



MODERN SLAVERY STATEMENT 2020

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CARE WITH DIGNITY
FOR OVER 25 YEARS

OUR PEOPLE OUR CARE

MODERN SLAVERY STATEMENT

Regis Healthcare Limited (ACN 125 203 054)

Year: 1 July 2019 - 30 June 2020

This Modern Slavery Statement is prepared and issued by Regis Healthcare Limited, ACN 125 203 054 (**Regis**) and is made pursuant to the *Modern Slavery Act 2018* (Cth) in respect of Regis and its related bodies corporate (**Regis Group**).

MESSAGE FROM THE MANAGING DIRECTOR AND CEO

Dear Stakeholders,

As one of Australia's largest aged care providers, Regis engages with a diverse range of suppliers in our supply chain to source the goods, services, equipment and technology required to maintain our high quality of care and services.

Our highest priority is the care and wellbeing of our residents, clients and staff. In pursuing quality in our services we are also conscious of the need to protect other vulnerable members of the global community through committing to ending modern slavery.

We condemn all instances of modern slavery and appreciate the responsibility of Australian organisations to be leaders in taking steps towards its eradication. It is especially important to be cognisant of this responsibility during times of unprecedented global crisis, when vulnerabilities in global governance and human rights protections are exacerbated.

We supported the introduction of the *Modern Slavery Act* in 2018 and continue to promote its objectives, as embodied in our Modern Slavery Statement. We are committed to acting legally, ethically and with integrity at all times, both in our business relationships and when providing care to our residents and clients.

From 2019, Regis Group began developing a strong framework for ensuring Modern Slavery Compliance within our supply chains. Regis' Board of Directors approved our Modern Slavery Code of Conduct and Modern Slavery Remediation Policy, which have laid a foundation and expectation for the conduct of Regis Group and our suppliers.

We implemented a plan to ensure our internal business teams and suppliers were all working towards identifying current and potential risks in their supply chains and, if required, remediating instances of modern slavery in those supply chains.

This, our first Modern Slavery Statement, provides us with a valuable opportunity to reflect on our actions so far, and identify opportunities to improve in the future.

Thank you to our valued suppliers for their support, transparency and co-operation as we implement our Modern Slavery Compliance Framework. We look forward to our business units continuing to work with our suppliers to develop our framework and strengthen our capacity to actively manage and remediate potential modern slavery risks and protect the most vulnerable members of our supply chains.



DR LINDA MELLORS
MANAGING DIRECTOR AND CEO

ABOUT REGIS

OUR STRUCTURE

Regis is an ASX listed company, incorporated in Australia with its national office in Melbourne, Victoria.

Regis' subsidiary companies include Regis Group Pty Ltd, Retirement Care Australia (Logan) Pty Ltd and Regis Aged Care Pty Ltd (Regis Aged Care), (together referred to as "Regis Group" or "us" or "we" or "our"). Regis Aged Care is the operating entity in the Regis Group and is the chief acquirer of goods and services.

This Modern Slavery Statement is made by Regis and the Regis Group.

Our Board have been continually updated on the reporting and compliance requirements under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Compliance**) including quarterly updates to the Audit, Risk and Compliance Committee on the progress of our Modern Slavery Compliance.

Our approach to Modern Slavery Compliance has been guided by our Board which has approved the Regis Modern Slavery Code of Conduct and the Regis Modern Slavery Remediation Policy. The Board approved this Modern Slavery Statement 2020 on 27 October 2020.

OUR OPERATIONS

Our principal services include the provision of residential aged care services (permanent and respite), home care services, day therapy centres and retirement village living. We are one of the largest and most geographically diverse private aged care providers in Australia, with operations in every state and the Northern Territory. We employ over 9,200 employees.

As at 30 June 2020, we:

- own and operate 65 residential aged care homes across all Australian States and the Northern Territory, with over 7,200 operational beds available to residents;
- operate six home care services in Queensland, Tasmania, Victoria and the Northern Territory;
- provide transitional care placement at three aged care homes and one home care service as part of the flexible care arrangements under the *Aged Care Act 1997* (Cth); and
- operate 586 retirement village units across eight retirement villages in Queensland, Victoria, Tasmania and Western Australia.

Further information about Regis and our operations can be found in the Regis Healthcare Annual Report 2020 (<https://www.regis.com.au/site/wp-content/uploads/2020/09/fy20-regis-healthcare-annual-report.pdf>).

OUR SUPPLY CHAIN

We acquire goods and services from in excess of 650 contacted suppliers. Our supply chain arrangements include suppliers from the following key areas:

- **Corporate and Operational Procurement**, including goods and services required for the care of our residents at our Homes and for our clients in our home care services, retirement villages and day therapy centres. The goods and services acquired include catering, cleaning and waste management, health related services, medical goods and equipment, uniforms, linen, recruitment, staffing including labour hire and information technology; and
- **Capital and Property Works**, including building materials and equipment and construction related services.

We recognise that our large number of suppliers makes undertaking due diligence of our supply chains important to ensure we do business with suppliers who share our values, ethics and approach to sustainable business practice and are aligned with our stance on modern slavery.

IDENTIFYING MODERN SLAVERY RISKS

During 2019 and 2020 we carried out a high level risk assessment of suppliers, informed by guidance from the Department of Home Affairs as well as a review of the indicia applied by companies with similar portfolios to Regis in Australia and the UK in their risk assessments.

OUR OPERATIONS

We believe the risk of modern slavery in our directly employed workforce is very low. This is due to the highly regulated nature of the labour market in Australia, the strict regulation of aged care and nursing sectors, the presence of unions to represent employees, and our employees undertaking work in environments where there are established industrial policies and processes.

OUR SUPPLY CHAIN

We procure goods and services from a large number of suppliers. The goods and services we procure range from uniforms and medical equipment to stationery and staffing through nursing agencies.

To ensure we addressed our resources towards the most effective range of enquiry possible for our first year of modern slavery reporting, each key business team mapped out their material suppliers (being all suppliers who have an annual spend of over \$450,000). This enabled us to establish an initial baseline from which to undertake a risk assessment of any modern slavery risks which exist, or potentially exist, within our material suppliers' organisations and respective supply chains.

A significant number of our suppliers are located in Australasia. In our view, these suppliers have a lower risk of modern slavery occurring in their supply chains, as by virtue of their operational base in Australia, they are required to comply with the *Modern Slavery Act* within their own supply chains.

HIGH RISK SUPPLIERS

In assessing material suppliers, we focused on countries with a high risk of modern slavery in their workforces (**High Risk Countries**) using the Global Slavery Index Vulnerability model. This model identifies countries with a greater risk of modern slavery due to governance issues (including corruption, lack of basic social needs, inequality) and the impact of internal and external conflicts.

We identified a number of material suppliers who are either located in, or procure their goods from, High Risk Countries (**High Risk Suppliers**). Some examples of our High Risk Suppliers include suppliers of:

- construction and building works and materials;
- technology including hardware and software;
- catering and food related products such as tea and coffee;
- medical and chemical goods and equipment including Personal Protection Equipment (PPE); and
- textile related goods such as uniforms.

High Risk Suppliers were requested to complete a Modern Slavery Self-Assessment Questionnaire (**Modern Slavery Questionnaire**). All High Risk Suppliers completed the Modern Slavery Questionnaire and these responses were used to inform our consideration of any required remediation (see "D. Audit and Remediation Process" in the next section).

REGIS' MODERN SLAVERY COMPLIANCE FRAMEWORK

We are committed to acting ethically and with integrity in our all our business relationships. This includes taking all reasonable steps to ensure that modern slavery does not exist in any part of our business or in our supply chains.

We expect our suppliers to share our commitment to act lawfully and ethically to ensure the same within their organisations and their supply chains.

Our focus in our first reporting year was to establish a framework to ensure that we have sound governance processes in place to meet our Modern Slavery Compliance.

In summary, our Modern Slavery Compliance Framework includes:

- The publication of our Modern Slavery Code of Conduct;
- The development of our Modern Slavery Remediation Policy;
- The provision of modern slavery training to our staff to reinforce our compliance obligations; and
- Our high level assessment and audit of the modern slavery risks in our key suppliers and their supply chains.

Our Modern Slavery Compliance Framework will ensure that we continue to meet the commitments stated in our Modern Slavery Code of Conduct.

We have set out below in more detail what our Modern Slavery Compliance Framework entails.

A. GOVERNANCE

Modern Slavery Code of Conduct

We have published our Modern Slavery Code of Conduct on our website at: <https://www.regis.com.au/modern-slavery-code-of-conduct/>. In summary, our Modern Slavery Code of Conduct sets out:

- a. our commitment to act ethically and with integrity in all our business relationships;
- b. the steps we will take towards eradicating modern slavery in all its forms both within our organisation and in our supply chains;
- c. our minimum expectations of our suppliers, including:
 - i. opposing modern slavery in all its forms
 - ii. paying fair wages in line with legislation and awards; and
 - iii. monitoring supply chains for modern slavery risk.

Modern Slavery Remediation Policy

Our Board has approved the Regis Modern Slavery Remediation Policy which sets out the steps that Regis will take in the event that remediation steps to rectify a modern slavery event are required.

In summary, our remedial steps include:

- a. having reporting avenues to report modern slavery within our organisation and our supply chains (including our whistle-blower reporting channels);
- b. preparing corrective action plans to address actual modern slavery breaches; and
- c. endorsing and putting in place remedies that include formal apologies and compensation for victims of modern slavery.

We have also introduced escalation processes (such as reporting channels that escalate up to our General Counsel and our Board) to allow for notification of concerns through to senior management and the Board.

B. EDUCATION AND TRAINING

To ensure awareness of modern slavery risks and to reinforce the standards of conduct that we expect of all our staff, we have provided modern slavery training for our key business teams who interact with, manage and procure goods and services from suppliers in our supply chains.

C. STANDARD PROCUREMENT AGREEMENTS, DUE DILIGENCE AND ON BOARDING PROCESS

We have revised our standard form contractual arrangements and procurement processes to include contractual obligations to address Modern Slavery Compliance including:

- a. adherence to the Regis Modern Slavery Code of Conduct;
- b. remediation actions including termination and suspension for breach of our Modern Slavery provisions; and
- c. providing Regis with the right to audit our suppliers and their respective supply chains to review their compliance with the above modern slavery related obligations,

together referred to as the **New Modern Slavery Provisions**.

In the first quarter of 2020, all of Regis' material suppliers varied their supply agreements to include the New Modern Slavery provisions. We also updated our tender and on-boarding documents to ensure we identify modern slavery risks early with new suppliers and during our due diligence processes. Our standard procurement contracts have been amended so that **all** new suppliers commit to adherence to the New Modern Slavery Provisions.

D. AUDIT AND REMEDIATION PROCESS

The responses from our High Risk Suppliers to the Modern Slavery Questionnaires indicate they have implemented adequate steps to mitigate modern slavery risks. In particular, their responses indicate that High Risk Suppliers require organisations in their supply chain to follow an ethical sourcing policy, and where appropriate be audited by third party auditors consistent with the *Modern Slavery Act*. For example, our uniform and tea and coffee suppliers are both certified members of Sedex and utilise Sedex audit formats. The results of the Modern Slavery Questionnaires do not indicate the need for any further actions at this time in relation to these High Risk Suppliers.

We will continue to monitor and re-audit if necessary our High Risk Suppliers and if required follow the remediation steps as set out in our Modern Slavery Remediation Policy.

THE IMPACT OF COVID-19

The COVID-19 pandemic has been unprecedented and created a significant challenge for the aged care sector. The older people who receive care and services from us are among the most vulnerable members of the population, and our priority is ensuring their safety and wellbeing and the safety and wellbeing of our staff.

In the first quarter of 2020, we sourced extra PPE as a matter of urgency, which involved entering into emergency arrangements with our existing suppliers and, where the need to source PPE required us to do so, with new suppliers who were mostly engaged on a one-off basis.

Using new suppliers altered our supply chain risk profile for this period. Where possible, we sought to engage suppliers who are based in Australia and who must comply with the *Modern Slavery Act*. The rapidly changing nature of the pandemic and shortages of PPE placed pressure on our procurement team, who had to source units of PPE for over 8,500 staff members in 65 homes across Australia. Regis' capacity to undertake our standard risk assessments in relation to modern slavery was constrained under these circumstances.

As the situation across Australia stabilises, we are prioritising reviewing these arrangements. Where we intend to continue the engagement of any new suppliers, we will also review their supply chains under our normal audit process, for modern slavery risks.

EVALUATING THE EFFICACY OF OUR ACTIONS

We have corporate governance processes in place to ensure that we follow our Modern Slavery Compliance Framework. These processes include:

- the presentation of regular quarterly papers to our Audit, Risk and Compliance Committee. These papers outline the steps we have taken to follow our Modern Slavery Compliance Framework and maintain our Modern Slavery Compliance. Our Audit, Risk and Compliance Committee is responsible for providing oversight on behalf of our Board on all risk related matters;
- the review of all new material supplier contracts by our Legal Team to ensure that modern slavery risks are adequately addressed and our New Modern Slavery Provisions are included in all new supplier contracts;
- spot checks of High Risk Suppliers in relation to compliance with the Modern Slavery Code of Conduct and their modern slavery contractual obligations; and
- requiring regular meetings between the Procurement and Legal Teams to consolidate feedback from our business units and suppliers about existing risk assessment processes and potential new risks.

FUTURE DEVELOPMENTS

In our upcoming reporting year, we aim to continue to revise and develop our approach to Modern Slavery Compliance to build capacity within the business to monitor and act on modern slavery risks in supply chains.

A. IDENTIFYING MODERN SLAVERY RISKS

We expect to work from our foundational review in 2020 to undertake a more in-depth and detailed review of our supply chains in 2021. In particular, we will seek to move beyond our previously identified High Risk Suppliers and undertake a risk assessment of a larger number of our suppliers.

Our intention is to undertake more detailed audits of our supply chains where appropriate to readily identify and promptly rectify (if required) the modern slavery risks in our business and in our supply chains.

B. ADAPTING OUR MODERN SLAVERY COMPLIANCE FRAMEWORK

Our Modern Slavery Compliance Framework will be a living document, subject to further refinement and amendment in future years as a result of any learnings within our business and within the Australian corporate landscape.

