

Modern Slavery Statement

Financial year 2022-23

12 December 2023

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Acknowledgement of Country

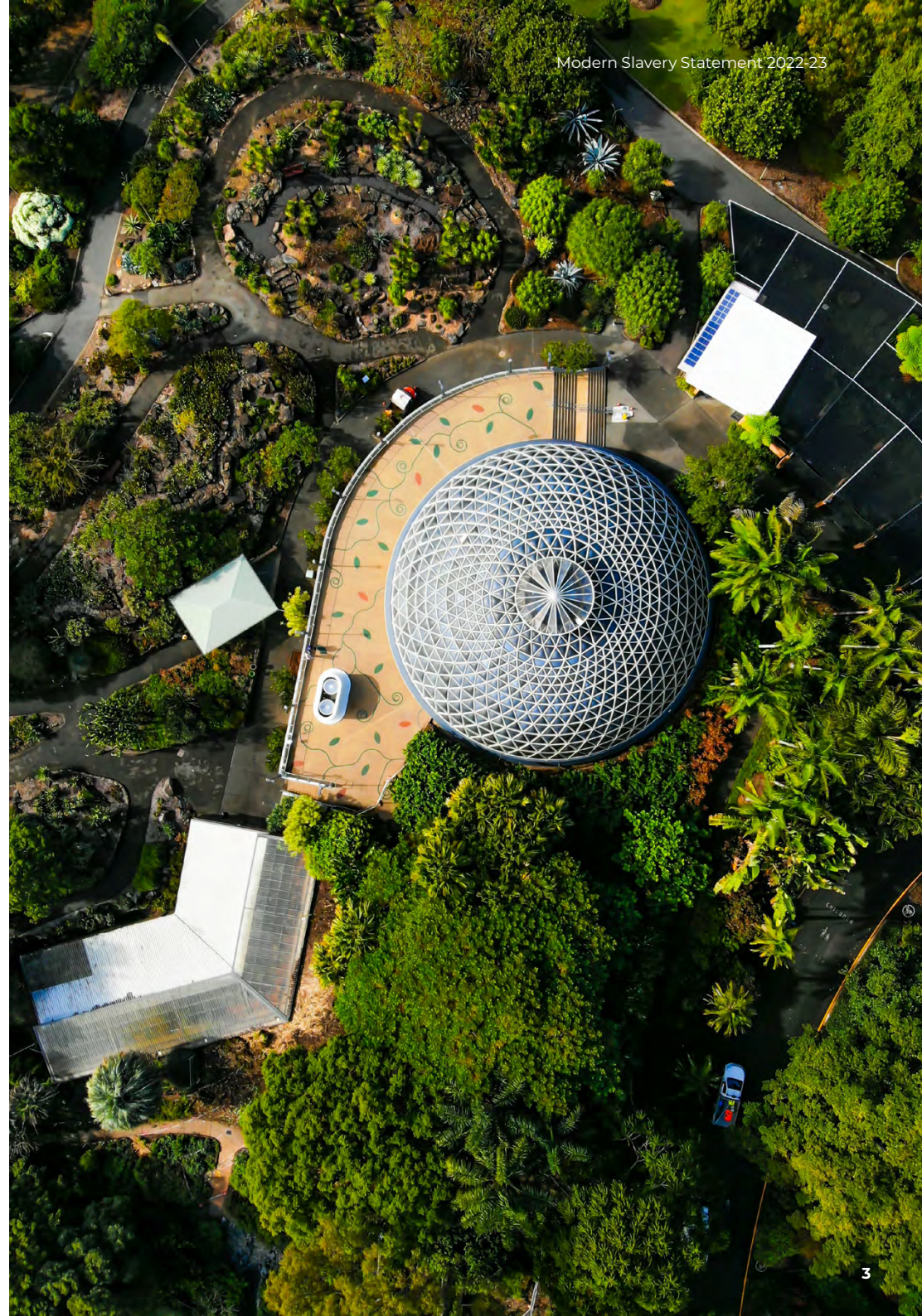
We acknowledge and pay our respects to the past, present, and future Traditional Custodians and Elders of this land and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

Statement on the reporting entity

Lifeblood is a division of the not-for-profit entity, Australian Red Cross Society which is a member of the International Federation of Red Cross and Red Crescent Societies.

We're funded by the Commonwealth, State and Territory governments under a Deed of Agreement (the Deed) administered by the National Blood Authority (NBA).

We're registered at 100-154 Batman Street, West Melbourne, Victoria under the ABN 50 169 561 394.



A letter from our CEO and Chair

On behalf of the Board of Australian Red Cross Lifeblood, we're proud to submit our Modern Slavery statement for the financial year 2022-23, which has been prepared in line with the requirements of the Modern Slavery Act 2018 (Cth).

This is Lifeblood's third Modern Slavery Statement and during FY2022-23 our focus has been on ensuring our suppliers meet our expectations for human rights and compliance with the Supplier Code of Conduct and increasing engagement with suppliers to better understand the risks of modern slavery in our supply chain. We've also reviewed our own operations and conducted modern slavery training and education programs internally.

By taking these actions, we deepen our understanding of modern slavery, the associated risks, and our own path forward. We will use this knowledge to improve our actions when addressing and mitigating the risks.

We recognise modern slavery is a complex issue and that our program is in the developing stages. We remain committed to improving our approach to modern slavery risk management in the future. Lifeblood has a responsibility to respect human rights, and this includes taking action to prevent, mitigate and, where appropriate, remedy modern slavery in our operations and supply chains.

This modern slavery statement was approved by the Lifeblood Board in its capacity as principal governing body of Lifeblood on 12 December 2023.



Mr Stephen Cornelissen
Chief Executive Officer
12 December 2023



Mr James Birch AM
Chair
12 December 2023

About Lifeblood



About us

We provide life-giving blood, plasma, transplantation and biological products for world-leading health outcomes, all the way across Australia. We're there for our communities. Not just with blood, but through our clinical excellence, transfusion education, high standards of safety and quality, and investments in research and development.

We have eight business units:

- Strategy and Growth
- Pathology and Clinical Governance
- Finance and Corporate
- Governance, Quality and Assurance
- Donor Engagement and Experience
- Information and Communications Technology
- Manufacturing and Logistics
- People and Culture

We couldn't do our vital work without over half a million generous donors. They're indispensable and inspirational. They volunteer to help others lead fuller, healthier lives by giving blood, plasma and platelets, donating bone marrow, giving breast milk or microbiota, or signing up to be organ and tissue donors. We receive around 1.7 million biological donations annually.

Our purpose and values

Life-giving donations for life-changing outcomes.

Our values

Our values reflect what is important to us and guide our interactions with donors, staff, suppliers, and our community.



Step up

We have the courage to act, take ownership of our actions and play our parts with conviction.



Embrace curiosity

We are curious minds, ask questions to deepen our understanding and celebrate the diversity of ideas.



Move together

We place our trust in one another, collaborate well and dive into challenging conversations.



Show heart

We place well-being at the forefront and express gratitude and care for one another.

About us

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 50 169 561 394.

Delegated by the Red Cross Board, the Lifeblood Board is responsible for and manages the operations of Lifeblood.

Delivery of the blood supply is governed by the Deed of Agreement with the National Blood Authority (NBA). They're a statutory agency within the Australian Government health portfolio who manage and coordinate the supply of blood products and services.

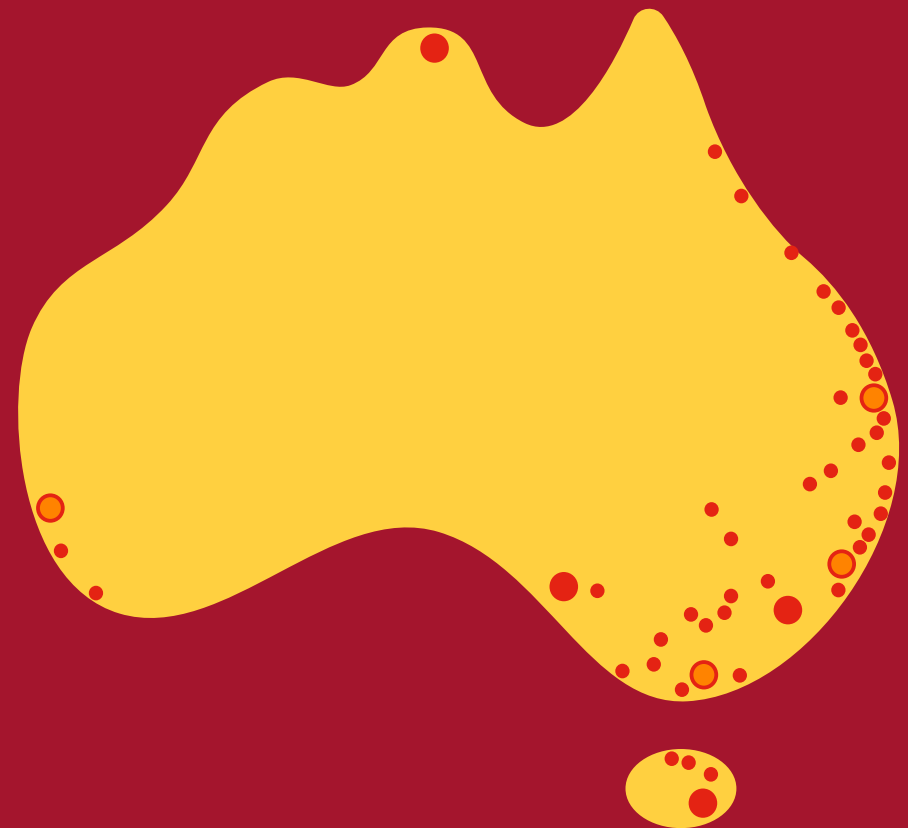
Our locations and our people

We employ approximately 3,800 employees with our workforce consisting of nearly equal numbers of both permanent full-time and part-time employees. We 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.

Human rights are the fundamental principles for how we should treat each other: with dignity, respect, equality and fairness. Lifeblood is committed to being a diverse, equitable and inclusive organisation. Our donors, our communities and our people are our lifeblood. They're indispensable and inspirational, and it's our responsibility to ensure everyone feels included, safe and has equal opportunities to be their best every day. We stand for equal opportunities, inclusivity, respect, pride, accessibility, reconciliation, equity, safety, belonging and fairness.

We have major processing facilities in Brisbane, Melbourne, Sydney and Perth, customer distribution hubs in Adelaide, Darwin and Hobart, and a National Contact Centre in Adelaide, supported by corporate functions locally and nationally.

We operate 102 fixed and mobile blood donor centres across Australia.



- Blood donor centres
- Processing centres

About us continued

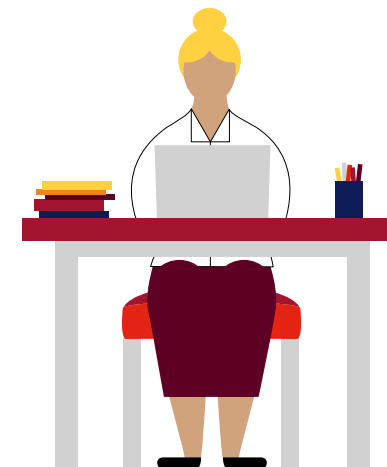
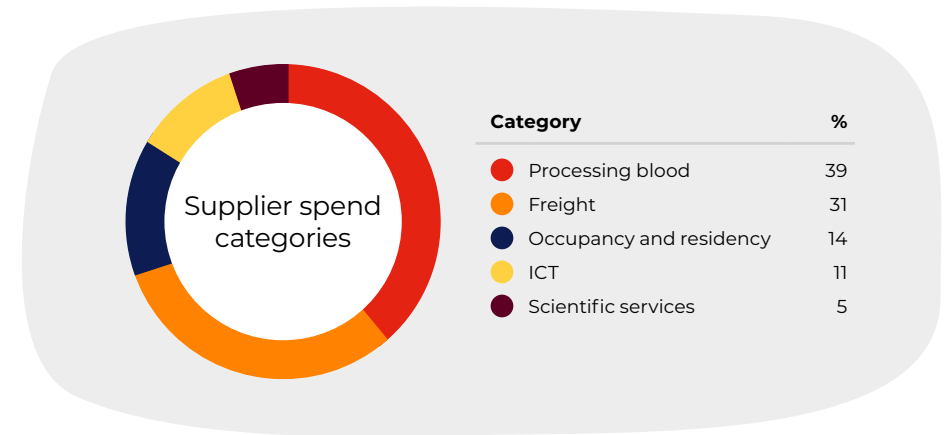
Our supply chain

FY2022-23, we sourced over \$350 million per annum in clinical and non-clinical goods and services from over 1,200 suppliers. Given the unique nature of what we do, we need specific supplies from a core group of particular suppliers. Approximately 50% of our spend was with our top 20 suppliers, with 80% of our spend from 10% of our suppliers.

Supplier spend categories in the last financial year¹:

- Our largest category of spend supports collecting donations as well as processing blood, maintaining equipment and distributing products. The purchases associated with these activities represent 39% of Lifeblood's expenditure with our supplier network.
- Our second category of spend supports our overall operations and corporate business functions and includes freight for moving our supplies and finished products, marketing, professional services, and other indirect services representing 31% of total spend.
- Occupancy and residency is Lifeblood's next largest spend category at 14%. 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, like cleaning and waste management.
- Information and communications technology accounted for 11%. 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 5%. The items purchased enable the testing and analysis required to ensure the safe supply of biological products to all Australians.

¹In October 2022 Lifeblood implemented a new enterprise resource planning (ERP) system, which included new supply chain and purchasing modules. We reclassified several spend categories, and the chart represents a combination of the spend categories across prior and current systems.



Risk assessment

There are modern slavery risks within our operations, supply chains and the parties that we deal with.

We present our FY2022-23 modern slavery statement in the context of the global disruption caused by the COVID-19 pandemic, and with the global geo-political pressures that we're facing, including the ongoing war in Ukraine. These factors, disruptions and challenges affected the additional actions that we took during the past year and continue to take to mitigate the risks of modern slavery in our supply chains.

We faced additional challenges due to energy production and constraints for raw materials, manufacturing shortages and ongoing disruptions in international logistics. All of which has meant increased costs of products and services, through our suppliers not only in Australia, but across the globe. Lifeblood continues to manage these impacts, and we're continuing to work with our suppliers to improve transparency across the supply chain and monitor modern slavery risk for our business-critical products as part of our ongoing focus on supply chain disruptions and continuity of supply.



Risk assessment

Risks in our operations

Our operations are mapped at a high-level to identify the potential risk of modern slavery.

The risk of modern slavery in our own workforce is considered low. This is due to operating in Australia, and the type of workers we engage. Almost all our workforce is directly engaged by Lifeblood. The table below outlines how our people are employed and the overall risk.

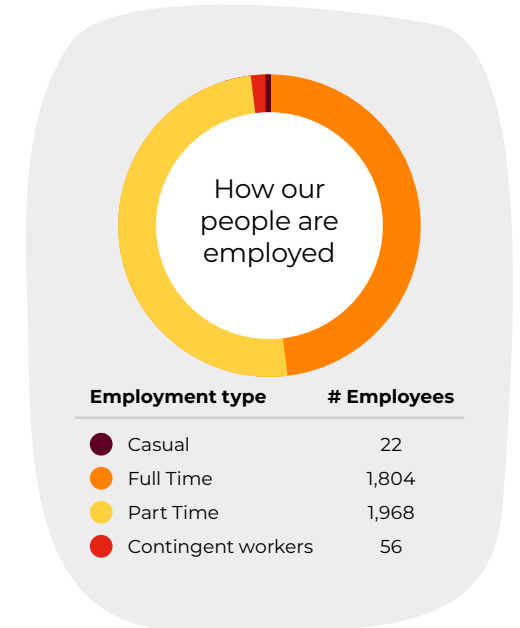
Employment type	Description	Risk level
Employees directly engaged by Lifeblood	Lifeblood employees may be employed under an enterprise agreement or an individual contract of employment and are paid directly by Lifeblood through wages and other entitlements.	Very low
Contingent workers	Contingent workers are employed via an agency or a supplier of recruitment related services including staff augmentation ² . Professional Services firms or vendors often offer staff augmentation services and therefore can also supply contingent workers to Lifeblood. A contingent worker is hired to perform a specific role at Lifeblood on a temporary basis. Contingent workers are not paid by Lifeblood, they receive wages and other entitlements from the agency or supplier. Lifeblood pays an invoice for the Contingent Worker.	Low

²Staff augmentation is a type of outsourcing model that uses temporary workers to fill short-term job positions within an organisation.

All Lifeblood employees have a written contract of employment which provides terms and conditions. Most of our people are employed under an enterprise agreement underpinned by a Modern Award which provides further (core) terms and conditions and additional benefits, such as paid parental leave, which may then be further defined in policies.

Our people can choose whether they join a trade union. We engage constructively with several trade unions including the Australian Nursing and Midwifery Federation, Professionals Australia, and the Health Services 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, Stoptline.



Risk assessment continued

Risks in our supply chain

To support our risk management framework, we regularly map high-level risk, considering the suppliers in our supply chain.

We acknowledge that we deal with suppliers from several industries with higher risk of modern slavery. As part of our ongoing risk monitoring and assessment, we focus on suppliers across different areas of our organisation that not only represent a significant amount of spend, but also pose an elevated modern slavery risk. These industries have known risk factors and links to instances of modern slavery, outlined below:

Industry	Inherent modern slavery risk factors
Information technology	<ul style="list-style-type: none"> · Job competition · Mineral supply chains · Forced work internships
Clothing and textiles	<ul style="list-style-type: none"> · Tracing difficulties · Labour market intermediaries · Delivery time challenges · Cotton production
Personal protective equipment (PPE)	<ul style="list-style-type: none"> · Skill level · Labour intensity · Employee accommodation · Short-term and temporary workers
Elective food production and manufacturing suppliers	<ul style="list-style-type: none"> · Labour-hire contractors and seasonal workers · Poor conditions · Cocoa industry higher risk of forced labour

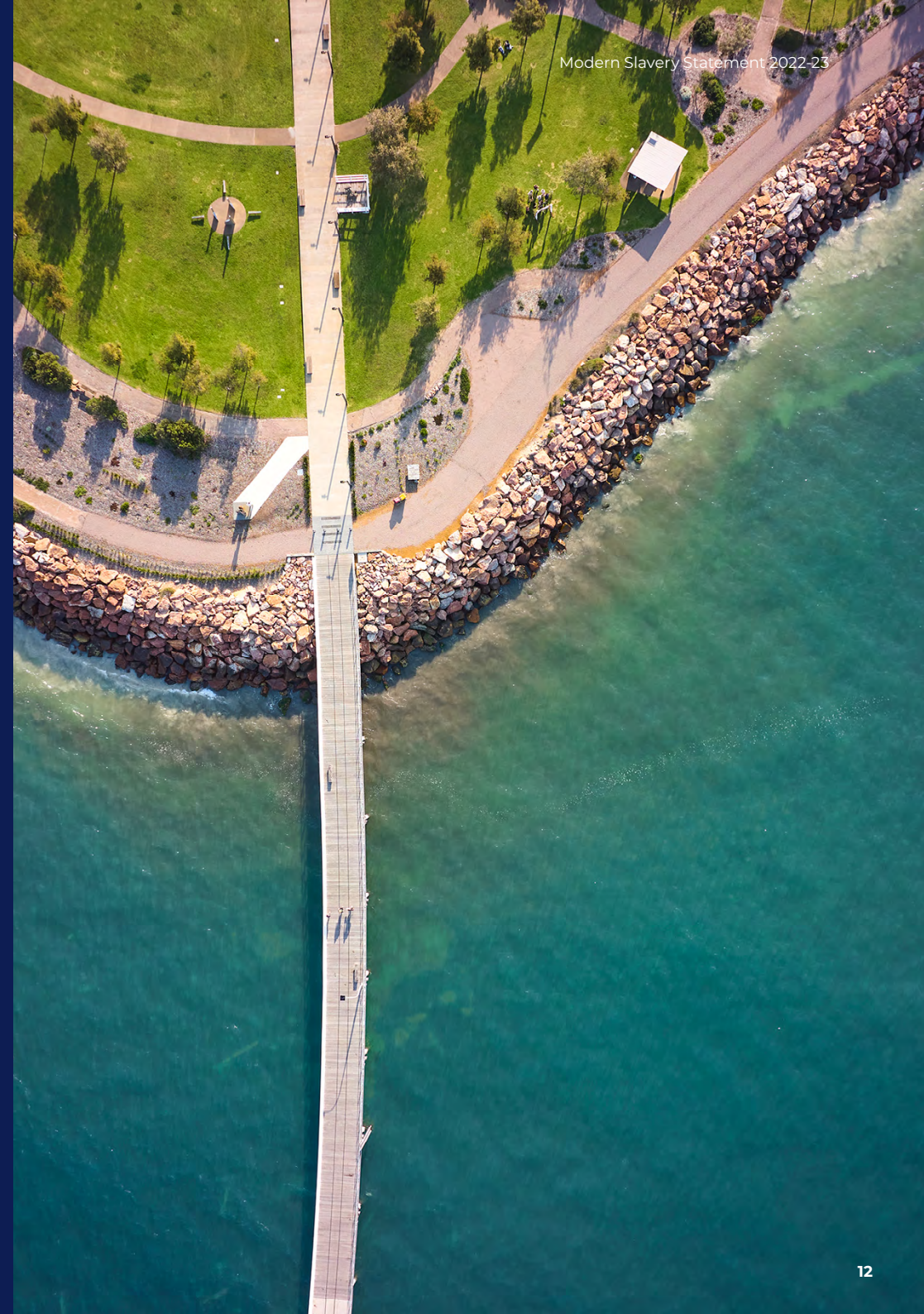
Together with the work undertaken in the prior reporting periods, we have conducted an assessment of our suppliers across industries with a higher risk of modern slavery, representing 6% of Lifeblood's total suppliers and over 55% of annual supplier spend. At the time of writing this Statement, with respect to the suppliers assessed to date, we did not identify any modern slavery issues or concerns within the results of the modern slavery assessment. As part of our risk management framework, we continue to monitor suppliers across Lifeblood's supply chain for any potential change in risk.



Actions taken to address modern slavery

We understand the importance of strong governance, processes, and documentation to support identifying and taking action to address modern slavery risks. We've been developing our maturity over the past three years and this year we expanded on our previous actions.

This included broadening our Supplier Code of Conduct and increasing due diligence activities with new suppliers, like enhancing the evaluation of modern slavery within market evaluations and ongoing supplier relationships.



Actions taken to address modern slavery

Supplier screening

Screening and due diligence processes are key to our modern slavery risk management. 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 so that sourcing decisions don't compromise health and safety and other legislative obligations.

In partnership with the Red Cross, over the last two reporting periods we implemented an on-line third-party technological platform, for managing and addressing modern slavery risks in our supply chains. We asked each supplier about — among other things — the processes they had in place for identifying, assessing and mitigating any modern slavery risks in their respective operations and supply chains, which will be used for Lifeblood to understand and address our risks.

Strategic supplier engagement

Lifeblood continued to roll out our Supplier Relationship Management program across 9 business critical suppliers, representing greater than 31% of Lifeblood's annual supplier spend. The program includes sustainability and risk management components, with regular discussion with suppliers on any adverse events. We include 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 is a standing agenda item in a number of our meetings with the business critical suppliers and other key suppliers for discussion on an annual basis.

We continue to review the results of the modern slavery assessment and proactively work with suppliers where a heightened risk is identified. We'll also increase awareness in our procurement operations by implementing further training.

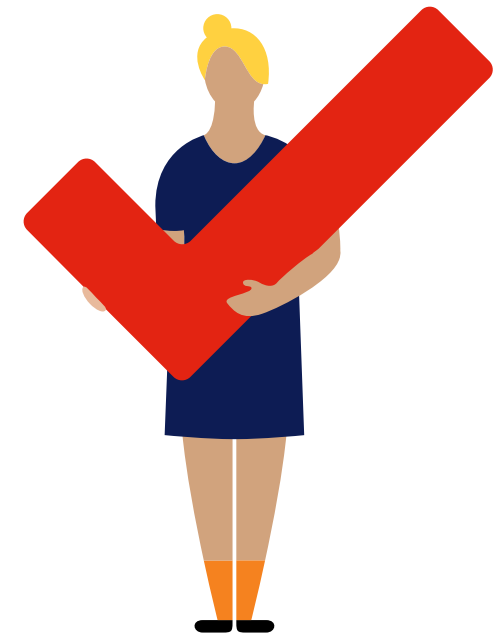
Notifications

As we advised in our FY2021-22 statement, we had received notifications from one of our suppliers of potential breaches of modern slavery.

Through our supplier management program, we continued our dialogue with this supplier in relation to the prior Withhold Release Orders (WRO's) issued by the U.S. Customs and Border Protection (CBP) relating to their discussions with two independent third-party manufacturers. An independent audit was conducted which found no adverse findings, with the U.S. CBP subsequently lifted the WRO with immediate effect.

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.

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 FY2023-24 we will continue our supply chain mapping, including mapping our sub-supply chains and further enhancing our understanding of our countries of origin analysis. Along with our online assessment tool, we'll invest in more technology solutions to assist in modern slavery identification and mitigation. 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 which are subsidiaries of overseas-based global corporations and operate throughout the Asia-Pacific region, South Asia, Northern, Southern and Central America, Europe and Australia.



Actions taken to address modern slavery continued

Red Cross Partnership Protocol

In line with the Red Cross Partnership Protocol, we will not invest or 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 screen potential partners for risks. 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.

Awareness 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 have 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 a presentation of modern slavery training.

We held several briefing sessions for our suppliers on the actions Lifeblood is taking to address modern slavery risks, including direct briefings with our key suppliers. In FY2022-23 we held our annual Supplier Briefing Forum. The virtual forum was attended by over 60 supplier organisations with over 150 supplier executives in attendance from all corners of the globe. The keynote address was delivered by our Chief Executive Officer, Stephen Cornelissen. We're 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. A key focus of the upcoming Supplier Briefing Forum will be presenting

Lifeblood Unlocked – Strategy 2027, with an emphasis on Lifeblood's Sustainability Roadmap which outlines our goals in the areas of environment, social and governance, including modern slavery prevention. Over the FY2022-23 reporting period we increased awareness in our procurement and supplier management operations by undertaking a modern slavery training seminar which was mandatory for all of our procurement and supplier management professionals.

Whistleblowing tools

Lifeblood has online resources through a third party for anonymous disclosures by our people or the public, including in relation to modern slavery. No further disclosures were made regarding modern slavery in the reporting period.

Consultation

Lifeblood forms part of the Red Cross. Given our distinct operations, Lifeblood prepares and submits its own Modern Slavery Statement approved by our principal governing body, the Lifeblood Board.

Lifeblood consulted with Red Cross during the reporting period on our actions to assess and address modern slavery and in the preparation of this Statement. Our established cross-functional group

including Procurement, Legal, Partnerships and Strategy, includes members of both divisions. The group consults and collaborates on the requirements of the Modern Slavery Act and the approach of both divisions to address the requirements and prepare the statements. In addition to formal meetings, the Red Cross Modern Slavery Lead regularly consulted with Lifeblood on an informal basis.

Going forward, we're 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.



Actions taken to address modern slavery continued

Key policies and documentation

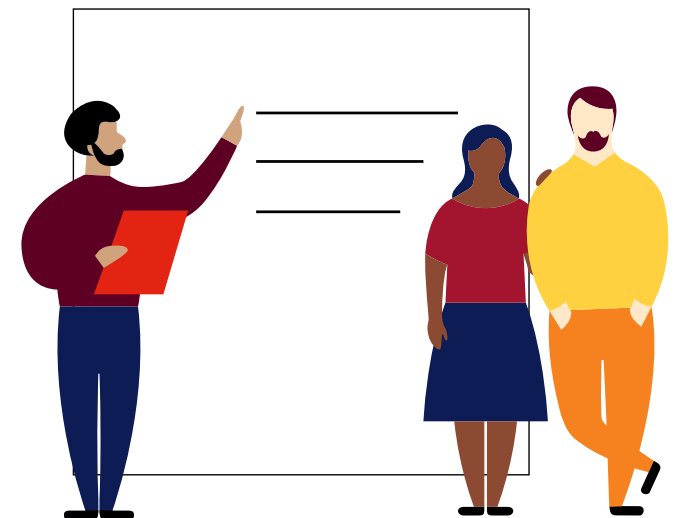
An important action in addressing risks of modern slavery is through adequate and documentation.

The key policies and documents Lifeblood adopts in our operations are:

Document	Description
<p>Code of Conduct</p>	<p>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.</p>
<p>Supplier Code of Conduct</p>	<p>We introduced a Supplier Code of Conduct in 2020. All suppliers, new and existing, are required to comply. It sets our expectations of suppliers' ethical conduct and includes:</p> <ul style="list-style-type: none"> • 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, and • Requirements and instructions for reporting concerns. <p>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 online modern slavery assessment and due diligence, we require our suppliers to re-confirm that they comply with our Supplier Code of Conduct.</p> <p>Our contract templates, purchase order terms and conditions and tender terms have been updated with enhanced requirements around modern slavery and human rights. These include that suppliers take sufficient steps to investigate their labour practices and those of their suppliers and subcontractors to ensure there are no illegal or exploitative labour practices in the supply chain, and 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.</p>

Actions taken to address modern slavery continued

Document	Description
<p>Strategic planning</p>	<p>Lifeblood's Lifeblood Unlocked Strategy 2027 includes a focus on Environment, Social and Governance (ESG) as a key strategic enabler. Our commitment to environmental and social responsibility is core to how we operate as an organisation, central to our governance and a key part of our decision-making. Our social licence is strengthened through our ESG programs, including our Modern Slavery program, which is outlined in our Sustainability Roadmap.</p>
<p>Purchasing policy</p>	<p>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. Within our Purchasing Policy we have several Corporate Social Responsibility commitments, also aligning to the Red Cross humanitarian purpose. We strive to make a difference in the community by working in partnership with local Aboriginal and Torres Strait Islander peoples and Social Enterprise suppliers.</p>
<p>Treasury and investment policy</p>	<p>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 while constructing our portfolio which excludes those organisations that generate revenues in the categories described above (Partnership Protocol) or operate counter to human and labour rights.</p>



Effectiveness of our actions

We're committed to doing everything we can to reduce the risk of modern slavery in our operations and supply chain.

Our established multi-disciplinary team meets regularly to evaluate the effectiveness of our actions, identify and mitigate risks of modern slavery in our operations and supply chains, and plan and monitor relevant educational activities.

We identify risks of modern slavery as part of our screening and due diligence processes or through our ongoing communications with our current suppliers.

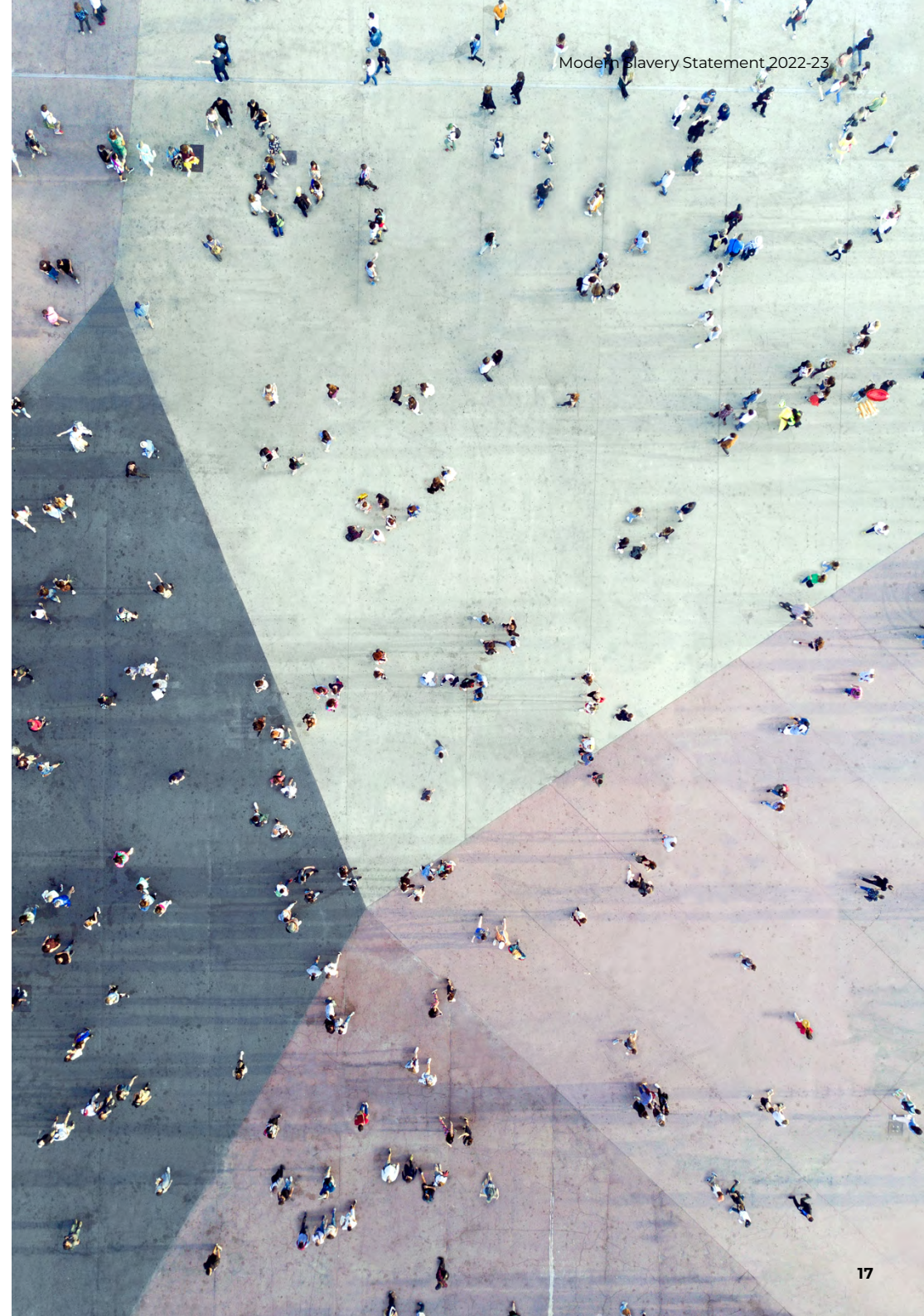
We do regular evaluations of any risks identified within our core operations and supply chains. From a partnership perspective, the screening process has elevated modern slavery in our decision criteria, which helps us assess risk and identify any areas for further investigation, reporting and guides decisions about whether or not to proceed.

In the past year, we've 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 will help us better understand supply chains. Our Supplier Relationship Management program has focused on our most important suppliers. This improves the opportunity to include requirements regarding risks of contributing to modern slavery.

Further understanding of country of origin for critical consumables is an initiative we'll continue to focus on so we can identify products that may originate in areas with a poor history of labour practices, and we'll continue our targeted deployment of our online assessments. 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're identifying metrics to assess the effects and our ability to influence them.



Consultation with owned and controlled entities

Lifeblood has no owned or controlled entities. Therefore, consultation for our Modern Slavery Statement preparation was conducted with key internal stakeholders across the organisation, including People and Culture, Procurement, Finance and Governance, and Quality and Assurance.

Our strategy moving forward

In the coming year, we'll continue our supply chain monitoring, due diligence, and further education and awareness training.

In the next reporting period, we will:

- Complete a full risk assessment of our tier 1 supply chain to have a more detailed understanding of our highest risk suppliers, industries and locations.
- Continue to survey our suppliers, and develop further assessment tools to identify risks and any matters that require further investigation within our supply chains and operations.
- Continue to review the results of the modern slavery assessment and proactively work with suppliers where a heightened risk is identified, deploying our due diligence and modern slavery analysis across a broader selection of suppliers.
- Further integrate with our Sustainability Roadmap and enterprise risk management for increased governance and accountability of modern slavery risks.
- Develop online training programs for all staff which will raise awareness of the issue of modern slavery and our commitment to modern slavery risk management.



Appendix

Mandatory reporting criteria of the Modern Slavery Act

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

Modern Slavery Act requirement	Section in this statement
1. Identify the reporting entity	Statement on the reporting entity (3) Our governance and structure (7)
2. Describe the reporting entity's structure, operations, and supply chains	About Lifeblood (5-8)
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	Risks of modern slavery practices in our operations and supply chain (9-11)
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	Actions taken to address modern slavery (12-16)
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Effectiveness of our actions (17)
6. Describe the process of consultation with any entities that the reporting entity owns or controls	Consultation with owned and controlled entities (18)
7. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Actions taken to address modern slavery (12-16)