

# **Aruma Group Modern Slavery Statement 2020**

## **A. Overview**

1. This Statement is submitted pursuant to the *Modern Slavery Act 2018 (Cth)* (**MSA**) for the reporting period 1 July 2019 to 30 June 2020. This is Aruma's first Modern Slavery Statement. It outlines our commitment to advancing human rights and the steps we are taking to prevent modern slavery in our operations and supply chains.
2. This Modern Slavery Statement (**Statement**) is published on behalf of the Aruma Group. Aruma Services (ABN 31 001 813 403) is the parent company in the Aruma Group and its subsidiaries are the following companies limited by guarantee under Australian law:
  - a) Aruma Services NSW Limited (ABN 96 619 337 156);
  - b) Aruma Foundation Limited (ABN 59 032 986 751);
  - c) Victorian Person Centred Services Limited (ABN 64 762 103 425);
  - d) Aruma Services Victoria Limited (ABN 86 628 265 387).
3. For the 30 June 2020 financial year the Aruma Group had an annual consolidated gross revenue of \$486 million.
4. References to "Aruma ", "we", "us" or "our" are to both Aruma and its subsidiaries that carry on Aruma's business in Australia.
5. Aruma is a disability service provider that provides a range of services for approximately 5000 people living with a disability (Aruma's customers) in New South Wales, Victoria, Queensland and the ACT including:
  - a) Supported independent living services
  - b) Short term accommodation services (respite care)
  - c) Social and community participation services
  - d) Daily living skills services
  - e) Children's services (such as early childhood intervention, out-of-home supported living and respite services)
  - f) Therapy and clinical services
  - g) NDIS support co-ordination
  - h) Supported employment services that employ approximately 500 people with a disability in the Aruma businesses across NSW and Qld. These businesses are Aussie Biscuits, Summerland Farm, commercial laundry business, facility services business, medical packs and forensic investigation kit supply business, packaging and assembly business, and metal and woodwork manufacturing business
  - i) School leaver transition programs.
6. Aruma Services (formerly known as House with No Steps (HWNS)) has operated since 2 June 1962 and has acquired and merged with a number of entities since that date. The most significant merger was on 1 March 2018 with two Victorian entities The Tipping Foundation Ltd (**Tipping**) and Victorian Person Centred Services Ltd. The two most significant government divestments took place with the NSW Government in 2017 and with the Victorian Government in 2018 respectively. As a result of the various mergers, acquisitions and government divestments Aruma has undergone a significant restructure of operations which is still in a transitional phase and dependent on a number of internal and external factors. The time line for the program of work relating to MSA aligned to Aruma's restructure is referred to under E.
7. Aruma supports the MSA which is designed to assist in the eradication of modern slavery. Aruma's Board and Senior Management are committed to a program of continuous improvement by ensuring they monitor, and take remedial action, in respect of any risk of

modern slavery in Aruma's operations and own supply chains.

## **B. Our approach**

8. Aruma's Board and Senior Management is committed to achieving the highest standards of ethical behaviour in the conduct of Aruma's business in Australia. We support and respect the protection of internationally proclaimed human rights for all people and our core business aims to promote and protect the human rights of people living with a disability. Aruma ensures that it is not complicit in any abuse of human rights or contravention of the international human rights treaties.
9. Aruma does not tolerate slavery, human trafficking or abusive or unfair treatment of its staff, its customers, its suppliers, or its partners who work in any part of Aruma, or its businesses, or in any of its supply chains.
10. Aruma's commitment to ensure that slavery and human trafficking play no part in Aruma, its businesses, or in its supply chains is implemented by our policies and procedures discussed below. These policies and practices operate in the areas of procurement, human resources and corporate responsibility.

## **C. Policies**

11. During the 2019/2020 financial year, Aruma developed and finalised our Modern Slavery Policy which outlines Aruma's approach to anti-slavery and human trafficking. We also developed and finalised our Procurement Policy. This Policy outlines our procurement procedures for Aruma and for its businesses. The Procurement Policy requires that due diligence is carried out with all potential new suppliers to assess that they have no slavery or enforced labour in their work forces or supply chains.
12. Aruma's Procurement Policy further outlines Aruma's procedures in relation to purchasing goods and services to ensure they are acquired:
  - a. according to procurement best practice,
  - b. on the most advantageous commercial terms,
  - c. at the lowest risk profile,
  - d. with proper consideration of social, environmental and ethical impacts, and
  - e. according to the principles in the document *Aruma Services – Supplier Principles*.
13. During the 2019/2020 financial year, we developed *Aruma Services – Supplier Principles (Supplier Principles)*. We propose to issue this document to Aruma suppliers (and to prospective suppliers in tender documents). The Supplier Principles outline Aruma's expectation that its suppliers will maintain ethical, sustainable and socially responsible operations and supply chains in accordance with the Supplier Principles. One component of the Supplier Principles is the obligation that suppliers will not under any circumstances engage in any form of slavery, servitude, human trafficking, forced marriage or deceptive recruiting for labour or services in accordance with Divisions 270 and 271 of the Commonwealth Criminal Code.
14. Further steps that Aruma will implement in the Policy area to mitigate against the risk of modern slavery in its businesses and its supply chain are:
  - a. Develop and embed procedures in relation to undertaking due diligence to assess contractual risks prior to entering into contracts. Part of the due diligence requirements are to assess whether a one-off supplier has no slavery or enforced labour in their work force or supply chains;
  - b. Update Aruma's Code of Conduct to incorporate Aruma's expectations in each of the areas outlined in the Supplier Principles; and

- c. Enact amendments to Aruma’s Whistleblowing Protection Policy to provide protection for staff who notify Aruma management about concerns they have about suppliers, staff or others that relate to possible infringements of the Supplier Principles or the MSA.

**D. Aruma’s supply chains**

- 15. During the 2019/2020 financial year, we created and recruited the role of General Manager Commercial. We also recruited procurement specialists to undertake a review of Aruma’s supply chains and procurement practices across the Aruma portfolio of business.
- 16. Aruma’s supply chains support:
  - a. our staff in doing their work,
  - b. the services listed in 5.(a-i) we provide for our Aruma customers, and
  - c. the businesses we operate.
- 17. The main components of our supply chains are:
  - a. real estate: the premises our staff work in, the premises our Aruma customers live in, the premises our businesses operate in,
  - b. technology: the IT hardware and software and print services that support our staff and our businesses,
  - c. goods and services to support our staff: the products that we purchase for use in our work premises (such as furniture, stationery and marketing item) and the services that we engage for use in our work premises (such as catering, security and cleaning),
  - d. goods and services to support the services listed in 5.(a-i) that we provide for our Aruma customers: the products that we purchase to support our Aruma customers (such as food, cleaning products) and the services that we engage to support our Aruma customers (such as cleaning, external consultants and contractors),
  - e. goods and services to support our businesses: the products that we purchase for use in our businesses (such as food ingredients, fertilisers, laundry equipment, linen, components of medical packs and forensic investigation kits) and the services that we engage for use in our businesses (such as cleaning, external consultants and contractors),
  - f. travel services: organising and booking our travel and accommodation requirements, and
  - g. professional services: such as external training services, external legal, audit, financial and other consultants and contractors.
- 18. Further steps that Aruma will implement to mitigate against the risk of modern slavery in its supply chain include:
  - a) Review of the supply chains across the companies in the Aruma Group
  - b) Review of the tender process (including contracts) used by the Aruma Group
  - c) Identify key categories of products and services that we procure with a higher propensity for modern slavery risk
  - d) Finalise Aruma’s Supplier Principles and development of policies to support responsible sourcing
  - e) Publication of Supplier Principles to prospective and current suppliers
  - f) Publication to prospective and current suppliers of intention to conduct due diligence of the supply chain regarding risk of modern slavery

**E. Time line for the planned restructure of operations, activities completed and ongoing improvement activities to ensure compliance with the MSA**

REPORTING PERIOD	ACTIVITY

1 July 2019 to 30 June 2020	<p><b>Activities completed prior to 31 March 2021</b></p> <ol style="list-style-type: none"> <li>1. Recruitment of a General Manager, Commercial</li> <li>2. Recruitment of Procurement specialists to undertake a review of Aruma's procurement practices and supply chains across the Aruma portfolio of businesses</li> </ol>
<p><b>Activities to be undertaken to improve Aruma's internal processes with respect to its Modern Slavery obligations</b></p>	
1 July 2020 to 30 June 2021	<ol style="list-style-type: none"> <li>1. Developed and finalized Aruma "Supplier Principles"</li> <li>2. Developed an Aruma Procurement Policy</li> <li>3. Developed an Aruma Modern Slavery Policy</li> <li>4. Commenced review of the supply chains across the companies in the Aruma Group</li> <li>5. Review of the tender process (including contracts) used by the Aruma Group</li> <li>6. Publication of Supplier Principles to prospective and current suppliers</li> <li>7. Publication to prospective and current suppliers of intention to conduct due diligence of the supply chain regarding risk of modern slavery</li> <li>8. Update Aruma's Code of Conduct to incorporate Aruma's expectations in each of the areas outlined in the Supplier Principles</li> <li>9. Review (and amend if necessary) Aruma's Whistleblowing Protection Policy to provide protection for staff who notify Aruma management about concerns they have about suppliers, staff or others that relate to possible infringements of the Supplier Principles or the MSA.</li> <li>10. Review and updating of relevant policies that relate to the MSA</li> </ol>
1 July 2021 to 30 June 2022	<ol style="list-style-type: none"> <li>1. Development of criteria for assessing modern slavery risks in supply chains and the Aruma businesses</li> <li>2. Risk assessment and identification of greatest risks for modern slavery in Aruma's operations and supply chains</li> <li>3. Implementation of an integrated procurement function across the Aruma Group</li> <li>4. Development of standard agreements for use by the procurement function covering the range of subject matters required. These agreements will incorporate a prohibition on modern slavery</li> <li>5. Conduct due diligence of all preferred/strategic suppliers against criteria for assessing modern slavery risks. For example, the standard tender agreement will ask due diligence questions of prospective suppliers to determine the steps they take to avoid or eliminate slavery and human trafficking from their supply chain. This will form one of the evaluation criteria behind the selection of new suppliers.</li> <li>6. Conduct due diligence of the Aruma businesses against criteria for assessing modern slavery risks</li> <li>7. Develop an action plan if modern slavery risks identified in a supply chain or an Aruma business</li> <li>8. Arrange for action plan to be independently reviewed to assess its effectiveness</li> <li>9. Review of policies that relate to the MSA</li> <li>10. Development and roll out of training on the MSA for relevant Aruma staff</li> <li>11. Review of effectiveness of Supplier Principles in raising awareness of MSA compliance amongst suppliers</li> </ol>
1 July 2022 to 30 June 2023	<ol style="list-style-type: none"> <li>1. Undertake an internal audit of effectiveness of and compliance with Aruma's MS policy and procedures</li> <li>2. Review the effectiveness of the due diligence assessment of suppliers in assessing modern slavery risks</li> </ol>

	<ol style="list-style-type: none"> <li>3. Review the effectiveness of the due diligence assessment of the Aruma businesses</li> <li>4. Review the effectiveness of the action plans used for supply chains or Aruma businesses if modern slavery risks were identified</li> <li>5. Redraft of policies that relate to the MSA in light of the review</li> <li>6. Review of employment agreements and policies and processes for recruitment of Aruma staff with a view to assessing the risk of modern slavery and ameliorating any risks. Review for compliance with Australian workplace law</li> <li>7. Review of HR policies and procedures and our arrangements for employee welfare and care</li> <li>8. Review of effectiveness of training on the MSA through staff surveys</li> </ol>

### **Aruma Board**

19. Aruma's Board will receive an update on, review and approve each activity in the time line during each reporting period.
20. The Aruma Board aims to ensure that the procurement function that is implemented across the Aruma Group is strengthened each reporting period by the activities undertaken and that there is a continuous plan for improvement in Aruma's businesses and in its procurement function in relation to compliance with the MSA.
21. Each Statement issued by Aruma during the reporting periods in the time line will be approved by the Board and signed by the Chair of the Board.



This Statement was approved by the Aruma Board for the relevant entities in the Aruma Group on 25 February 2021 and signed by Candice Charles, Chair of the Board.