

Modern Slavery Statement

Reporting Period: 1 July 2020 – 30 June 2021



Silver Chain

Silver Chain Group

Modern Slavery Statement FY2021

Introduction

This Modern Slavery Statement (**Statement**) covers the activities of Silver Chain Group Limited ABN 77 119 417 018 (**Silver Chain**) and each entity Controlled¹ by Silver Chain.

Silver Chain has a rich history as pioneers, innovators and leaders of care in the home. For almost 130 years, Silver Chain has been caring for the community, promoting the rights and providing choices for people to be cared for in the home, and advocating for a new future in home care.

Silver Chain is one of Australia's leading not-for-profit providers of health and aged care services, with services across Western Australia, South Australia, Victoria, New South Wales and Queensland. We employ more than 4,450 people, and delivered nearly 3.5 million occasions of service to more than 104,000 clients in FY2021.

Our services span complex health and aged care services, including specialist nursing, palliative care, home care and support services, wound care, home hospital, chronic and complex services, and allied health services (including occupational therapy, physiotherapy, podiatry, pharmacy, speech pathology, social work, and dietetics).

As national leader in home care, our aspiration is to deliver world class health and aged care in the home so that Australians can confidently remain in their homes and live their lives as they choose. The provision of our services includes our commitment to impactful and ethical operations, and to countering modern slavery.

It is in this context that we submit our second Statement, made in compliance with the *Modern Slavery Act 2018* (Cth), in respect of the period 1 July 2020 to 30 June 2021.

Reporting Entity – Company Structure

For the relevant reporting period, Silver Chain Group Limited (ABN 77 119 417 018) was a Public Company Limited by Guarantee, with the following Controlled entities:

- Silver Chain – Victoria Limited (ACN 649 647 914);
- Royal District Nursing Service of SA Limited (ABN 21 588 603 824);
- Access Care Network Australia Pty Ltd (ABN 39 601 017 430) (**ACNA**); and
- Silver Chain Foundation (ABN 85 077 086 670).

Silver Chain Group and its Controlled entities are all registered charities with the Australian Charities and Not-for-Profit Commission (ACNC).

¹ *Controlled has the meaning given in section 50AA of the Corporations Act 2001 (Cth)*

Governance Framework

Silver Chain's corporate governance is established through company constitutional documents, a Board Governance Charter, a Reserved Powers and Delegated Authorities Policy together with an Intercompany Agreement and Subsidiary Governance Protocol for the management of its subsidiaries. The Board is assisted by Board sub-committees, comprised of members of the Board and external members, and is supported by the Silver Chain Group Executive (**Group Executive**) team.

Supply Chain

Silver Chain's supply chain includes a diverse array of 2,451 suppliers across a variety of procurement categories. Our annual spend across these suppliers reached \$97.14 million in the financial year 2020/2021.

Our supply chain includes the purchase of products and services needed for day-to-day operations including personal protective equipment (**PPE**), vehicles and maintenance, uniforms, medical supplies and equipment and information technology products and services, which includes technology based personal equipment such as alarm systems to support the care of clients.

Since our first Modern Slavery Statement we have identified 1,259 suppliers with active contracts which warrant particular focus, as these represent the current and critical suppliers for our business operations.

The table below represents all active vendor contracts by sector using the Global Industry Classification Standards (**GICS**). A further summary is provided of the top two tiers of our supply chain, which defines the entities we contract with (Tier-1) and their primary suppliers (Tier-2).

Breakdown of Silver Chain's Supply Chain by Global Industry Classification Standard (GICS)

GICS Sector	# of Suppliers
Utilities	20
Real Estate	3
Information Technology	42
Communication Services	18
Consumer Discretionary	75
Consumer Staples	21
Financials	51
Health Care	469
Industrials	539
Utilities	21
TOTAL	1,259

Silver Chain's Tier-1 supply chain comprised of 1,259 contracted suppliers in the financial year 2020/2021 and spanned across five countries. More than 98% of our suppliers are Australian entities, with only 15 companies having a principal place of business overseas.

All of our overseas suppliers provide either enterprise or specialist technology services, or medical services and products.

While most of our Tier-1 suppliers are based in Australia, we acknowledge that many of our products are sourced from overseas. We anticipate our Tier-2 supply chain to be much more complex and are assessing this data for selected high-risk suppliers.

Modern Slavery Risk Areas

Silver Chain has not identified any instances of modern slavery in our operations and our internal assessment identified that Silver Chain's operational risk of modern slavery was less material than our supply chain risk. However, we recognise that as a health and aged care business, we are reliant on a workforce of nurses, care staff and casual workers, many of whom work in Australia under a visa arrangement. Whilst we take all reasonable steps when onboarding new employees, we are aware of the modern slavery risks associated with the visa process, including but not limited to deceptive recruitment of labour or services, debt bondage and people trafficking.

Silver Chain will continue to mitigate against this risk by working closely with our labour hire and recruitment partners to understand their processes for managing and eliminating modern slavery.

Our initial assessment of modern slavery risk in our supply chain identified 34 higher risk suppliers to focus on. Since this initial assessment, we have significantly increased our understanding of modern slavery risk throughout our supply chain by conducting a detailed risk assessment across all our active 1,259 Tier 1 suppliers.

More than 98% of our Tier-1 suppliers are registered in Australia, which has a low geographic risk rating for modern slavery. The 15 suppliers we use outside of Australia are also registered in relatively low-risk countries such as the USA, UK and New Zealand.

Our assessment of Tier 1 suppliers also evaluated the industry and sector risk across our supply chain to identify which of our industry groupings represent the highest risk. The largest industry risk grouping identified includes more than 200 suppliers providing environmental and facilities services such as cleaning or waste control across our operations. The risk profile of this class of suppliers is elevated by the probable use of outsourced, temporary, migrant, or sub-contracted labour with less transparency over the conditions of employment.

From these industry groupings, Silver Chain has added 16 additional suppliers to our high-risk classification, now totaling 50. This designation is important as it triggers our maturing supply chain engagement process where we administer a supplier assessment questionnaire (SAQ) to each high-risk vendor to confirm or revise their risk designation and to determine the best way we can engage further.

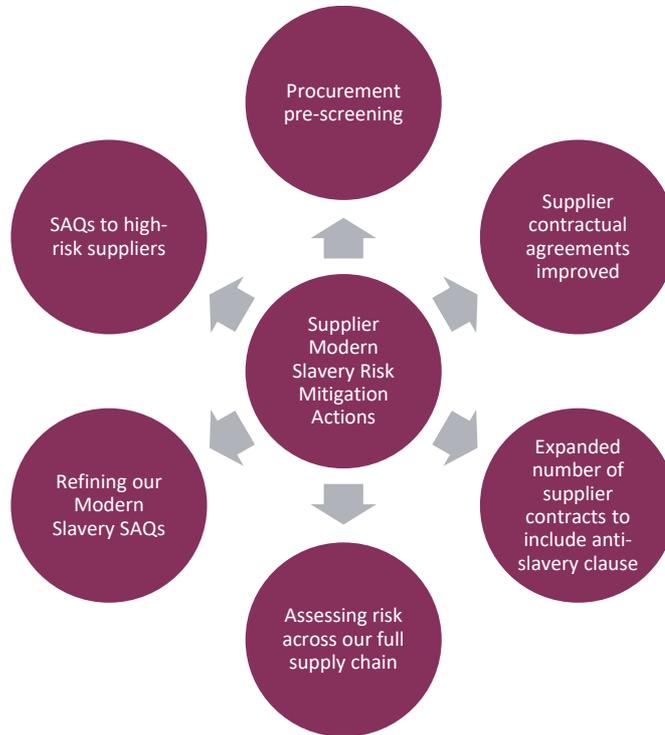
Actions Taken to Address Modern Slavery FY 2020/2021

Silver Chain has formed a multidisciplinary internal working group to spearhead and coordinate Silver Chain's modern slavery response on an ongoing basis. The working group brings together personnel from Contracts and Procurement, Risk and Governance, Legal and Project Management. The working group reports directly into the Group Executive.

Silver Chain understands that the risk management of modern slavery starts with the way in which we procure our goods and services and the suppliers we work with. Silver Chain has

prioritised the screening of new suppliers and the dialogue on modern slavery with existing suppliers as set out in **Figure 3**.

Figure 3: Supplier Modern Slavery Risk Mitigation Actions



Silver Chain has undertaken several coordinated actions to mitigate the slavery risks present in our supply chain in financial year 2020-2021:

- Refined our Modern Slavery SAQ into a standardised, 20-question format which was reviewed by an external human rights consultancy for consistency with global standards. This SAQ was issued to the 34 high-risk suppliers identified in our first Statement and will be used for additional suppliers classified as above a certain risk threshold.
- Expanded the number of supplier contracts subject to our standard anti-slavery contractual clause, which we adopted into our standard supplier contracts in the previous reporting year 2019-2020.
- Developed several modern slavery pre-screening control points into our procurement lifecycle, including:
 - controls embedded into Request for Tender/Request for Proposal;
 - integrating a supply chain slavery risk assessment to the procurement process.

Silver Chain has a Whistleblower Policy available to internal staff and contractors which encourages staff to make protected disclosure on real or perceived wrongdoing. The policy is accessible to all internal staff via our Policy and Document Management System.

To promote and support reporting, Silver Chain provides a whistleblower reporting platform in which employees of contractors, associates, related entities or any person who has a concern can anonymously report unethical, unlawful or undesirable conduct. The reporting platform is provided by Whistle Blowing Service: <https://www.whistleblowingservice.com.au/silverchain/>

Future Actions Scheduled to Address Modern Slavery Risks

Silver Chain's approach to addressing modern slavery risk has continued to evolve and mature as different strategies are implemented and as we build our capacity to identify and tackle such risks.

As part of our continued commitment to preventing modern slavery, Silver Chain plans to undertake the following actions over the next reporting period:

- Administer the Modern Slavery SAQ to Tier-1 suppliers designated by our supply chain assessment to be high risk and engage with suppliers that we continue to identify as being high risk following review of the SAQ response;
- Review and update our Whistle Blower Policy and whistle blowing platform to incorporate specific reference to disclosures relating to modern slavery;
- Implement a tiered approach to training, whereby all staff will be able to complete an introductory module addressing modern slavery and targeted education will be developed for our procurement and legal staff; and
- Review and update our standard anti-slavery contract terms and policies.

Effective Assessment of Actions

The Modern Slavery Working Group will support the development of a governance framework to monitor the progress towards mitigating the risk of modern slavery and to assess the effectiveness of these actions.

The evaluation of the effectiveness of actions will include a review of:

- Modern slavery risks at a supplier level to identify changes over time;
- Responses to the Modern Slavery Supplier Questionnaire and the steps taken to manage high risk suppliers;
- The reports submitted using the grievance mechanisms such as the whistle blower reporting platform; and
- Any remediation cases that have taken place and how the learnings can be used in the prevention of future cases.

In 2021 Silver Chain sought expert external advice for an independent assessment of the effectiveness of the modern slavery actions it is currently undertaking.

Vulnerability to COVID-19

The ongoing challenge the pandemic created for Silver Chain has been and continues to be the sourcing of critical goods. During the pandemic, the following modern slavery risks have been identified in our operations and supply chain:

- Heightened demand for workers providing health, aged care and community services bringing greater risk of worker exploitation;

- New medical supplier entrants to the market, with limited transparency on the company or product information;
- Manufacturers of medical consumables and PPE such as gloves have been accused of modern slavery practices; and
- Suppliers with onsite accommodations for workers are at a higher risk of modern slavery due to the pandemic.

Silver Chain actions regarding these modern slavery risks identified include:

- Employing a pandemic PPE Sourcing Officer;
- Designing and implementing a centralised store inventory model for PPE items (previously Silver Chain procurement had been a 'just in time' model);
- Contracting a third-party distributor to hold and dispatch PPE inventory; and
- Collecting data from our suppliers about the extent to which their organisation has been adversely impacted by COVID-19.

Silver Chain will continue to consider and monitor the impact of the pandemic and our procurement practices and encourage dialogue with our suppliers.

Consultation with Controlled Entities

Silver Chain Group and its Controlled entities (excluding ACNA) are managed and governed by the same Executive and Board and have been fully included in the process of consultation in connection with this Statement.

This Statement has been formally approved by the Directors and Board of Silver Chain and is submitted on behalf of the Silver Chain Group and each of its Controlled entities and is signed for and on behalf of all such entities.



Anne Skipper

Silver Chain Group Board Chair



Dale Fisher

Chief Executive Officer