

MODERN SLAVERY STATEMENT

For the 12 months ended 30 June 2023

19 December 2023

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 NSW) (**Business NSW**) 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 (which trades under various brands including Alliance Nursing, Alliance Rural & Remote Health, Alliance Community, Extrastaff and Apprenticeship Careers Australia) (**RSGA**) are reporting entities under the Act.

This is the joint modern slavery statement of Business NSW and RSGA (and their respective controlled entities) (**Business NSW Group**) under the Act in respect of the reporting period 1 July 2022 to 30 June 2023 (**Reporting Period**).

A list of all controlled entities of Business NSW (and their place of incorporation) is set out in Business NSW's 2023 Annual Report (see pages 78-79 available at <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 NSW is a public company limited by guarantee. RSGA (whose sole shareholder is Business NSW) is a proprietary limited company. The discretionary beneficiary of the Recruitment Solutions Group Australia Trust is Business NSW.

Whilst the business activities of Business NSW 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 NSW Group's operations

Business NSW, the group's parent entity, has been operating for 196 years and has approximately 90,000 members.

The Business NSW Group has 37 offices across Australia. The group has approximately 730 permanent employees and, at any given time, approximately 8,917 on-hire workers deployed to clients.

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

2.1 Member services



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

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

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

Business NSW also offers:

- a Business Grants Finder to help businesses access eligible funding
- a cyber security solution that includes staff training, phishing simulations, tools and resources
- 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
- 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
- participation in thought leadership opportunities
- hosting numerous events and webinars annually

Member services are provided under a number of brands, including Business NSW, MyBusiness (this brand is the brand under which the enterprise provides a suite of member services and products), Business Illawarra, Business Hunter, Business Sydney, and Business Western Sydney.

2.3 Recruitment and health care services

Business NSW Group'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, 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 and personal 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: Alliance Nursing, Alliance Community, Alliance Rural & Remote Health, Apprenticeship Careers Australia and Extrastaff. Former brands of the business included Belmore Nurses, CQ Nurse, Health Solutions Group Australia, RNS Nursing, Talent Options and Automotive Group Training.



2.4 Legal services



Business NSW'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 NSW in workplace, employment, industrial relations and work health and safety law.

2.5 Joint ventures

2.5.1 Productivity Force Holdings Pty Ltd (PFH)



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

PFH undertook a solvent wind-down of its activities during the Reporting Period and ceased actively trading at the end of March 2023.

PFH previously provided 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 included 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 NSW 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 NSW's case, New South Wales).

2.6 Investments

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

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

3. Business NSW Group's supply chains

3.1 Procurement categories

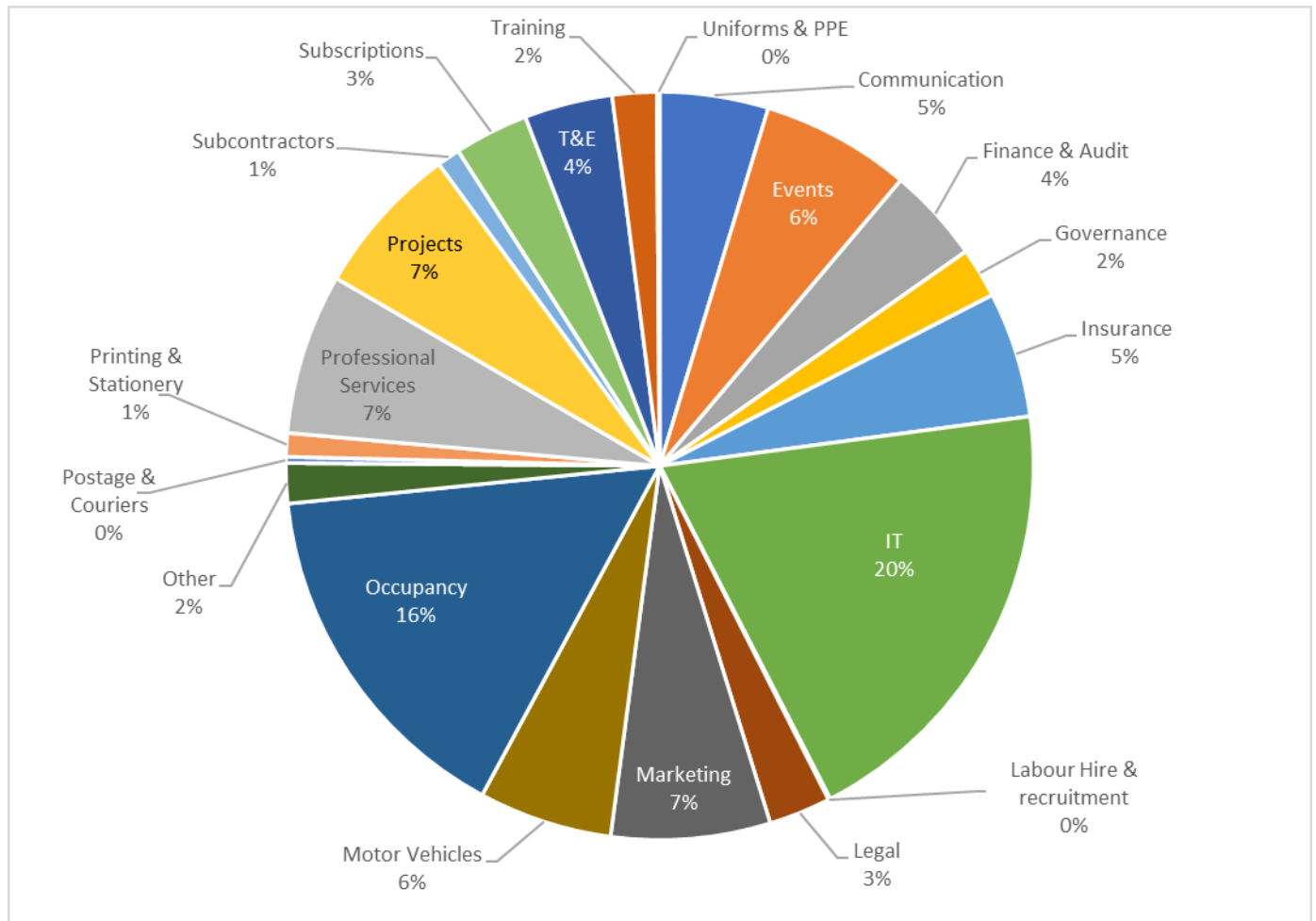
Given the nature of the largely professional services provided by the Business NSW Group, the following key supply chains are common to all activities and entities within the Business NSW Group:

- the Business NSW 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/copiers, 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 (e.g., legal, accounting, audit, governance, 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 majority of Business NSW's expenditure (84%) during the Reporting Period was on salaries and wages for the permanent and on-hire workforce of the group. The breakdown of the Group's remaining expenditure (being 16% of total expenditure) is set out in the graph below:



3.2 Geographical spread of suppliers

The Business NSW Group’s supply chain is largely domestic, with most suppliers registered and primarily operating within Australia:

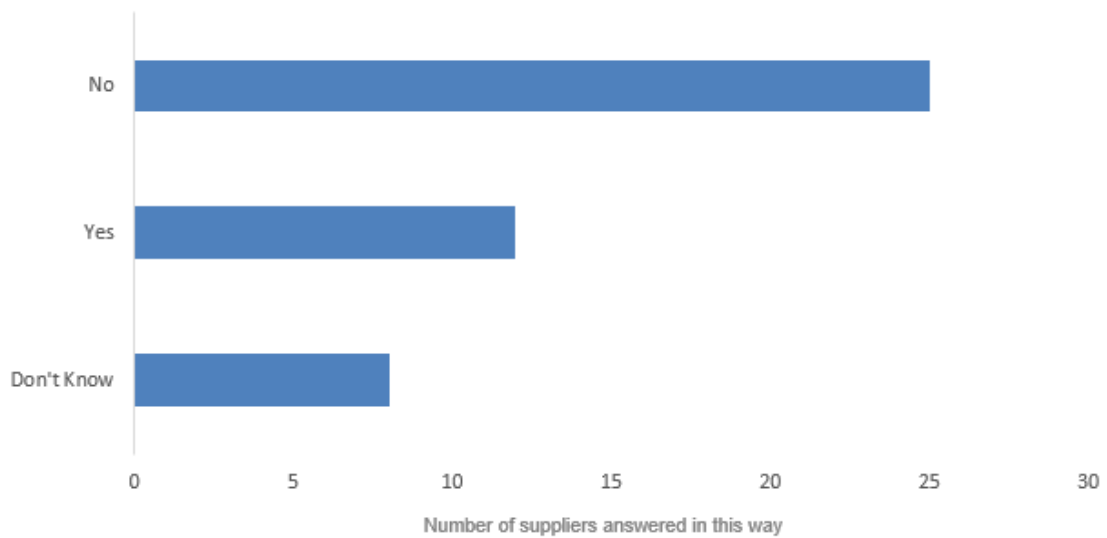
Supplier Business Operations



Of the suppliers subject to ‘enhanced due diligence’ (see section 0, item 2 for criteria), the majority were not reporting entities under the Act.

Business NSW Modern Slavery Questionnaire

Are you required to report under modern slavery laws?



4. Business NSW Group's approach to modern slavery

The Business NSW Group's approach to identifying and addressing modern slavery risks is set out in its Modern Slavery Policy that was approved by Business NSW's board on 18 June 2020 and revised on 28 March 2022.

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 NSW 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. During the Reporting Period, the Business NSW Group engaged a new third party KYS provider to improve the KYS screening process and introduce ongoing monitoring for existing and legacy suppliers.

This process is detailed further in section 0 of this Statement.

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 NSW Group:

1. Sought to include modern slavery contractual provisions in all new supply contracts

Approximately 218 supply contracts were entered into during the Reporting Period. Modern slavery contractual assurance was secured in all but 24 supply contracts. Where fulsome contractual assurances could not be obtained, the Business NSW Group often sought other assurances in relation to the supplier's compliance with modern slavery, such as:

- reviewing the supplier's published Modern Slavery Statement where the supplier is a reporting entity under the Act; and
- seeking partial contractual assurances in relation to modern slavery, such as reserving the right to cease trading with the supplier should it become aware of any real or suspected breaches in relation to modern slavery.

In respect of those suppliers who are not reporting entities and refused to provide any contractual assurances, entry into the supply contract only proceeded if the perceived risk of modern slavery practices was deemed low. Unfamiliarity with modern slavery concepts or the Act sometimes drives a reticence to engage around modern slavery contractual provisions. Where contractual provisions were refused, the Business NSW Group still had the benefit of profiling the prospective supplier's modern slavery risk through know your supplier processes.

The process of seeking contractual assurance from all suppliers is firmly embedded in the group's procurement activities.

2. Continued utilisation of a third party 'know your supplier' (KYS) provider to conduct supplier screening

As noted earlier in the prior Statement, the Business NSW Group has engaged a third party KYS provider to assist in the screening and ongoing monitoring of suppliers from a modern slavery risk perspective.

KYS due diligence is carried out prior to the execution of all supply contracts. Two tiers of KYS due diligence are carried out, depending on nature of the supply contract:

- all suppliers are subject to the first tier of due diligence, known as Instant Due Diligence (**IDD**). IDD screens and identifies any relevant concerns that pose a risk in terms of modern slavery;
- additionally, Enhanced Due Diligence (**EDD**) is carried out on the following supplier categories:
 - suppliers in respect of whom the IDD screening reveals potential concerns;
 - suppliers who are in higher risk sectors from a modern slavery perspective, 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 (materiality based on qualitative and quantitative factors).

IDD involves independent review of the relevant supplier based on company registry information, checked against the third party supplier's global database of over 170 million online registry records, as well as company name and associated individual name checks against a global list of sanctions and enforcements.

EDD involves 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 prepared by lawyers with in-depth expertise on the Act.

In both the case of IDD and EDD, the third party platform provides a perceived risk score for the supplier.

Once a supplier's details are entered on the KYS platform, the platform performs daily IDD on the supplier. Accordingly, if a supplier's perceived risk score changes, the Business NSW Group is alerted to this and will use this as a basis to make further enquiries in relation to the risk.

No adverse results arose in respect of suppliers who were subjected to KYS during the Reporting Period. Whilst the vast majority of KYS results recorded very low risk of modern slavery, in the few cases where the perceived risk score was medium or above, the Business NSW Group undertook further enquiries of the supplier to satisfy itself that the likelihood of modern slavery risk was indeed low.

3. Provided modern slavery training to employees

Training in relation to modern slavery risk management also forms part of the on-boarding process for all new staff and is provided to existing staff in the form of 'refresher' training on a periodic basis.

As at the end of the Reporting Period approximately 97.7% of the permanent workforce¹ had completed an online modern slavery training module, up from 89% last year. This year 95.8% of new starters completed the training module on time.

¹ This does not include the on-hire workforce given that they do not have procurement responsibilities.

6. Identified modern slavery risks

6.1 Business NSW Group's supply chains

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

Further, the KYS screening undertaken on, and enquiries made of, 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. Further, ongoing monitoring of existing or legacy suppliers produced no alerts during the Reporting Period.

As previously reported, where the group entity has little or no leverage to replace an existing supplier who has refused to provide contractual assurance or, if applicable, complete EDD, a note is made in the Modern Slavery Register to revisit the issue with the supplier when the relevant contract is due for renewal.

Consistent with the prior Reporting Period, 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. The risk of modern slavery practices is significantly lower in Australia and these sectors.

6.2 Business NSW 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 NSW 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 NSW's board and board committees (Audit, Risk & Compliance Committee, People, Remuneration & Culture 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, People Culture & Workplace 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 performance (from an Environmental, Social and Governance (**ESG**) perspective) of the underlying investment managers of funds in which Business NSW is invested. That is, the adviser considers whether the underlying investment managers embrace ESG principles in the management of their respective funds. 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?

While the ESG assessment is qualitative in nature, the adviser uses a scoring framework to evaluate managers within each asset class on a consistent basis.

The adviser has assessed the ESG status for managers within the group's investment portfolio as follows:

- 12 managers are considered 'Leaders' (superior ESG capability);
- 22 managers are considered 'Above Average' (ESG practices considered notably above the peer group);
- 8 managers are considered 'Average' (ESG Practices are broadly in line with the peer group); and
- 1 manager is considered a 'Laggard' (ESG practices are meaningfully below that of the peer group and will not be recommended by the adviser for new investment/further cash flows). It should be noted that this manager operates in the 'alternatives' asset class, where investment techniques frequently exclude individual stock analysis, making assessment of ESG factors practically difficult to apply.

Positively, since the previous Reporting Period, the number of managers considered 'Above Average' have increased, and the number of managers considered 'Average' has decreased again.

The adviser has advised that the majority of managers specifically consider, to varying degrees, modern slavery risk as part of their ESG practices and in many cases have voluntarily issued modern slavery statements or are bound by modern slavery reporting legislation in Australia or a foreign jurisdiction.

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

The Business NSW 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 summarized in this Statement, the Business NSW Group's Enterprise Risk & Compliance function undertakes an annual audit of compliance with the requirements of the group's Modern Slavery Policy.

During the Reporting Period, the Enterprise Risk & Compliance function completed an audit of the group's compliance with the requirements of the Modern Slavery Policy and provided a report to the Business NSW Board's Audit Risk & Compliance Committee. With an overall audit rating of 'Effective', the key audit findings were:

- The Business NSW Group's approach to manage its modern slavery risks remains appropriate having regard to the overall low level of modern slavery risk within the Group's operations and supply chain.
- There is no evidence or indications of modern slavery practices within the Group's supply chain or business operations.
- The Group improved the management of its modern slavery risks. Whilst the Group did not progress exploring ways to procure office commodities from sources where the risk of modern slavery is low (as committed to in the Statement for the prior Reporting Period, the Group did deliver on its commitment in the prior Reporting Period Statement to reduce the proportion of suppliers who have not provided contractual assurances around modern slavery risk (down from 13.5% from the prior Reporting Period to 11% for the current Reporting Period).
- The robust KYS diligence process is capable of continuously assessing supplier risk, allowing the Group to appropriately monitor modern slavery risk.

7.2 Continuous tracking

As noted above, management maintains a Modern Slavery Register to track and monitor 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 NSW Group in respect of the preparation of this statement.

This is because the procurement, legal, enterprise risk and finance functions for entities within the 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. That said, enhancing procurement capability across the organisation remains an objective for Business NSW.

In addition, as noted in section 5, there is enterprise wide awareness of modern slavery risk (and the Group's policy in respect of modern slavery risk management) by virtue of the modern slavery training that is compulsory for all employees.

9. Future commitments for the next reporting period


In the next Reporting Period, the Business NSW Group has set itself the following objectives with respect to modern slavery risk management:


- exploring ways to procure office commodities from sources where the risk of modern slavery is low; and
- maintaining or further reducing the proportion of suppliers who have not provided contractual assurances around modern slavery risk.

This statement was approved by the Boards (being the principal governing bodies) of NSW Business Chamber Ltd and Recruitment Solutions Group Australia Pty Ltd as trustee for the Recruitment Solutions Group Australia Trust on, respectively, 14 December 2023 and 19 December 2023.

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
19 December 2023

Brett Manwaring
Chairman
19 December 2023