

Modern Slavery Statement



RSL LifeCare Limited

ABN 43 000 048 957

Under the Modern Slavery Act 2018 Cth

Reporting Period: 2019 – 2020

Executive Summary

RSL LifeCare is committed to upholding human rights in its business operations. This commitment is reflected in the organisation’s provision of exceptional aged care, especially for vulnerable members of the community.

RSL LifeCare recognises the importance of this commitment extending beyond members of its immediate community to vulnerable populations globally and commends the Australian Government on its response to addressing modern slavery through the Modern Slavery Act 2018 (Cth) “the Act”.

RSL LifeCare has taken its obligation under the Act seriously and worked throughout the reporting period with independent subject matter experts to develop, implement and operationalise processes, policies and procedures for addressing modern slavery in its operations and supply chains.

RSL LifeCare has undertaken a risk assessment of all of its suppliers to map its supply chain and identify modern slavery risk up to Tier 10. RSL LifeCare is proud to have been able to dive deeply in their supply chain to understand where exactly in the supply chain modern slavery was likely to be hidden.

Through this process RSL LifeCare identified the risks of modern slavery predominantly in its construction and capital works projects. This related primarily to the construction of age care homes and retirement villages. To address those risks RSL LifeCare has undertaken further due diligence through a desktop audit and development of a supplier engagement risk mitigation strategy, remediation process and human rights grievance policy and procedure. RSL LifeCare has reviewed its internal policies and procedures and external contracts to address modern slavery.

RSL Lifecare understands that the inaugural reporting period is the start of the organisation’s journey to address modern slavery and has developed a blueprint for continuing to dive deep within our operations and supply chain to identify risk and extend the breadth and depth of supplier engagement. We are also committed to collaborate with the industry to address modern slavery together.

This Modern Slavery Statement has been approved by the Board of Directors of RSL LifeCare Limited on 31st March 2021 and signed by Chairman and Chief Executive Officer on 31st March 2021.



ANDREW CONDON
CHAIRMAN



LAURIE LEIGH
CHIEF EXECUTIVE OFFICER

Identification of Reporting Entity, Structure, Operations and Supply Chain

Identify the reporting entity

RSL LifeCare Ltd: ABN 43 000 048 957

Describe the reporting entity's structure, operations and supply chains

RSL LifeCare is an Australian public company limited by guarantee, controlled by RSL NSW with the Directors appointed by RSL NSW. RSL NSW is the sole corporate member of RSL LifeCare and has certain class voting rights under the RSL LifeCare constitution.

RSL LifeCare is registered with the Australian Charities and Not-for-profits Commission (ACNC).

We care for over 7,500 residents in our 26 Retirement Villages and 33 Aged Care Homes across NSW and the ACT.

In 2014, we extended our care from older veterans to young veterans in need of accommodation through our Homes for Heroes service. Sadly, on any given night across Australia, there are many young veterans from recent campaigns (Afghanistan, East Timor and Iraq) who are homeless.

Our offices and facilities

RSL LifeCare cares for people looking for:



Home Care and Assisted Living Support



Retirement Living Homes



Aged Care Homes



Veterans Services



Periodic short stay accommodation for families and veterans





RSL LifeCare's Supply Chain



Identification of Modern Slavery Risks

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns and controls.

Spend data for the entities that RSL LifeCare owns and controls were also included in this risk assessment. The methodology for the Initial Risk Assessment is set out in Appendix A. These include:

-  Total supplier spend amount (i.e. the value of our direct supplier contracts)
-  Industry group
-  Geographic area
-  Location or 'tiering' within the supply chain(s)
– e.g. 3rd tier supplier, 5th tier supplier, etc

RSL LifeCare is cognisant that modern slavery risks can exist deep within our supply chains even though our primary business activities are far removed from more traditional slavery 'hotspots' like overseas manufacturing, raw materials and other extractive or agricultural industries.

Although we have identified the following Australian industry categories as having the highest risk of modern slavery throughout our operations and supply chains, much of the identified risks of modern slavery are in RSL Life Care's capital works projects. These projects primarily involve the construction of new facilities. Because of this, over the next reporting period, RSL LifeCare will focus more deeply on engaging with Australian Residential Building and Non-Building Construction particularly in relation to the subcontracting arrangements in place such as site infrastructure.

The concept of tiers within a supply chain is defined as the number of stages of intermediate trade that sits between the reporting entity and another company that contributes to the reporting entity.

For example, 'Tier 1' refers to suppliers that are contracted directly to provide goods or services. Tier 1 suppliers then contract or purchase goods or services from third parties that represent Tier 2 of the supply chain. Tier 2 suppliers then contract or purchase goods or services from third parties that represent Tier 3 of the supply chain and so the supply chain continues to Tier 10 and beyond.

Another example may be an office-based service company that directly purchases copying paper from an office supplier. This office supplier is then a tier-1 supplier of the service company. The office supplier also has its own tier-1 suppliers, for example an electricity provider in order to light up the saleroom or to operate the IT equipment. This electricity provider is then a tier-2 supplier of the original office-based service company.

Our external subject matter expert assesses all trade dependencies at all tiers, overlays this information with data on modern slavery risk and other indicators, and presents the result by slicing the results in different dimensions. This results in supply assessment results decomposed into tiers, individual suppliers, groups of suppliers, or as a single value capturing the entire impact across all supply chains.

PART THREE - IDENTIFICATION OF MODERN SLAVERY RISKS

Residential building (Construction of aged carehomes and retirement villages)



Non-building construction Australian



Wholesale trade cleaning services



Contract Labour



Cleaning and Chemical Consumables



Water supply, sewerage and drainage services



Non-building repair



Risk of Modern Slavery in the Global Supply Chain

Risks of Modern Slavery in the global supply chain

The greatest risk of modern slavery in RSL LifeCare’s operations and supply chain is at Tier 3 in building and construction, employment placement and Australian wholesale trade. The spend for these industries rests largely with capital works projects undertaken by RSL LifeCare.

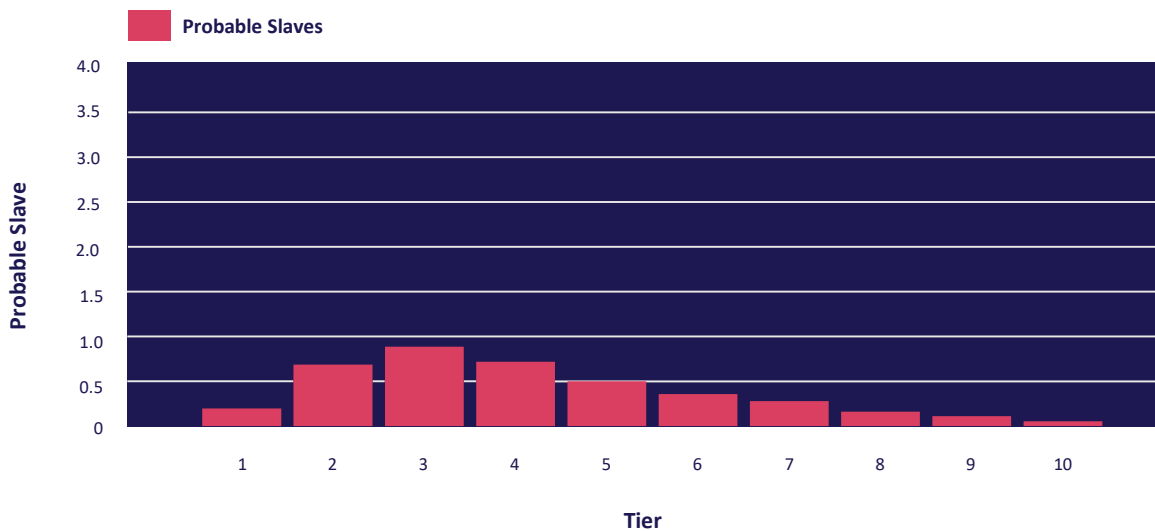
The response rate to the supplier self-assessment questionnaire for RSL LifeCare was relatively high. Through this process, RSL LifeCare learned that many of its suppliers showed a willingness to engage on the issue of modern slavery and began to gain more transparency in their supply chains. For those suppliers at the start of their modern slavery journey, RSL LifeCare is developing communication and training materials suitable for those suppliers to assist them in understanding the risks of modern slavery and steps that they can take to address those risks within their supply chains.

Modern slavery risks that are most likely to be impacted by RSL LifeCare’s own operations include those operations within the Capital Works projects undertaken by RSL LifeCare. Accordingly, the following industries have been identified as having the highest risk of modern slavery at Tier One of our supply chains:

- Australian residential building and construction; and Non-
- building construction such as site infrastructure.

Modern Slavery Risk by Tier

A summary of the results of some of the data analysis and other key components of the Initial Assessment is set out below. The risk of modern slavery aggregated at Tier 3 of RSL LifeCare’s supply chain. The greatest risk of modern slavery is aggregated at Tier 3 of RSL LifeCare’s Supply Chain.



Addressing Modern Slavery Risks

Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.

RSL LifeCare has undertaken and is committed to continuing to undertake over subsequent reporting periods, concrete actions to address the assessed modern slavery risks, both internally and externally.

The following is an overview of key **externally** focused actions:

- The complete mapping of all of RSL LifeCare's supply chains, and associated relative slavery risk, up to the 10th Tier of each;

RSL LifeCare has now identified the highest risk industries of modern slavery risk within its operations and supply chains. Desktop auditing was undertaken of suppliers in the highest risk categories to ensure that those risks were adequately addressed by the supplier.

- The current development of updated supplier contracts to incorporate specific provisions imposing obligations with direct suppliers relating to proactively addressing modern slavery in their own supply chains and operations.

RSL LifeCare is currently developing a process to audit compliance of those contracts. This will be implemented in RSL LifeCare's supplier engagement strategy during the next reporting period.

- The distribution and analysis of supplier self-assessment questionnaires for suppliers that are identified as having a potentially elevated risk of modern slavery in their supply chains and/or operations

This desktop audit acted as a further risk assessment tool to assess modern slavery risk.

- Desktop auditing of publicly available information and data relating to suppliers that are identified as having a potentially elevated risk of modern slavery in their supply chains and/or operations.

The following is a brief overview of key internally focused actions:

- The comprehensive review of internal governance policies.
- The development of a Human Rights Policy, Supplier Code of Conduct, and Grievance Procedure .
- The development of specialist online education modules for key personnel. RSL LifeCare engaged modern slavery subject matter experts to develop bespoke training for members of RSL LifeCare's procurement team, legal team and construction project management team. The training has been undertaken at the time of publication of this Modern Slavery Statement.
- The formation and operationalization of a Modern Slavery Internal Working Group comprised of key personnel, including at the executive level, to ensure that RSL LifeCare's modern slavery responses are targeted and effectively developed across multiple reporting periods with appropriate continuity.

RSL LifeCare will continue to deepen their engagement with suppliers in relation to modern slavery. Due diligence will be undertaken on each new at-risk supplier at an industry and country level prior to engagement with that supplier. If that supplier is in a high-risk industry and country, further due diligence will be undertaken to ensure that the suppliers in those high-risk industries and countries are taking adequate steps to address modern slavery.

RSL LifeCare will specifically focus on building and non-building construction suppliers during the next reporting periods. This may involve the training of relevant project managers on the indicators of modern slavery so that continuing monitoring and evaluation of modern slavery risk can occur on construction sites. RSL LifeCare is also working on the development of appropriate steps within their procurement system.

Measuring Effectiveness Framework

Describe how the reporting entity assesses the effectiveness of these actions

RSL LifeCare has, with the assistance of external subject matter experts, developed a comprehensive Measuring Effectiveness Framework. We recognise that, particularly due to the inherent complexities of modern slavery detection and remediation, it is crucial to constantly be monitoring the performance of anti-slavery measures and seeking to update them to reflect current best practice. Some of the indicators that RSL LifeCare will use to measure the effectiveness of addressing modern slavery are as follows:

Greater transparency in subcontracting arrangements for capital works projects;

- Increase in the number of suppliers being audited for modern slavery risk;
- Increase in RSL LifeCare staff undertaking bespoke modern slavery training relevant to their area of the business;
- Increase in the number of suppliers participating in modern slavery training offered by RSL LifeCare;
- Further operationalisation of supplier due diligence in RSL LifeCare's procurement process and systems;
- Further due diligence on PPE supply chains.

Describe the process of consultation with any entities the reporting entity owns or controls

RSL LifeCare Limited, Morshead Home For Veterans and Other Aged Persons Limited and Cherrybrook Lakes Management Services Pty Ltd

Consultation with the above entities has occurred.

Inter-department communication that has occurred to ensure 360 degree coverage of modern slavery issues within our company, as set out in Part Eight of this Statement.

Any other relevant information

The COVID-19 pandemic has, and continues to have, a notable impact on aspects of RSL LifeCare's supply chains and operations. The need to urgently source and obtain personal protective equipment (PPE) for aged care facilities, without the capacity for our ordinary supplier screening processes has been of particular significance.



Initial Risk Assessment

The key purpose of RSL LifeCare’s initial risk assessment was to identify the areas of greatest modern slavery risk in RSL LifeCare’s supply chain. This baseline exercise then formed the foundation for RSL LifeCare’s subsequent focus in its ongoing modern slavery due diligence and remediation activities.

Incorporating company spend data throughout our supply base and markets, RSL LifeCare has utilised the proprietary technology of external consultants to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of RSL LifeCare’s top 250 suppliers by spend.

This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:

-  The United Nations’ (UN) System of National Accounts;
-  UN COMTRADE databases;  Eurostat databases;
-  The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
-  Numerous National Agencies including the Australian Bureau of Statistics.

The MRIO is then examined against the following international standards:

- The UN Guiding Principles on Business and Human Rights; The
- Global Slavery Index;
- International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
- The United States’ Reports on International Child Labour and Forced Labour.

A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each of these suppliers for RSL LifeCare.

The information obtained in the Initial Assessment was for purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in RSL LifeCare’s supply chains or operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

