

Modern Slavery Statement

The Royal Women's Hospital

2020/21



the women's
the royal women's hospital
victoria australia

The Royal Women's Slavery Act Statement

This Modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by the Royal Women's Hospital and relates to the financial year 1 July 2020 to 30 June 2021.

1.0 Reporting Criterion 1 & 2 - the Royal Women's Hospital structure, operations and supply chains.

The Royal Women's Hospital ABN 62 787 822 077.

The Royal Women's Hospital (the Women's) is a health service established under section 181 of the Health Services Act 1988 (Vic). The Women's is Australia's first and largest specialist hospital dedicated to improving the health of all women and newborns. Each year, we provide in excess of 250,000 episodes of care for women from 189 countries, who speak 90 different languages, and follow 69 separate religious faiths.

For more than 160 years, the Women's has led the advocacy and advancement of women's health and wellbeing across Victoria and further afield. We are committed to a holistic philosophy of health, providing comprehensive services ranging from health promotion to clinical expertise and leadership in maternity, gynaecology, women's cancer services and in the specialist care of newborns.

The Women's procures goods and services directly from suppliers or through its outsourced procurement services provider Melbourne Health for clinical products and supply chain services.

Major categories of goods and services procured direct by the Women's include:

- Outsourced non-clinical support services (patient meals, cleaning, security, ward support);
- Telecommunications;
- ITS hardware, software and services;
- Professional services;
- Furniture, fittings and equipment;
- Facilities maintenance;
- Financial investments through the Victorian Funds Management Corp. (VFMC); and
- Specialised clinical products.

Melbourne Health supply chain provides the following services:

- Management of all Health Share Victoria (HSV) contracts for the Women's including commercial assessments, product trials, implementation, product substitution and reporting;
- Delivery of goods to the Women's;
- Imprest system to nominated areas for stock; and,
- Non-stock purchases.

As part of the Melbourne Health supply chain agreement, the Women's purchases the majority of the goods and services that it needs from suppliers who are party to HSV collective agreements. As such, it is recognised and accepted that HSV has a significant role in the Women's supply chain.

HSV is a state-wide procurement organisation that partners with Victorian public health services to procure best-value goods and services. HSV works in partnership with public health services to understand their requirements, facilitate large-scale collective tenders, and manage common-use contracts on behalf of the State. HSV works with approximately 500 suppliers with \$1.2 billion in total value under contract, covering a broad range of services, equipment and supplies across a number of categories. These include ventilators, infusion pumps, beds, mattresses, patient trolleys, treatment chairs, hypodermic needles and syringes, gloves, pharmaceutical products, IV fluids, agency labour, catering and office supplies, laundry and linen services.

The Women's upholds the Australian Government's position on modern slavery, in that there is no place for modern slavery in the Australian community or in the global supply chains of Australian goods and services.

In recognising the significant role that it has in the Women's supply chain, and the benefit of its actions for the broader sector, HSV has made a commitment to the Women's to assist it in addressing supply chain modern slavery risk, by:

- Assisting the Women's to meet its reporting requirement under the Act;
- Implementing and enforcing effective systems and controls to reduce the risk of modern slavery;
- Ensuring there is transparency in its operations and approach to addressing modern slavery risk;
- Fostering open and transparent supplier relationships which encourage modern slavery reporting and meaningful change through remediation; and,
- Applying a continuous improvement approach to how it supports health services to report on the risk of modern slavery practices within their operations and supply chains.

Acknowledging the impacts of the COVID-19 pandemic on global supply chains, and a significant increase in demand for personal protective equipment (PPE), the Victorian Government centralised, through HSV, the ordering, warehousing and distribution of all tier 1 PPE and other items to ensure essential supplies were reaching areas with the greatest clinical need. Tier 1 PPE supplied through a State Supply Chain (SSC) includes N95 respirators, surgical masks, visors, hand hygiene, eye protection, isolation gowns, examination gloves, aprons and face shields. Other categories also supplied through the SSC are swabs, disinfectant wipes, caps/bouffants, overshoe covers and sterilisation wrap.

In 2021/22, as part of a State government initiative to streamline practices within the Victorian public health sector's supply chain, the Women's will transition its supply chain contract from Melbourne Health to HSV.

2.0 Reporting Criterion 3 - Risks of modern slavery practices in the operations and supply chains of the Royal Women's Hospital

The Women's has not caused or contributed to modern slavery practices, but acknowledges that modern slavery risk exists in supply chains from offshore and high-risk geographies.

Growing evidence demonstrates high occurrences of modern slavery in the sourcing of raw materials and production of health care goods, including gloves, surgical instruments, patient clothing, uniforms and footwear of health care professionals, sheets, towels and other textiles, and electronic health care equipment. Daily, health services use these goods to ensure the overall health and well-being of Australians. Australia is reliant on these imports from global supply chains for the supply of these essential products to health services.

Sourcing of raw materials and production of these health care goods often involves hazardous working conditions, labour exploitation, child labour and other abuses. There is a high-risk that Australian businesses are exposed to modern slavery risks and that Australian goods and services are tainted by modern slavery. This risk may be heightened for large companies and other entities with extensive and complex global supply chains.

The COVID-19 pandemic has heightened modern slavery risks in the health care sector. The International Labour Organisation has predicted that between 20 and 35 million more people will be in working poverty than in the pre COVID-19 estimates. The pandemic has posed unprecedented challenges, disrupting supply chains, causing many workers to lose their jobs and being forced to look for opportunities in informal economies, which are rife with exploitation. Businesses are contending with difficult human rights trade-offs to secure their financial viability. The COVID-19 pandemic has also provided employers with stronger incentives and greater latitude for exploitation as there is reduced scrutiny of labour standards. On our behalf, HSV will continue to assess and address additional risks within healthcare supply chains caused by the COVID-19 pandemic.

Increased life expectancy and an ageing population is also expected to increase demand for health care goods and services in Australia in the years ahead, further increasing the risk of modern slavery within complex global supply chains.

Further, current health sector understanding is that:

- Highest risk is in procurement of medical goods, surgical equipment, and medical supplies (raw materials and manufacturing);
- Often involves hazardous working conditions, labour exploitation, child labour and other abuses particularly at lower tiers of a supply chain and in countries with less human rights regulation, for example:
 - gloves manufacturing usually occurs in Malaysia, Thailand, and Sri Lanka where forced labour is high risk;
 - manufacturing of surgical equipment such as scissors, scalpels and forceps mostly occurs in Pakistan where child labour is prevalent;
 - manufacturing of garments such as linens, gowns and patient clothing mostly occurs in India and Pakistan where forced and child labour is high risk; and,
 - healthcare equipment manufacturing mostly occurs in Asia.

The Women's holds a number of investments with the Victorian Funds Management Corp. (VFMC). VFMC has a global investment portfolio spanning most major industries and countries and sectors such as energy, food and beverage, and materials. The VFMC is committed to responsible labour practices and is against all forms of slavery. In this regard the VFMC has a number of key focus areas that it is applying to assist in addressing modern slavery risk.

2.1 Modern Slavery supplier risk assessment

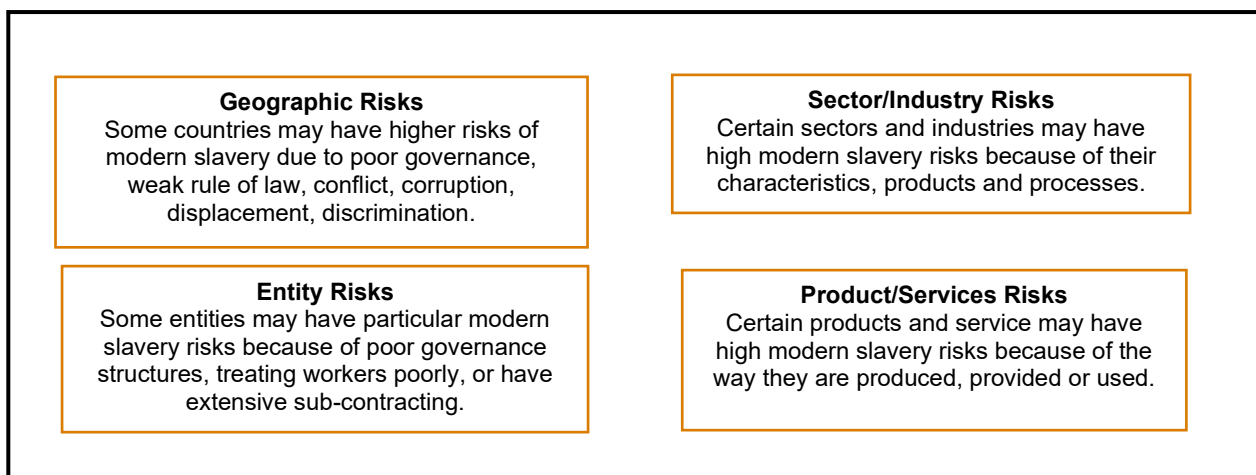
Goods and services procured through HSV collective agreements account for approximately 70% of the Women's non-salary expenditure. Given this quantum, in 2020/21, the Women's has concentrated its efforts within this cohort, and has worked with HSV to undertake risk assessments of suppliers through the HSV collective agreements.

125 suppliers to the Women's were identified from this work, and risk assessment of this cohort were undertaken.

2.2 Methodology

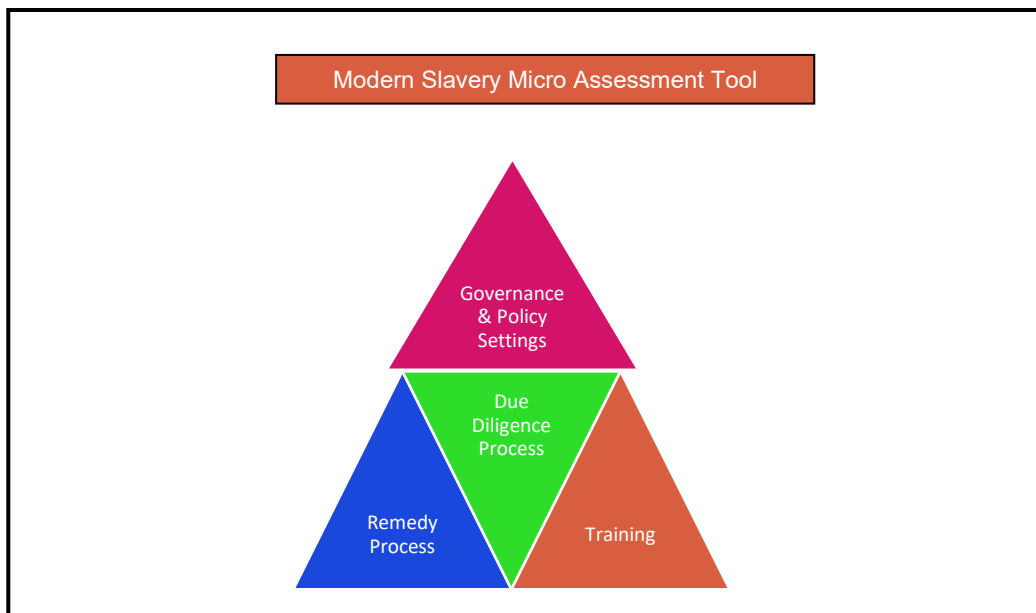
In assessing suppliers, a modern slavery risk assessment tool comprising of macro and micro assessment components was utilised. The macro assessment identified modern slavery risks across four categories.

Modern Slavery Macro Assessment Tool

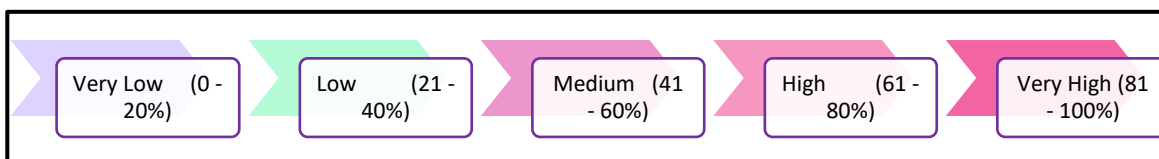


This involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service, or in the location that the product or service is sourced or produced from. The macro assessment also considered whether the nature of the supply chain model carried a greater risk of modern slavery. This type of assessment provided a general understanding of the scope of modern slavery risks that suppliers may carry.

The micro assessment facilitated a detailed analysis by identifying and assessing possible modern slavery risk and in determining what risk mitigation strategies suppliers already had in place and what risks would need to be managed.



Both the macro and micro components included assigned weighting, rating, and risk scales, designed to allocate a modern slavery risk rating to suppliers. Suppliers were allocated one of the following risk ratings: very low, low, medium, high, or very high.

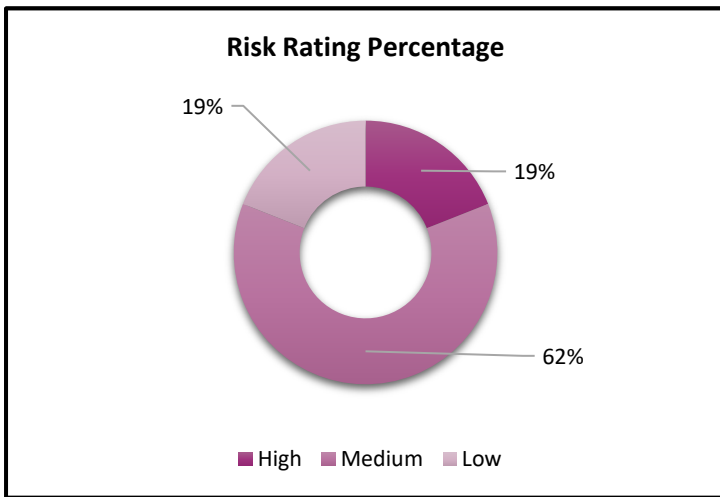


2.3 Operationalisation

The Tool was operationalised in the form of a Modern Slavery Supplier Questionnaire on the Informed365 platform, being HSV’s supply chain management platform. The questionnaire was rolled out to all 125 suppliers on 3 May 2021 with a completion request date of 30 June 2021 to coincide with the conclusion of the second reporting period under the Act. There were 101 respondents and 24 non-respondents, providing an overall response rate of 81 percent.

2.4 Modern slavery supplier risk ratings

This section illustrates the all-inclusive, combined macro and micro assessment outcomes for suppliers, outlining the risk categories in which the suppliers fall.



Risk Category	No. Suppliers
Very High	0
High	19
Medium	63
Low	19

The Women's has requested HSV to provide mitigation strategies in relation to the 19 High Risk suppliers. As part of the Women's 2021/22 actions, the Women's will continue to work with these organisations to further understand and mitigate modern slavery risk.

3.0 Reporting Criterion 4 - actions taken by the Women's to assess and address these risks, including due diligence, remediation processes and contracts

As per the whole public health sector, the Women's has been significantly impacted by the COVID-19 pandemic for a period of 20 months, which has resulted in the Women's relying heavily on HSV to assist it to fully undertake all necessary actions to assess and address modern slavery risks within its operations and supply chains. As such, during 2020/21 the Women's continued working under HSV's leadership and guidance to reduce risk in the supply chains, in line with HSV's advisory and consultancy function under the Victorian Health Services Act.

The focus of the Women's second reporting period under the Modern Slavery Act 2018 (Cth) was to undertake supplier risk assessments, with 125 suppliers from the Women's supplier spend data identified, and assessed via a questionnaire.

In the third reporting period (2021/22), the Women's intends to continue to work collaboratively with HSV to identify mitigation efforts to combat modern slavery risks in each of the 19 high risk suppliers identified, and foster collaboration between the Women's and these suppliers to seek to address these risks.

Additionally, as part of its continued due diligence, the Women's has incorporated a modern slavery clause into any new non-HSV supplier contracts. These clauses commit suppliers to taking all reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in the provision of goods and services.

As well as specific modern slavery provisions, suppliers wishing to conduct business with the Women's, need to commit to the Supplier Code of Conduct, in that under this requirement suppliers are expected to proactively identify, address and where required by legislation, report on risks of modern slavery practices in their business operations and supply chains.

3.1 Actions to be taken by the Women's in 2021/22

The Women's plans to identify mitigation efforts to combat modern slavery risks in each of the 19 high risk suppliers identified, and foster collaboration between the Women's and these suppliers to seek to address these risks.

Additionally, as part of its further involvement in this area, the Women's intends engaging the HSV Modern Slavery Advisor for the purpose of further enhancing existing Women's practices and policies by:

- Undertaking a gap analysis of the Women's current documentation and internal practice and aligning that to comply with the requirements of the Victorian Health Services Act;
- Providing recommendations on amendments to existing procurement policies and related documentation; and
- Undertaking an assessment of the skill set within the Women's Procurement team to determine what further training is required.

In consultation with HSV, the Women's plans to focus on the following improvement initiatives in order to further meet the requirements of the Modern Slavery Act:

- Expand our staff's knowledge base and awareness through continued learning and education programs;
- Monitor and update all documentation and supply agreements as required;
- Undertake risk assessments of the Women's specific suppliers that are not subject to HSV state wide collective agreements; and
- Develop indicators to assess the effectiveness of our actions.

3.2 Training

HSV has facilitated learning programs and training workshops for key health service stakeholders on modern slavery practices and the requirements of the Act. These workshops, attended by the Women's procurement lead, provided guidance on how to address the seven mandatory reporting criteria under the Modern Slavery Act.

4.0 Reporting Criterion 5 - how the Women's assesses the effectiveness of actions taken to assess and address modern slavery risks.

The continued impacts of COVID-19 on the Women's has resulted in reduced capacity to implement mechanisms to assess the effectiveness of actions taken to address our modern slavery risks. The Women's recognises the importance of this activity and will endeavour to introduce assessment mechanisms and indicators when resources allow, planned for 2021/22.

During 2020/21 the Women's has relied on HSV's advice and consultation to understand and fulfil its modern slavery obligations. Recognising their significant role in preventing modern slavery in health service supply chains and the benefits of its actions to the broader sector, HSV developed a comprehensive program of works to support them including:

- A modern slavery toolkit;
- A modern slavery statement guide;
- Supplier engagement template; and
- Modern slavery community of learning program.

In 2020/21, the HSV Modern Slavery Risk Assessment Tool was used to develop the Risk Assessment report for the Women's in August 2021. The Women's will expand on this over the next reporting period by collaborating with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between the Women's and suppliers to seek to address these risks.

5.0 Reporting Criterion 6 - the Women's consultation process with related entities it owns or controls

The Women's does not own or have any controlling interest in any other entities.

6.0 Reporting Criterion 7 - Other relevant information

Nil.

7.0 Closing statement

The Women's is confident that the steps taken in the 2020/21 year have built a good foundation for a robust modern slavery framework. The Women's recognises there is more to do and is committed to continually improving its approach, collaborating with our stakeholders to identify and eradicate modern slavery in our supply chains.

This statement was approved by the Board of The Royal Women's Hospital on 17 March 2022

A handwritten signature in blue ink that reads "Lyn Swinburne". The signature is written in a cursive, flowing style.

Ms Lyn Swinburne AO
Board Chair
The Royal Women's Hospital