



Modern Slavery Statement

Financial year 2021/22

29 November 2022

This modern slavery statement was approved by the Lifeblood Board in its capacity as principal governing body of Lifeblood on 29 November 2022. It is signed by James Birch AM in his role as Chair and Stephen Cornelissen in his role as Chief Executive Officer.

The Statement addresses the mandatory reporting criteria of the Modern Slavery Act 2018 (Cth) in the following sections:

Modern Slavery Act requirement	Page
1. Identify the reporting entity	1-4
2. Describe the reporting entity's structure, operations, and supply chains	1-9
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or control	6-9
4. Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	2-9
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	4-9
6. Describe the process of consultation with any entities that the reporting entity owns or controls	10-11
7. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	1-11

Acknowledgement of Country

Australian Red Cross Lifeblood acknowledges and pays our respects to the past, present and future Traditional Custodians and Elders of this land and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

Who we are and what do we do?

Australian Red Cross Lifeblood (Lifeblood), as part of the Australian Red Cross Society (Red Cross), is guided by a set of principles and values that compel a duty of care towards our people, donors, the community and the environment.

An important part of our duty of care is a commitment to Corporate Social Responsibility and producing an overall positive impact on society. As a good corporate citizen, we support and have positive relationships with the communities in which we operate and behave ethically towards all our stakeholders.

Lifeblood is committed to doing everything that we can to reduce the risks of modern slavery in any of its forms, including forced labour and child labour, in our operations and supply chain.

Our Modern Slavery Statement for the purposes of the *Modern Slavery Act 2018* (Cth) sets out the steps we have taken consistent with our ethical and legal commitments.

Our purpose

Our purpose is life-giving blood, plasma, transplantation and biological products for world-leading health outcomes — through the power of humanity.

Our values



Safety and quality

We make safety and quality part of everything we do



Integrity

We act honestly and ethically at all times



Service

We focus on meeting the needs of patients, the community, customers, donors, stakeholders and colleagues



Collaboration

We work together to achieve our goals



Accountability

We take ownership of our actions and behaviours to ensure we achieve our goals



Excellence

We strive to be the best at what we do

Our governance and structure

Lifeblood is an operating division of the Australian Red Cross Society (Red Cross). The Lifeblood Board reports to the Red Cross Board, which has overall responsibility and oversight and appoints all non-executive board members.

The Red Cross is part of the world's largest humanitarian organisation, which has more than 100 million volunteers in 186 countries. It's independent of government and has no political, religious or cultural affiliation. The Red Cross was established by Royal Charter as an unincorporated society and is registered with independent regulator, the Australian Charities and Not-for-profits Commission, under ABN 50169561394.

Under a delegation from the Red Cross Board, the Lifeblood Board is responsible for and manages the operations of Lifeblood.

Lifeblood has major processing facilities in Brisbane, Melbourne, Sydney and Perth, three customer distribution hubs in Adelaide, Darwin and Hobart, a National Contact Centre in Adelaide supported by corporate functions locally and nationally. We operate 98 fixed and mobile blood donor centres across Australia.



Our operations

We provide critical health products and services to Australia. We deliver one of the world's safest supplies of life-giving biological products, as well as world-class research and expertise in diagnostic, clinical, transplantation and immunogenetics services.

We're committed to clinical excellence, transfusion education, the highest standards of safety and quality, and investing in research and development to help people throughout Australia every day.

We have nine operating divisions:

- Business Growth and Innovation
- Clinical Services and Research
- Corporate
- Corporate Strategy and Transformation
- Donor Services
- Finance
- Information and Communications Technology
- Manufacturing and Quality
- People and Culture

The delivery of the blood supply is governed by the Deed of Agreement with the National Blood Authority (NBA). This statutory agency within the Australian Government health portfolio manages and coordinates arrangements for the supply of blood products and services on behalf of the Australian Government and state and territory governments.

We couldn't do our vital work without over half a million generous donors. These special people volunteer to help thousands of people lead fuller healthier lives. They give blood, plasma and platelets; donate bone marrow; give breast milk; donate microbiota; or sign up to be an organ and tissue donor and transform people's lives. We receive around 1.7 million biological donations annually.

We employ approximately 3800 employees with our workforce consisting of nearly equal numbers of both permanent full-time and part-time employees. We also have a small number of contractors who support our life-giving work as well as over 1,500 volunteers. Our people work in a variety of different work settings including donor centres and processing centres, supported by corporate functions that work across both home and office.

Integrity, ethics and respect underpin our decision making and behaviours at Lifeblood. We have a Code of Conduct that sets out the standard of personal behaviour expected. It provides a shared understanding of the way we behave towards each other to ensure that Lifeblood is an enjoyable place to work. A number of policies covering gender affirmation, equal opportunity and anti-discrimination, workplace bullying and harassment, and fraud and corruption control support the Code. We care about the health and wellbeing of our people, and these policies support that.

The employment of most of our employees is covered by an enterprise agreement and a modern award. All Lifeblood employees have a written contract of employment which provides terms and conditions of employment. Other policies provide additional benefits, for example, parental leave.

Our people can choose whether they join a trade union. We engage constructively with several trade unions including United Voice, the Australian Nursing and Midwifery Federation, Professionals Australia, Health Services Union, Australian Services Union, Community and Public Sector Union, Australian Manufacturing Workers Union and the Transport Workers' Union.

Our Whistleblower Policy supports our 'safe to say' culture where people feel safe and are encouraged to speak up on matters that concern them. Our people can contact a dedicated 24/7 hotline run by an external provider.

Planning and Policies

Strategic Planning

Lifeblood's Strategy 2023 – Blood and Beyond includes a focus on corporate social responsibility as a key strategic foundation area. Our commitment is encapsulated by the organisation's Environment, Social and Governance Sustainability Roadmap 2025, which includes working with many of our suppliers and partners to ensure we do not contribute to modern slavery in any of its forms. Starting in 2020/21, and contained in the annual Business Plan, Lifeblood publishes its annual modern slavery aims and targets. For the 2022/23 reporting period our target is for an online modern slavery questionnaire and supplier risk monitoring tool to be rolled out to the next tier of our suppliers.

Lifeblood Code of Conduct

Our Code of Conduct includes acting in the best interests of Lifeblood and respecting other people through our actions.

Our suppliers are an extension of us. Who we do business with can affect us both positively and negatively. We expect our suppliers to be ethical in their business activities, including relationships, practices and sourcing operations. We take great care in our procurement processes to partner with organisations who meet these expectations, including all relevant legal obligations and treating their people and others fairly and with respect. We have a Supplier Code of Conduct which you can read about more on page 9.

Corporate Social Responsibility Policy

Our Corporate Social Responsibility (CSR) Policy focuses on environmental, social and governance considerations and expresses our vision, mission, values and duty of care. Corporate social responsibilities are a balanced approach for organisations to address economic, social and environmental issues in a way that aims to benefit people, communities and society. This includes how we approach ethical and legal obligations, compliance, financial responsibility and the way we interact with our suppliers as we achieve our purpose. Our policy includes taking steps to avoid contributing to the practice of modern slavery as well as having controls and reporting mechanisms in place.

As part of the Red Cross, Lifeblood is guided by a set of principles and values that compel a duty of care towards our employees, donors, the community and the environment. In addition to this we are required by government under the Deed of Agreement to comply with certain corporate governance standards. One of these is the Australian Standard for Corporate Social Responsibility. Our CSR policy demonstrates how our organisational processes produce an overall positive impact on society and is a key foundation area within our organisational strategy.

Our CSR policy areas

1. Environment

We will actively manage our environmental impact to ensure we are a sustainable business by:

- actively minimising the consumption of materials and resources within our organisation
- promoting environmental awareness and sustainability, and
- moving towards compliance with ISO 14001 environmental standards.

2. Our communities and stakeholders

Lifeblood will ensure we support and have positive relationships with our communities and will behave ethically towards all our stakeholders. Lifeblood employees see service to the community as a valuable social contribution.

3. Our people

Lifeblood is committed to improving employees' general health and wellbeing. We endeavour to enhance employee engagement and retention, as well as improve morale, through inclusive activities. We provide our people with a safe working environment.

We report on those activities and outcomes that support our CSR policy in our Lifeblood Annual Report.

Red Cross Partnership Protocol

In line with the Red Cross Partnership Protocol, we will not engage in partnerships or sponsorships with businesses or affiliates of:

- Manufacturers or sellers of arms and ammunition
- Tobacco companies and products, or
- Pornography companies, products and events.

These non-negotiable risk categories don't affect Lifeblood Teams, our group blood donation program for workmates, friends, teammates and communities who want to make a difference together.

Before entering a partnership or collaboration with an external party, we conduct a risk review and screening of potential partners. During the review process we assess the industry type, organisational values, brand alignment and any history of illegal activity, human rights abuse or activities running counter to the Red Cross fundamental principles. A risk evaluation screening form is available through our national software system for managing and reporting Incident and Quality business processes and is a compliance requirement across the organisation.

Purchasing Policy

Our people making purchasing decisions must act in a manner consistent with our Purchasing Policy, Guide to Ethical Decision Making, and our Supplier Code of Conduct (which is described in detail within this document). Our Purchasing Policy ensures that we seek the best value for money when purchasing products and services, while staying true to our obligations to governments and to our values as an operating division of the Red Cross.

Treasury and Investment Policy

In the pursuit of aligning the Red Cross fundamental principles with the management of our investment portfolio, we apply environmental, social and governance factors to our investment portfolio process. We use ethical investment screening guidelines during the portfolio construction process which exclude those organisations that generate revenues in the categories described above (Partnership Protocol) or operate counter to human and labour rights.

Risks of modern slavery practices in operations and supply chains

There are risks that modern slavery practices exist in the operations and supply chains of our suppliers and other parties that we deal with. We understand that there is a greater risk of such practices where manufacturing and raw material costs are minimised.

Lifblood continues to evolve and to develop our practices with key suppliers to identify and treat any possible modern slavery risks. Our operations are mapped at a high level to identify the types of business, affiliates and individuals that we deal with within the supply chain. This encompasses suppliers and other stakeholders, including the Australian Government.

We present our 2021/22 modern slavery statement in the context of the continuing global disruption caused by the ongoing COVID-19 pandemic, and with the rising global geo-political pressures that we're facing, including the war in Ukraine. These factors, disruptions and challenges affected the additional actions that we took during the past year to mitigate the risk of modern slavery in our supply chains.

Challenges included demand for personal protective equipment, global constraints for raw materials, manufacturing shortages and significant disruptions in international logistics. Lifblood continued to manage these impacts, and as part of our ongoing focus on supply chain disruptions, we're continuing to work with our suppliers to improve transparency across the supply chain and monitor risk of modern slavery risk for our business-critical products.

Over the last year, we expanded the actions that we have previously taken to mitigate the risk of modern slavery in our supply chain. We broadened the use of our Supplier Code of Conduct and expanded the due diligence activities that we undertook with certain new suppliers, including enhancing the evaluation of modern slavery within market evaluations and ongoing supplier relationships. By taking these actions, we identify and mitigate the risks of modern slavery in our supply chain, which helps us to achieve our overall modern slavery objectives.

To support our risk management framework, which includes the risk of modern slavery as a part of our Supply Chain and Procurement enterprise risk, we conducted a desktop assessment of modern slavery risks which are presented in Lifblood's supply chain. As part of our risk assessment, we shortlisted 38 suppliers across different areas of our operations which we considered a heightened modern slavery risk. These suppliers were selected as they not only represented a significant amount of spend, but they were also found to pose an elevated modern slavery risk due to their manufacturing location and countries of origin, or the specific industries these suppliers operated in. The types of goods and services included information technology, clothing and textiles, personal protective equipment (PPE), including rubber and latex products, as well as selective food production and manufacturing suppliers. These 38 suppliers represented over 20% of Lifblood's annual supplier spend. At the time of writing this Statement, with respect to the shortlisted 38 suppliers, we did not identify any modern slavery issues or concerns within the results of the questionnaires.

In partnership with the Red Cross, for these pre-selected suppliers, we implemented an online modern slavery questionnaire, asking about — among other things — the processes that each of the suppliers had in place for identifying, assessing and mitigating any modern slavery risks in their respective operations and supply chains, which will be used for Lifblood to understand and address our risks.

We will continue to review the results of the modern slavery questionnaire and proactively work with suppliers where a heightened risk is identified. In the 2022-23 reporting period, we will continue our due diligence and modern slavery analysis across a broader selection of suppliers. We'll also increase awareness in our procurement operations by implementing further training in relation to modern slavery. As part of our risk management framework, we continue to monitor suppliers for any potential change in risk.

Throughout the 2020/21 and 2021/22 reporting periods, we were required to source additional personal protective equipment and associated products in addition to our routine supplies. Before committing to any

one-off purchases from alternative suppliers or new suppliers, we performed reviews and various supply checks including seeking information about the supplier's approach to eliminating modern slavery practices in their supply chain. As an additional level of due diligence, these suppliers were also part of our modern slavery audit program.

Further strengthening our approach to eliminating modern slavery practices in our supply chain, Lifeblood continued the rollout of our Supplier Relationship Management program across our select critical suppliers. This program includes sustainability and risk management components, with regular discussion with suppliers on any adverse events, which includes a risk analysis of the global geopolitical risk within their operations, and their approaches to eliminating modern slavery practices from within their respective supply chains. Modern slavery remains a standing agenda item in our meetings with key suppliers for discussion on an annual basis.

Notifications

In the current reporting period, we received notifications from one of our suppliers of two potential breaches of modern slavery in our supply chain.

In December 2021, Lifeblood was notified that the United States Customs and Border Protections (U.S. CBP) had issued a Withhold Release Order (WRO) case against one of its independent third-party manufacturers on the grounds of "information that reasonably indicates the use of forced labour in that entity's manufacturing operations." Our supplier advised that they were aware of non-compliances which they had identified through their third-party audit program and were working closely with their independent third-party manufacturer on remediation plans. Lifeblood does not currently use any of the products manufactured by this independent third-party manufacturer.

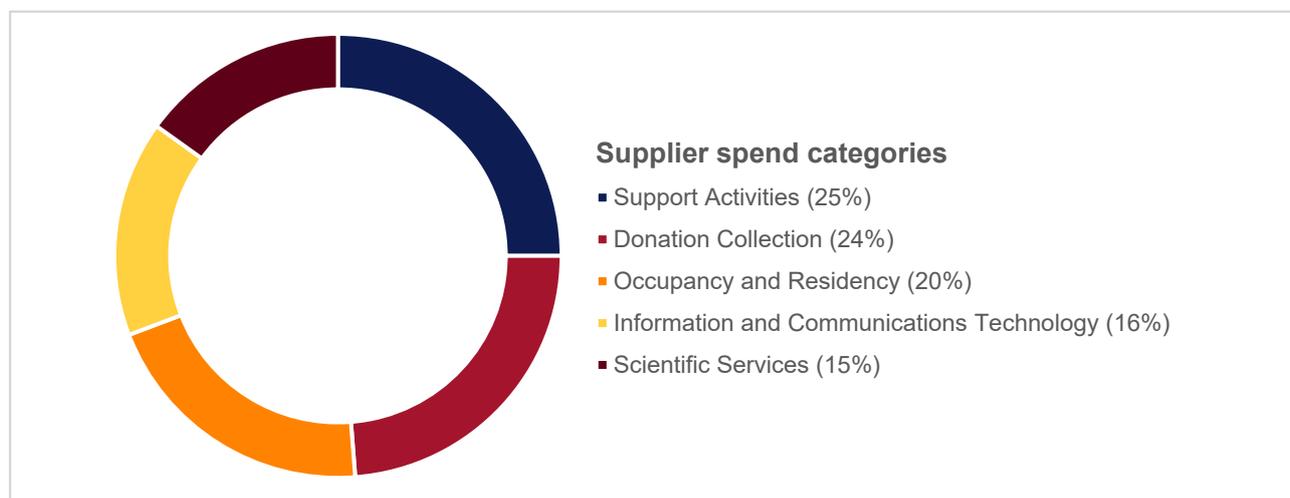
In January 2022, Lifeblood was notified of a second WRO case against another of our suppliers' independent third-party manufacturers. The WRO was again issued on the grounds of "information that reasonably indicates the use of forced labour in that entity's manufacturing operations." Products manufactured by this independent third-party manufacturer are currently used within Lifeblood's operations. Our supplier advised that an independent audit was undertaken in April 2021, which identified one non-conformance. Our supplier advised that this has since been rectified, and they were not aware of any specific evidence that the US CBP had of any labour rights violations. An independent audit was conducted recently, the outcomes of which are under review with the U.S. CBP with the view to having the WRO case lifted.

Through our supplier management program, Lifeblood has continued ongoing dialogues with our supplier in relation to the WRO's and have met regularly to review progress on the supplier's discussions with both independent third-party manufacturers. The supplier maintains that they require all their independent third-party manufacturers to comply with their supplier code of conduct, prohibiting poor labour practices, and that all of their suppliers must demonstrate compliance through undertaking independent audits of their operations. The WRO's are still active cases, and Lifeblood will continue to have ongoing discussions with our supplier until these are resolved. Lifeblood reported the WROs to Red Cross as soon as it became aware of the issue and has kept, and will continue to keep, Red Cross briefed on this issue and its resolution.

Lifeblood is committed to eradicating modern slavery from within our supply chain and continues to look to improve the current supply process and practices with our supplier base. In 2022/23 we will continue our supply chain mapping, including mapping our sub-supply chains and further enhancing our understanding of our countries of origin analysis, and will further invest in technology solutions to assist in modern slavery identification and mitigation as part of our development in better managing the risk of modern slavery. In all but a small number of cases, representing less than 2.5% of our annual supplier spend (e.g., software and technology services, labels, and other ancillary supplies) our transactions are with Australian-based entities, (who are also required to report under the Modern Slavery Act), some of whom are subsidiaries of overseas-based organisations.

Supplier spend categories

In 2021/22, we engaged directly with over 1,350 suppliers. Approximately 80% of our spend was with the top 80 suppliers (50% of our spend was with the top 20 suppliers). Most of our suppliers have sub-supply chains and so also rely on their own suppliers.



Supplier spend categories in the last financial year:

- Our largest category of spend supports our overall operations and corporate business functions and includes freight for the movement of our supplies and finished products, marketing, professional services, and other indirect services representing 25% of total spend.
- Our second largest category of spend supports the collection of donations as well as blood processing, equipment maintenance and distribution of those products. The purchases associated with these activities represent 24% of Lifeblood's expenditure with our supplier network.
- Occupancy and Residency is Lifeblood's next largest spend category at 20%. These costs support the network of collection centres, manufacturing plants and offices where we undertake our life-saving work. After leasing costs, many of these expenses are labour e.g., cleaning and waste management.
- Information and communications technology accounted for 16%. These items are used by Lifeblood employees. It includes services that relate to the licencing, development, and programming of software, ensuring security and providing technology support to our donors and our people.
- Our scientific services area accounts for 15%. The items purchased enable the testing and analysis required to ensure the safe supply of biological products to all Australians.

Our approach to risk management and due diligence

We have screening and due diligence processes in place across Lifeblood. Modern slavery has been incorporated into our human rights due diligence process which expands our enquiries into prospective suppliers' labour supply chains, commitment to diversity, and work health and safety.

A health and safety risk assessment forms part of our sourcing process and sourcing decisions must not compromise health and safety and other legislative obligations.

Supplier Code of Conduct and requirements

We introduced a Supplier Code of Conduct in 2020. All suppliers, new and existing, are required to comply. It sets out our expectations of suppliers' ethical conduct and includes:

- A requirement to take steps to ensure that modern slavery doesn't exist in their supply chain or organisation
- Obligations regarding fair treatment and equal opportunity
- Expectations of business integrity
- Requirements and instructions for reporting concerns

We expect our suppliers to comply with internationally recognised standards for human rights, labour, and the environment in a manner consistent with our Supplier Code of Conduct, the Lifeblood Code of Conduct, and the values of the Red Cross. We developed a communications plan to engage with our suppliers about the Supplier Code of Conduct. As part of our modern slavery questionnaire due diligence, we require our suppliers to re-confirm that they comply with our Supplier Code of Conduct.

Our contract templates, purchase order terms and conditions and tender terms have been updated to include enhanced requirements around modern slavery and human rights. These include requirements that the supplier has taken sufficient steps to investigate its labour practices and those of its suppliers and subcontractors to ensure there is no illegal or exploitative labour practices in the supply chain, and has taken reasonable steps to ensure that processes, procedures, investigations, audit, and compliance systems are in place to adequately address any potential adverse findings. Suppliers are required to notify us of any potential Modern Slavery issues, informing us of any personnel convicted of an offence relating to modern slavery, and advising what actions they are taking to rectify the situation and how it relates to Lifeblood. Suppliers are also required to notify us of any change that may reasonably cause a breach, and we can require them to assess or audit compliance with their obligations.

Modern slavery forms part of our corporate enterprise risk management process, which will help us identify risks of modern slavery practices and screening suppliers in areas of other elements of our Environmental, Social and Governance Sustainability Roadmap, as well as any matters that require further investigation within our supply chains and operations.

Training and education

We have increased awareness of modern slavery, both internally within Lifeblood and externally through engagement with suppliers, other parties and the wider community. We are investigating the use of online training programs which will be intended to raise awareness of the issue of modern slavery and Lifeblood's commitment to modern slavery risk management.

We have in place a modern slavery intranet page to provide our people with resources and updates on current activities we're undertaking to help prevent modern slavery. The resources include a recording of an all staff presentation which provides modern slavery training.

We held a number of briefing sessions for our suppliers on the actions Lifeblood is taking to address modern slavery risks. This included direct briefings with nine key suppliers. In 2021-22 we held our inaugural Supplier Briefing Forum. The virtual forum was attended by over 60 supplier organisations with over 150 supplier executives in attendance. The keynote address was delivered by then Chief Executive Officer, Shelly Park, who presented Lifeblood's Blood and Beyond – Strategy 2023, with a particular emphasis on Lifeblood's Sustainability Roadmap, where modern slavery is a key pillar, including our goals in the areas of environment, social and governance. We are planning for this to be an annual event to be delivered by our Chief Executive Officer and members of the executive team and be available to a broader cross section of Lifeblood's suppliers.

Whistleblowing tools

Lifblood has online resources through a third party for anonymous disclosures by our people or the public, including in relation to modern slavery. Apart from notification form the independent third-party supplier noted earlier, no further disclosures were made regarding modern slavery in the reporting period.

Effectiveness of actions

We are committed to doing everything we can to reduce the risk of contributing to unethical practices that violate fundamental human rights and that our government funding is being used in a manner that is consistent with modern slavery requirements.

Our established multi-disciplinary team meets regularly to evaluate the effectiveness of our actions to identify and mitigate risks of modern slavery in our operations and supply chains. The team also plans and monitors educational activities at Lifblood regarding the issues of modern slavery practices.

Lifblood identifies risks of modern slavery as part of our screening and due diligence processes or through our ongoing communications and auditing with our current suppliers. We do regular evaluations of any risks of modern slavery identified within our core operations and supply chains. From a partnership perspective, the screening process has elevated modern slavery in our decision criteria, which helps us assess risk and identify any areas for further investigation, reporting and guides decisions about whether or not to proceed.

In the past year we have reviewed a number of potential partners through this lens, including in the sport, refreshments, entertainment and transport sectors. The screening process ensured a robust review of labour policies before undertaking any partnership discussions and all Partnership agreements include a Human Rights and Modern Slavery clause.

Detailed mapping of our supply chains and continuing global shocks have combined to highlight further opportunities to better understand supply chains. Our supplier relationship management program has focused on a selection of our most important suppliers who do have control of our primary supply chains. This improves the opportunity to include corporate social responsibilities, including requirements regarding risks of contributing to modern slavery.

Further understanding of country of origin for critical consumables is an initiative we'll continue to enhance to identify products that may originate in areas with a poor history of labour practices and we'll continue our targeted deployment of our modern slavery questionnaire. We're also developing guidelines to preference locally made goods and to support local industry.

As we continue our mapping of suppliers and other parties, we are identifying and considering metrics to assess the impact and our ability to influence.

Consultation

Lifblood forms part of the Red Cross. Lifblood's purpose of delivering life-giving blood plasma, transplantation and biological products for world-leading health outcomes is very different to the Red Cross's purpose. Recognising this, Lifblood operates as a separate division with its own management team and Board as described on page 2.

Given Lifblood's distinct operations, Lifblood prepares and submits its own Modern Slavery Statement approved by Lifblood's principal governing body, the Lifblood Board.

Lifblood consulted with the Red Cross on our actions to assess and address modern slavery and in the preparation of this Statement. Lifblood's General Counsel sits on Red Cross's modern slavery Steering Committee which contains Executives from both divisions. Our established multi-disciplinary group including Strategic Procurement, Legal, Partnerships and Strategy, includes members of both divisions and consults and collaborates on the requirements of the Modern Slavery Act 2018 (Cth) and the approach of both divisions to addressing the requirements and preparing the statements. In addition to formal meetings, the Red Cross Modern Slavery Lead regularly consulted with Lifblood on an informal basis.

During the reporting period as documented previously in this Statement, one of our suppliers was identified as being at risk of forced labour in their supply chain. We reported the WROs to Red Cross as soon as we became aware of the issue and has kept, and will continue to keep, Red Cross briefed on this issue and its resolution. Red Cross has been in regular contact with us through our formal and informal process and are working to support us to act consistently with the United Nations Guiding Principles on Business and Human Rights.

Going forward, we are developing ways to continue our engagement and consultation with the Red Cross. This includes mapping the modern slavery governance structure and management across the two divisions establishing a formal structure to regularly engage cross-functionally, and across management levels, and identify opportunities for collaboration.

Looking forward

In the coming year, we will continue our supply chain monitoring, due diligence, and further education and awareness training. We will continue to map and review our supply chains, survey our suppliers, and develop further assessment tools to identify risks and any matters that require further investigation within our supply chains and operations.

We will further integrate with our sustainability program and increase awareness of modern slavery, both internally within Lifeblood and externally through engagement with suppliers, other parties and the wider community.

This statement constitutes the Modern Slavery Statement of Australian Red Cross Lifeblood for the year ended 30 June 2022 and has been approved by the Lifeblood Board.



Mr James Birch AM
Chair

29/11/2022



Mr Stephen Cornelissen
Chief Executive Officer

29/11/2022