



BaptistCare

Financial Year 2022 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 30 June 2022 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 BaptistCare NSW & ACT (BaptistCare) board and executive, we are pleased to present BaptistCare's third Modern Slavery Statement.

BaptistCare NSW & ACT is proud to support the actions of the Australian Government in the implementation of the Modern Slavery Act 2018 (Cth) (the Act). We welcome the Australian Government's current review of the Act to strengthen Australia's response to modern slavery as a global problem.

BaptistCare's vision is to see every individual living well, and is deeply rooted in our Christian faith. The values that guide us – being loving and reliable, respecting the individual and empowering every individual to live well – are at the core of our approach to addressing modern slavery. We recognise that we have a critical role to play in promoting and respecting human rights, identifying and addressing any human rights and modern slavery issues in our workforce and supply chain, and working collaboratively with peers, suppliers and stakeholders.

Three years into our modern slavery roadmap, this report builds on the foundations and progress we detailed in our 2020 and 2021 Modern Slavery Statement. During the 2022 reporting period, we continued to deepen our understanding and assessment of the over-arching risks of modern slavery in our operations and supply chains and took further steps to develop our due diligence processes and responses, including direct engagement with higher risk suppliers.

BaptistCare's core services include residential aged care and retirement living, home care services and community services and housing, as well as chaplaincy.

Key milestones for FY 2022 included:

- Designing and implementing a system to categorise our suppliers and enhancing our modern slavery risk profile;
- Deepening and broadening our supplier engagement, through the selection of a digital platform to survey and assess suppliers;
- Scoping and designing our due diligence framework and remediation approach;
- Appointing a new permanent resource dedicated to managing modern slavery and,
- Continuing to collaborate and learn from peers, participate in webinars and training, and keep informed of emerging best practices.

Not surprisingly, the COVID-19 pandemic again posed challenges to our operations, supply chain and workforce during FY 2022. We continue to factor these challenges into our modern slavery risk profile, and adapt and evolve our approach, road map and actions to address modern slavery risks.

We look forward to continuing to build on this progress, and our broader human rights commitments in the year ahead. We remain committed to the United Nations Guiding Principles on Business and Human Rights (UNGPs), as reflected in our Human Rights Position Statement, as well as to the principles of responsible procurement established in BaptistCare's Supplier Code of Conduct.

The Directors of BaptistCare have formally acknowledged and accepted this statement on 28 November 2022.

Charles Moore
Chief Executive Officer, BaptistCare

Robert Dunn
Board Chair, BaptistCare

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 for-purpose organisation registered with ASIC, the ACNC and the ATO. It does not own or control any other entities.

With a head office in northwest Sydney, BaptistCare has extensive operations across New South Wales and the Australian Capital Territory in the following areas:

- Residential Services and Retirement Living – including 18 residential aged care homes and 12 retirement living villages;
- BaptistCare at Home – supporting seniors and their carers to live independently at home across the Greater Sydney region, Central Coast, Central West, Far North Coast, Illawarra, Mid North Cost, Murrumbidgee and Central NSW (Dubbo), as well as the ACT;
- Community Services and Housing – supporting vulnerable individuals and families through social and affordable housing, HopeStreet services, counselling, casework and family services.

BaptistCare also delivers chaplaincy services across its divisions.

At June 2022, BaptistCare had 3,730 employees and around 420 volunteers. We recruited employees both directly and with the assistance of recruitment agencies. The ongoing impacts of border closures due to the pandemic compounded a highly challenging employment market, and we continued to rely on contract and agency workers to meet workforce needs and staffing shortfalls.

About our Supply Chains

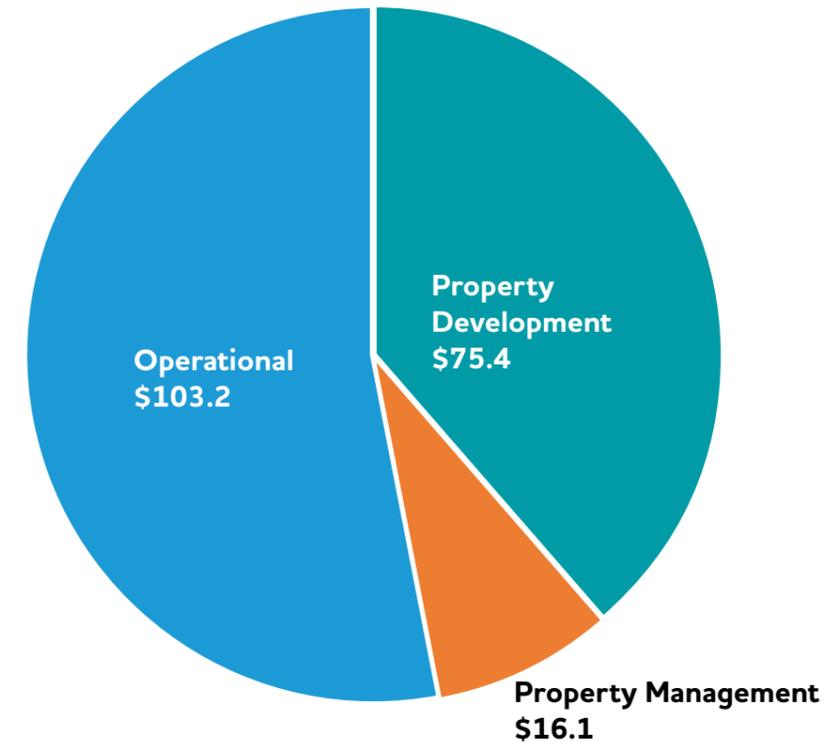
BaptistCare's supply chain includes a wide range of goods, services and works across a number of areas, sourced from Australia and internationally.

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. We expect all our suppliers to adhere to BaptistCare's Supplier Code of Conduct, and commit to high standards of human rights, transparency, and ethical business conduct.

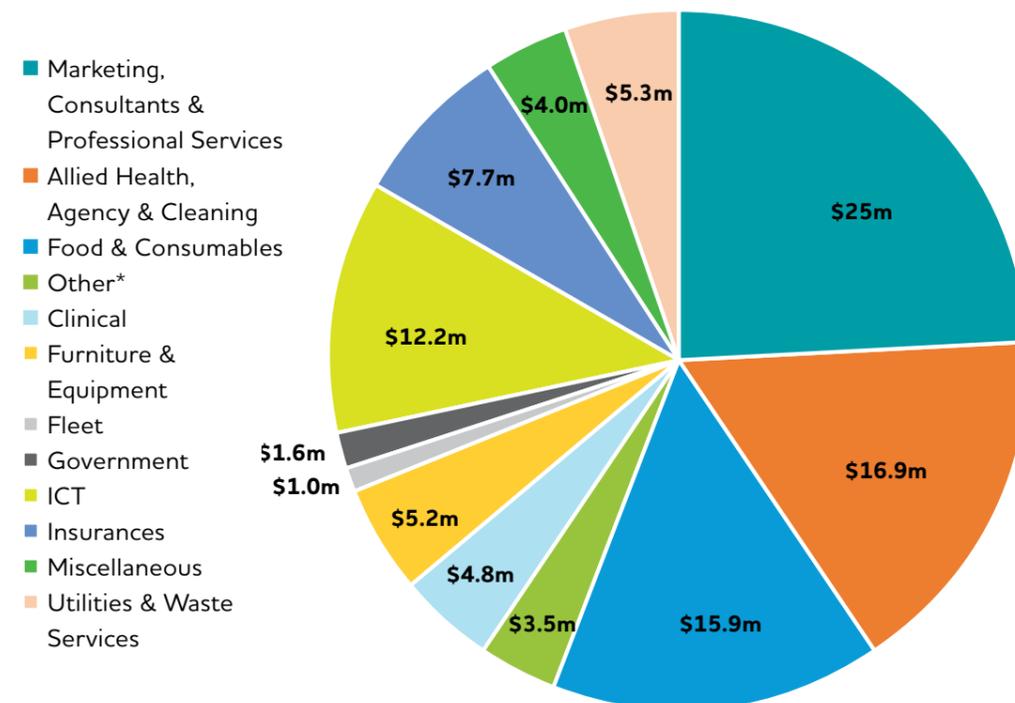
In the financial year ending 30 June 2022, our total procurement spend was \$194.4 million on goods and services to support our operations.

A breakdown of our expenditure and number of suppliers is as follows:

Property vs Operational Expenditure (\$m)
FY2022 Spend - \$m

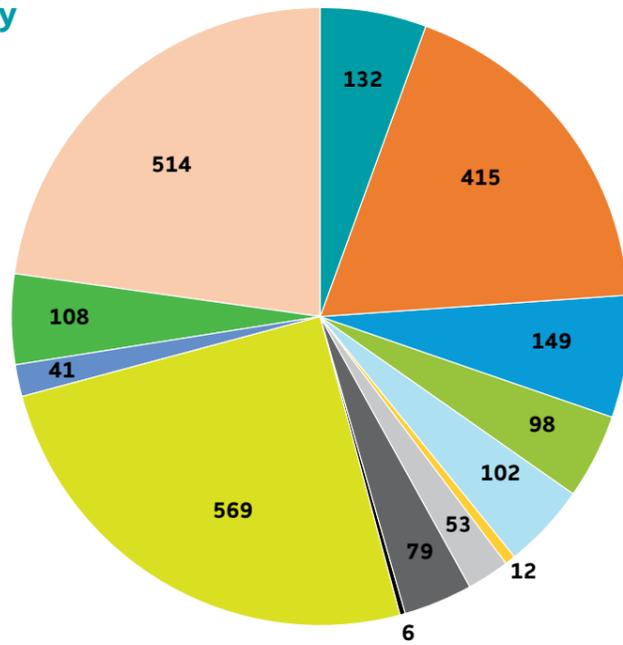


Operational [non-property] Expenditure - Breakdown (\$m)



*Other = smaller suppliers with a spend of less than \$15k that have not been categorised

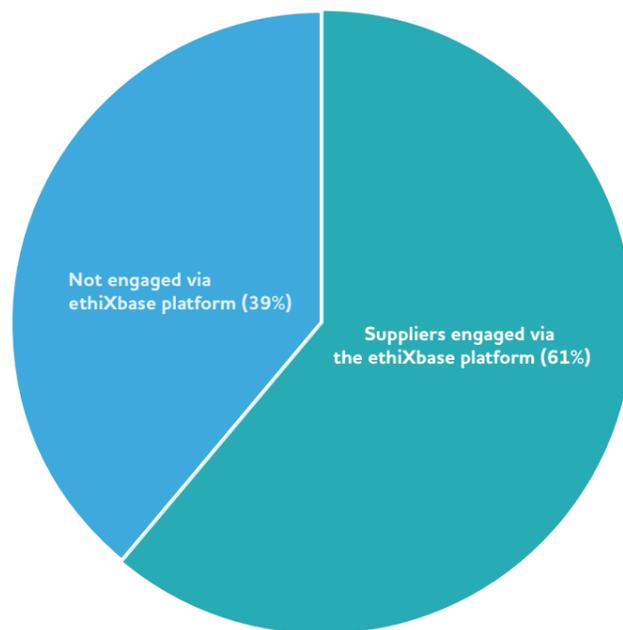
FY 2022 Suppliers by Vendor Category



*Note: Chart does not include 1355 un-categorised suppliers with an annual spend of less than \$15,000.

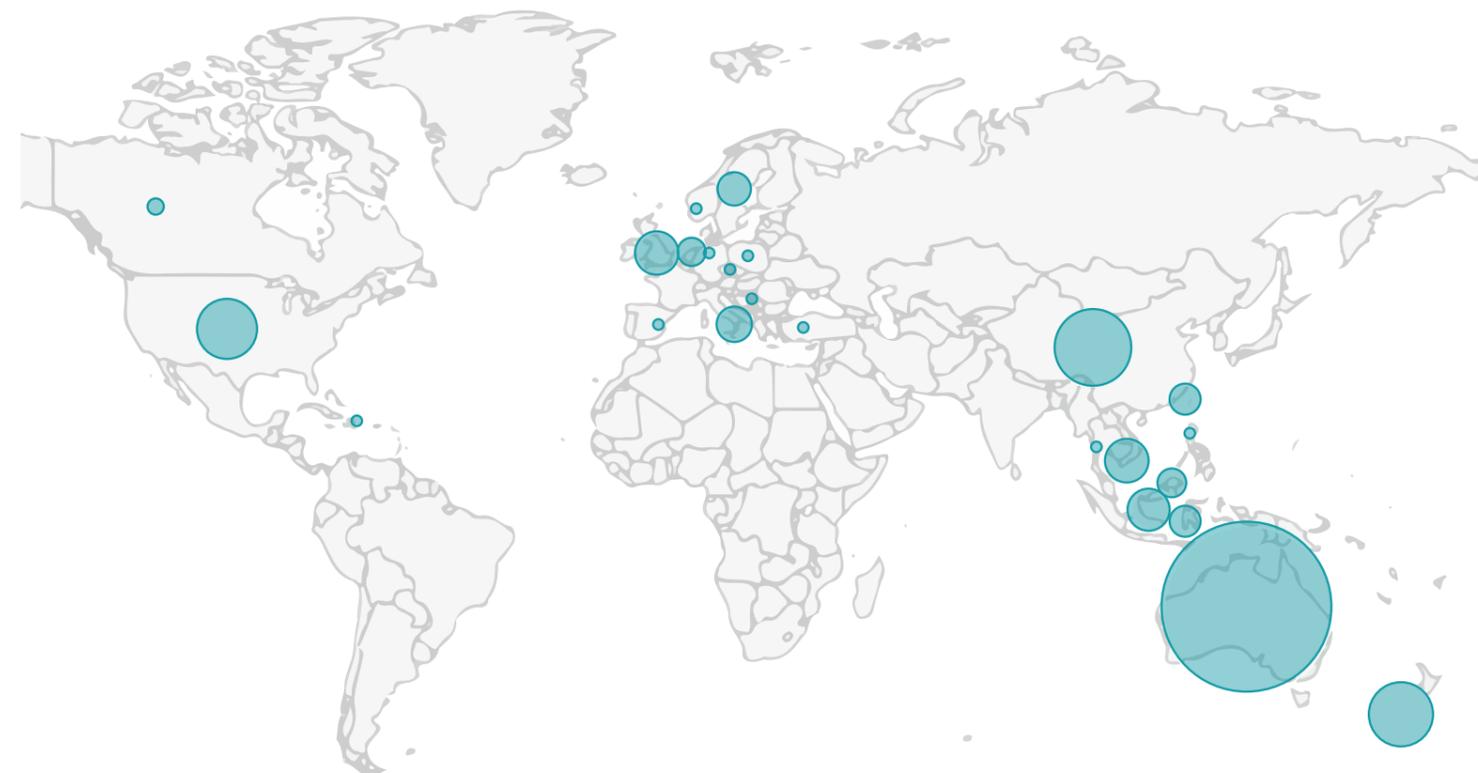
- Marketing, Consultants & Professional Services
- Clinical
- Insurances
- Allied Health, Agency & Cleaning
- Furniture & Equipment
- Miscellaneous
- Utilities & Waste Services
- Food & Consumables
- Fleet
- Property Development
- Government
- ICT
- Property Management

The sub-set of suppliers selected for screening and engagement via the ethiXbase platform, as a percentage of total spend (\$m) FY22



Property development (\$75.4 million) continued to be the main category of spend in FY 2022, followed by consulting, property maintenance and information and communications technology (ICT).

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, as summarised by the map representing a sample of our suppliers:



Source: BaptistCare's Modern Slavery Questionnaire, Ethixbase platform (screenshot August 2022)

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.

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, and we continue to focus on mitigating these risks, through ongoing human rights due diligence, as detailed later in this statement.

Our supply chain:

As set out in our 2020 and 2021 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.

Recognising the impact of COVID-19 – Personal Protective Equipment (PPE)

The Paper Promises? report released in early 2022 by the Human Rights Law Centre and other partners notes that the COVID-19 pandemic has led to an unprecedented surge in demand for medical personal protective equipment (PPE) and a global shortfall in supply.

The report notes that “*the drastic increase in demand has placed huge upward pressure on the industry which, in combination with labour shortages, has created even greater risk of worker exploitation.*”

Citing rubber gloves as an example (and has highlighted by recent investigations into the industry in Malaysia), the pandemic “placed huge pressures on an industry already plagued by endemic issues of debt bondage, excessive overtime and harsh working conditions.”

Given the nature of BaptistCare's operations, the pandemic necessitated that we source large volumes of PPE at short notice, in a highly competitive marketplace.

We recognise the risks associated with this category of goods. We continue to engage our suppliers on their human rights and modern slavery practices (for example, via the modern slavery questionnaire), apply due diligence, and keep informed of international developments, investigations, analysis and reports.

Actions taken to Assess and Address Risks

During FY 2022 we continued to strengthen our modern slavery risk management capability and processes, with a focus on four key areas of progress and action:

1. Deepening our understanding and mapping of our supply chain and modern slavery risk profile;
2. Broadening our supplier engagement;
3. Deepening our due diligence and laying the groundwork for our remediation approach;
4. Building our modern slavery capability and knowledge of best practice.



Supplier categorisation and modern slavery risk profile

During FY 2022 we completed categorising major suppliers, based on their modern slavery risk profile. Building on the broad risk categories BaptistCare has identified (see previous section), we mapped suppliers against each category, and cross-referenced this with the total spend amount for each supplier.

Through this combined risk and spend assessment, we identified 200 priority suppliers to target for deeper engagement on their modern slavery risk management and mitigation. These 200 higher risk suppliers represent approximately 61 per cent of BaptistCare's total supplier spend for FY 2022.

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. Moving forward, this detailed supplier categorisation and mapping will enable us to select a targeted shortlist of suppliers to engage on their human rights impact and modern slavery commitments, including in their respective supply chains.



CASE STUDY: Influencing our suppliers to promote good practice

Supplier engagement

We recognise that human rights due diligence and supplier engagement needs to be ongoing. During FY 2022 we scoped, identified and on-boarded a digital platform to provide a deeper and broader view of our supply chain modern slavery risk and more effectively survey suppliers.

We selected the online modern slavery questionnaire on the ethiXbase platform for its ability to present a holistic picture and analytics on our supplier risk (including where an Australian business supplies products that originate from other jurisdictions) and scale-up our supplier engagement.

The sub-set of 200 suppliers identified through the risk and spend analysis process (as set out above) were uploaded onto the ethiXbase platform and issued a modern slavery questionnaire designed by Norton Rose Fullbright law firm.

At the time of writing this Statement (August 2022), over 60 suppliers had responded, with follow-up outreach to other suppliers ongoing. During the subsequent reporting period (FY 2023), the results of the questionnaire will help us to identify risk patterns and the suppliers requiring closer attention and engagement. Drawing on due diligence procedures, those higher risk suppliers will be contacted for further assessment and evaluation, as detailed later in this statement.

Additionally, during FY 2022 we also standardised the modern slavery clause included in all external contracts and made the clause a standard requirement.

During the re-negotiation of a contract, an existing labour hire-related supplier of services to several BaptistCare facilities resisted the inclusion of BaptistCare's (now standard) modern slavery clause. The supplier lacked a clear understanding about their responsibilities under the Act, and claimed that as they were a small-medium business, the clause was onerous. Given the nature of the services (labour hire cleaning), the supplier was assessed as potentially high risk, in line with our identified risk categories.

The cleaning industry is considered high risk for modern slavery largely due to the nature of the workforce and the often opaque nature of operations. The cleaning sector does not require tertiary qualification in many instances, as such, the workforce is often low-skilled. On top of this, those who enter the cleaning sector are often from migrant populations, with limited understanding of their legal rights or a limited understanding of English. As a result, those employed in the cleaning industry who fall into the aforementioned circumstances have a restricted ability to bargain with their employers or those with whom they contract.

With internal collaboration from procurement, legal and ESG functions, BaptistCare consistently engaged the supplier to encourage them to agree to the clause and to commit to BaptistCare's Supplier Code of Conduct. The supplier was reminded that these were minimum standards of behaviour for the organisations BaptistCare chose to do business with. Our goal remained to partner with suppliers who are willing to join us in strengthening our response to modern slavery and human rights. We also took the opportunity to clarify some of the requirements of the Act, BaptistCare's approach and expectations. Following these representations, the supplier agreed to the inclusion of BaptistCare's modern slavery clause and to follow the Supplier Code of Conduct.



Due diligence approach and remediation

During FY 2022 we scoped and designed (with assistance of an expert consultant) two workshops to deepen our approach to due diligence and remediation.

As noted above, when potential risks are identified in our supply chain (for example, through the modern slavery questionnaire on the ethiXbase platform), a consistent internal approach to evaluate these instances is necessary. To strengthen our due diligence framework and priorities, the first workshop will focus on crafting guidelines for workflows to engage and address risks among suppliers. With a focus on building internal understanding and capability, the workshop will develop practical guidance, as well as considering best practice examples. The second workshop will further develop BaptistCare’s remediation principles. These principles will shape the organisation’s approach if modern slavery violations are identified in its operations or throughout its supply chains.

With planning completed in FY 2022, the due diligence and remediation approaches will be developed during the FY 2023 reporting period.



Capability development and monitoring external developments

BaptistCare’s modern slavery and human rights working group has representation from a number of divisions across the organisation. We continued to deepen our understanding of modern slavery emerging risks and trends, including by participating in webinars convened by Anti-Slavery Australia, Human Rights Law Centre, and ethiXbase, and participating in the launch of the report *Paper Promise: Evaluating the impact of Australia’s Modern Slavery Act*.

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



CASE STUDY: Making a positive impact: Example of how we are supporting vulnerable migrant workers in the sex industry

As a leading not-for-profit care organisation, BaptistCare has been serving people living with disadvantage since 1944. We understand that modern slavery may be present within the vulnerable communities that we serve and we strive to provide the highest quality of care and support.

Through its HopeStreet centres and programs, BaptistCare supports people living on the margins or caught in the cycle of poverty, including people who may be vulnerable to modern slavery or slavery-like conditions.

One example is HopeStreet’s work to create a less dangerous environment for migrant women working in Sydney’s sex industry.

HopeStreet has been working with women in the sex industry for over 25 years. Its *Working with Migrant Sex Workers in Sydney’s Lower-End Brothels* report (2020) identified the serious issues and social stigmatization that compounds migrant sex workers’ vulnerability.

Our research found that migrants on limited working visas may not know their rights and may be more vulnerable to enslavement. 93% of respondents in the research did not have permanent residency, holding bridging, working or student visas.

Migrant sex workers interviewed in the study also faced high rates of domestic violence, and the majority (88%) did not have any form of signed employment contract. The COVID pandemic has exacerbated many of these vulnerabilities. Two years since the original report, the challenges still exist, with an ongoing and pressing need for the services and support BaptistCare HopeStreet provides: From case work to support for access to visa and immigration services, HopeStreet works to relieve marginalisation and reduce the vulnerability these migrant women face.

Find out more: [BaptistCare.org.au](https://www.baptistcare.org.au)

Review of the Effectiveness of our Actions and Looking Ahead

During another year of disruption caused by the pandemic, modern slavery road map is an agile and adaptive framework. This year the road map milestones of scaling-up our engagement with suppliers and further developing our due diligence and remediation approaches have seen us take significant steps in promoting and protecting human rights and addressing modern slavery risks in our operations and supply chains.

For example, while it is not a substitute for human judgement and assessment, the ethiXbase platform has enabled us to engage and survey a greater spread of suppliers than would otherwise be possible with the available resources.

Similarly, our ongoing work on due diligence and remediation is equipping us to mitigate risks and respond to potential incidents.

We have also established a cross-organisational modern slavery and human rights working group, championed by a member of the executive leadership team (General Executive-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 (FY 2023) key activities will include:

- Reviewing and updating our modern slavery road map, including KPIs to monitor our progress and effectiveness;
- Engaging and benchmarking a broader group of suppliers, using the ethiXbase Modern Slavery questionnaire, and additional due diligence as required;
- Working with suppliers to refine and implement strategies to mitigate modern slavery risks;
- Finalising, implementing and building internal capacity around our due diligence workflows and remediation approach;
- Further steps to ensure there is no modern slavery connected to our own operations, including an ongoing focus on the risks associated with agency/labour hire staff;
- Engaging with stakeholders and partners about the current review of the Act, and consider opportunities to collaborate and share knowledge;
- Reporting on progress to our executive and our board.

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