WEHI
brighter together

2021
Modern Slavery Statement

Preface: WEHI's 2021 Modern Slavery Statement

WEHI has been consciously progressing its modern slavery compliance journey over the 2021/2022 reporting period in accordance with its values and ethical sourcing commitments.

In this reporting period WEHI reviewed the data, risks and opportunities identified in the 2020 Statement. WEHI also continued to navigate continuing COVID-19 challenges.

WEHI's 2021 Statement is based on the 2020 Statement with key updates addressing the activities of this reporting period, which include:

- refreshed supplier data – improved data accuracy and survey response rates
- integration of modern slavery checks into WEHI's Enterprise Resource Planning system
- progress on WEHI's Modern Slavery Policy
- increasing engagement with staff in additional business units in the Statement preparation, consultation and review
- preparation of modern slavery standard contractual clauses for WEHI's acquisition, supply and collaboration agreements
- transitioning modern slavery into an ongoing operational project
- reflection on COVID-19 procurement learnings

1. About WEHI

1.1. Our organisation

The Walter and Eliza Hall Institute of Medical Research (**WEHI**) is one of Australia's leading biomedical research organisations, with a strong national and international reputation for performing highly influential basic and translational research.

WEHI's research focuses on improving the understanding, treatment and prevention of important health challenges, with a focus on cancer, immune and infectious diseases, developmental disorders and age-related conditions.

WEHI is an Australian not-for-profit public company limited by guarantee that is established to be, and to continue as, a charity registered with the Australian Charities and Not-for-Profits-Commission (**ACNC**) (ABN 12 004 251 423). Our charitable purpose is 'advancing health'.

Our financial year runs from 1 January to 31 December. In the 2021 financial year our total operating revenue was $191,197,000.

1.2. Our values

WEHI's mission is the mastery of disease through discovery. Our vision is to be an innovative medical research institute that engages and enriches society and improves health outcomes through discovery, translation and education. Our values act as guiding principles for how we conduct ourselves as an organisation. These are:

- contribution to society
- integrity and respect
- collaboration and teamwork
- accountability
- creativity
- pursuit of excellence

WEHI is committed to respecting human rights, including the right to be free from slavery, exploitation, forced labour, domestic servitude and illegal forms of child labour.

This Modern Slavery Statement (**Statement**) is issued under the *Modern Slavery Act 2018* (Cth) (**Act**). It sets out the steps we have taken to assess and address modern slavery in our operations and supply chains.

2. Our structure, operations and supply chains

2.1. Structure

As set out above, WEHI is an Australian public company limited by guarantee. WEHI does not currently own or control any other entities. WEHI is not part of a larger corporate group.

WEHI is governed by a board of directors appointed under the WEHI constitution. Operational management is delegated by the board to the director of WEHI, Professor Doug Hilton AO.

2.2. Operations

We operate within the health and medical research sector in Melbourne, Australia. Our main facility is located in the Parkville Biomedical Precinct, a vibrant and collaborative life science research, education and healthcare hub. We also have two other facilities in Bundoora and Kew, Victoria.

Our operations primarily involve the following:

2.2.1. Health and medical research

Our scientists undertake basic and translational research within five key research areas: Cancer Research and Treatments; Healthy Development and Ageing; Infection, Inflammation and Immunity; Computational Biology; and New Medicines and Advanced Technologies.

We undertake these activities on-site in Parkville. We also collaborate extensively with Australian and overseas academics, research and commercial organisations on a routine basis. Some of these collaborations involve human research, which must be approved by an Australian accredited Human Research Ethics Committee (**HREC**) and a local human research ethics committee. Our roles in these collaborations vary.

2.2.2. Education

WEHI provides supervision and experience for undergraduate (including Honours) as well as postgraduate (Masters, PhD) students through the Department of Medical Biology at the University of Melbourne. WEHI also offers work experience programs for secondary students and other training opportunities for WEHI personnel.

2.2.3. Provision of products and services

Due to our expertise in animal research, we breed specialty mice at our Melbourne sites for domestic and overseas organisations. All use of animals in research is overseen by an Animal Ethics Committee and complies with relevant Victorian and Australian guidelines and laws. WEHI also provides speciality research services (such as sample analysis, cell and tissue sorting and bioinformation analysis). WEHI offers external researchers access to certain advanced technologies on a cost-recovery model.

2.2.4. Commercialisation

WEHI engages with domestic and overseas pharmaceutical companies and research institutions to commercialise WEHI discoveries.

2.3. Supply chains

2.3.1. Products

We procure a range of products to support our research activities, including:

- laboratory equipment (e.g. mass spectrometry equipment, liquid handling robots, protein purification equipment, freezers, microscopes, plate readers, centrifuges, incubators, animal caging systems, benches)
- high performance computing equipment
- laboratory consumables (e.g. biological agents, drugs, chemical and reagents)
- glassware and plastic components (e.g. pipette tips, dishes, tubes, scrapers)
- general laboratory and PPE items (e.g. wipes, filters, gloves, masks, protective gowns).

We also procure products of more general nature to support our business operations, including:

- capital equipment
- building and facilities maintenance materials
- motor vehicles
- stationery, general purpose computers, office furniture
- cleaning agents and other consumables
- catering supplies.

2.3.2. Services

The services we procure include:

- consulting services (e.g. corporate strategy, marketing and market research, project management, human resources and employee development, legal, financial and audit, IT as well as project-related consultants)
- laboratory equipment servicing
- facility management services (e.g. architectural, construction and maintenance, cleaning, security, waste disposal, medical gas supply)
- IT services and software as a service (SaaS) (e.g. ERP software, electronic lab books, specialised SaaS)
- logistics services
- catering services.

3. Identifying modern slavery risks

3.1. Risks of modern slavery in our operations

Our domestic activities pose a low risk for modern slavery. According to the Global Slavery Index 2018 (**GS Index**), the risk of modern slavery in Australia is 4.3/100, indicating an extremely low risk. WEHI directly employs our staff in Australia. These include highly skilled and experienced scientists, and professional services staff who provide operational support. Our staff, students and domestic collaborators are subject to Australian legal and ethical obligations, including the One WEHI Enterprise Agreement 2022, *Fair Work Act 2009, NHMRC National Statement on Ethical Conduct in Human Research* (**National Statement**) and the Act. We also engage contractors to provide services, such as cleaning. These are reviewed as part of the supply chain risk analysis (see section 4.4).

Our overseas activities pose a low risk for modern slavery. Overseas collaborations may involve additional considerations because they may occur in countries with high vulnerability scores for modern slavery. These risks are partly mitigated by our Australian legal obligations, including the ACNC External Conduct Standards, the National Statement, and foreign influence and interference legislation and guidelines. In addition, WEHI's human research projects are subject to human research ethics committee approval processes, and WEHI's collaborations are formalised contractually (with embedded compliance obligations).

3.2. Risks of modern slavery in our supply chains

WEHI draws from domestic and international supply chains to ensure provision of ethically sourced, high-quality components and supplies. In the 2020 Modern Slavery Statement WEHI reported that it sources products and services from 808 active suppliers. Upon review of the survey responses received in 2020 and a further deep dive into the supply chains, this figure has been revised to 392 active suppliers (48.5%) subject to modern slavery monitoring. The suppliers now excluded from the total active list are:

- ones that have been used previously but where a current business relationship does not exist
- Australian sole trader businesses where there are no tier two suppliers in the supply chain including consulting firms
- government organisations, where modern slavery compliance is reported publicly
- retail outlets with which WEHI does not have an ongoing business relationship.

We reviewed the sectors and industries, and products and services procured by WEHI through its supply chains across different regions. Using the GS Index, we developed a modern slavery risk matrix that ranks our supply categories from extremely low risk to extremely high risk. We used this risk matrix, along with a supplier survey, to review our supplier pool as described in section 4.4. Through this analysis, we identified that laboratory equipment, lab services and medical consumables are our highest risk areas in terms of volume of supply.

Table 1: Product and service risk matrix

Risk Matrix

Supply Categories		Domestic Region	Overseas Regions Note, numbers in brackets are 'vulnerability of modern slavery risks' per the Global Slavery Index 2018				
		0 Australia (4.3/100)	1 Europe & Central Asia (28/100)	2 Americas (41/100)	3 Asia & The Pacific (46/100)	4 Arab States (57/100)	5 Africa (62/100)
Minerals IT electronics (computing equipment, software SaaS), Catering (fish, rice, cocoa), Fetal Bovine Serum,	5 Extremely high risk	M (7)	M (11)	H (16)	H (20)	E (23)	E (25)
Laboratory equipment (surgical equipments, freezers, microscopes, garments (textiles)) Glassware and plastic tools (pipettes, dishes) PPE items (globes, masks)	4 High risk	L (5)	M (7)	M (12)	H (17)	H (21)	E (24)
Utilities and related property services Laboratory services, Laboratory consumables Human Resources (P&C, Recruitment), Marketing and Communications, Logistics Building, Repairs and maintenance services	3 Medium Risk	L (3)	L (4)	M (8)	M (13)	H (18)	H (22)
Capital equipment, Cleaning Agents Corporate travel, Motor vehicles	2 Low Risk	L (2)	L (2)	L (5)	M (9)	M (14)	H (19)
Business/Admin, Office Supplies Consultants, Legal, Professional fees	1 Extremely low risk	L (1)	L (2)	L (3)	L (6)	M (10)	M (15)

Risk Rating Key

L = Low	M = Medium	H = High	E = Extreme

Note: The numbers in brackets (1-25) allow for further prioritisation of risks within each Rating category, e.g. E(25) has a higher priority than E(23)

4. Actions taken to assess and address modern slavery risks

4.1. Our approach

We have taken a risk-based approach to determining whether we are likely to cause, contribute to or be directly linked to modern slavery in our operations and supply chains. These are discussed in more detail below.

4.2. Governance framework

Our modern slavery response has been led by a Modern Slavery Steering Committee, reporting to the Professional Services Leadership Team and the WEHI Board. WEHI's Modern Slavery Steering Committee is led by Procurement and Governance, Risk and Compliance.

Modern slavery is included in WEHI's risk systems. This allows WEHI's Audit and Risk Committee to track progress and manage risk mitigations.

Modern Slavery Policy

WEHI is finalising approval of its Modern Slavery Policy and will make it publicly available. The Policy states WEHI's position on modern slavery and its alignment with WEHI's values, WEHI's expectations of staff and suppliers and WEHI's steps for practical compliance.

Cross-functional engagement

WEHI's modern slavery response and preparation of this Statement includes expanding assistance and feedback from across the organisation, including contributions from Strategy and Planning, Graphics, Research Ethics, the Business Development Office and Legal and Licensing.

4.3. Operations

4.3.1. Domestic activities

We have reviewed our domestic operations, as set out below.

Table 2: Risks of modern slavery in our domestic operations

Activity	Description	Mitigating factors	Risk
Research	See section 2.2.1.	Our domestic staff and collaborators are protected by Australian legislation, including the *Fair Work Act 2009*. Complying with our responsibilities as an employer minimises the risks of modern slavery in our Australian employee pool. Human research must be approved by an Australian HREC. Collaborating with other organisations that are also subject to the Act reduces the risks of modern slavery practices in projects. Standard sector agreements include modern slavery compliance clauses.	Low
Education	See section 2.2.2.	Students are protected by Australian legislation. The University of Melbourne is also subject to Australian legislation, including the Act.	Low
Supply of products and services	See section 2.2.3.	Our domestic staff are protected by Australian legislation.	Low
Commercialisation	See section 2.2.4.	Domestic commercialisation partners are subject to Australian legislation.	Low

4.3.2. Overseas activities

We have reviewed our international operations, as set out below.

Table 3: Risks of modern slavery in our overseas operations

Activity	Description	Mitigating factors	Risk
Research collaborations which do not involve human subjects	See section 2.2.1. We have not undertaken a detailed review at this stage (see section 5.1.3).	Our overseas collaborators must have a very high level of scientific expertise and skill (PhD). We consider it more likely that these individuals have greater freedom of employment. Collaborations are subject to due diligence and contracts (including compliance clauses).	Low
Research collaborations involving human subjects	See section 2.2.2. We are currently involved in several human clinical studies with overseas academic institutions and hospitals in countries with high vulnerability scores for modern slavery. Our role in these collaborations vary.	Human research is subject to Australian, in-country and international standards to ensure that research is ethical and participation is voluntary. Collaborations are subject to due diligence and contracts (including compliance clauses).	High
Commercialisation	See section 2.2.4. More routine drug discovery tasks are sometimes outsourced to overseas contractors, typically in China or India. We have not undertaken a detailed review at this stage (see section 5.1.3).	Our overseas contractors must have a very high level of scientific expertise and skill (PhD). We consider it more likely that these individuals have greater freedom of employment. Commercialisation agreements are subject to due diligence and contract (with compliance clauses).	Low

4.4. Supply chains

4.4.1. Supply chain risk analysis

Using the risk matrix, we have further reviewed the suppliers who responded to our survey to estimate our indicative exposure to modern slavery risks across their supply categories, recognising that a number of suppliers operate in more than one category. This will form the basis of a more in-depth analysis of our supply chains in future years (see section 5.1).

Table 4: Modern slavery risks by supplier

Level of risk	Supply category	Survey respondents
Extremely high risk	1. IT equipment and electronics, Catering, Fetal Bovine Serum	5%
High risk	2. Lab equipment, Glassware and plastic tools, PPE items	19%
Medium risk	3. Lab services or medical consumables	44%
	4. Property and building services, Cleaning, Security	9%
	5. Human Resources, Marketing, Logistics	9%
Low risk	6. Capital equipment, Cleaning agents, Corporate travel, Motor vehicles	<1%
Extremely low risk	7. Business operations, Professional services and Office supplies	37%

4.4.2. Supplier awareness survey

For the 2020 Statement WEHI surveyed its suppliers seeking feedback on their modern slavery approach. WEHI's awareness survey was designed to understand what processes suppliers had in place to address modern slavery.

Out of the 808 suppliers invited to participate in the 2020 survey, 269 responses were received, which represented 33% of the suppliers contacted. Whilst the results were encouraging, they revealed the need for improvement in our survey tool and supplier contact strategy.

In 2022 WEHI reviewed the survey results and identified relevant suppliers who had not provided a response. Additionally, suppliers who were deemed not relevant to modern slavery were also removed from the survey pool. A revised total of 392 suppliers were identified as being relevant for this survey. WEHI has now received responses from 291 out of the 392 suppliers which represents a 74% response rate.

This work will continue through to the next reporting period and beyond.

The survey indicates that there is a reasonably low level of supplier awareness around modern slavery risks and that only a minority of our domestic and overseas supplies are subject to a modern slavery legislative scheme (13%). As part of our ongoing work, we will continue to work closely together with suppliers to understand and investigate modern slavery risks, as set out in section 5.1.

The following table shows key insights from the survey.

Table 5: Survey insights

Modern Slavery initiative	Percentage of survey respondents
Australian suppliers subject to the Act	23% (of Australian suppliers)
Overseas suppliers subject to a modern slavery legislative scheme	8% (of overseas suppliers)
Suppliers with a modern slavery policy	52%
Suppliers with plans to manage non-compliance with slavery or human trafficking matters	43%
Suppliers with staff training programs on modern slavery	33%
Suppliers with trading terms which include modern slavery compliance	24%
Suppliers who conduct independent audits of their supply chain	16%

4.4.3. New supplier onboarding

As part of our procurement processes, new suppliers are screened for modern slavery concerns, using the risk matrix. Answering our modern slavery questionnaire is a mandatory step in the supplier onboarding process.

4.4.4. Procurement tools and templates

A market scan was conducted to identify whether an existing modern slavery tool could be used to support our review, but no suitable tools were identified at this time. We will consider future tools as part of our ongoing compliance (see section 5.1).

Our Procurement Policy ensures that modern slavery due diligence processes are adhered to when selecting, onboarding and managing suppliers.

WEHI has a **Supplier Code of Conduct** that outlines our expectations from our suppliers. It requires our suppliers to ensure that there is no modern slavery in their supply chains and operations and comply with applicable modern slavery laws, rules and regulations. Where suppliers identify any occurrence of, or material risk of, modern slavery in their operations or supply chains, they must inform us as soon as practicable, take practical and effective steps to address that occurrence or risk, and notify relevant authorities where appropriate.

The above documents are supported by the procurement templates and agreements to include modern slavery compliance.

In 2021/2022 WEHI implemented a new Enterprise Resource Planning (ERP) (incorporating a new Procurement) system. The implementation was further extended to also include functionality to capture supplier Modern Slavery Act compliance based on the assessment tools described above. The following classification is used:

- Compliant
- Partially Compliant
- Non-Compliant
- Blank – not yet assessed

This work will continue through to the next reporting period and beyond.

4.4.5. Sector engagement

The WEHI Procurement team engage with the Procurement community through professional bodies, including PASA, Procurement Australasia including on topics relating to the Modern Slavery Act.

4.5. Remediation

To date, we have not identified any specific instances of modern slavery in our operations or supply chains.

WEHI's Modern Slavery Policy sets out the notification and remediation steps that must be considered where we have caused, contributed to, or are directly linked to modern slavery.

5. Assessing the effectiveness of our actions

5.1. Next steps

WEHI is committed to applying a continuous improvement approach to modern slavery. The steps described in this Statement represent an ongoing process.

5.1.1. Expanding our supply chain risk analysis

WEHI will further review the Modern Slavery Survey wording and approach, the responses to the survey and analysis of its supply chains. Overseas activities and collaborations will be further considered as well as the effectiveness of contractual clauses and reach through compliance obligations.

5.1.2. Sector engagement and tools

WEHI's Procurement team will continue to engage with sector-led initiatives to support best practice in modern slavery compliance, including the consideration to employ any tools that become available in the future.

5.1.3. International engagement framework

As part of managing the various compliance obligations that apply to WEHI's overseas activities, WEHI is progressing a more comprehensive international engagement framework.

5.1.4. Training

WEHI personnel with purchasing responsibilities, or who are responsible for high-risk research activities overseas, are provided with training on modern slavery risks, including the Supplier Code of Conduct and preferred contractual terms, where appropriate.

5.1.5. Supplier relationship-building

WEHI will continue to work with its key suppliers to ensure that alignment exists around organisational values, including the elimination of modern slavery.

5.2. Annual review

The Modern Slavery Steering Committee will meet throughout the next reporting period to progress the initiatives and to prepare a Modern Slavery Statement for that financial year, if required by the Act.

6. Consultation with controlled entities

As set out in section 2.1, WEHI does not own or control any other entities. Accordingly, no consultations have been necessary in preparing this Statement.

7. Other relevant information

COVID-19 experiences and learnings

This period presented continuing COVID-19 challenges, including:

- considering what potential additional modern slavery practices may occur in a pandemic
- considering different countries' responses to the pandemic, and transparency
- navigating supply chain disruptions and developing contingency plans (including crisis procurement)
- procuring material and equipment directly relevant to operating in a pandemic (such as PPE and rapid antigen tests)
- procuring materials and equipment for COVID-19 research (which is tied closely to WEHI's core mission).

WEHI's efforts included contacting local suppliers where possible and otherwise working with existing trusted suppliers as much as possible to reduce additional risks.

Other relevant initiatives

WEHI's commitments on modern slavery are aligned with, and enhance, its broader ethical and sourcing commitments. These include efforts in relation to local, Indigenous and environmental supply and awareness.

8. Statement approval

This Statement was reviewed and approved by the Board of Directors of The Walter and Eliza Hall Institute of Medical Research on 19 May 2022 and signed on its behalf by:

Jane Hemstritch
Board Chair
The Walter and Eliza Hall Institute of Medical Research

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