

2021 Modern Slavery Statement

1 January to 31 December 2021

Villa Maria Catholic Homes Ltd ABN 32 004 364 103



VMCH

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We continue to 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) for the period 1 January to 31 December 2021 is set out in this document.

This Statement is our second public regulatory disclosure specifically addressing modern slavery in line with the requirements of the Modern Slavery Act 2018 (Cth) (the 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.

In 2021 the Board specifically stated its position in its risk appetite statement by reflecting that VMCH has no appetite to engage in, or engage with, any form of modern slavery. It therefore continues to take a leadership position and clearly and unequivocally state its position for all within the organisation.

As reflected in the Board's risk appetite statement, a commitment to supporting the disadvantaged and marginalised is an essential part of our operations. This is appropriately reflected in the Board's risk appetite statement and our policies and procedures.

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



This Statement sets out the steps we have taken throughout 2021 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 and Risk Committee. It was approved and endorsed by VMCH's Board on 2 June 2022.

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.

Our membership of ACAN is an integral part of the joint approach Catholic organisations continue to take 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."

A handwritten signature in black ink, appearing to read 'Julien O'Connell', written over a light blue horizontal line.

Julien O'Connell A.O.
VMCH Board Chairman

1. Mandatory Criteria 1 & 2: The reporting entity and our structure, operations and supply chains

1.1 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 L3, 486 Albert Street, East Melbourne, Victoria.

1.2 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 disability, specialist education, aged care and retirement living services.

Our values underpin the work we do as a Catholic not-for-profit organisation. Our values of compassion, respect, integrity, collaboration and partnerships, stewardship 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.

i) 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 listen deeply. 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 whom we are by supporting people and families to live their best lives, providing a place to call home and spaces to learn and grow.

ii) 2021 Modern Slavery Risk Management Initiatives

Our approach to managing modern slavery risk is to have a continuous improvement program. 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 established the governance structures consistent with VMCH's risk appetite statement and Enterprise Risk Management Framework. In 2021 we continued this work and focused on increasing awareness through communication, online learning and developing networks of champions throughout the organisation as well as commencing our work with our suppliers to understand modern slavery risks within our supply chain.

iii) Our plans for 2022

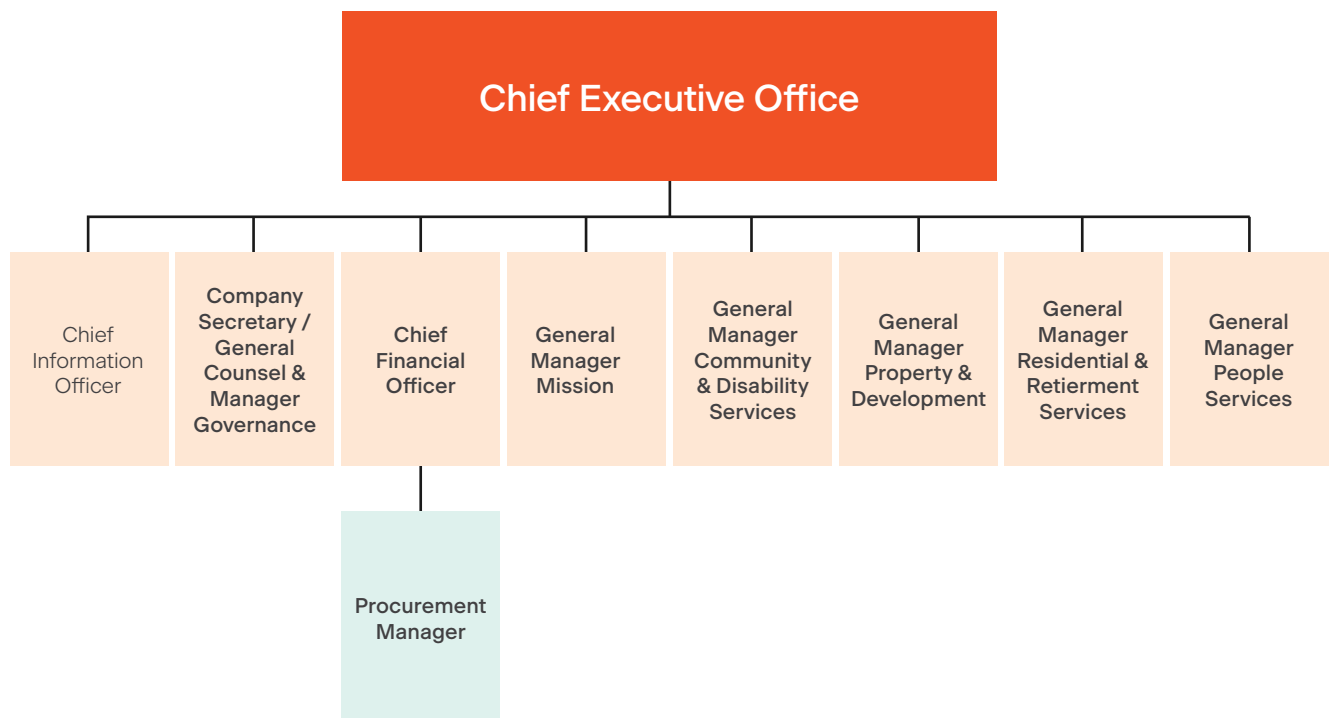
As mentioned above, VMCH takes a continuous improvement perspective to its approach to modern slavery risks. Our plans for 2022 will build on the work undertaken in 2020 and 2021. We will continue our membership of ACAN and consolidate the work undertaken in previous years to solidify and embed practices and further develop the awareness of modern slavery risk throughout the organisation.

1.3 Organisational structure and operations

Our operations include:

- At-home aged care which supports over 4000 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 1041 people in thirteen locations across Victoria.
- Support for over 1500 individuals with disabilities including 220 children at specialist school St Paul's College and in our Early Learning and Therapy programs.
- 18 Specialist Disability Accommodation (SDA) houses across Melbourne that provide specialised support for adults with disability.
- One respite home that provides care and support for children overnight, on weeknights and weekends.
- 564 retirement living apartments/units across 18 locations in Victoria.
- Accommodation to 459 people living in our affordable homes across 21 locations across Victoria.
- Employment of approximately 2,590 people on a full time, part time or casual basis. Of these approximately 340 are full time, 1380 are part time and 736 are casual.

Our organisational structure in 2021 included a procurement function that provided, procurement advice and support to the operational areas.



1.4 Governance structure

Our approach to eradicating modern slavery is embedded in VMCH's broader governance framework. VMCH's Board has responsibility for ensuring a reporting culture and an enterprise risk management framework exists within VMCH. The Quality Compliance and 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 (including modern slavery risks) within which the organisation operates in accordance with VMCH's risk appetite and risk management framework.

A Modern Slavery Working Group (Working Group) was established in 2020 and continued to meet throughout 2021. 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 in determining priority actions to be undertaken and establishing 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. It is chaired by the Chief Legal and Risk Officer and Company Secretary (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.

In 2021 we established a network of modern slavery champions. This group represents staff throughout the organisation who also may have some responsibility for ordering or receiving goods and services and would be staff who may be aware of any potential modern slavery issues. This network is a community of practice with a strong interest in upholding VMCH's position in relation to modern slavery and communicating about modern slavery to the broader VMCH community. In addition, it provides a forum to receive feedback from, and provide information on modern slavery, to the group.

1.5 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 with an Australian presence and many have their head office in Australia. Other suppliers' head offices are based around the world in key countries including China, United Kingdom and the United States. Examples of goods and services sourced are included in the table below.

Examples of goods	Examples of services
<ul style="list-style-type: none">• Medical equipment• Medical consumables• Furnishing• Food supply• Textiles• Building and construction materials	<ul style="list-style-type: none">• Allied health• Labour hire agencies including nursing agencies• Cleaning• Trade services for refurbishments and maintenance• Lifestyle and entertainment• Communications, information technology hardware and software solutions



2. Mandatory criteria 3: Identifying modern slavery risks in operations and supply chain

In 2021 VMCH continued to develop its corporate understanding of modern slavery risk. We developed key processes to assess elevated modern slavery risk areas within our business supply chain.

VMCH joined with other Catholic providers as 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.

2.1 Our COVID-19 response

In 2021, COVID-19 restrictions created challenges for many organisations including VMCH. Our focus was on protecting the people we provide care for, our staff and volunteers from the risk of contracting COVID-19. In addition, our communities and suppliers faced extended lockdowns and rapidly changing health and safety situation and public health directives or Chief Health Officer Orders to deal with the constantly evolving pandemic conditions. The dynamic situation resulted in shifts in production, limited distribution, and shortages of some essential items.

VMCH's organisational Critical Incident Team (CIT) continually monitored the COVID-19 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. In addition, precautions which were required for all staff in relation to PPE requirements were also extended to contractors.

Our commitment to providing care to our customers and our team providing frontline support required a rapid response to sourcing additional medical and consumable items. We worked closely with our preferred suppliers to manage and communicate the changing supply position and establish new supply relationships when required.

The pressures created by dealing with mitigating the risk to our customers and staff from COVID-19, meant that some of the work we would have undertaken in assessing and mitigating the risk of modern slavery during the year was delayed, particularly in the case of face-to-face engagement with suppliers.

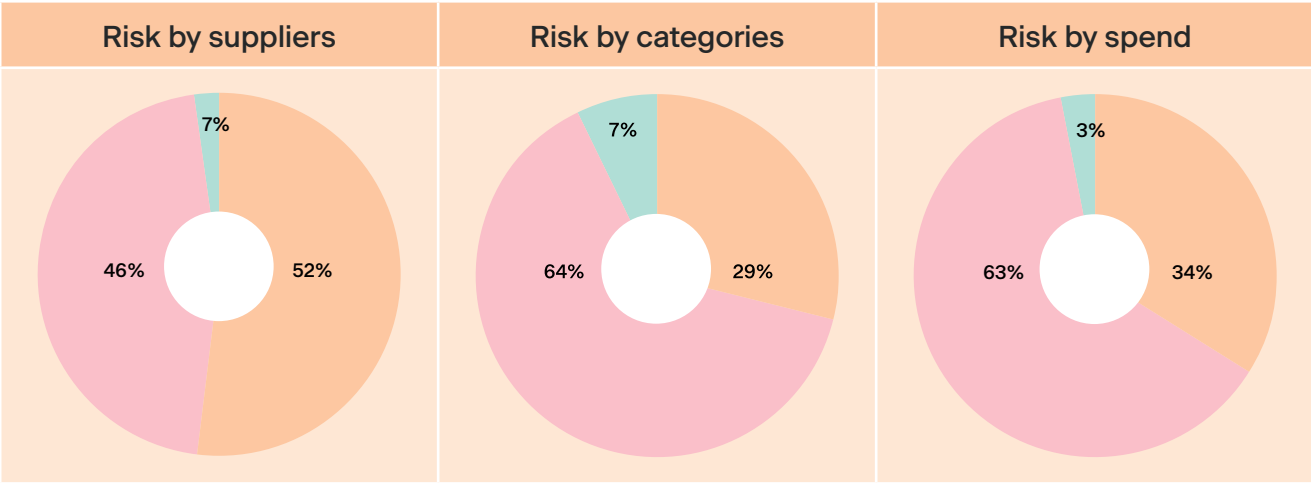
2.2 Operational and supply chain risks

VMCH recognises that modern slavery may occur in our organisation and extended supply chain. In conjunction with ACAN, in 2020 VMCH undertook a supplier risk analysis of our top 48 suppliers (by spend). As operations did not change substantially in 2021, the analysis was still relevant in the 2021 period.

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

There were nine 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 to consider that have may have a high risk of modern slavery is labour hire risk through hire, using agency and outsourcing of staff through via third party suppliers.

3. Mandatory criteria 4: Action taken to assess and address modern slavery risks

The focus for the initial phase of modern slavery risk mitigation in 2020 and 2021 was on establishing the foundations for further work. Actions taken to assess and address modern slavery risks are outlined below.

3.1 Governance framework

VMCH became a member of the ACAN with a modern slavery liaison office (MSLO) representative. ACAN is a network of over 34 Catholic entities. VMCH's MSLO attended ACAN conferences and monthly meetings. These meetings aimed to understand the potential modern day slavery risks and provide member organisations, including VMCH, with resources to assist in the modern slavery mitigation plans.

The VMCH Board reviewed its risk appetite statement. Specifically, it included the Board's position on modern slavery, namely, that VMCH has no appetite to engage in, or engage with, any form of modern slavery.

The Modern Slavery Working Party continued to meet to:

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

The Modern Slavery Policy, together with the Protected Disclosure (Whistleblower) Policy, Procurement Policy, Fraud and Corruption Policy, Employee Grievance Procedure, and Bullying and Discrimination Prevention Policy, provides 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 findings and further treatments for modern slavery can be incorporated to ensure best practice.

VMCH began utilising the SEDEX tools and services (www.sedex.com) to map our supply chain and assist in evaluating the risk of modern slavery within our supply chain. SEDEX is a membership organisation that we have been able to access through our membership of ACAN. It provides an online platform to assist us to manage modern slavery risks within our supply chain. The top 100 suppliers were invited to respond to surveys on questions relating to modern slavery risk. These responses will be analysed as part of VMCH's ongoing work.

The supplier code of conduct was in place.

The ACAN Supplier Engagement Strategy Guide was adopted following the supplier engagement workshop in late 2020 undertaken with key VMCH stakeholders and ACAN.

3.2 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 VMCH's Modern Slavery Policy and any tenderer must accept and comply with the policy to be considered part of the tender.

3.3 Training and education

Online training was developed with the assistance of ACAN and introduced into VMCH's online training portal for employees and volunteers. All the modern slavery champions have undertaken the online training.

Modern Slavery online training is included in the suite of modules directors are required to complete. A webinar was made available for suppliers.

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

3.4 Communication

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

Modern slavery champions were identified and came together as a group of staff who would be most likely to order goods or services and would need to be aware of, or identify, potential modern slavery issues.

3.5 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.

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.

3.6 Future commitment

VMCH has several actions planned for 2022 that directly relate to the identification, management and mitigation of our risks of modern slavery:

- Continued membership of ACAN to leverage 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 complies with VMCH's Modern Slavery Policy as part of the final agreement.
- Utilise the SEDEX platform to further understand the modern slavery risks within our supply chain.
- Bring together the network of modern slavery champions for discussion and presentations regarding modern slavery to improve awareness and engagement on the issue of modern slavery.
- Further development of VMCH's Modern Slavery action plan and road map to further enhance work undertaken to December 2021.

4. Mandatory criteria 5: 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.

5. Mandatory criteria 6: Describe the process of consultation with any entities the reporting entity owns or control

We do not own or control any other entities and therefore this criterion is not applicable.

6. Mandatory criteria 7: Any other information considered relevant

All relevant information has been incorporated into the Statement.

