

Villa Maria Catholic Homes Ltd

2020 Modern Slavery Statement



VMCH

Contents

Statement	3
The Reporting Entity and our Structure	4
About VMCH	4
Living our mission.....	4
2020 Modern Slavery Risk Management Initiatives.....	4
Our Plans for 2021.....	4
Organisational structure and operations	5
Governance Structure	6
Our Supply Chain	7
Modern slavery risks in operations and supply chain	8
Our COVID-19 Response	8
Operational and Supply Chain Risks.....	8
Future Commitment	11
Effectiveness Assessment	12

We oppose modern slavery

VMCH is committed to supporting people who are disadvantaged and marginalised.

In accordance with our values, we are committed to respecting and promoting human rights, which includes the commitment to work to eradicate modern slavery. We aim to ensure that decisions made by VMCH do not allow modern slavery to exist within our operations, business relationships and extended supply chains.

Our Modern Slavery Statement (Statement) is set out in this document. It is developed in accordance with the Modern Slavery Act 2018 (the Act).

While this Statement is our first public regulatory disclosure specifically addressing modern slavery in line with the requirements of the new Act, we have always been committed to improving the rights and wellbeing of people across our operations. We do this via our focus on the disadvantaged and marginalised in all aspects of our operations and in line with our Catholic values and mission.

A commitment to supporting the disadvantaged and marginalised is an essential part of our operations and this is appropriately reflected in our policies and procedures.

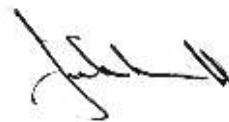
We do not tolerate behaviour that is in breach of the law or which is non-compliant with our policies or which does not align with our ethical values. We expect our employees, contractors, volunteers and suppliers to operate in a manner which is consistent with our values and standards.

This Statement sets out the steps we have taken throughout 2020 to identify and address modern slavery within our operations and supply chains. Our approach includes a commitment to continuous improvement as we increase our understanding and awareness of modern slavery risks.

This Statement has been prepared by VMCH's Modern Slavery Working Group, the VMCH Executive and the Board's Quality Compliance & Risk Committee and approved by VMCH's Board on 25 February 2021.

We are pleased to be part of the Australian Catholic Anti-Slavery Network (ACAN) and acknowledge the support ACAN has provided in developing VMCH's modern slavery mitigation plans. This Statement is submitted as part of the ACAN compendium, consequently this report is for activities to the year ending 31 December 2020. VMCH's usual reporting period is 1 July to 30 June.

Our membership of ACAN is an important part of the joint approach Catholic organisations are taking to support the work to eliminate modern slavery which Pope Francis has described as "an open wound on contemporary society, a wound on the body of Christ and a crime against humanity."



Julien O'Connell A.O.
VMCH Board Chairman



1. The Reporting Entity and our Structure

The reporting entity covered by the Statement is Villa Maria Catholic Homes Ltd (ACN 004363103) (VMCH). VMCH is a not-for-profit company limited by guarantee. VMCH's registered office is 486 Albert Street, East Melbourne, Victoria.

2. About VMCH

VMCH is a Catholic not for profit organisation, providing services to over 9,000 people across Victoria.

Our Mission is to continue the caring ministry of Jesus by creating choices, offering hospitality and building inclusive, compassionate and sustainable communities. We are especially committed to supporting people who are disadvantaged and marginalised.

We strive to be the Catholic Archdiocese of Melbourne's leading provider of high-quality support, including Early Learning and Therapy, Specialist Education, Disability Services, Affordable Homes, Residential Aged Care, Retirement Living and At-Home Aged Care services.

Our values underpin the work we do. As a Catholic not-for-profit organisation, compassion, respect and inclusion aren't just words to us, they guide us in everything we do.

In accordance with our values, we are committed to respecting and promoting human rights, which includes the commitment to work to eradicate the many forms of modern slavery that exist. We aim to ensure that decisions made by VMCH do not allow modern slavery to continue within our operations, business relationships and extended supply chains.

2.1 Living our Mission

Our Mission is central to who we are and what we offer, it comes to life through our everyday actions and in our work. We are called to really listen. We hear the needs of those we care for and we take time to discern what we can do to add meaning. We stay true to who we are by supporting people and families to live their best lives, providing a place to call home and spaces to learn and grow.

2.2 2020 Modern Slavery Risk Management Initiatives

Our approach to modern slavery will span several years. 2020 was the foundation year where we formalised our commitment to identifying and eliminating modern slavery practices from our operations, business partnerships and supply chain. We commenced our assessment of our modern slavery risk and put in place the governance structures consistent with VMCH's risk appetite statement and Enterprise Risk Management Framework.

2.3 Our Plans for 2021

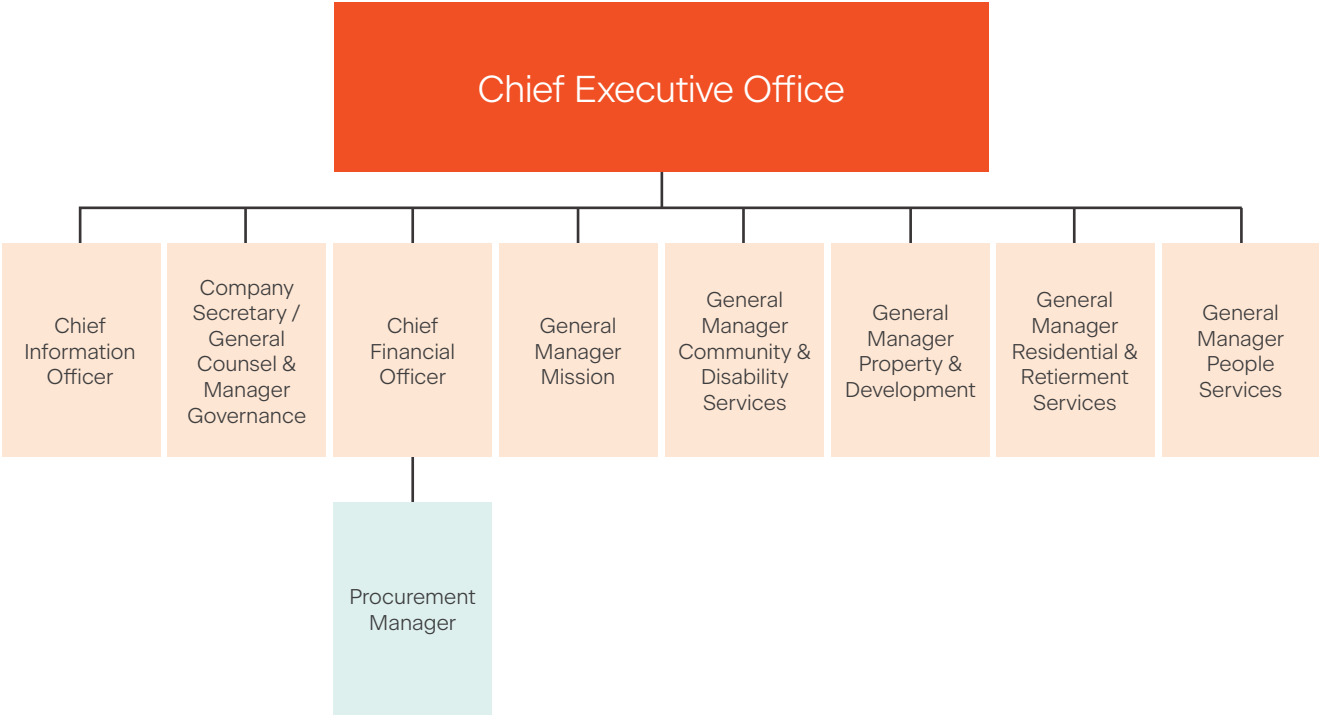
VMCH takes a continuous improvement perspective to its approach to modern slavery risks. Our plans for 2021 will build on the work undertaken in 2020. This will be a consolidation year to solidify and embed the work we have already undertaken.

3. Organisational structure and operations

Our operations cover:

- At-home aged care which supports 4115 people across metropolitan Melbourne, regional Victoria and southern New South Wales with allied health and in-home and carer support.
- Residential aged care services for 983 people in twelve locations across Victoria.
- Support for 1526 individuals with disabilities including 233 children at specialist school St Paul's College and in our Early Learning and Therapy programs.
- 14 Specialist Disability Accommodation (SDA) houses across Melbourne that provide specialised support for adults with disability.
- Three respite homes that provide care and support for children overnight, on weeknights and weekends.
- 564 retirement living apartment/units across 18 locations in Victoria.
- Accommodation to 459 people living in our affordable homes across 21 locations across Victoria.
- Employment of approximately 2,500 people on full time, part time or casual basis. Of these approximately 340 are full time employees, 1380 are part time employees and 736 are casual.
- Over 600 volunteers who donate their time to VMCH.

Our organisational structure includes a procurement function which provides procurement advice and support to the operational areas.



4. Governance Structure

VMCH's Board has responsibility for ensuring a reporting culture and an Enterprise Risk Management Framework exists within VMCH. The Quality Compliance & Risk Committee (QCR) assists the Board in its responsibilities relating to:

- Assessing the effectiveness of VMCH's overall risk management framework.
- Supporting a prudent and risk aware approach to decisions made within VMCH.

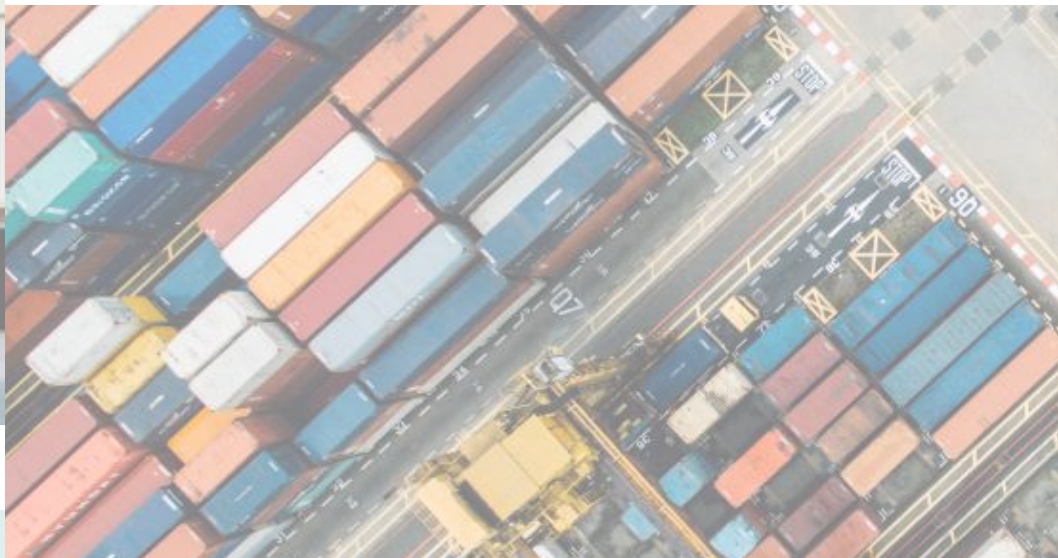
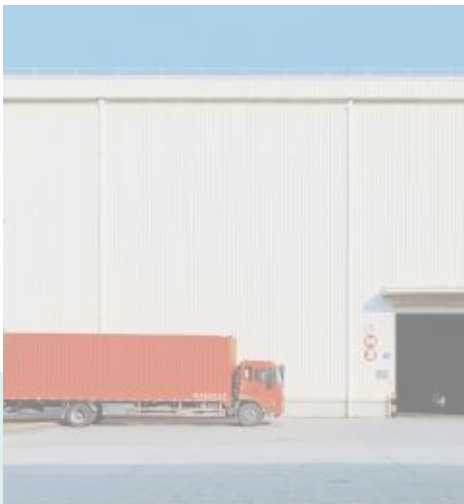
The QCR reviews a wide range of matters relating to Clinical Governance, Quality and Compliance frameworks. This includes all matters related to client care, safety and support and non-financial risks within which the organisation operates in accordance with VMCH's risk appetite and risk management framework.

We established a Modern Slavery Working Group (Working Group). The objectives of the Working Group are to:

- Provide input and advice to VMCH on issues related to modern slavery.
- Actively support the development and implementation of VMCH's modern slavery action plan.
- Assist VMCH determine priority actions to be undertaken and establish annual goals and targets.
- Monitor and review actions taken to assess and address modern slavery risks and evaluate their effectiveness
- Ensure VMCH meets the requirements of the Modern Slavery Act 2018 (Cth).

The Working Group consists of participants with a diverse range of relevant experience and expertise from across the organisation including procurement, finance, operations, legal, work health and safety, information technology, mission, people and culture and facilities management.

The Working Group is chaired by the General Manager Governance/Company Secretary & General Counsel (who is also VMCH's Modern Slavery Liaison Officer (MSLO) and representative on the ACAN). The Working Group meets regularly, and reports to the Executive on the work undertaken.



5. Our Supply Chain

VMCH has over 125 suppliers who supply products to enable VMCH to maintain our operations and provide excellent care to our clients, residents and students. They provide a range of goods and services to support VMCH's operations.

Our supply chain is diverse and encompasses small local businesses through to national and global supply chains. We deal mainly with suppliers that have an Australian presence and many have their head office in Australia. Other suppliers' head offices are based around the world with key countries including China, United Kingdom and the United States.

Examples of goods	Examples of services
<ul style="list-style-type: none">• Medical equipment• Medical consumables• Furnishing• Food supply• Textiles• Building materials	<ul style="list-style-type: none">• Allied health• Nursing agency• Cleaning• Trade services for refurbishments and maintenance• Lifestyle and entertainment• Specialist IT systems



6. Modern slavery risks in operations and supply chain

This year VMCH started to develop its corporate understanding of modern slavery risk. We developed key processes to assess areas of elevated modern slavery risk within our business supply chain.

VMCH joined with other Catholic providers and is a member of the Australian Catholic Anti-Slavery Network (ACAN). As part of ACAN, VMCH has accessed the work and resources made available by ACAN.

6.1 Our COVID-19 Response

The COVID-19 restriction created challenges for many organisations including VMCH. For most of 2020, our focus was on protecting the people we provide care for, our staff and volunteers. This was particularly the case as our operations are Victorian based where the most severe COVID restrictions were applied.

An organisational Critical Incident Team (CIT) was formed to continually monitor the COVID situation. Our procurement team was an integral part of the CIT and was responsible for managing the additional sourcing requirements which were required, especially for personal protective equipment (PPE).

During this period VMCH continued to honour our current contracts. Precautions which were required for all staff in relation to PPE requirements were also extended to contractors.

The pressures created by dealing with mitigating the risk to the people we care for from COVID-19 meant that some of the work we would have undertaken in assessing and mitigating the risk or modern slavery, has been delayed. This was particularly the case with face-to-face engagement with suppliers.

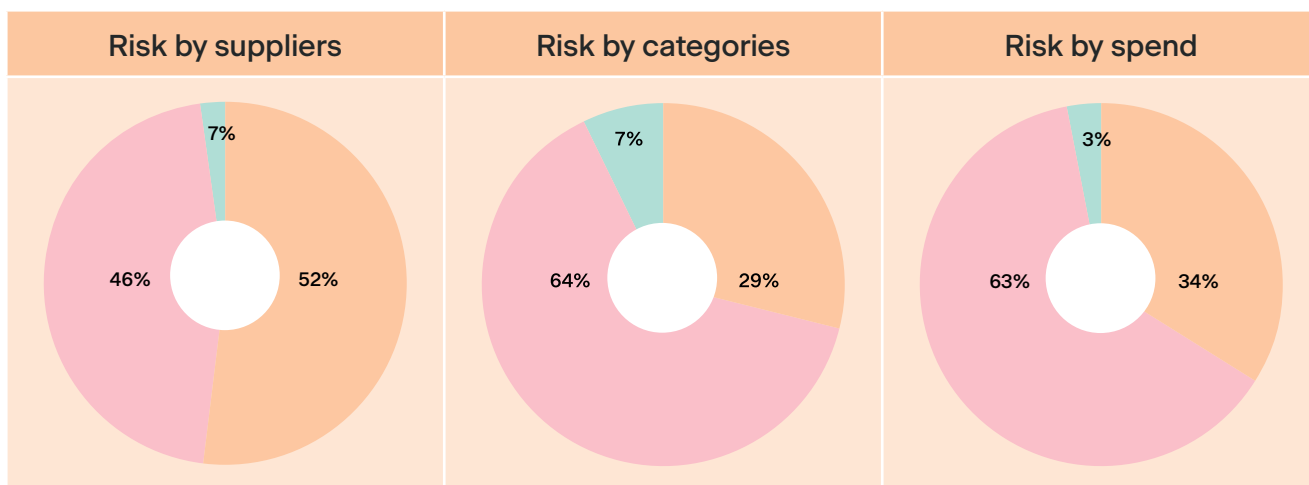
6.2 Operational and Supply Chain Risks

VMCH recognises that modern slavery risk may occur in our organisation and extended supply chain. In conjunction with ACAN, VMCH undertook a supplier risk analysis of our top 48 suppliers (by spend).

The resulting VMCH dashboard identified that of the top 48 spend suppliers, 22 were categorised as potentially high risk. Risk was assessed based on the category the suppliers fell into.

There were 9 high risk categories, informed by the ACAN Category Risk Taxonomy.

Number of suppliers	High risk suppliers	Spend categories	High risk categories	Total spend (\$)	High risk spend
48	22	14	9	\$43,826,909	\$27,620,436



■ Low
 ■ Medium
 ■ High

The high risk spend categories for VMCH were

- Building and construction
- Cleaning services
- Facilities management
- Food and beverage
- Furniture and office supplies
- ICT hardware
- Linen/laundry
- Uniforms and workwear
- Waste management

Another area we consider may have a high risk of modern slavery is labour hire risk through the use of agency staff through third party suppliers.

Action taken to address the supply chain risks are discussed below.

The focus for the initial phase of modern slavery risk mitigation has been on establishing the foundations for further work.

Actions taken include:

Governance framework

VMCH became a member of the ACAN with a modern slavery liaison office (MSLO) representative. ACAN is a network of over 30 Catholic entities. VMCH's MSLO attended ACAN conferences and monthly meetings. The purpose of the meetings was to understand the potential modern slavery risks and to provide member organisations, including VMCH, with resources to assist in the modern slavery mitigation plans.

A Modern Slavery Working Party was established to: provide input and advice to VMCH on issues related to modern slavery; actively support the development and implementation of VMCH's modern slavery action plan; assist VMCH determine priority actions to be undertaken and establish annual goals and targets; monitor and review actions taken to assess and address modern slavery risks and evaluate their effectiveness; and ensure VMCH meets the requirements of the Modern Slavery Act 2018 (Cth).

The VMCH Board approved the Modern Slavery Policy which, together with the Protected Disclosure (Whistleblower) Policy, Procurement Policy, Fraud and Corruption Policy, Employee Grievance Procedure, and Bullying and Discrimination Prevention Policy, provide a framework to ensure direct risks of modern slavery are effectively managed within our operations. Each of these has a continual review process into which finding and further treatments for modern slavery can be incorporated to ensure best practice.

The VMCH Board was briefed about modern slavery and their obligations under the Modern Slavery Act.

Supplier code of conduct was developed.

The ACAN Supplier Engagement Strategy Guide was adopted following the supplier engagement workshop which was undertaken with key VMCH stakeholders and ACAN.

Bridge the gap analysis

When VMCH joined ACAN, VMCH undertook a 'bridge the gap' analysis to identify our current position with its modern slavery risk. A comparison survey was undertaken again in December 2020.

The results showed that there had been improvement in some significant areas including in management systems (governance), risk management (operational risk), procurement and supply chain (supplier engagement) and human resources (awareness, training and labour hire/outsourcing).

The areas where there was improvement are listed in the table below.

Category	Topic	Result 2019	Result 2020*	Change
Management Systems	Governance	3	4	↑
Risk Management	Operational Risk	2	3	↑
Procurement & Supply Chain	Supplier Engagement	2	3	↑
Human Resources & Recruitment	Awareness	1	3	↑
	Training	1	3	↑
	Labour Hire/ Outsourcing	2	3	↑

* The result is scaled from a rating of 1 to 5 where 5 is the best result.

Contracts and tenders

Standard clauses regarding modern slavery are incorporated into all relevant agreements and are part of the standard tender materials VMCH now uses for its procurement activities.

Our tender process includes the modern slavery policy and any tenderer must accept and comply with VMCH's Modern Slavery policy to be considered as part of the tender.

Training

Online training was developed with the assistance of ACAN and introduced into VMCH's online training portal for employees and volunteers.

Modern Slavery online training was included in the suite of modules directors are required to complete.

Webinar was made available for suppliers.

Modern Slavery Working Party took part in a training workshop to assist in engaging with suppliers.

Communication

VMCH has used its multiple communication channels/medians with staff to raise awareness of modern slavery issues so that staff are informed about and can be aware of modern slavery issues.

Procurement and operational actions

We recognise that due to the nature of VMCH's workforce characteristics and required skillsets, there are modern slavery risks within our operations. To mitigate this, we are working to reduce our reliance on agency staff use wherever possible. This means that staff are instead engaged on contracts with VMCH, which lowers our modern slavery risk associated with workforce characteristics. The nursing, aged care and disability sectors are subject to industry enterprise agreements to ensure fair pay and working conditions for at-risk labour. Staff also have access to internal grievance mechanisms to voice any modern slavery concerns.

From a supplier perspective, we have developed questionnaires for completion by our top 50 suppliers (by spend).

When hiring new employees, we are committed to hiring Australian citizens or people with appropriate working rights in Australia. We also ensure that our remuneration framework and enterprise agreements pay people at or above and in accordance with Australian employment laws.

7. Future Commitment

VMCH has several actions planned for 2021 that directly relate to the identification, management and mitigation of our risks of modern slavery:

- Continued membership of ACAN to leverage off best practice materials and approaches.
- Further roll out of the modern slavery online training to employees to raise awareness of risks, and how to identify and confidently report incidents.
- Any new tenders (including request for tenders and requests for proposals) will include a mandatory compliance requirement that the tenderer comply with VMCH's Modern Slavery Policy as part of the final agreement.
- Further development of VMCH's Modern Slavery action plan and road map to build on the work undertaken to December 2021.

8. Effectiveness Assessment

VMCH will assess the effectiveness of the actions taken through a variety of review mechanisms including:

- Annual review of the effectiveness of our policies and procedures relating to modern slavery. These will be assessed on whether they are fit for purpose in the day-to-day aspects of the organisation and will be updated as required.
- Regular review and improvement of VMCH's due diligence processes as they relate to suppliers.
- Review of reported risks internally e.g., through the grievance or protected disclosure (whistleblowing) processes.
- A workplace engagement survey where employees can anonymously provide feedback about job satisfaction, working conditions, concerns, improvement ideas, etc.

About VMCH

Here at VMCH, compassion, respect and inclusion aren't just words to us. As a Catholic not for profit organisation, these values underpin everything we do.

Our professional and compassionate teams are with you on your life journey; helping you with a wide range of support from early learning and therapy, specialist education, disability services, affordable homes, residential aged care, retirement living and at-home aged care.