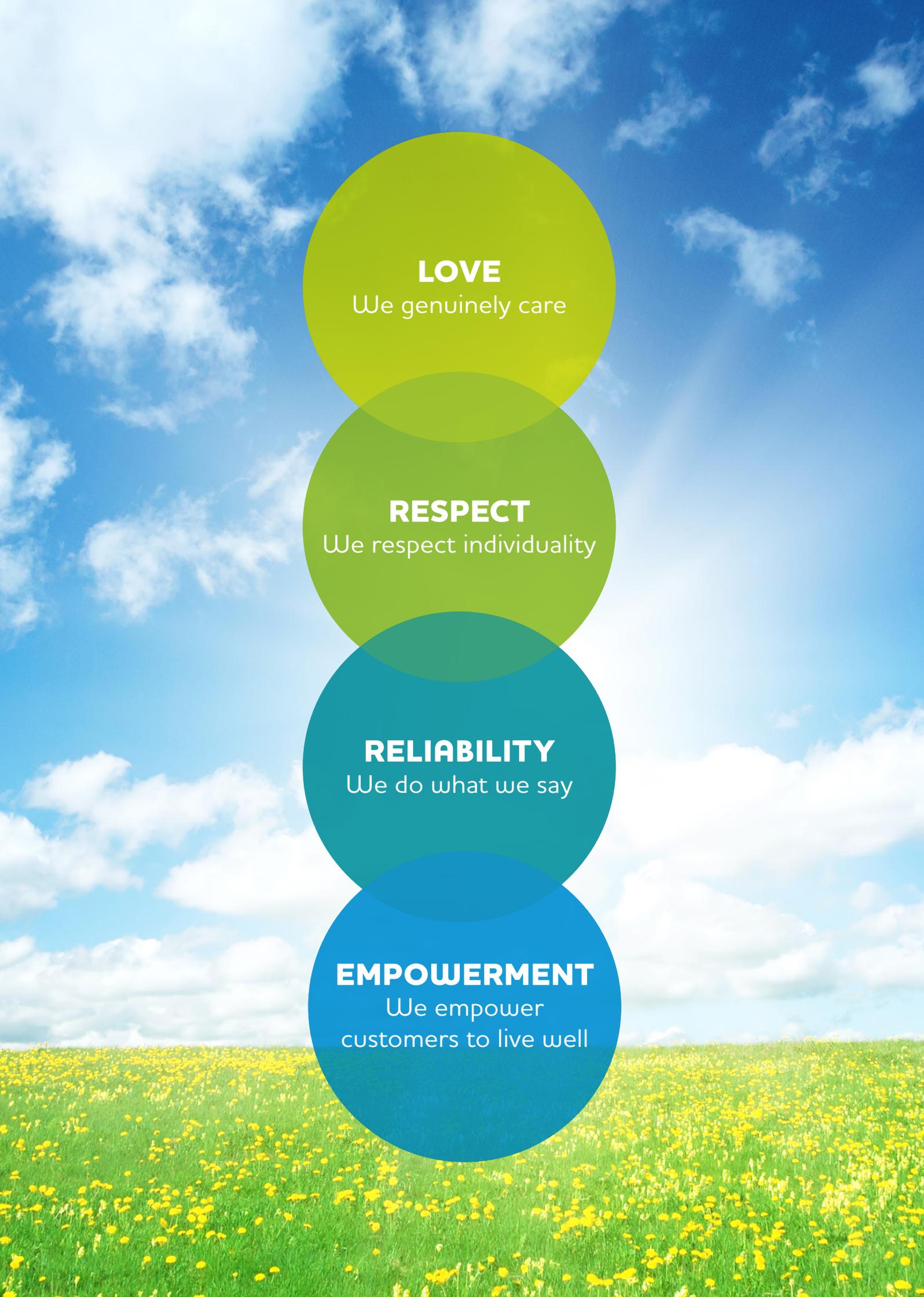




BaptistCare

**Financial Year 2022-23
Modern Slavery
Report**

*Because
we care*



LOVE

We genuinely care

RESPECT

We respect individuality

RELIABILITY

We do what we say

EMPOWERMENT

We empower
customers to live well

Important Information

This statement has been published in accordance with the Australian Modern Slavery Act 2018. It sets out the steps taken by BaptistCare NSW & ACT during the year ending 30th June 2023 to assess and address the risks of modern slavery in its operations and supply chains.

Where this report contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events, these statements are not statements of fact and there can be no certainty of outcome in relation to these matters as there are factors outside of BaptistCare's control that could cause the outcomes to be materially different from the events or results expressed or implied by such statements. Statements about past performance are not necessarily indicative of future performance.



Executive Summary

On behalf of the board and executive of BaptistCare NSW & ACT (hereafter, BaptistCare), we are pleased to present our Modern Slavery Statement for the 2023 financial year.

The 2023 financial year was a period of growth for BaptistCare. We acquired three new aged care sites in Central West NSW and Southwest Sydney. We also acquired 12 residential aged care facilities, 10 retirement living villages, and additional home care services in Western Australia. This grew BaptistCare's national footprint to 33 aged care homes, 25 retirement living villages and 9,000 home care customers – proudly making us one of Australia's largest not-for-profit care providers.

As we continue to grow, our commitment to human rights and action on modern slavery remains deeply rooted in BaptistCare's Christian faith and our vision of 'every individual living well.'

This report shows our ongoing work to consolidate our supply chain, align our modern slavery risk management processes, and elevate our growing and evolving organisation to a consistent standard in combatting modern slavery. This will continue to be a focus for BaptistCare during FY2024.

Over the past twelve months, highlights of our work to combat modern slavery include:

- Engaging over 100 of our top suppliers, who completed our Modern Slavery Questionnaire to assess risks in our supply chain.
- Continuing our work to categorise our suppliers and enhance our supply chain visibility.
We reduced the number of suppliers identified as other/ miscellaneous from \$7.5 million of spend in FY22 to around \$3.5 million of spend in FY23 (NSW & ACT supply chain).
- Continuing to build our organisational understanding of and approach to modern slavery due diligence, including drafting an internal due diligence handbook as an accessible tool for staff.

Modern slavery continues to present challenges globally and we welcome the review this year of Australia's Modern Slavery Act 2018, led by Professor John McMillan AO, and tabled in Parliament in May 2023. The review is a comprehensive analysis of the operation of the Act in its first three years, with many practical recommendations for organisations and government to work together to strengthen the effectiveness of our efforts.

We also welcome the Commonwealth Government's decision to establish a new national Anti-Slavery Commissioner. BaptistCare's community services team is ready to support the important work of the Commissioner, by drawing on our deep expertise working with vulnerable individuals and groups at risk of modern slavery, such as migrant women sex workers.

We look forward to continuing to build on our efforts to address modern slavery and our broader human rights commitments, as reflected in our recently updated Human Rights Position Statement (updated in July 2023).

This statement was approved by the Board of Directors of BaptistCare in their capacity as principal governing body on [XX Add date XX].

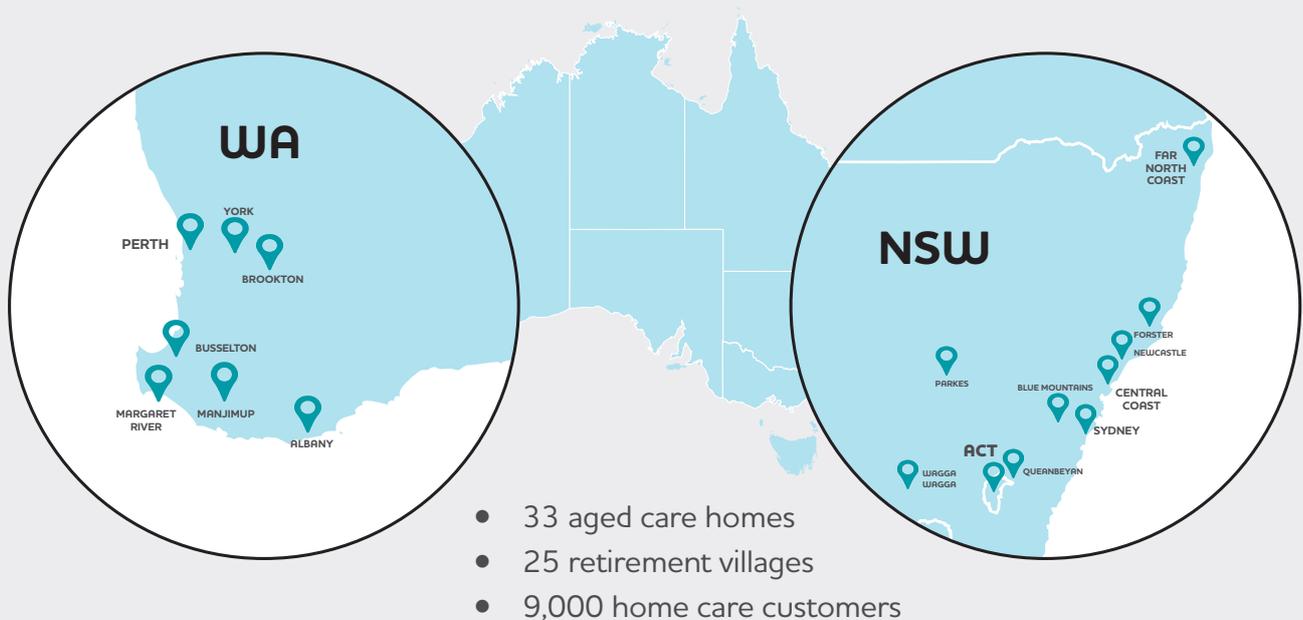


Charles Moore
Chief Executive Officer, BaptistCare



Robert Dunn
Board Chair, BaptistCare

IMAGE: MAP – Location of our services across NSW, ACT and WA



BaptistCare’s Entity, Operations & Supply Chains

About BaptistCare

BaptistCare’s purpose is ‘Transforming Lives by Expressing the Love of Christ’ and its vision is to see ‘Every Individual Living Well.’

BaptistCare is a Public Company Limited by Guarantee and a Public Benevolent Institution. It is a Christian based Charity and profit-for-purpose organisation registered with ASIC, the ACNC and the ATO. Baptistcare WA is a wholly-owned subsidiary of BaptistCare. Baptistcare WA has one wholly-owned subsidiary, Aurum Catering. BaptistCare Community Housing Ltd is also a (currently inactive) subsidiary of BaptistCare. Subsidiaries were consulted in the preparation of this statement.

BaptistCare’s operations

BaptistCare has extensive operations across New South Wales, the Australian Capital Territory and Western Australia.

BaptistCare operates 33 residential aged care facilities and 25 retirement villages. It also supports 9,000 home care customers to live independently.

BaptistCare Community Services and Housing supports vulnerable individuals and families through social and affordable housing, HopeStreet facilities, counselling, and casework and family services.

Through the wholly-owned subsidiary, Aurum Catering, Baptistcare also operates a charitable catering business in Western Australia. The services provided by Aurum Catering are developing, implementing and operating meal service programs for aged care and health care facilities, including menu development, ongoing management and advice around meals and assessment of meal services.

BaptistCare also delivers chaplaincy services across its divisions.



Staff

BaptistCare has a workforce of more than 5,000 employees and 750 volunteers.

During the reporting period, BaptistCare recruited employees both directly and with the assistance of recruitment agencies. Staff employed by BaptistCare are protected by Australian workplace laws and requirements, and also benefit from a range of workplace wellbeing and employee assistance initiatives.

Staff recruited internationally for care roles in Western Australia were also directly employed by BaptistCare. Catering staff employed by Aurum Catering were employed as direct employees.

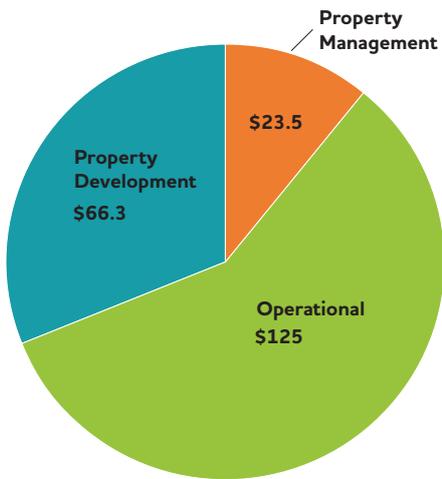
BaptistCare values and seeks to foster the diversity of our workforce. We were proud to be recognised as an 'Inclusive Employer' by the Diversity Council of Australia (DCA) for 2023-24.

About our Supply Chains

BaptistCare’s supply chain in NSW, ACT and WA includes a wide range of goods, services and works across a number of areas, sourced from Australia and internationally. This includes, but is not limited to, services related to property maintenance and development, food and consumables, furniture and equipment, professional services, allied health, agency, labour and cleaning services, IT, fleet, utilities, waste services.

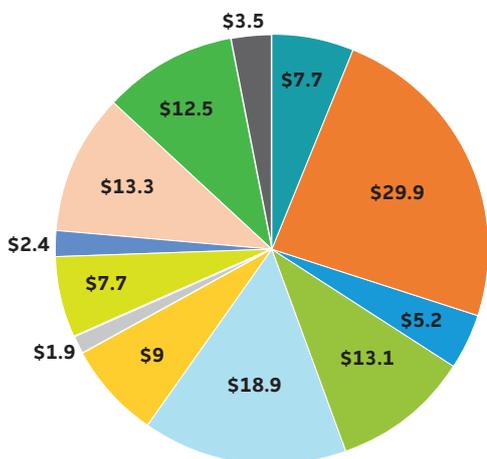
In the financial year ending 30 June 2023, our total procurement spend was over \$233 million on goods, services and property-related expenses to support our operations.

Our supply chain across NSW and ACT is broken down into the following expenditure by supplier category and numbers of suppliers.



Property vs Operational Expenditure (\$m) FY2023 Spend

Table 1: Property vs Operational Expenditure (\$m) FY2023 (excludes WA operations)



Operational [non-property] Expenditure - Breakdown (\$m)

- Allied Health, Agency & Cleaning
- Clinical
- Marketing, Consultants & Professional Services
- Food & Consumables
- Furniture & Equipment
- Fleet
- Government
- HR & Training
- ICT
- Insurances
- Miscellaneous
- Utilities & Waste Services

Table 2: Breakdown of Operational (non-property related) Expenditure (\$m) FY2023

FY2023 Suppliers by Vendor Category



Table 3: Number of Suppliers by Vendor Category, FY2023

This breakdown of expenditure and supplier categories is broadly similar to the previous financial year and our previous modern slavery statements. As a result of our ongoing work to enhance our understanding of our supply chain, we continued to work on categorising smaller suppliers (and suppliers previously categorised as ‘other’ or ‘miscellaneous’) to enhance our supply chain visibility and risk management.

Consistent with previous years, property development (\$66.3m) was the largest category of spend in FY 2023, followed by allied health, agency and cleaning (\$29.9m), property management (\$23.5m) and food and consumables (\$18.9m).

Our supply chain in Western Australia involves a similar footprint and mix of products and services, as summarised below.

BaptistCare WA Top 20 Suppliers (by category)*

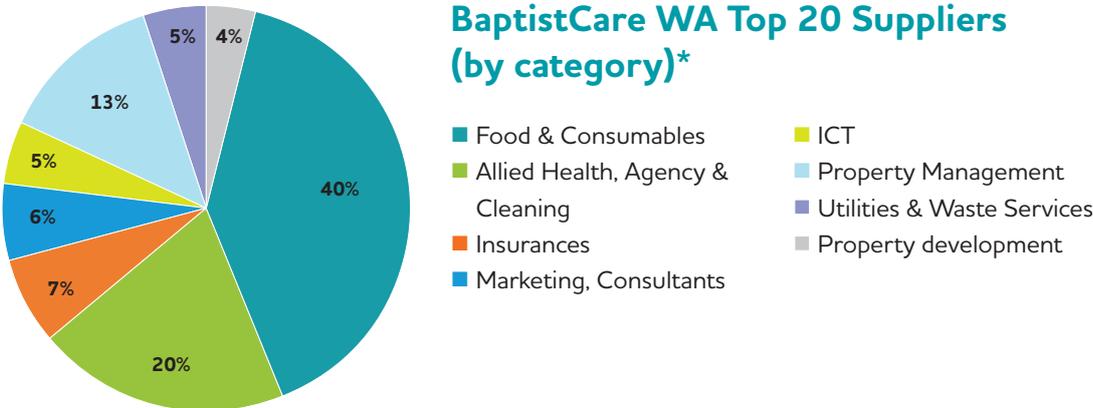
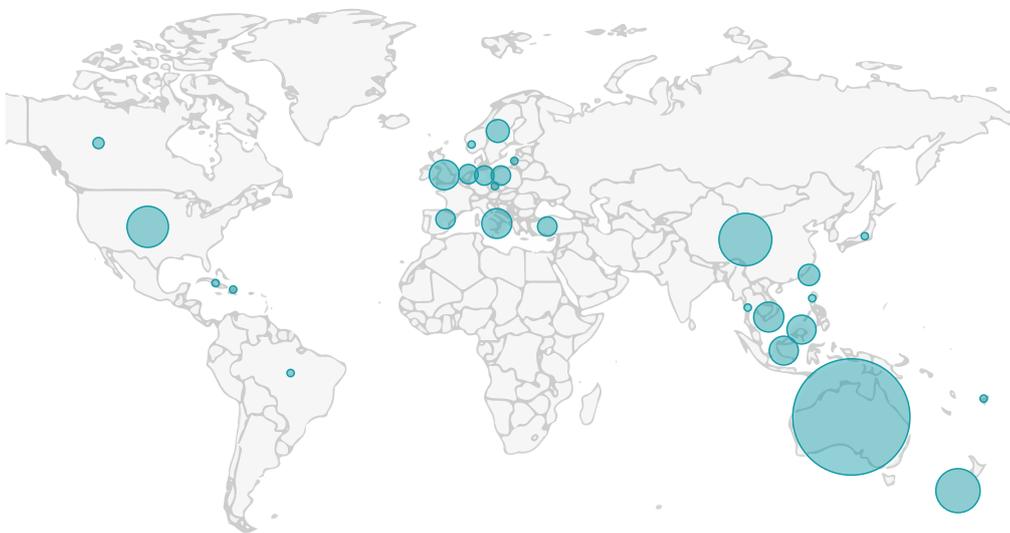


Table 4: Based on supply chain data Nov 22 - March 2023

We are working to integrate the supply chains for all recent mergers and acquisitions. These ongoing efforts to bring the whole organisation to a consistent standard and align and strengthen modern slavery risk management processes across the organisation will continue to be a focus over the next reporting period (FY24).

While the majority of our suppliers are registered in Australia, our supply chain has a wider geographical footprint, spanning the Asia Pacific and other global regions. This is summarised by the following map representing a sample of our suppliers:



Source: BaptistCare's Modern Slavery Questionnaire, Ethixbase platform (screenshot June 2023). Our suppliers' source from and/or operate in a broad range of jurisdictions.

Supplier Code of Conduct

Our suppliers, service providers and contractors are important partners in our delivery of services to the community. We recognise that their performance and business practices impact on our commitment to socially and environmentally responsible behaviour.

During FY23, we continued to raise awareness with our suppliers about BaptistCare's Supplier Code of Conduct. We expect all our suppliers to adhere to the Code of Conduct, and commit to high standards of human rights, transparency, and ethical business conduct.

The Code of Conduct is in addition to mandatory modern slavery clauses included in external BaptistCare contracts.

The Risks of Modern Slavery in BaptistCare's Operations and Supply Chain

We understand that our operations could cause, contribute to, or be directly linked to modern slavery practices.

In our operations

We assess that the risk of modern slavery in our immediate workforce (i.e. direct employees) is low. BaptistCare complies with employment laws and regulations, and takes steps to ensure all staff are not exploited and enjoy positive working conditions with access to wellness programs and support. Beyond simply remunerating in line with legislation, we ensure salary packages are sufficient to attract and retain skilled and qualified employees. Furthermore, staff recruited internationally for care roles in Western Australia during FY23 were directly employed by Baptistcare. Catering staff employed by Aurum catering were also direct employees.

We recognise the highest risk of modern slavery in our direct operations will occur through workers contracted through labour agencies. The COVID-pandemic and associated workforce challenges have exacerbated the need for us to rely on labour agencies to fill recruitment gaps. We continue to focus on mitigating these risks, including through our efforts to increase the attraction and retention of staff, enhance rostering capabilities, and ongoing human rights due diligence, as detailed later in this statement.

Our supply chain:

As set out in our previous Modern Slavery Statements, we have examined our core suppliers, and categorised the primary modern slavery risks into a number of areas with related exposures to modern slavery:

- Product manufacturers
- Electronics product manufacturers
- Construction
- Labour agencies (cleaning, nursing, allied health)
- Facilities management
- Food suppliers

CASE STUDY: Managing Modern Slavery Risks on our Journey to Net Zero

BaptistCare is committed to environmental stewardship and reducing our carbon emissions (Scope 1 & 2) to Net Zero by 2050 or before. Our Net Zero Roadmap includes a significant program of capital works currently underway to install rooftop solar PV on our residential aged care facilities.

We understand that some of the technologies associated with the transition to renewable energy may pose modern slavery challenges, including the production of polysilicon used in rooftop solar panels. According to a 2022 report by the Clean Energy Council of Australia (CEC), whilst renewable energy is the central technology required for the critical task of decarbonising global energy systems, evidence has emerged linking supply chains for renewable energy products to potential modern slavery (CEC, November 2022).

We engaged our solar panel supplier to discuss these challenges in relation to PV solar and polysilicon. The supplier, who cooperated with completing BaptistCare's Modern Slavery Questionnaire (MSQ), shared information on the steps they are taking to better understand and manage these potential risks in their supply chain.

These activities, as detailed in the supplier's FY22 Modern Slavery Statement included: Using a Supply Chain Traceability (SCT) tool to engage their supplier of solar modules and determine controls for managing modern slavery risks; Conducting market research to understand various supply chain options and risk profiles; Contributing to the Clean Energy Council's (CEC) Risks of Modern Slavery Working Group and other forums; Researching current best practices in managing this exposure

As BaptistCare continues our sustainability journey, we recognise the challenges relating to the clean energy sector and will continue to engage our suppliers and encourage suppliers to take actions to help ensure that the transition to clean energy is a just transition free from modern slavery.

This is key to our holistic approach to environmental and social sustainability – Caring for people, planet and the community.





Actions taken to Assess and Address Risks

During FY 2023, we continued to strengthen our modern slavery risk management capability and processes, with a focus on six key areas of progress and action:

1. Supplier engagement – Over 100 suppliers completed BaptistCare’s Modern Slavery Questionnaire, helping enhance our supply chain risk assessment.
2. Supplier Categorisation – With the categorisation of major suppliers completed in FY22, we continued to build our modern slavery risk profile in FY23, by categorising smaller and ‘miscellaneous’ suppliers and reducing this down from \$7.5m of spend in 2022, to \$3.5m of spend in 2023 (for NSW and ACT supply chains).
3. Deepening our understanding of and approach to modern slavery due diligence, including holding workshops with key staff and drafting a practical handbook for staff.
4. Integrating modern slavery risk management as part of the roll-out of a major new organisation-wide risk management platform at all NSW & ACT sites, accompanied by compulsory training for staff.
5. Ongoing capability development and assessment of effective training options for care staff, including to help respond to labour hire risks.
6. Commencing the integration process for our recently acquired sites, so we can work towards strengthening and aligning our modern slavery

CASE STUDY: Partnering with suppliers who share our respect for human rights: National Partnership with Bunzl

Due to the nature of BaptistCare's aged care operations, we procure large volumes of consumables and personal protective equipment (PPE), such as rubber gloves. We recognise the risks that may be posed by these and other consumables. As set out in BaptistCare's Supplier Code of Conduct, our goal is to partner with suppliers who are committed to high standards of social and environmental responsibility and are willing to join us in strengthening our response to modern slavery.

In 2023, we were pleased to renew our national partnership with Bunzl, as our preferred supplier for PPE, cleaning products, hospitality products and many of the other consumables used in our aged care homes. BaptistCare took the lead in negotiating an Australia-wide agreement, covering the BaptistCare entities in different states.

As one of our major suppliers, we regularly engage Bunzl on our shared commitments to socially and environmentally responsible procurement. We appreciate the supplier's cooperation with completing our Modern Slavery Questionnaire and supporting our Supplier Code of Conduct. We also appreciate the information shared by this supplier on key developments (e.g., via newsletters) in sustainable and responsible procurement.

The supplier operates across more than 30 countries, with supply chains in around 70 countries. They explained their commitment to responsible sourcing, eliminating modern slavery and a 'zero tolerance approach' to unethical practices.

"Bunzl has zero tolerance for unacceptable practices, including the use of child, forced or bonded labour; illegal discrimination; wages not meeting local minimum requirements; not providing adequate days of rest; and any other breach of local or applicable international requirements for workers' welfare and conditions of employment." – Paul Stoker, Bunzl Director, Global Sourcing (Source: Blog post, Bunzl website: Stamping Out Modern Slavery - Bunzl Forté ([ampproject.org](https://www.ampproject.org)))

BaptistCare was pleased to negotiate a new multi-year agreement to help extend not only the financial benefits of a multi-year partnership, but also the ethical procurement benefits, to our sister organisations nationally.



1. SUPPLIER ENGAGEMENT – 100+ Responses to our Modern Slavery Questionnaire

During FY2023, over 100 suppliers completed BaptistCare’s Modern Slavery Questionnaire (MSQ). These suppliers were selected for the survey based on a risk and spend assessment, with a focus on the supplier categories that have a higher risk of exposure to modern slavery. As part of the MSQ, suppliers are also asked to confirm their adherence to BaptistCare’s Supplier Code of Conduct.

Designed in collaboration with Norton Rose Fullbright law firm, the Modern Slavery Questionnaire was distributed online via the ethiXbase platform. We also utilised ethiXbase to run automated due-diligence screening on the suppliers. Based on the results of the MSQ and the data and insights gleaned from the online screening, the average of level of supplier risk is low (an average score of 4 out of 10, with 10 being highest risk).

In the scenario where a supplier returns a medium or higher risk rating from the survey, the responses provided to their MSQ are reviewed by the procurement and sustainability staff. Additional information from the supplier may then be requested on the supplier’s human rights and ethical sourcing policies and commitments. As part of this communication and engagement, the supplier will also be reminded of the high standards and expectations set out in BaptistCare’s Supplier Code of Conduct, and as well as in the modern slavery clause included in all external contracts.

For example, in the FY23 reporting period, a total of one supplier returned a high-risk rating via the ethiXbase survey process. We analysed closely the supplier’s responses to the modern slavery questionnaire and identified that while the supplier’s direct operations are in Australia, this rating was due to the potential risks associated with some of the broad range of international markets from which it sources materials. The supplier (a small-medium sized furniture business and a local employer) has agreed to adhere to BaptistCare’s Supplier Code of Conduct. They shared the controls they have in place, such as anti-slavery and human rights training, workplace health and safety, a code of conduct, and other measures. As a further step, we also used ethiXbase to run an additional online due diligence report (an Instant Due Diligence, IDD, assessment) - this returned a ‘no risk alert’ rating. The supplier has also invited BaptistCare to visit its factory in Australia and they have agreed to continue to cooperate with future modern slavery questionnaires. Given this willingness to engage – and the controls the supplier has shared that they already have in place – we have continued the relationship.





2. UNDERSTANDING OUR SUPPLY CHAIN – Supplier categorisation and modern slavery risk profile

As part of our ongoing work to enhance our understanding and visibility of our supply chain, we continued to categorise smaller suppliers (those suppliers previously categorised as ‘other’ or ‘miscellaneous’). As a result, we have reduced the suppliers previously categorised as ‘other’ or ‘miscellaneous’ from 7.5 million of spend in FY22, to around 3.5 million of spend in FY23.

This built on our actions in FY22 to categorise larger and major suppliers. Combined with an analysis of total spend amount per supplier, this accurate categorisation helps identify and prioritise risk areas (see the broad risk categories we have identified in the previous section) and take a strategic approach to supplier engagement.

While our direct suppliers are based in Australia, we recognise that the risk of modern slavery may permeate via the second and subsequent tiers of our supply chain. The online MSQ is also helping build an understanding of our tier one suppliers’ respective supply chains, to refine and target our supplier engagement (refer to global map in ‘About our Supply Chains’ section).



3. DEEPENING OUR UNDERSTANDING OF MODERN SLAVERY DILIGENCE

During FY 2023, we held two practical workshops (with assistance of an expert consultant) to further develop our organisational understanding of due diligence and remediation. Drawing on the UN Guiding Principles on Business and Human Rights, these sessions involved participants from different teams and levels of seniority from across the organisation.

We identified and explored the core elements required to develop a robust modern slavery due diligence approach and examined best practices and case studies. We also deepened our understanding of the principles of remediation, responsibility and accessibility.

The results of the workshop were summarised in a draft Due Diligence Reference Guide – A practical Handbook outlining principles for BaptistCare to manage the risks of modern slavery and providing an ‘easy to access’ handbook for procurement and other staff. We recognise that different approach are needed to manage risks directly under BaptistCare’s operational control, and those amongst suppliers. The Handbook sets out guidance relating to direct operations, labour hire, facilities management, product manufacturers, electronic manufacturers, construction and food and supports our online MSQ and screening via eithiXbase.

We will continue develop this approach over the coming year, including in light of the recommendations on due-diligence made in June 2023 in the independent review of the Modern Slavery Act.



MODERN SLAVERY DUE DILIGENCE PROCESS



Governance Structures and Internal Education



Map Risks



Develop Policies



Respond to Risks



Purchase Responsibly



Be Transparent



Remediate Where Necessary



Empower Workers



Trace Supply Chain



Monitor your Supply Chain

During FY23 we held two practical workshops with key staff to explore the key elements required to develop modern slavery due diligence.

4. INTEGRATING MODERN SLAVERY RISK IN ORGANISATION WIDE RISK MANAGEMENT



As an aged care and community services provider to the most vulnerable people in our community, BaptistCare aims to ensure we are providing the highest quality services to support residents, clients and tenants to live well. Equally important is that we create an environment where employees can feel safe, do their jobs safely and succeed in making a difference to others.

We recognise that effective risk management in all daily functions assists us in delivering these outcomes. In FY2023, BaptistCare launched a new organisation-wide risk management platform, called Fortify, to integrate risk management processes, reporting, feedback and analysis. The platform includes provisions for workers to report incidences that may be an indicator of potential modern slavery risks or concerns, as well as other issues relating to the Supplier Code of Conduct.

The launch of the organisation-wide platform has been accompanied by extensive employee engagement and training for managers and staff.



5. CAPABILITY DEVELOPMENT TO HELP MITIGATE RISKS AROUND LABOUR HIRE

BaptistCare provides online training to staff on modern slavery risks.

As part of our due-diligence workshop processes described above, we identified that whilst the training is suitable for staff in corporate, procurement or management roles, it has low accessibility for many of our frontline care staff. These staff may be able to help recognise indicators of concern, for example, any potential risk that may be associated with the use of labour hire in care settings. (For example, we are aware of the sharp rise in cases of potential modern slavery related to labour-hire in the care sector in the United Kingdom, which increased from 106 cases of concern in 2021 to 708 cases of concern in 2022, according to The Guardian).

To help increase the accessibility of our training and resources for care staff, we commenced scoping alternative materials/training that may be more tailored to care-sector and frontline workers from culturally and linguistically diverse backgrounds.

Increasing direct recruitment, retention and rostering

Whilst labour hire is likely to remain a part of the workforce mix due to the nature of the care sector and services such as cleaning, BaptistCare is actively working to increase recruitment and retention of direct employees, to help reduce reliance on labour agencies. For example, in FY23, we introduced an attractive 'join and stay' bonus for care workers, who are contracted as direct employees. We are also working to enhance our internal rostering capabilities to help lessen the need for reliance on agency staff.

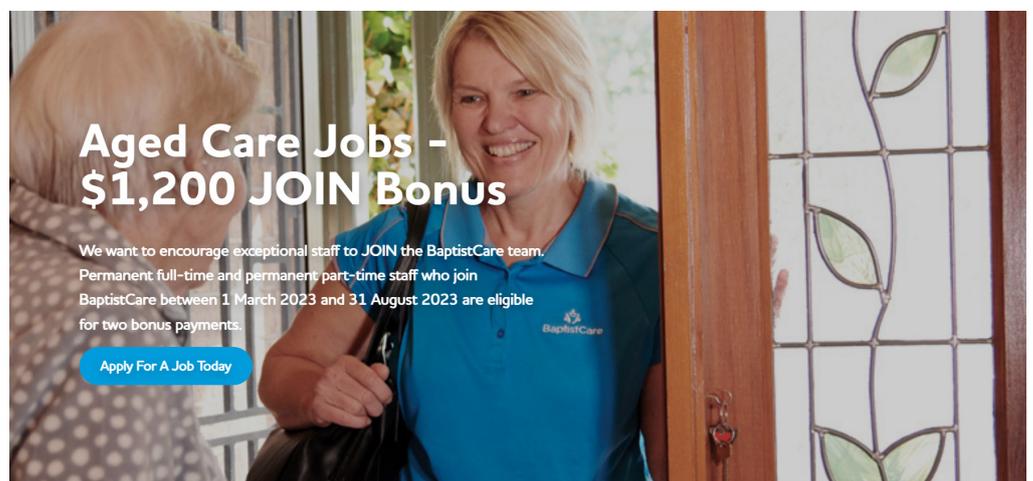


Image: BaptistCare's Join & Stay program, launched in 2023 to attract more care worker staff as direct employees.

Advocacy on a living wage for care workers

CEO of BaptistCare NSW & ACT Charles Moore described the budget as "historic" and welcomed the investment in the sector.

"Facing an ageing population and workforce shortages, we know that smart and strategic investments are the best way forward to future-proof the industry and ensure quality care remains available to all ageing Australians."



Charles Moore

He added: "We know that investment in the aged care sector pays off and creates value – not just for individuals receiving care, but for their families, for the community and for the economy."

A living wage is a crucial tool in responding to modern slavery globally. With rising costs of living around Australia, and sector-wide challenges in attracting staff, BaptistCare actively advocated for an increase in the minimum Award wage for care sector employees. Comparatively low Award wages for care sector workers, compounded by soaring living costs, meant care sector employees may be struggling to meet basic needs for a decent standard of living for themselves and their family.

BaptistCare advocated strongly in support of the 15% Award increase for aged care workers and welcomed the announcement in the Federal Budget in May.

6. 'STRONGER AS ONE' – Integrating procurement, risk assessment and modern slavery responses as we grow

As described earlier, FY2023 was a period of significant growth and evolution for BaptistCare, with merger and acquisition initiatives in NSW & WA. While we have significant work to do, we have commenced integrating our procurement and modern slavery risk management processes, to bring a consistent standard to combating modern slavery across the organisation. Aligning and continuing to strengthen our approaches to supplier engagement, modern slavery risk assessment, training and awareness across the organisation will be a focus in the year ahead.



Monitoring external developments to evolve our approach

We monitored closely the review of the Modern Slavery Act and look to continue to build our capacity around the recommendations made in the review. Staff members participated in webinars and events convened by the Human Rights Law Centre, Be Slavery Free, ethiXbase, and the NSW Anti-Slavery Commissioner.

We look forward to more opportunities to learn from and exchange good practices with industry peers.



Review of the Effectiveness of our Actions and Looking Ahead

While we have continued to make progress during FY2023, our ongoing efforts to integrate our modern slavery risk management approach across our operations (including newly merged and acquired sites) will enhance the effectiveness of these actions in the years ahead.

For example, incorporating an online tool (ethiXbase), enabled us to significantly enhance our supplier engagement in FY2023, surpassing 100 responses to the MSQ. We look forward to using this tool to engage more suppliers from our recently merged and acquired operations, where appropriate.

As previously noted, BaptistCare has also established a cross-organisational modern slavery and human rights working group, championed by a member of the executive leadership team (General Manager-level) to help review our progress and response. The BaptistCare Board Governance & Nominations Committee also has governance oversight of the Modern Slavery Statement and the effectiveness of BaptistCare's approach.



Over the next 12 months key activities will include:

- Ongoing integration of modern slavery approaches, policies and tools across our growing organisation, with a focus on merged and newly acquired sites, to ensure a consistent standard of approach across the organisation; Updating our Modern Slavery Roadmap to account for this growth and integration, and the recommendations in the review of the Act.
- Sharing the Supplier Code of Conduct and our expectations on ethical sourcing with more suppliers from our merger and acquisition initiatives.
- Engaging more suppliers via our Modern Slavery Questionnaire
- Continuing our internal conversations and awareness raising around modern slavery due-diligence, including in response to the recommendations of the review of the Act.
- Continuing to engage staff, including building awareness of the indicators of modern slavery amongst care sector and other employees.
- Engaging with stakeholders and partners.
- Reporting on progress to our executive and our board.

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