

MODERN SLAVERY STATEMENT

DECEMBER 2020

1. Introduction

The term 'modern slavery' is used to describe situations where coercion, threats or deception are used to seriously exploit individuals and undermine or deprive them of their freedom.

Modern slavery includes any practice or conduct that constitutes slavery, forced labour, human trafficking, child exploitation, involuntary servitude, debt bondage, human trafficking and other slavery-like exploitation.

The *Modern Slavery Act 2018* (Cth) (**Act**) requires reporting entities to publicly report (by way of a 'modern slavery statement') what they are doing to address modern slavery risks in their operations and supply chains.

Each of NSW Business Chamber Ltd ABN 63 000 014 504 (which trades under various brands, including Business Australia and Business NSW) (**Business Australia**) and its controlled entity, Recruitment Solutions Group Australia Pty Ltd ACN 162 071 490 as trustee for the Recruitment Solutions Group Australia Trust ABN 86 157 291 541 (**RSGA**) are reporting entities under the Act.

This is the joint modern slavery statement of Business Australia and RSGA (and their respective controlled entities) (**Business Australia Group**) under the Act in respect of the reporting period 1 July 2019 to 30 June 2020 (**Reporting Period**).

A list of all controlled entities of Business Australia (and their place of incorporation) is set out in Business Australia's 2020 Annual Report (see pages 69-70 <https://www.businessnsw.com/about/annual-reports>). RSGA's only controlled entity is Alliance Health Services Group Pty Ltd ABN 19 100 736 294.

Business Australia is a public company limited by guarantee. RSGA (whose sole shareholder is Business Australia) is a proprietary limited company. The discretionary beneficiary of the Recruitment Solutions Group Australia Trust is Business Australia.

Whilst the business activities of Business Australia and RSGA (and their respective controlled entities) are different, a joint statement is appropriate given that the entities largely share the same executive leadership team and are subject to the same enterprise-wide policies, procedures, systems and processes.

2. Business Australia Group's operations

Business Australia, the group's parent entity, has been operating for 194 years and has over 40,000 members.

The Business Australia Group has 37 offices across Australia, as well as an office in Shanghai. The group has approximately 660 permanent employees and, at any given time, approximately 2,000-2,500 on-hire workers deployed to clients.

A summary of the group's operations is set out below.

2.1 Member services through Business Australia

As a purpose-driven organisation, Business Australia is committed to supporting, protecting and helping to grow Australian businesses.

Business Australia is a member-owned organisation that provides advice, support, products and services for businesses.

Business Australia offers members free content and resources, as well as paid commercial services in workplace, HR, legal and recruitment.

Business Australia also offers:

- a Business Grants Finder to help businesses access eligible funding
- a Workplace Advice Line that resolves member enquiries about industrial awards, employment conditions and other workplace issues
- certified trade documents to enable Australian businesses to export to new markets  
- services to assist Australian businesses to export to China. This service includes introducing potential distributors in China to Australian exporters. The group's office in Shanghai assists with this referral service
- advisory and support services covering:
 - HR and workplace, health and safety (WHS) templates and documents (e.g. employment contracts, HR and WHS policies and procedures)
 - updates on compliance and legal developments in industrial relations, employment relations and WHS
 - a free business energy advice program delivered by   Business Australia on behalf of the Australian Government
- hosting (prior to COVID-19) more than 500 events and webinars annually.

2.2 Policy and advocacy

**BUSINESS
NSW**

Business NSW is the group's policy and advocacy division. This division:

- develops and promotes thought leadership and policy positions aimed at addressing market or regulatory failure across a range of industry sectors
- advocacy of policy positions that promote the development of manufacturing, industry, trade and commerce in Australia
- meets with and surveys members to understand the challenges and issues they face
- regularly engages with government leaders to advance the interests of members and the broader business community

2.3 Recruitment and health care services

Business Australia's controlled entities, RSGA, Alliance Health Services Group Pty Ltd ABN 19 100 736 294 and Heartbeat Nursing Agency Pty Ltd ABN 49 084 686 76, collectively provide the group's recruitment and health care services.

This is the group's largest business division. The business places apprentices, trainees, nurses, blue collar, white collar and other casual workers and community support staff with diverse clients (from hospitals, aged care and other health facilities to small businesses, large developers, manufacturers, government and other organisations) in metropolitan, regional, rural and remote Australia. These placements occur on both a permanent, semi-permanent and labour-hire basis.

The business also provides direct health care services to the community through the NDIS and other, programs. Additionally, corporate health services include the provision of immunisation and health screening.

The business trades under a variety of brands: ACT Nursing, Alliance Community, Alliance Health, Belmore Nurses, CQ Nurse, Health Solutions Group Australia, Heartbeat, RNS Nursing, Apprenticeship Careers Australia, Automotive Group Training, Extrastaff and Talent Options.



2.4 Legal services



Business Australia's wholly owned subsidiary, Australian Business Lawyers & Advisors Pty Ltd ABN 39 146 318 783 (**ABLA**), provides legal services to members and non-members of Business Australia in workplace, employment, industrial relations, work health and safety, corporate, commercial and property law.

2.5 Joint ventures

2.5.1 Productivity Force Holdings Pty Ltd (PFH)



PFH is 50% owned by Business Australia and 50% owned by entities associated with two individuals who have had extensive careers in the construction industry.

PFH provides employment opportunities for graduates of 'Productivity Bootcamp'. Productivity Bootcamp is an eight-week program (run by one of the other PFH shareholders) for young unemployed and disengaged people that is focused on developing skills within the construction sector.

Employment opportunities include apprenticeships, traineeships and on-hire labour opportunities within the property maintenance and construction sectors.

2.5.2 Chambers Apprenticeship Support Australia Pty Ltd (CASA)



CASA, trading as Apprenticeship Support Australia, is a joint venture that is owned in equal proportions by the Business Australia Group, Victorian Chamber of Commerce and Industry and Chamber of Commerce & Industry Western Australia.

CASA is contracted by the Commonwealth Department of Education, Skills and Employment to provide Australian apprenticeships support network services to employers and Australian apprentices in New South Wales, Western Australia and Victoria.

These services involve the provision of advice, support and tools to both employers (e.g. advice in relation to accessing government incentives to take on apprentices) and apprentices (e.g. career advice and assessments) that are focused on lifting apprenticeship commencement and completion rates at every stage of the employment cycle.

CASA subcontracts the delivery of CASA's contract with the Commonwealth Government to each of its shareholders in their respective states (in Business Australia's case, New South Wales).

2.5.3 Workplace Assured Pty Ltd (WPA)



WPA is a joint venture between Business Australia and the Victorian Chamber of Commerce and Industry. WPA provides access to:

- a full workplace compliance audit
- 24/7 phone advice
- legally-compliant workplace documentation
- employment practices liability insurance provided by an insurer

2.6 Investments

Business Australia has a diversified investment portfolio across a range of asset classes, including commercial and industrial real estate, equities, private equity, fixed income and alternative assets.

Business Australia has appointed an external investment adviser to manage the investment portfolio on its behalf.

3. Business Australia Group's supply chains

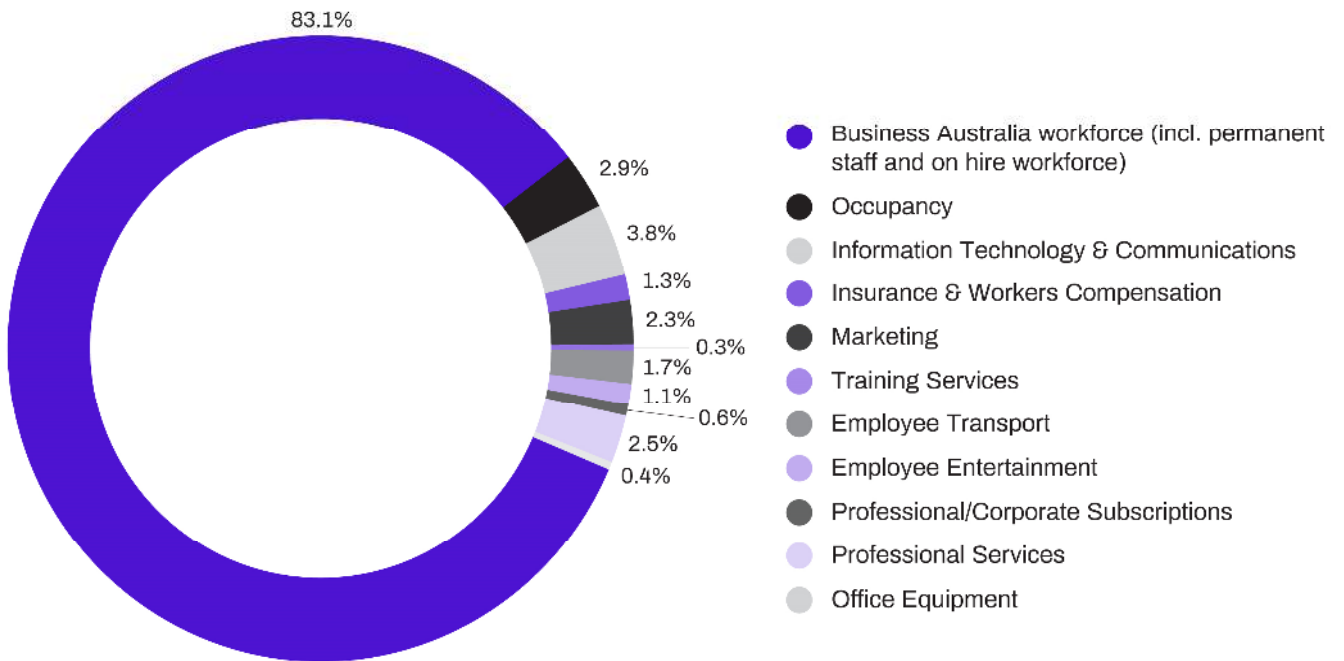
Given the nature of the largely professional services provided by the Business Australia Group, the following key supply chains are common to all activities and entities within the Business Australia Group:

- the Business Australia workforce (including the on-hire workforce in the context of PFH and the recruitment business);
- office premises, office cleaning services and utilities;
- office equipment, fit-out and consumables, including computer hardware, furniture, printers/photocopiers, stationery, catering, tea, milk, coffee and couriers;
- utilities;
- information technology and communication products and services (including computer hardware and software as a service);
- insurance and workers compensation;
- marketing, advertising and printing services;
- training services;
- employee transport;
- employee entertainment;
- professional/corporate subscriptions; and
- professional services (eg legal, accounting, audit, investment, financial and other consulting/professional services).

The table below describes supply chains that are more relevant to particular business activities:

Business Activity	Supply chain
Recruitment and community/health care services	<ul style="list-style-type: none"> • Uniforms • Personal protective equipment • Vaccines
Productivity Force Holdings	<ul style="list-style-type: none"> • Uniforms • Personal protective equipment • Construction materials and equipment/tools
Apprenticeship support services	<ul style="list-style-type: none"> • Uniforms • Motor vehicles and associated accessories and services

The graph below illustrates the proportion that the expenditure for each broad supply chain category bore to Business Australia's total supplier expenditure during the Reporting Period:



4. Business Australia groups' approach to modern slavery

The Business Australia Group's approach to identifying and addressing modern slavery risks is set out in its Modern Slavery Policy that was approved by Business Australia's board during the Reporting Period.

The policy commits the group to the twin objectives of the Act:

- increasing awareness of modern slavery risks; and
- reducing such risks in the production and supply chains of Australian entities.

The group has zero tolerance for modern slavery practices. The group expects its suppliers will share that commitment and a desire to eliminate modern slavery practices from their respective businesses and supply chains.

The group's modern slavery policy contemplates a three-pronged approach to identifying and addressing modern slavery risks:

4.1 Contractual assurance

Contractual assurance involves the inclusion of provisions in contracts under which a group entity is the recipient of goods, premises, products or services (**supply contracts**). Among other things, these provisions require suppliers to:

- warrant that modern slavery practices do not exist in their own businesses;
- warrant, to the best of their knowledge, that modern slavery practices do not exist in the businesses of their suppliers;
- promptly disclose the existence of modern slavery practices in their business or supply chains.

The provisions also permit Business Australia to terminate the supply contract if the relevant supplier does not comply with the above requirements.

4.2 Know Your Supplier (KYS)

The group undertakes supplier due diligence to assess the risk of modern slavery practices existing within the relevant supplier's business or supply chains.

The requirement to complete a KYS risk assessment and certification applies to the following categories of suppliers:

- all suppliers in sectors where there is a higher risk of modern slavery practices, including but not limited to:
 - cleaning services;
 - uniform suppliers;
 - couriers;
 - suppliers domiciled in countries where modern slavery practices are more prevalent; and
- suppliers where the relevant Supply Contract is material in nature.

4.3 Staff to report modern slavery practices

If a staff member becomes aware of, or suspects the existence of, modern slavery practices within a supplier's business or supply chains, the individual is required to promptly report this to their immediate manager and the in-house legal function and provide as much detail as possible in relation to their concerns. The group supports and encourages a 'speak up' mentality and culture.

Should a supplier fail to comply with a KYS or contractual assurance request (as referred to above), or KYS or other due diligence activities reveal evidence of modern slavery practices, the group's Modern Slavery Policy requires the following actions to be taken:

- the matter is to be raised with the business unit who has the relationship with the supplier;
- the nature and extent of the risk posed must be considered;
- consideration should be given to whether there are alternative suppliers;
- a decision should be made to either cease using, or not proceed with the proposed engagement of, the supplier or, if these options are not possible, implement plans (where possible) to transition out of procurement from the supplier;
- the above matters, and any actions taken, must be promptly reported to the in-house legal function; and
- where there is persuasive evidence of the existence of modern slavery practices, the contract owner must first engage with the in-house legal function to determine how the group may work with the supplier, victims or other external authorities or agencies to remediate those practices.

5. Actions taken to address modern slavery risks in the Reporting Period

During the Reporting Period the Business Australia Group:

1. **Informed Business Australia's Board about the Act and modern slavery risks.**
2. **Developed and implemented its Modern Slavery Policy.**
3. **Included the modern slavery contractual provisions discussed above in the group's precedent supply contracts.**
4. **Sought to include the modern slavery contractual provisions in the group's existing supply contracts for the provision of:**
 - office premises (ie leases);
 - cleaning services at the group's offices;
 - courier services;
 - stationery; and
 - uniforms.

Landlords were targeted because they represented the second largest proportion of the group's supplier expenditure (outside of the workforce) during the Reporting Period and because they may have suppliers in their supply chains who are in higher risk sectors from a modern slavery perspective (eg cleaners – refer to section 4.2).

Cleaning and courier companies often rely on migrant labour. This demographic is at higher risk of being underpaid or exploited or otherwise being subjected to unethical treatment or substandard working conditions (all of which can be indicators of modern slavery practices).¹

In terms of stationery and uniforms, these products are often produced in countries where forced labour is more prevalent in factories.²

5. **Engaged with a third party vendor to undertake enhanced supplier screening (ie KYS). This screening involves both:**
 - independent checks (through Dow Jones) on the relevant supplier for adverse media flags in respect of environmental, products/services, production/supply chain, corruption, fraud, regulatory, discrimination, workforce health and safety, human rights and workforce dispute issues and sanctions; and
 - an independent assessment of the risk profile of the supplier from a labour, health and safety perspective based on the supplier's answers to a questionnaire.

¹ *Modern Slavery Risks, Rights & Responsibilities*, a report commissioned by the Australian Council of Superannuation Investors and prepared by KPMG, February 2019, p 14.

² As above, p 25.

- 6. Initiated, through the third party vendor referred to above, KYS due diligence in respect of suppliers in sectors that are higher risk from a modern slavery perspective.**
- 7. Established a register of suppliers who have provided modern slavery contractual assurance and/or undergone KYS screening (Modern Slavery Register).**

The activities referred to in items 4 and 6 above commenced during the Reporting Period and have carried forward into the next reporting period.

6. Identified modern slavery risks

6.1 Business Australia Group's supply chains

The Business Australia Group did not identify any evidence of modern slavery practices in its supply chains during the Reporting Period.

Further, the KYS screening undertaken on suppliers during the Reporting Period did not indicate any evidence or risk of modern slavery occurring within the operations or supply chains of those suppliers.

The group encountered some resistance from certain existing landlords and cleaning companies in relation to providing contractual assurance in respect of modern slavery compliance.

In two instances where the relevant cleaning company refused to provide the contractual assurance, the group entity has sourced an alternative cleaner to replace the incumbent.

Where the group entity has little or no leverage to replace an existing supplier who has refused to provide contractual assurance or, if applicable, undergo KYS due diligence, a note is made in the Modern Slavery Register to revisit the issue with the supplier when the relevant contract is up for renewal.

The above results are not unexpected as the group has assessed the overall risk of modern slavery in its supply chains as relatively low. This is because the majority of the group's suppliers are providing professional, financial or software services and are located in Australia. That is, the risk of modern slavery practices is significantly lower in Australia and these sectors.

6.2 Business Australia Group's operations

While the group's modern slavery policy is predominantly focused on identifying and addressing modern slavery risks in the group's supply chains, the group has also not identified any modern slavery risks or practices within its own operations.

The risk of modern slavery occurring within the group's own operations is very low given:

- the expertise the group possesses (and applies in practice to its workforce) in relation to workplace, industrial relations and workplace health and safety regulation;
- all Business Australia Group employees are required to provide 100 points of identification and evidence of their right to work in Australia prior to commencement of employment; and
- the group has robust governance and compliance mechanisms in place that mitigate the risk of human rights abuses occurring. These include:
 - oversight by Business Australia's board and board committees (Audit, Risk & Compliance Committee, Human Resources & Succession Committee and Investment Committee);
 - oversight by the risk, quality and clinical governance management committees within the recruitment and health care services division; and
 - in-house corporate services (ie Information, Communications and Technology, Human Resources and WHS and Finance, Legal and Risk) that are well resourced and ISO 9001 (Quality Management Systems) accredited.

With respect to the group's investment portfolio, the group has not itself assessed the risk of modern slavery practices in the entities in which it is invested given that it does not actively manage its investment portfolio. However, the external investment adviser engaged to manage the portfolio considers, and reports annually on, the Environmental, Social and Governance (**ESG**) status of the underlying investment managers in which Business Australia is invested. That is, the adviser considers whether the underlying investment managers embrace ESG principles during both the manager selection process and periodically thereafter. Investment managers are assessed against the 'Principles of Responsible Investment', including:

- does the manager incorporate ESG issues into investment analysis and decision making processes?
- does the manager incorporate ESG issues into its ownership policies and practices?
- does the manager seek appropriate disclosure on ESG issues by the entities in which it invests?

The adviser has assessed two-thirds of the underlying investment managers in which the group is invested as having 'strong' ESG status, with the remainder having 'sound' or 'developing' ESG status.

7. Assessment of the effectiveness of actions taken to address modern slavery risks

The Business Australia Group assesses the effectiveness of the actions it takes to assess and address modern slavery risks through the following measures.

7.1 Internal audit

To ensure periodic assessment and review of the compliance framework set out in this policy, the Enterprise Risk & Compliance function undertakes an annual audit of compliance with the requirements of this policy. The outcomes of the audit work will be reported to the ARCC and Board to ensure appropriate governance over modern slavery risks. Given the modern slavery compliance framework was only established during the Reporting Period, conducting an audit on the framework in its infancy was not considered to be worthwhile. However, the audit process will be conducted in subsequent reporting periods.

7.2 Working group

A cross functional working group, led by the in-house legal function and comprising senior management representatives from the procurement, in-house legal and enterprise risk and compliance functions, will support the internal audit program and undertake a review of the group's modern slavery procedures to identify areas for process improvement on an annual basis (and periodically if and when required to ensure the effectiveness of the compliance framework). Again, for the same reasons noted above, this action did not occur during the Reporting Period, but will occur in subsequent periods

7.3 Continuous tracking

A tracking process was implemented during the Reporting Period, in the form of the Modern Slavery Register referred to above, by the in-house legal function to monitor the suppliers who:

- have provided contractual assurance in respect of modern slavery compliance;
- have refused to provide such contractual assurance;
- have completed KYS screening (where applicable);
- have not completed KYS screening (where applicable); and
- are deemed higher risk from a modern slavery perspective (eg the KYS screening reveals they are higher risk). Where this occurs, the register will also record what action has been taken to attempt to address or remediate the risk.

8. Consultation to prepare this statement

There was limited consultation with entities within the Business Australia Group in respect of the preparation of this statement.

This is because the procurement, legal, enterprise risk and finance functions for entities within the Business Australia group are centralised. This enabled the group's modern slavery compliance framework and this statement to be largely developed by the corporate services division having regard to:

- information in relation to the group's expenditure and procurement arrangements with suppliers that is contained on centralised databases; and
- advice received from an external expert.

That said, corporate services worked closely with the function responsible for the management of the group's property portfolio and associated services in relation to obtaining contractual assurance from landlords and cleaners and undertaking KYS screening in respect of the group's arrangements with cleaning companies.

9. Future commitments for the next reporting period


In the next reporting period, the Business Australia Group intends to:

- increase awareness of modern slavery risks and the group's approach to modern slavery by providing training to all staff;
- continue its endeavour to embed contractual provisions in respect of modern slavery compliance in all new contracts with suppliers;
- continue its endeavour to have all material suppliers and suppliers in higher risk sectors to complete KYS screening; and
- complete its first audit of its modern slavery compliance framework and report those results to Business Australia's Audit, Risk & Compliance Committee.

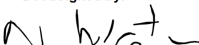
This statement was approved by the Boards of NSW Business Chamber Ltd and Recruitment Solutions Group Australia Pty Ltd on 17 December 2020.

Signed for and on behalf of NSW
Business Chamber Ltd:

Signed for and on behalf of Recruitment
Solutions Group Australia Pty Ltd:

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Lyall Gorman
President
7 January 2021

DocuSigned by:

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Nola Watson
Director & Chief Executive Officer
7 January 2021