

Modern Slavery Statement 2021





38 Ord Street, West Perth, WA 6005
PO Box 202, Wembley WA 6913
mercyCare.com.au

T: 08 9442 3444
F: 08 9442 3445

MercyCareWA @MercyCareWA @MercyCare

MercyCare Ltd (ACN 098 197 490)
Mercy Community Services Ltd (ABN 96 487 116 582)
Mercy Human Services Ltd (ABN 21 612 759 654)

Kaya Ngaji gurrijin Hello

MercyCare wishes to acknowledge the Whadjuk People of the Bibbulmun nation, also known as Noongar nation, the Yawuru People of Broome and the Aboriginal and Torres Strait Islander Peoples of Derby where MercyCare operates, and pay our respects to elders past, present and emerging.



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Our Vision is for people and communities to thrive, and our Mission is to bring compassion and justice to life and break cycles of significant disadvantage.



Introduction

MercyCare is a not-for-profit provider of aged care, early learning, disability services and family and community services. MercyCare builds on a strong service provision track record in responding to people faced with significant needs.

Our Vision is for people and communities to thrive, and our Mission is to bring compassion and justice to life and break cycles of significant disadvantage.

With this ethos driving the very core of what we do, we share MercyCare's first Modern Slavery Statement.

We recognise the pain and suffering of those exploited across the globe through the use of coercion, threats and violence and we will work to bring an end to forced labour, child labour, trafficking and other forms of actions that deprive people of their freedoms.

Yet despite these challenges, MercyCare is determined to play a part in ending Modern Slavery.

MercyCare recognises that we have a long way to go and that the eradication of slavery is a challenging path, with risks

throughout almost every supply chain across the world and even in Australia.

We recognise approaching this challenge requires cooperation from our suppliers and partners and we are committed to sharing our knowledge and resources with others to help bring about change.

Endorsement

This Modern Slavery Statement, as defined by the Modern Slavery Act 2018 (Cth) (Commonwealth Act), was approved by the Board of Directors of MercyCare Ltd on 7 April 2022.



Mary Woodford
Board Chair





PART 1

The Entities

This statement is prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth) in relation to the following entities:

MercyCare Ltd (ACN 098 197 490)

**Mercy Community Services Ltd
(ABN 96 487 116 582)**

**Mercy Human Services Ltd
(ABN 21 612 759 654),
(together MercyCare).**

The organisation currently has 1390 staff and 140 volunteers located and operating in 44 locations across the Perth metropolitan area and in the West Kimberley who have an unwavering commitment to MercyCare's values and mission.

Our workforce is diverse with around 85 per cent of the workforce being female and over 20 per cent speaking a first language other than English.

MercyCare's origins date back to 1846 when the Sisters of Mercy arrived in Western Australia and established a long track record of service to the Perth community.

As a not-for-profit organisation, MercyCare has expanded its reach and breadth of service to support thousands of Western Australians, focusing on those who need us most and ensuring our services are there to support people throughout their life journey.

Our organisation has grown significantly over the past five years, with our revenue now exceeding \$100 million.

We are now adopting a more robust and structured approach to identify and mitigate modern slavery risks that may arise from the work we do and we are pleased to publish our first Modern Slavery Statement.

MercyCare recognises that this is a challenging and evolving process and commits to working within our organisation and with others that we interact with to continuously improve our approach and response to modern slavery.

We are now adopting a more robust and structured approach to identify and mitigate modern slavery risks that may arise from the work we do.

PART 2

Our structure, operations and supply chains

Structure

The MercyCare civil entities listed above in Part 1, are the civil entities through which MercyCare, a Public Juridical Person (PJP) of the Catholic Church formed under Canon Law, operates.

Mercy Community Services Ltd and Mercy Human Services Ltd are subsidiaries of MercyCare Limited.

The MercyCare civil entities are companies limited by guarantee. They are governed by a Board of Directors with the requirement to operate as a non-profit organisation pursuant to their relevant constitutions. MercyCare Ltd is registered as a charity with the Australian Charities and Not-for-Profits Commission and has a Public Benevolent Institution (PBI) status.

FIVE KEY AREAS OF SERVICE



Residential Aged Care



Community Aged Care



Community, Family and Children Services



Disability Services



Early Learning Services

Operations

MercyCare has over 1,390 employees.

Our Head Office is based in West Perth. Across the Perth metropolitan area, MercyCare has 14 early learning centres, five residential aged care facilities and a retirement village. We also provide a range of community services, family and youth services and disability and home care support across Perth. In addition, MercyCare manages two short stay accommodation facilities for Aboriginal and Torres Strait Islander people in Broome and Derby in the Kimberley region.

Supply Chains

MercyCare spent just over \$42 million dollars throughout its supply chain in the financial year to June 2021. All suppliers are Australian businesses, although many are linked to international organisations. We purchase a diverse range of goods and services across approximately 700 suppliers. Our primary categories of spend are:

- Agency labour hire
- Medical equipment and aids
- Business technology
- Food and beverages
- Specialist consultancy services



PART 3

Modern Slavery Risks

MercyCare is cognisant of modern slavery risks that may exist within the sectors in which we operate, especially regarding care staff.

We recognise the higher proportion of employees from migrant backgrounds, especially where English is not the first language, can leave many exposed to unfair employment conditions.

At MercyCare, our robust recruitment processes, contemporary rostering and payroll systems and our continuous investment in values-based leadership significantly reduce the modern slavery risks. However, we remain vigilant to any practices within our own organisation and our agency support staff to ensure issues do not arise.

We equally recognise the diverse and often hidden risk of modern slavery in our supply chains, especially beyond our tier one vendors. As we grow, we have identified the need to improve our categorisation of our purchases to help better understand the nature of our requirements and the risks that arise. This categorisation will be implemented during the course of 2022.

Towards the end of 2021, MercyCare became a member of the Australian Catholic Anti-Slavery Network (ACAN). This will enable us to undertake more robust risk assessments of our suppliers in collaboration with ACAN member companies and the resources ACAN offer.

In the interim, MercyCare undertook an initial risk assessment referencing data produced by US Department of Labor Bureau of International Labor Affairs. Through this process, we have ascertained our highest risks to be:

- Medical and clinical supplies
 - such as rubber gloves, textiles
- Textiles – bed linen and towels used in our aged care facilities
- Children's toys
- Food and drink
- Workwear
- Technology

Our aim is to explore these categories in more depth, seeking to map the supply chain from the source to use to better identify the modern slavery risks associated with the procurement of the above listed supplies.

We recognise the higher proportion of employees from migrant backgrounds, especially where English is not the first language, can leave many exposed to unfair employment conditions.



PART 4

Our Actions

As this is our initial Modern Slavery Statement, MercyCare's focus is to strengthen our understanding of potential modern slavery risks in our operations and supply chain. This past year has been the start of our journey towards focusing more on eliminating the risks of modern slavery.

Our actions to date



MercyCare published a **Modern Slavery Policy**, approved by our Board, to be adopted in all areas of our work, especially within our procurement activities. This Policy will be regularly reviewed to assess and address risks of modern slavery.



A project to systemise our **purchase order process** with the aim to provide improved compliance and better categorisation of our spend, which in turn will help us focus on the highest risks within our supply chain.



We have commissioned the **preparation of contract standards** to include specific obligations for our suppliers to consider modern slavery risks and work with us to mitigate such risks.



These actions are simply foundational steps in our approach to Modern Slavery. Our initial goal is to ensure we have a robust understanding of the issue and evaluate where modern slavery exists within our operations and supply chains.



MEMBER
OF ACAN

MercyCare have joined the **Australian Catholic Anti-slavery Network (ACAN)** to support our risk assessment process, share best practice across member organisations and facilitate training and awareness for key staff and employees.



SEDEX
ACCESS

Our engagement with ACAN also brings **access to Sedex** – an online platform designed to collaboratively identify and reduce risks in supply chains. Throughout 2022, MercyCare will work with ACAN to improve our efforts in tackling modern slavery risks.



CHRISTMAS
REFLECTION

MercyCare sponsored a **Christmas Reflection** on Modern Slavery, Let the Children Be Heard, to help to raise awareness in the wider community.



We acknowledge the importance of assessing the effectiveness of our actions to manage and mitigate the risks of modern slavery.

PART 5

Effectiveness of our Actions

This is our first step towards improving the management of modern slavery risk and embedding risk evaluation and decision-making into our procurement procedures.

We have carefully considered the key actions to be taken so the maximum benefit can be achieved and our future modern slavery risk management practices can be improved.

We acknowledge the importance of assessing the effectiveness of our actions to manage and mitigate the risks of modern slavery in our operations and supply chain.

PART 6

Consultation Process

In reviewing our approach to modern slavery, MercyCare has consulted with our auditors (Ernest & Young) who have provided guidance in relation to our obligations in regard to modern slavery.

Our Board of Directors have also been involved in discussions relating to this subject and are fully committed to the organisation taking steps above and beyond the requirements of the Act.

We have also sought an understanding of practices deployed by other Catholic organisations and will seek to develop this network further in the next financial year.

PART 7

Consulting with Entities Owned or Controlled by MercyCare

All entities owned and controlled by MercyCare are managed and governed by the same Executive Team and Board.

MercyCare consulted with each entity that it owns and controls for this modern slavery statement. Each entity owned and controlled by MercyCare understands the organisation's commitment to reduce modern slavery risks in its operations and supply chain. MercyCare will continue to engage in discussions with each of its controlled entities regarding modern slavery risks.



PART 8

Action Plan

Procurement Practices

Training and Awareness



All staff will receive **modern slavery awareness** training.

More **in-depth training** will be provided to leadership and procurement staff.



A new **purchase order system** will be implemented to improve our categorisation and understanding of our supply chain.

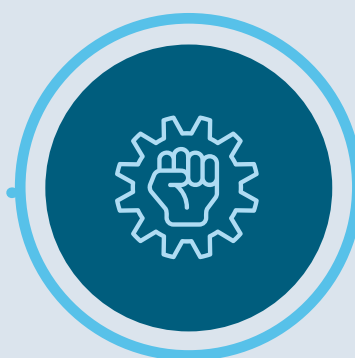
Our procurement strategies and supplier selection **evaluation process** will include modern slavery risks as part of the decision-making process.

Using **Sedex** and **ACAN** resources, we will undertake a deeper risk assessment of our suppliers and seek evidence of commitment to eradicating modern slavery risks from subsequent tiers of the supply chain.

With support from the **McCusker Centre for Citizenship**, we will develop ways to support small and medium sized suppliers to manage and increase awareness of modern slavery risks.

We will create a **Supplier Code of Conduct policy** to share with our suppliers, setting out our expectations of how they should consider modern slavery risks and other social issues.

Labour Practices



We will review our approach to **engaging labour hire** organisations and ensure modern slavery risks are acknowledged and captured in our expectations of agencies.

Modern Slavery Remediation

In the event that suppliers are not adhering to clauses within the Modern Slavery Statement and steps are required to rectify a modern slavery issue, MercyCare's remedial steps will include:

- Providing avenues to report modern slavery within our organisation and our supply chains (including our whistle-blower reporting channels)
- Discussing the allegations with the supplier in question and working closely with them to eliminate the risks
- Sourcing alternative suppliers and products or reassessing procurement requirements if it cannot be rectified with satisfactory processes that have been put in place to address modern slavery.



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