travel services
- Utilities
- Waste removal

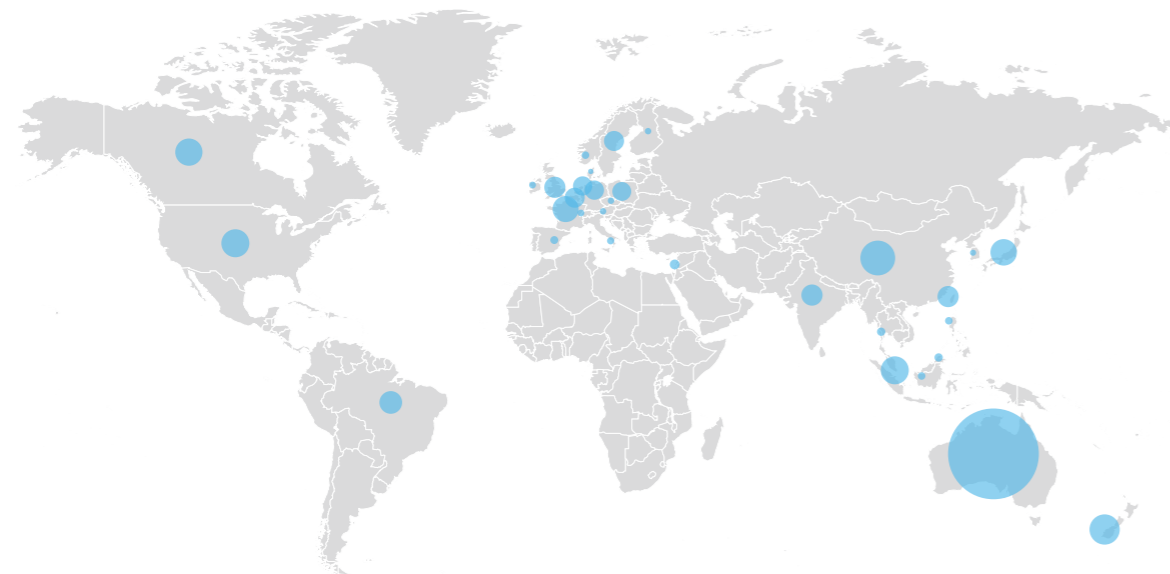
Of the above, the top categories of spend in the 2019/2020 financial year were as follows:



1. \$171,851,781	Property development	15. \$1,437,116	Legal & consultancy
2. \$60,667,660	Property maintenance	16. \$1,285,311	Water
3. \$11,186,746	Staffing	17. \$1,880,331	Mobility and aged care equipment
4. \$7,028,855	Food services	18. \$920,321	Council
5. \$6,241,746	It equipment and software	19. \$685,300	Furniture and fittings
6. \$5,781,450	Medical supplies	20. \$494,182	Professional services
7. \$5,447,424	Insurance	21. \$491,159	Cleaning chemicals and equipment
8. \$5,190,382	Utilities	22. \$386,191	Print & stationery
9. \$4,888,076	Other	23. \$272,161	Uniforms
10. \$3,778,206	Vehicles	24. \$254,242	Security
11. \$2,994,204	Communication	25. \$236,582	Laundry
12. \$2,496,227	Marketing & advertising	26. \$226,015	Accommodation
13. \$2,087,067	Catering / kitchen equipment	27. \$224,403	Finance
14. \$1,728,205	Waste removal		

As shown in the above image, property development and property maintenance were the two main categories of spend in the 2019/2020 financial year. Staffing (comprising clinicians and allied health) was our third largest spend category.

Based on the information gathered during the modern slavery questionnaire, the geographic footprint of our 2020 suppliers is shown below:



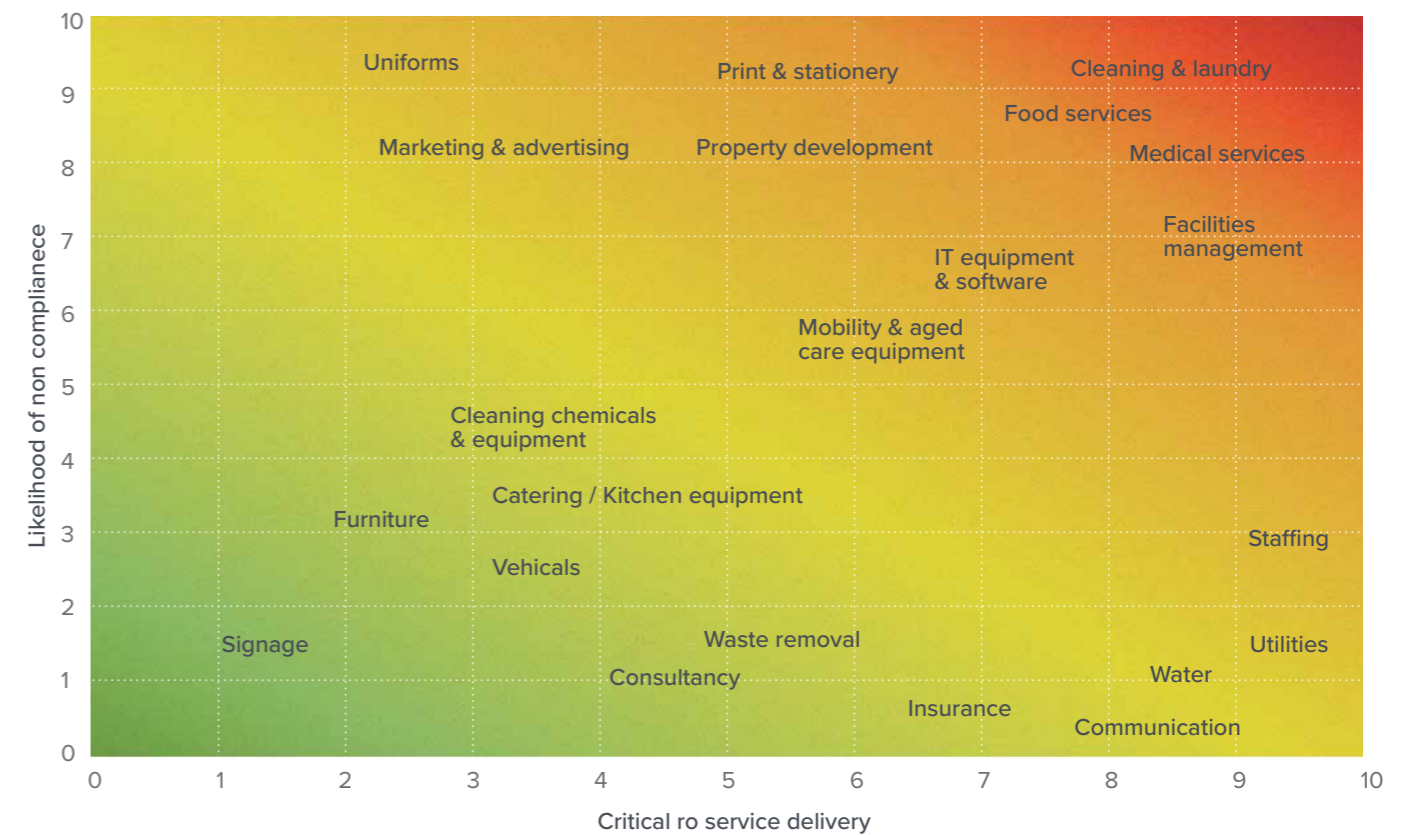
2. The risks of modern slavery in our operations and supply chain

In our operations

We recognise that by virtue of our direct employment of workers, ACS may cause, contribute or be directly linked to modern slavery risks. However, we believe the risk of modern slavery in our workforce is low. This is largely due to the strict regulations in the aged care and nursing sectors and employment laws that ACS is required to comply with.

In our supply chain

In line with the United Nations Guiding Principles on Business and Human Rights, we adopted a risk based approach in assessing the human rights risks in our supply chain. We initially identified our major suppliers where the combined procurement spend was approximately \$230 million and the higher risk suppliers by reference to our supply chain modern slavery matrix² shown below:



² The vertical axis refers to the modern slavery risk by supply category and the horizontal axis refers to the supply categories that are critical to the care provided to our residents.

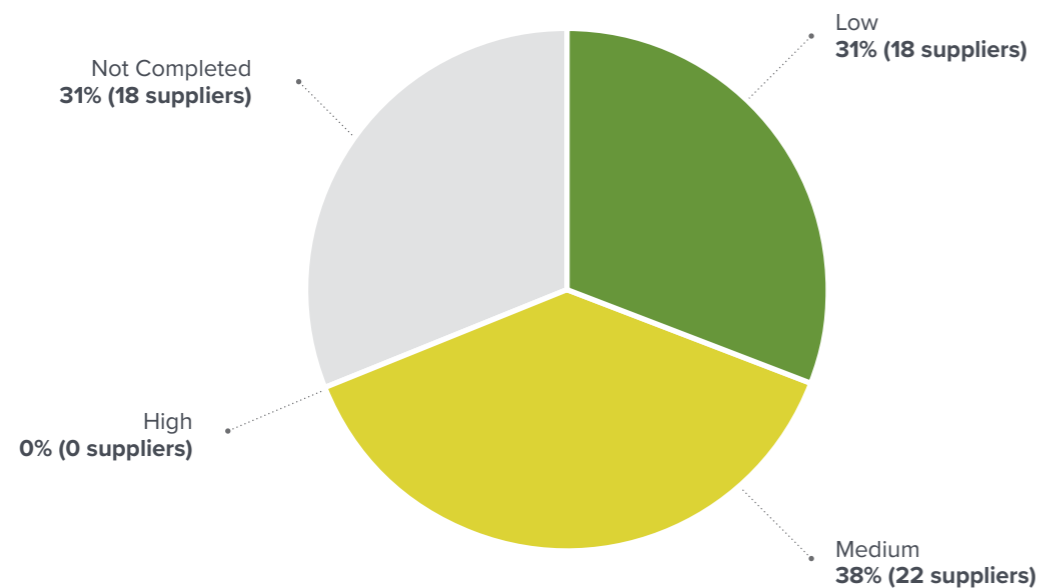
As all of our direct suppliers are based in Australia our risk assessment was based on sector risk only. Despite the fact that Australia is considered a low risk jurisdiction for modern slavery, we recognise that the risk of modern slavery may permeate via the second and subsequent tiers of our supply chain. The online modern slavery questionnaire on the ethiXbase platform was chosen for its ability to inquire about the supply chain of our suppliers.

The sub-set of suppliers identified through the matrix and spend analysis process were then placed on the ethiXbase platform and were issued a modern slavery questionnaire via email. We achieved a completion rate of approximately 69%. The results of the questionnaire enabled us to identify risk patterns and the suppliers requiring closer attention. A snapshot of our results are shown below:



58 – The total number of Anglicare suppliers issued questionnaires via the ethiXbase platform. 40 suppliers completed the questionnaires, 13 did not complete the questionnaire and 5 are in progress but not submitted.

68% of the suppliers uploaded to the ethiXbase platform completed the questionnaires. A breakdown of the risk ratings of those who completed the questionnaire is as follows:



We recognise that our top suppliers by spend, although based in Australia, may have a higher risk of modern slavery in their supply chain by virtue of their sector risk, as set out in the table below:

Sector	Generally known modern slavery risks ³
Cleaning and laundry	The cleaning industry is considered high-risk for modern slavery largely due to the nature of the workforce and the often opaque nature of operations. The cleaning sector does not require tertiary qualification in many instances and such the workforce is often low-skilled. On top of this, those who enter the cleaning sector are often from migrant populations who have a limited understanding of their legal rights or a limited understanding of English. As a result, those employed in the cleaning industry, who fall into the aforementioned circumstances, have a restricted ability to bargain with their employers, or those with whom they contract
Food services	Due to the nature of the work involved in the production, processing, packaging and transport of food and produce, food related supply chains have a high risk of modern slavery. These risks are not only a concern for supermarkets and suppliers generally, they should also be considered by producers, distributors, packers, exporters and caterers. Some examples of modern slavery risks in the food services industry that are frequently cited as areas of concern are: the engagement of labour hire contractors who recruit backpackers and seasonal workers for fruit and vegetable picking on farms and the poor conditions, passport retention and bonded labour in food processing.

3. The risks outlined in this table are general and not relate to any actual instances of modern slavery in the supply chain of our first tier suppliers.

Sector	Generally known modern slavery risks ³
Medical supplies	A large percentage of the world's PPE is produced in China and Malaysia. Some factories have been reported to be manufacturing rubber gloves and other rubber products using migrant workers making them work excessive overtime of up to 160 hours a week in unsafe conditions, where passports were confiscated, and high recruitment fees that kept them in debt bondage. ⁴ Other items of PPE, such as medical robes, are sourced largely from factories in China where there are increased risks of modern slavery. For example, in November 2020, it was reported that the British government sourced PPE for the NHS from factories where hundreds of North Korean women were secretly working in conditions of modern slavery. ⁵
Property maintenance	The prevalence of subcontracting in the property maintenance industry can lead to contractual liabilities and obligations diminishing to the point where the human rights of workers on site may go unnoticed by the lack of transparency.
IT equipment and software	Modern slavery risks are present in the supply chains that provide IT companies with the necessary materials to produce electronic goods, and parts of those goods. For example, cobalt is an essential component of rechargeable lithium-ion batteries. More than half of the world's cobalt is mined by the Democratic Republic of Congo, where according to UNICEF, approximately 40,000 miners are children. Another problematic material sourced for IT equipment is mica. India produces 60% of the globe's mica. The most prevalent areas of mica production are in Jharkhand and Bihar where a third of the population in these areas live below the poverty line.
Property development	In the property development industry, the prevalence of opaque subcontracting arrangements and frequent use of labour hire companies increase the risks of modern slavery. Additionally, the industry often relies on low-skilled workers, who may also be migrants with low levels of English. The use of building materials such as concrete, timber, steel, quarried stone products, glass, construction films, textiles and other goods all carry inherent modern slavery risks. Producers of these items often operate in high-risk locations. For example, forced labour and child labour have been found in brick kilns in countries such as India, Pakistan, Bangladesh and Cambodia.

Impact of COVID-19

From February 2020 until August 2020, ACS's supply chain of PPE was significantly impacted by the COVID-19 pandemic. Our tier 1 suppliers for medical supplies and PPE were unable to service all of our supply needs due to the supply shortages experienced nationally and globally.

As a result of the shortage of PPE, ACS's Procurement Team had to develop a new tier 1 supplier base specifically for PPE and had to implement a centralised supply process for all sites to procure PPE only via the Procurement Team. The purpose of this process change was twofold. Firstly to secure ongoing supply, and secondly, to ensure that all PPE was compliant with the requisite standards. From April 2020

onwards, we commenced exploring options of direct sourcing from manufacturers in China and sought to develop partnerships with third party logistics companies, import and export companies and medical suppliers to secure our supply of PPE going into the future.

During the peak of the pandemic between March and July 2020, our ability to assess modern slavery risks before making our purchasing decisions on PPE was limited. Our efforts were focused on securing supply for our staff and residents and ensuring that the PPE we purchased had CE, FDA certification and met the TGA standards. Following the stabilisation of the pandemic from around August, ACS's risk assessment process resumed to normal, which included considerations of modern slavery risk.

⁴ www.corporate-responsibility.org/clean-hands-dirty-supply-chains/ and www.theguardian.com/global-development/2018/dec/10/claims-that-nhs-rubber-gloves-made-by-forced-labour-spark-inquiries.

⁵ www.theguardian.com/global-development/2020/nov/20/uk-sourced-ppe-from-factories-secretly-using-north-korean-slave-labour

3. Actions taken to assess and address the risks, including due diligence and remediation processes

Our actions from the 2019/2020 financial year focussed on developing the foundational policy documents and processes relating to procurement in order to embed human rights considerations when making purchasing decisions.



As noted previously, our Policy and the Code were introduced in January 2020. The Policy and the Code were designed to ensure that our suppliers have a clear understanding of our expectations relating to human rights in their operations and supply chains.

We also incorporated a modern slavery question in all ACS RFT/RFP templates. The Policy and the Code form part of the tender pack.

Our online modern slavery questionnaire was used to assess the modern slavery risk profile of a sub-set of our major suppliers. The risk ratings were used to inform our supplier engagement process for the next reporting period based on the high, medium and low risk profiles allocated by the ethiXbase platform. Eight suppliers were

identified as requiring further engagement based on the results of the questionnaire.

In relation to our operations, we are committed to ensuring that our employees are paid in line with market rates and we check that those we recruit are of legal working age and are choosing to work of their own free will. We do not tolerate discrimination or harassment and endeavour to sustain the health, safety and wellbeing of our employees, volunteers and contractors.

Our Whistleblower Policy is published on our website and provides a way for employees, volunteers, residents, clients, vendors, contractors and others to report their concerns confidentially, freely and without fear of repercussion.

4. How we assess the effectiveness of our actions

During the course of the next reporting period, we will seek to review, monitor and embed our processes in accordance with the table below.

Workstream	Activities	Methods for tracking effectiveness
Operations	Annual review of ACS's processes to identify and address modern slavery risks in our operations.	<ul style="list-style-type: none"> Obtaining and assessing feedback from staff and management teams regarding the adequacy of the policies in place to address modern slavery risks in our operations Revising policies and processes as and when required to improve the way in which modern slavery is addressed Developing staff training designed to raise awareness of modern slavery risks
	Review of grievance mechanism	<ul style="list-style-type: none"> Regularly review reported cases with an eye to how these were handled, and how the response could have been improved
	Partnering with an external party	<ul style="list-style-type: none"> Progressing discussions with Baptist Care to share knowledge and insights

Workstream	Activities	Methods for tracking effectiveness
Procurement	Conduct an audit of the prequalification checks for suppliers to determine if mitigation measures have been consistently actioned	<ul style="list-style-type: none"> • Conducting checks with the assistance of the Finance team to see if any supplier invoices were paid without the supplier undergoing the prequalification checks so as to close out gaps (if any) • Assessing the percentage of supplier agreements entered into with the updated modern slavery clause and looking into the circumstances of when suppliers sought to negotiate out of the clauses (and reasons for same) • Comparing ethiXbase questionnaire responses as against prequalification documentations (to check for any irregularities)
	Track the number of high-risk suppliers and levels of awareness among staff.	<ul style="list-style-type: none"> • Comparing the results of the ethiXbase questionnaire year on year • Identifying the higher risk suppliers via the ethiXbase questionnaire and developing plans for further due diligence measures • Tracking the number of individuals who have undertaken modern slavery training
	Supplier engagement	<ul style="list-style-type: none"> • Conducting periodic checks on suppliers to verify their compliance with the Code • Recording the instances of non-compliance and developing corrective action plans as and when required

5. Consultation with any entities owned or controlled

ACS is the Trustee of the Anglicare Foundation Funds ('the Foundation') (ABN 24 086 334 058) which was established by a Trust Deed dated 31 December 1984 and subsequently varied on 15 November 1989 and 11 September 2018. The amendments made on 11 September 2018 give effect to the creation of an ACS gift fund for identifying and recording gifts that can only be used in accordance with the

objects of ACS. The deed provides that the Foundation's Trust Funds shall be applied and used exclusively for the support of the work of ACS, the Trustee.

The Foundation does not have any operations that are independent of ACS. Therefore, consultation with the Foundation was not required for the purposes of preparing this statement.

6. Any other relevant information

In the 2019/2020 financial year, ACS and Baptist Care commenced initial discussions to see how our two organisations can work together to improve awareness about modern slavery in our respective operations and supply chains.

Through the many services we offer, such as food and financial assistance, housing, cross cultural services and counselling, we seek to contribute to addressing the structural factors that can lead to modern slavery. For example, we work to assist migrants, refugees and asylum seekers to learn English, provide counselling and facilitate community connections. ACS also provides a range of social and affordable housing options for households on very low, low and moderate incomes. We seek to provide households with pathways to unassisted housing and affordable housing solutions. Our financial assistance programs includes no interest loans schemes, financial counselling, utility bill assistance, rental

arrears assistance, bond assistance and medical assistance to assist with pharmacy costs, and advocacy support to negotiate lower specialist fees.

ACS currently provides assistance to 220 older Australians through their social and affordable housing program in the Greater Sydney region. Spread across 8 locations, our residents are provided with a safe place to call home and to belong to a community. Tailored case management support is also provided to residents where required. For most of the residents, they are comforted by the fact that they have a place where they can live whilst they are still able to remain independent. During 2021 and 2022, ACS will seek to deliver an additional 450 social and affordable housing units in Greater Sydney

We believe these are just some of the ways ACS can contribute to addressing the root causes that can lead to modern slavery.



Anglicare