

## Alfred Health (ABN 27 318 956 319) Modern Slavery Statement

This is Alfred Health's fifth Modern Slavery Statement made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) and relates to the financial year 1 July 2023 to 30 June 2024.

### Reporting Criteria 1 and 2: Alfred Health's structure, operations and supply chains

Alfred Health is a health service established under section 181 of the *Health Services Act 1988* (Vic) and one of Victoria's largest healthcare providers, delivering services across three main campuses including The Alfred, Caulfield and Sandringham hospitals.

Alfred Health has a diverse workforce of over 11,000 people with 75% from Oceania, 17% from Asia, 6% from Europe and the remaining 2% from Africa, North America and South America.

Alfred Health is the main provider of health services to people living in the inner southeast suburbs of Melbourne and a major provider of specialist state wide services to the people of Victoria. These are provided across the continuum of care from ambulatory, to inpatient, home and community-based services. It is a leader in health care delivery, improvement, research and education and strives to achieve the best possible health outcomes for its patients and the community by integrating clinical practice with research and education.

Alfred Health procures goods and services either directly from suppliers or through mandated collective agreements established by HealthShare Victoria (HSV), an independent public sector provider of supply chain, procurement and corporate services who partner with Victoria's public health services and suppliers to deliver best-value health-related goods and services. Alfred Health has over 3000 active suppliers including 195 key suppliers that are contracted through HSV mandated contracts. The top 155 suppliers represent 85% of Alfred Health's total spend.

Major categories of goods and services procured directly by Alfred Health include:

- Medical Consumables and Equipment
- Pharmaceuticals
- Telecommunications; ITS hardware, software and services
- Furniture, fittings and equipment
- Facilities maintenance
- Construction works and services

Alfred Health undertakes all Construction related works and services procurement in accordance with the Ministerial Directions and Instructions for Public Construction Procurement in Victoria (1 July 2018) issued under the *Project Development and Construction Management Act 1994* (Ministerial Directions). Suppliers are selected from a Construction Supplier Register (CSR) which is an open pre-qualification scheme managed by the Department of Treasury and Finance (DTF) for suppliers of construction works and services interested in Victorian Government construction projects.

HSV partners with Victoria's public health services to understand requirements, facilitate large-scale collective tenders and manage common-use contracts on behalf of the state. Alfred Health is mandated to purchase goods and services it needs from the suppliers who are party to HSV collective agreements and as such, recognises the significant role HSV has in health service supply chains. In 2023-24 HSV entered into 451 new agreements across 34 procurement categories with \$1.4 billion in total value under contract, covering a broad range of services, equipment and supplies. 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 and non-emergency patient transport.

### Reporting Criterion 3: Risks of modern slavery practices in the operations and supply chains of Alfred Health

Most medical equipment and consumables are manufactured under strict controls and approval systems and represent a relatively low risk in terms of Modern Slavery. Alfred Health still has some



minor potential exposure to modern slavery practices particularly in low value items sourced from high-risk geographies. Almost all items sourced from low-cost countries fall within the HSV portfolio of mandated contracts. HSV undertakes its own risk assessment and shares the outcomes with us so we can make informed sourcing decisions.

### **Modern Slavery supplier risk assessment**

Alfred Health's focus in 2023-24 was to conduct a supplier risk assessment by way of a questionnaire. The questionnaire was sent to Alfred Health's top suppliers with an annual spend above \$5 million and represents more than 55% of our discretionary spend. The questionnaire included 23 central questions, in two sections, covering:

- Company details – used to identify:
  - The supplier's operational location/s
  - Industries they work in; and
  - Gauge visibility of who they supply to more broadly.
- Modern Slavery – which includes:
  - Request for information on what policies are in place regarding Modern Slavery
  - Due diligence which covers what actions the supplier was taking to mitigate risk and what visibility they had over their operations
  - Training requested information on what positions were being trained on modern slavery and how awareness is highlighted within the organisation; and
  - Remedy requested information around processes in place when modern slavery incidents occur and if the organisation had any current allegations being investigated.

Scoring was allocated based on each of the responses provided by the suppliers and collated into an overall risk rating which reflected one of five risk ratings between Very Low and Very High.

### **Supplier responses**

Of the invited suppliers, 54% responded with a completed questionnaire, 15% responded by submitting a copy of their published Modern Slavery Statement and had been assessed through an HSV risk assessment and 31% failed to respond but had published Modern Slavery Statements that were reviewed and assessed.

### **Modern Slavery Supplier Risk Ratings**

Based on the outcome of the risk assessments 92% of suppliers returned a low risk rating and 8% returned a very low risk rating.

### **Policy**

Suppliers were asked whether they had a policy in place to deal with modern slavery. Implementing a modern slavery policy is one of the many effective actions a supplier can take to raise awareness of modern slavery risk within its organisation. 100% of the invited suppliers have policies in place regarding modern slavery. 38% communicate their modern slavery policy to their own suppliers. 54% confirmed they had a system in place to monitor compliance.

### **Due Diligence**

Due diligence actions are those that the supplier takes to actively mitigate the risk of modern slavery in their supply chain and operations. This includes actions such as having a dedicated role within the organisation responsible for overseeing modern slavery risk, 100% of respondents indicated they have a person or team in place to oversee modern slavery risk.

Suppliers were asked if they undertake any due diligence steps on their suppliers prior to engaging with them. 77% stated that they pre-screened their suppliers prior to engaging with them and 62% also conduct audits of their supply base.

### **Training**

Training raises awareness of modern slavery risk within an organisation and can be targeted to specific roles within an organisation or provided more generally to whole of staff. 100% of Suppliers have a training program in place and 15% also offer this training to their supplier base.

### **Remedy**

Remedial action plans and processes set out how an organisation responds to allegations of modern slavery within its own operations and supply chain. 100% of suppliers that responded confirmed they have remedy/action plans to respond to any allegations of modern slavery.

#### Reporting Criterion 4: actions taken by Alfred Health to assess and address these risks, including due diligence, remediation processes and contracts

Alfred Health continued working under HSV's leadership and guidance to reduce risk in its supply chains, in line with HSV's advisory and consultancy function under the Health Services Act.

##### HealthShare Victoria position has not changed from previous reporting periods

HSV upholds the Australian Government's position on modern slavery – there is no place for modern slavery in the Australian community or in the global supply chains of Australian goods and services. HSV is committed to:

- Supporting health services assess their operations and supply chains for modern slavery risks
- Implementing and enforcing effective systems and controls to reduce risk of modern slavery
- Ensuring there is transparency in its operations and approach to addressing modern slavery
- Fostering open and transparent supplier relationships which encourage modern slavery reporting and meaningful change through remediation
- 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

##### What we said we would do in 2023-24

Action	Progress
• Establish the Modern Slavery Framework	Completed
• Develop and publish a Modern Slavery Policy	Completed
• Develop and maintain a Modern Slavery risk register	Completed
• Include Modern Slavery Clauses in the AH Tender Process	Completed
• Include Modern Slavery Clauses in AH Standard Agreements	Completed
• Establish and formalise the process for the annual Modern Slavery statement including sign off and submission to the Department of Home Affairs	Completed
Implement a training program to assist Alfred Health staff to understand and comply with the expectations of the MSA	An online training program has been implemented and 100% of Procurement staff have completed this training.
Roll out Alfred Health's Risk Assessment tool to selected suppliers and include the results of that roll out on the next reporting period.	Alfred Health's Risk Assessment tool was sent to all suppliers with a spend over \$5 million. The results of risk assessment are included in Reporting Criterion 3.

##### Policy

The Alfred Health Modern Slavery Policy was created and released in 2023-24. The policy demonstrates Alfred Health's commitment to addressing Modern Slavery within the organisation, its supply chain and business relationships. It also documents the remediation process, roles and responsibilities, statement preparation and governance in relation to Modern Slavery.

##### Contract and Tender clauses

The procurement Invitation to Supply document has been updated to include specific questions around a tenderers approach to Modern Slavery and Contract documentation has been updated to include specific Modern Slavery clauses.



## Risk Register

A Modern Slavery risk register has been created to document any modern slavery risks that arise and record risk ratings of suppliers who have completed and returned a risk assessment.

## Previous reporting periods

The focus of Alfred Health's second reporting period under the Modern Slavery Act 2018 (Cth) (MSA) was to undertake supplier risk assessments within HSV Collective Purchasing Agreements. HSV conducted this on Alfred Health's behalf, preparing a report to assist Alfred Health prepare its second Modern Slavery Statement.

In the third reporting period, Alfred Health worked collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between Alfred Health and suppliers to seek to address these risks.

In the fourth reporting period we focussed on the release of our Supplier Risk Assessment tool and updating policy to reflect our commitment to addressing Modern Slavery.

## Reporting Criterion 5: How Alfred Health assesses the effectiveness of actions taken to assess and address modern slavery risks

During this reporting period Alfred Health focussed on assessing how our high value and most commonly utilised suppliers address modern slavery risk within their supply chain. We embedded our Modern Slavery Policy into our procurement and contracting processes and set up an internal e-learning training module.

In the next reporting period Alfred Health will work collaboratively with HSV to identify the mitigation efforts of the suppliers who make up 80% of our consumable spend using a new and updated tool developed by HSV. HSV has committed to managing this process on behalf of the Victorian Health sector, this will enhance our efforts to combat modern slavery risks and foster collaboration between the organisation and our suppliers.

## Reporting Criterion 6: Alfred Health's consultation process with related entities it owns or controls

Alfred Health has no related entities it owns or controls.

## Reporting Criterion 7: Other relevant information

Alfred Health is strongly committed to advancing human rights and has embedded the *Charter of Human Rights and Responsibilities Act 2006 (Vic)* into its values and policy which include for example:

- Gender equality
- Rights of indigenous peoples
- Rights of LGBTI persons
- Freedom of religion and belief
- Good governance
- People with disability

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**Closing statement**

Alfred Health is confident that the steps taken this year have continued to build a strong foundation for a robust modern slavery framework. We recognise there is more to do, and Alfred Health is committed to continually improving our approach, partnering with our stakeholders, and working to eradicate modern slavery.

The Alfred Health Board is pleased to see HealthShare Victoria taking a leading role in assessing and managing the sector wide risks of Modern Slavery. We look forward to seeing this central leadership role grow further, with the support of the Victorian Public Health Service.

This modern slavery statement was approved by the principle governing body of Alfred Health as defined by the Modern Slavery Act 2018 (Cth) ('the Act').

This statement was approved by the Board Chair of Alfred Health on 4/12/2024

Signed .....



Name .....

MARTIN FOLEY.

Position .....

BOARD CHAIR