

Modern Slavery Statement





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1. INTRODUCTION

ACH Group is one of South Australia's largest approved aged care service providers, operating residential aged care facilities, providing home care services and offering retirement village living. ACH Group's total workforce consists of approximately 1,800 people made up of full time, casual and part time employees. ACH Group also has over 160 volunteers who assist with operations.

ACH Group is a registered Not-For-Profit organisation with the purpose of supporting older people to live good lives. ACH Group's point of difference is that it focuses on real experiences for older people. This means promoting a re-ablement approach and

supporting people to maintain valued roles or find new ones, all while maintaining right relationships.

By doing this, ACH Group enables its customers to enjoy the six elements that define a good life – to be healthy, remain in control, have their uniqueness valued and contribution recognised with a feeling of optimism and a sense of belonging, and connection with community.

Modern slavery contradicts everything ACH Group stands for.

ACH Group recognises, and is committed to, taking steps to help eliminate modern slavery practices in its supply chain and overall operations.

Aged Care & Housing Group Inc Modern Slavery Statement

This statement sets out the actions taken by Aged Care & Housing Group Incorporated ARBN 142 240 499 ABN 99 437 071 895 (ACH Group) to address modern slavery risks in its operations and supply chain for the financial year ended 30 June 2023 (the reporting period).



2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

2.1 Structure

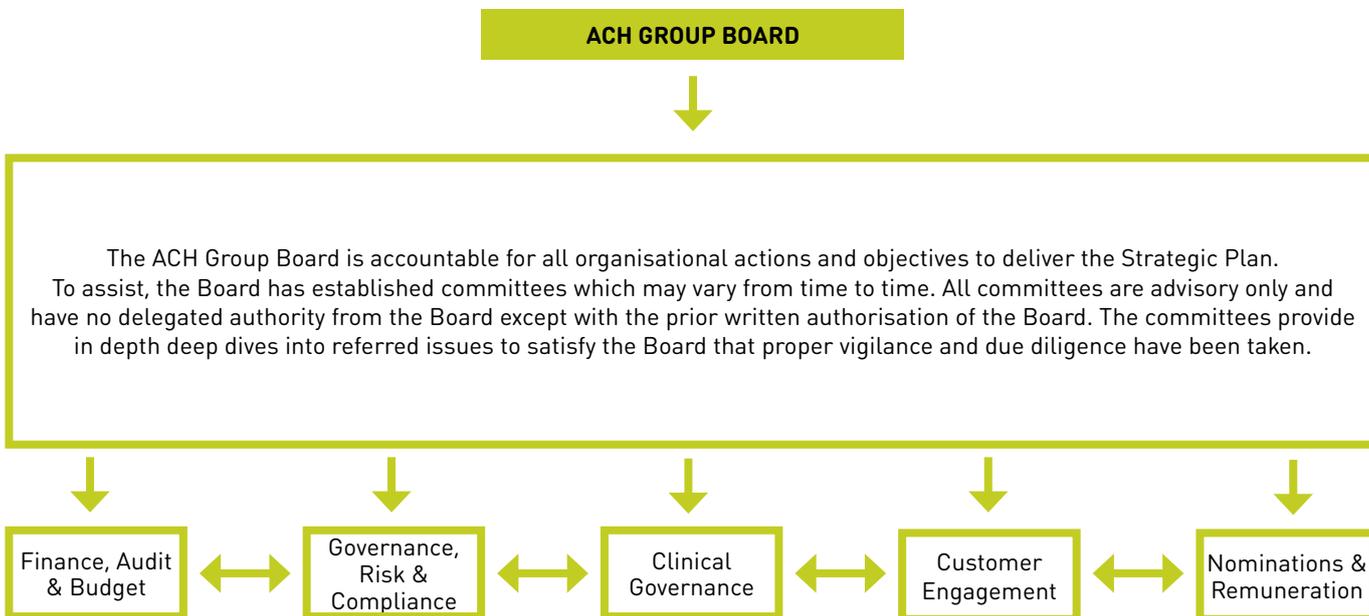
ACH Group is an incorporated association registered with the Australian Charities and Not-For-Profits Commission (ACNC). ACH Group's head office is located at 22 Henley Beach Road, Mile End, South Australia.

The ACH Group Board oversees the performance, strategy and operations of ACH Group, in accordance with the ACH Group Constitution and in line with its purpose of providing accommodation facilities and services for older people.

The ACH Group Board has established sub-committees to assist with governance of the organisation.

The Governance, Risk and Compliance Committee is responsible for overseeing modern slavery risk identification, assessment and management for the ACH Group Board. ACH Group is the only reporting entity covered under this statement and ACH Group does not own or control any other entity.

The governance structure of ACH Group is set out below:



2.2 Operations

ACH Group provides and manages:

- residential aged care accommodation to approximately 630 residents at its 9 residential aged care facilities;
- retirement living facilities with approximately 670 residents in independent living units and apartments across 38 retirement villages;
- home care to approximately 6,000 customers including cleaning, personal care, and gardening; and
- health and wellness services to approximately 1,700 customers for rehabilitation, respite, fitness classes and individual and allied health services.

All ACH Group operations are situated in metropolitan Adelaide and surrounds.

Further information about ACH Group and our operations can be found on our website (**Good Lives for Older People | Retirement Living | ACH Group**) or on the ACNC website (**Aged Care & Housing Group Inc | Australian Charities and Not-for-profits Commission (acnc.gov.au)**).

- Health Studio 50+
- Community Services Offices
- Day Respite Program
- Retirement Living Units
- Residential Care Homes
- Corporate Office

Home Support, Social Experiences, Nursing and Health Services are delivered across Metropolitan Adelaide, Gawler and the Fleurieu Peninsula.



2.3 Supply Chain

ACH Group purchases products and services needed for the day-to-day care of residents at its residential aged care facilities and for the care of the customers in its retirement villages and their homes. These goods and services include, but are not limited to, catering, cleaning products and services, waste management services, health related services, medical goods and equipment, pharmaceuticals, linen, furniture, motor vehicles, property repairs and maintenance, employee training and recruitment and temporary workforce from labour hire agencies.

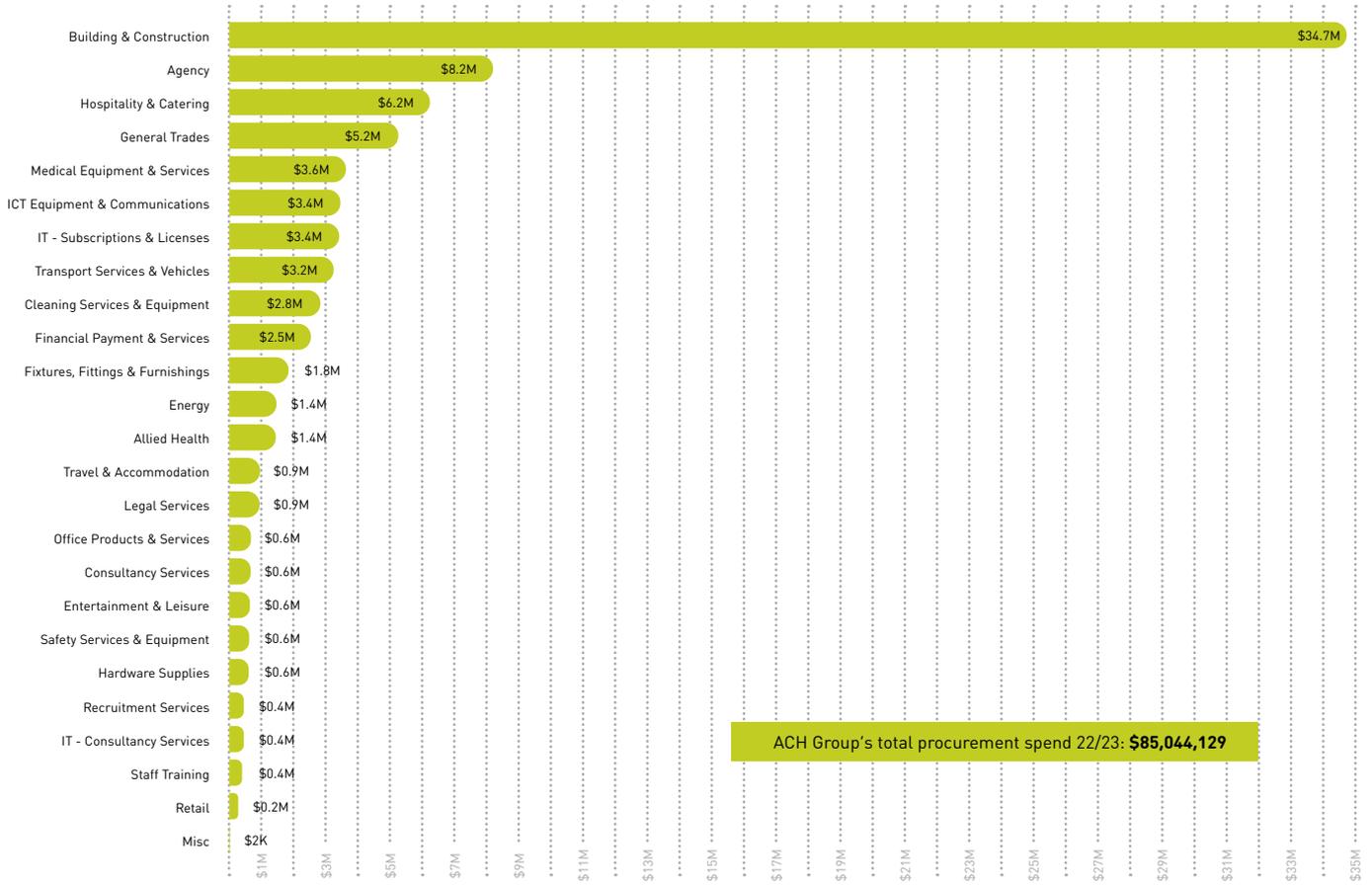
ACH Group acquires goods and services from more than 790 suppliers, the majority of which are based in Australia. The exceptions are some software licences which are sourced from international suppliers and one consultant based in the USA.

ACH Group purchases construction related goods and services, such as building materials and equipment in order to complete various capital works projects (i.e. new buildings, major upgrades and restorations). ACH Group also purchases office supplies, IT infrastructure and support services, as well as professional services such as audit, tax and legal advice.

ACH Group has a centralised procurement team which oversees and manages the engagement of suppliers. All contracts of significance are competitively tendered, reviewed and managed on a regular basis. ACH Group has a detailed procurement policy which ensures consistent engagement with suppliers – this policy is underpinned by key values based on ethical and sustainable business practices.

ACH Group maintains a register of preferred suppliers, all of whom have completed an extensive supplier pre-qualification process, including providing evidence of national criminal history record checks and specific insurances. ACH Group has stable, long-term relationships with its preferred suppliers. Short term supplier engagement complements this and usually only occurs when a customer requests a particular product or service.

A graph of ACH Group's procurement spend by category is set out below:



3. RISK OF MODERN SLAVERY IN ACH GROUP'S OPERATIONS AND SUPPLY CHAIN

3.1 Operations Risk

ACH Group operates only in the state of South Australia and all ACH Group employees have provided evidence of their right to work in Australia.

Any labour hire or agency staff requirements are filled by local organisations who operate in accordance with the laws of South Australia and are required to provide evidence of their staff's right to work in Australia prior to engagement by ACH Group.

All members of ACH Group's workforce are employed in accordance with relevant modern awards, enterprise agreements and industrial laws, and ACH Group has a robust set of policies and procedures that assist to protect against modern slavery, including its:

- Modern Slavery Policy;
- Whistle Blower Policy;
- Code of Conduct;
- Workplace Issue and Unacceptable Conduct Resolution Procedure; and
- Reporting and Investigation Procedure.

Employees are invited to participate in an annual online team survey through which any concerns can be raised confidentially.

In addition, all employees have access to a free Employee Assistance Program, which can be accessed by themselves or their direct family members for any work or non-work related reason.

Because ACH Group engages its workforce from within Australia, all employees undergo modern slavery training, and all employees have access to the Whistle Blower Policy and Employee Assistance Program, ACH Group considers the risk of modern slavery in its operations to be low.

3.2 Supply Chain Risk

ACH Group recognises that its large and diverse supply chain means that it could engage unknowingly with suppliers who might participate in modern slavery practices, or whose own supply chains might be at increased risk of modern slavery.

To address this risk, ACH Group conducts an annual modern slavery risk assessment of its suppliers. This involves actively considering the risks that could potentially cause, contribute, or be directly linked to modern slavery practices, and identifying which areas are likely to be at higher risk of modern slavery practices.

ACH Group classifies its suppliers as being higher risk if the supplier:

- provides labour hire services;
- provides food products or services;
- provides software or IT services,
- provides cleaning services; and/or
- is located or operating primarily in a country with a high prevalence of modern slavery.

In 2022–2023, this resulted in 36 of ACH Group's 790 suppliers being classified as higher risk.

The higher risk suppliers are then assessed and if deemed necessary, audited through the questionnaire process, by which any instances of modern slavery can be identified and addressed.

To date, ACH Group has not identified any instances of modern slavery in our supply chain via these audits.

Further, ACH Group is conscious that setting low cost targets and unrealistic timeframes can potentially contribute to modern slavery risks and, as such, avoids these practices.

Given ACH Group identifies higher risk suppliers using Global Slavery Index criteria, then audits those suppliers and has not yet identified any instances of slavery, it considers the residual risk of modern slavery in its supply chain to be low.

4. ADDRESSING THE RISK OF MODERN SLAVERY PRACTICES

In previous years, ACH Group's annual modern slavery supply chain risk assessments focused on suppliers with whom it spent more than \$300,000 annually. Following further analysis, ACH Group concluded that modern slavery risk did not reduce proportionately with spend and should therefore be assessed in terms of practical implication. While high-spend suppliers remained on the list of entities to be assessed, the main criteria for ACH Group's 2023 modern slavery supplier risk assessment were suppliers:

- operating in industries identified by the Walk Free organisation as having a higher risk of modern slavery (i.e. food, cleaning services, labour hire, and software); and
- operating in countries with a higher prevalence of modern slavery in their workforce, based on the Global Slavery Index Vulnerability Model (which identifies countries with a greater frequency of modern slavery due to governance issues and the impact of internal and external conflicts).

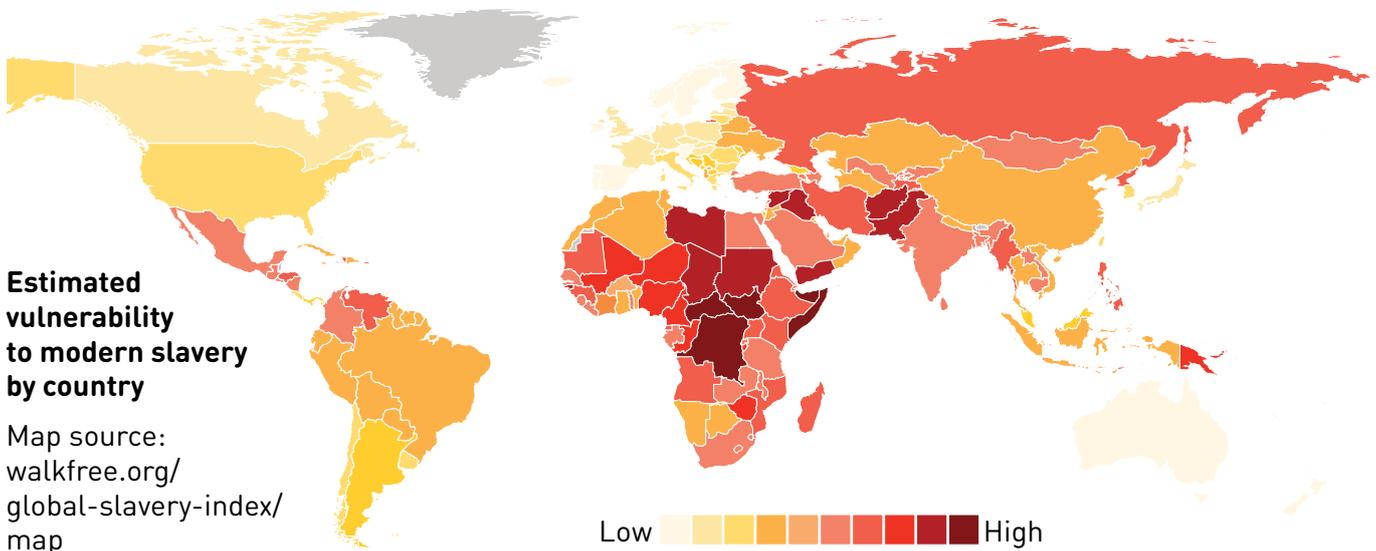
ACH Group asks its higher risk suppliers to complete a Modern Slavery Supplier Questionnaire annually. The responses are then reviewed and used to inform consideration of any required actions to mitigate the risk of modern slavery practices connected with ACH Group's supply chain.

Responses from ACH Group's suppliers to the Modern Slavery Supplier Questionnaire have thus far indicated:

- there is low risk of modern slavery practices from the majority of suppliers. However, many smaller suppliers do not yet have policies or processes relating to modern slavery;
- higher risk suppliers provide adequate employment conditions. A number of suppliers did not provide an anonymous mechanism for staff to raise workplace grievances;
- higher risk suppliers comply in practice with the United Nations International Labour Conventions, although some indicated that they did not yet have written policies or processes that prohibit forced labour or human trafficking in their operations and supply chain.

In the 2023-2024 financial year, ACH Group intends to work with suppliers to implement appropriate modern slavery policies, procedures and reporting mechanisms.

The highest level of risk identified from the responses to the Modern Slavery Supplier Questionnaire was from the group of suppliers that provide building services to ACH Group.



5. ACTIONS TAKEN

Actions ACH Group has taken to address the risk of modern slavery practices

In 2022, ACH Group undertook a voluntary independent modern slavery audit. Based on the findings and recommendations from that audit, in the financial year ending 2023 ACH Group has taken the following actions to reduce the risk of modern slavery:

- re-evaluation of risk assessment criteria for suppliers to expand scope;
- annual assessment of higher-risk Tier 1 suppliers and of their supply chains;
- modern slavery prevention training for board members and key members of staff;
- modern slavery awareness training as part of the induction package for all new members of the ACH Group workforce;
- amendment of all supply contract templates to require compliance with ACH Group's Modern Slavery Policy and to allow termination in case of breach;
- creation of a modern slavery remediation plan for cases of non compliance;
- amendment of ACH Group's Contractor's Code of Conduct to broaden its application and make explicitly clear that contracts may be terminated if modern slavery activities are suspected;
- inclusion of a modern slavery schedule in its tender package template;
- update of the Procurement Policy so that any proposed deviations from the standard template are risk assessed by the legal department; and
- continuing to reassess, revise and develop its approach to modern slavery compliance.

Actions ACH Group intends to implement

Actions which ACH Group intends to implement during the next reporting period and moving forward include:

- revision of the Modern Slavery Questionnaire, tailoring questions to best suit ACH Group's specific needs and encourage improved communication from suppliers;
- modern slavery awareness training for all members of the ACH Group workforce;
- amalgamation of the annual modern slavery questionnaire into the ongoing supplier prequalification and compliance program conducted by the procurement department;
- development of a modern slavery due diligence framework for supplier risk assessments, including requirements that:
 - prospective new suppliers considered potentially high risk are to be flagged with the Governance, Risk & Compliance Committee before proceeding; and
 - questionnaire completion and further investigation be mandatory for all suppliers of cleaning, food, IT/software, or labour hire.
- training of the procurement team and other relevant personnel in the application of the modern slavery due diligence framework;
- identify or develop processes on how to continue working with those suppliers identified as having gaps in their modern slavery practices to implement appropriate policies, procedures and reporting mechanisms, particularly with those organisations supplying construction and building services to ACH Group.

ACH Group's Contractor Code of Conduct and Work Health and Safety Booklet

ACH Group's Contractor Code of Conduct and Work Health and Safety Booklet (the Code) establishes ACH Group's expectations and minimum standards of behaviour required of its suppliers in the areas of ethical business practices, conflicts of interest, environmental impacts and health and safety. It specifically addresses modern slavery standards.

In accordance with the Code, suppliers must take reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in the provision of any goods or services to ACH Group. If at any

time a supplier becomes aware of modern slavery practices in the operations or supply chains used in the provision of any goods or services to ACH Group, the supplier must as soon as reasonably practicable take all reasonable action to address or remove these practices, including where relevant by addressing any practices of other entities in its supply chain.

The Code is publicly available on ACH Group's supplier portal via its website at **Contractors Code of Conduct & WHS Booklet | ACH Group**.

6. ASSESSING EFFECTIVENESS OF ACTIONS

In the 2022-2023 financial year, ACH Group has made changes to increase its awareness and prevention of modern slavery. This included the addition of anti modern slavery clauses to contract templates, modern slavery prevention training for key members of staff and Board and modern slavery awareness training for all new employees and contractors. Following these changes:

- 25 of 51 new procurement contracts entered into by ACH Group contained anti modern slavery clauses;
- 18 of 20 key staff (plus 4 Board members) were trained in modern slavery prevention;
- All 906 new employees were trained in modern slavery awareness; and
- 18 of 36 higher risk suppliers were audited.

As these processes continue to develop, ACH Group expects its metrics to grow even further in the next 12 months.

In assessing the effectiveness of these actions taken, ACH Group has observed a greater understanding and knowledge within its workforce and supply chain about modern slavery risks and issues. ACH Group believes that this demonstrates that the actions it is taking have been effective. ACH Group will continue to monitor and assess the effectiveness of its actions taken, including by socialising such issues at a Board level and by reviewing the results of any supplier audits undertaken. By continually assessing the effectiveness of its actions, ACH Group expects to achieve a greater level of awareness and in turn reduce the risk of modern slavery within its supply chain.

In tracking the effectiveness of the actions, ACH Group has established the following metrics:

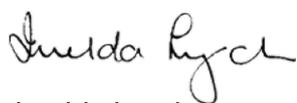


7. CONSULTATION

ACH Group does not own or control any other entities, therefore no consultation process with entities owned or controlled by ACH Group was necessary.

8. OTHER INFORMATION

This statement is made pursuant to Section 13 of the Modern Slavery Act 2018 (Cth), and constitutes the Modern Slavery Statement of Aged Care and Housing Group Incorporated for the period 1 July 2022 to 30 June 2023 and has been approved by the Board of ACH Group.



Imelda Lynch

Chair
Aged Care and Housing Group Incorporated





ACH Group is a not-for-profit community organisation promoting opportunities and services to support good lives for older people since 1952.

Let's talk **1300 22 44 77** Visit **achgroup.org.au**

