



MODERN SLAVERY STATEMENT

MÉDECINS SANS FRONTIÈRES AUSTRALIA

Reporting Period:
1 January 2020 – 31 December 2020

1. INTRODUCTION

This is Médecins Sans Frontières Australia Limited (ACN 068 758 654) ('MSFA')'s first Modern Slavery Statement ("Statement") required pursuant to the *Modern Slavery Act 2018* (Cth) ("Act"). MSFA is a reporting entity under the Act and this Statement sets out the steps MSFA has taken during the reporting period from 1 January 2020 to 31 December 2020 ("Reporting Period") to identify and assess the risk of Modern Slavery (as defined in the Act) in our operations and supply chains, and the processes MSFA has in place to assess and address those risks.

MSFA is fully committed to acting ethically and operating responsibly. This commitment extends to enhancing our practises and processes to better identify and minimise the risk of Modern Slavery in our operations and supply chains and to ensure we are engaging with suppliers that share that commitment.

The new reporting framework under the Act has presented MSFA with an opportunity to gain a deeper understanding of the supply chains that underpin the delivery of our programs and other operations. This has enabled MSFA to make a commitment to develop better frameworks and processes to minimise the risks of Modern Slavery in our operations and supply chains going forward.

2. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

Médecins Sans Frontières/Doctors Without Borders ('MSF') is an international, independent medical humanitarian organisation that provides medical assistance to people affected by conflict, epidemics, disasters, or exclusion from healthcare, in more than 70 countries around the world.

MSFA is part of a global network of entities which together form the MSF International movement which is committed to working within the framework of International Humanitarian Law. This partnership is not a partnership in the legal sense: it is bound by a shared purpose and underpinned by the MSF Charter¹ and our governing process, where all partners are expected to adhere to the following:

- La Mancha Agreement²
- Chantilly Principles³

MSF is a worldwide movement of 42 entities, including one in Australia. MSFA was established in 1994 to provide support to this international movement.

MSFA is an independent charity, registered with the Australian Charities and Not-for Profits Commission (ACNC). MSFA is a public company limited by guarantee incorporated under the Corporations Act 2001 (Cth). MSFA's principal place of business and registered office is in Sydney, New South Wales.

MSFA has a wholly owned subsidiary, Médecins Sans Frontières New Zealand Charitable Trust ("MSFNZ"). MSFNZ's registered place of business is in Auckland, New Zealand.

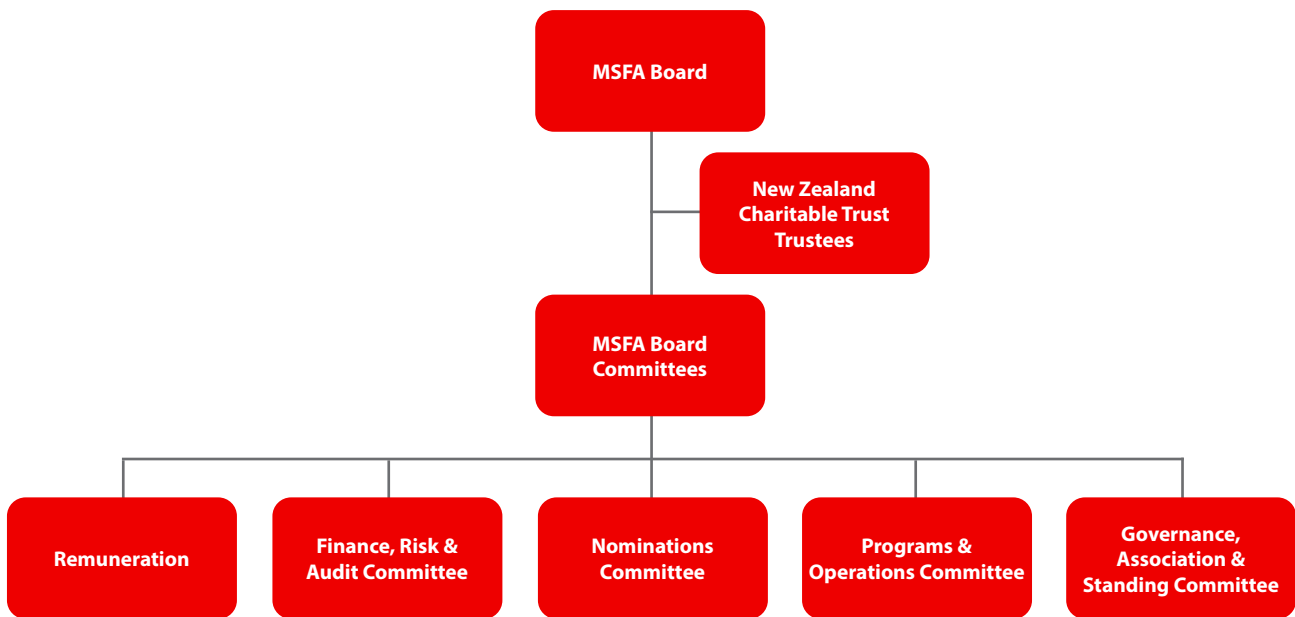
The members of MSFA are mostly made up of past and present MSF field workers and office staff from Australia and New Zealand, who have been admitted by the Directors as members of the company. The members of MSFA elect a Board of Directors who govern on their behalf. The Board takes responsibility for the actions of MSFA and MSFNZ and is responsible for the overall governance of both entities. MSFA and MSFNZ share central procurement, governance, and legal functions, as well as policies and procedures endorsed by the Board of Directors.

The Board delegates day-to-day operational management and decision-making to the Executive Director and the Leadership team, while retaining its oversight role. The Board also delegates some of its functions to Board Committees as per the diagram below.

¹ [MSF Charter](#)

² [La Mancha Agreement](#)

³ [Chantilly Principles](#)



The Finance, Risk and Audit Committee is the Board Committee that has oversight of our risk and compliance obligations, including in relation to modern slavery reporting.

Operations

MSFA's key activities include:

- Raising funds for the provision of medical humanitarian services globally. Our fundraising activities in New Zealand are managed by MSFA under a Shared services agreement.
- Providing funds to our MSF partners (who are part of a network of entities which together form the MSF international movement). These funds are used to operate medical humanitarian programs run by the Geneva and Paris MSF Operational Centres, which are delivered in more than 55 countries around the world, underpinned with appropriate technical and management oversight and other support.
- Recruiting Australians and New Zealanders, including doctors, nurses, logisticians, administrators and finance professionals, to work in medical humanitarian projects overseas run by our five MSF Operational Centres based in Europe.
- Providing medical expertise across women's health, child and newborn health and sexual and gender-based violence care in MSF projects worldwide.
- Raising awareness of the needs of MSF's patients and our medical programs through communications activities.
- Providing administrative and financial support to enable the above activities.

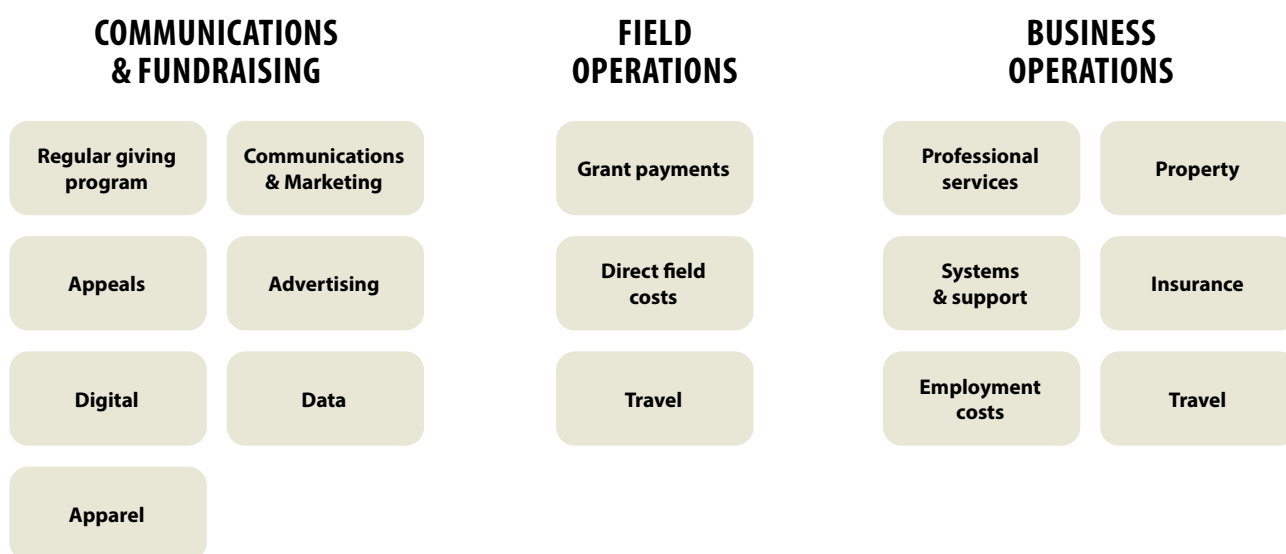
MSFA directly employs 191 staff. During the Reporting Period MSFA employed 83 staff in the Australia office and employed 108 field staff working abroad on field placements.

Supply chain

MSFA partners with MSF Operational Centres to provide field staff and grants to support medical humanitarian projects overseas.

MSFA procures significant quantities of goods and services from over 400 suppliers. Our suppliers are predominately located in Australia and New Zealand. These countries have a low prevalence of modern slavery and governments that take strong action against it.

MSFA obtains goods and services across three main categories, each with various subcategories:



MSFA's supply chains include the procurement of the following key goods and services:

- **Regular giving program** – Face to Face fundraising, tele-fundraising
- **Appeals** – design, printing, mail house, postage
- **Digital** – media buy, marketing
- **Communications & Marketing** – design, printing
- **Advertising** – creative, print
- **Data** – database support, data analysis
- **Apparel** – t-shirts, stock
- **Grant payments** – to MSF Operational Centres
- **Direct field costs** – accommodation, materials
- **Travel** – air travel, accommodation
- **Professional services** – audit services, legal services, translations
- **Systems and support** – licensing, systems support
- **Employment costs** – salaries and wages, training, health & wellbeing
- **Property** – rent, electricity, cleaning
- **Insurance** – premiums

Impact of COVID-19 on supply chains

During the Reporting Period we did not identify any significant changes to our existing **Tier 1 ('direct') supplier relationships** or increase to modern slavery risks.

The number of departures to the field was lower in 2020 due to COVID-19 which has meant decreased supply of travel-related products and services. However, for the purposes of analysing our suppliers, we have included any material costs that would normally have been incurred without the impact of COVID-19.

3. RISKS OF MODERN SLAVERY PRACTICES

MSFA has considered the ways in which it may contribute to, cause or be linked to modern slavery risks in its operations and supply chains.

We recognise that there is a complex network of issues that interact to potentially create increased modern slavery risk, including:

- Total supplier spend amount
- Industry category, including industries that, in turn, feed into higher-risk categories further down the supply chain.
- Depth or 'tiering' within the supply chain(s) – recognising that direct suppliers have in turn their own supply chain (Tier 2), who, in turn, have their own supply chain (Tier 3) and so on
- Geographical area of direct suppliers and 'tiered' suppliers.

For the purposes of this first Statement, we have conducted a modern slavery risk assessment and our primary focus was on **Tier 1 suppliers** where the total supplier spend for the Reporting Period was greater than AUD\$10,000. This assessment has been done in consultation with all areas of the organisation and reviewed and led by the Leadership team. Our spend can be categorised into three main types: Grants, Staff and Suppliers.

Grants

A significant source of expenditure for MSFA is the granting of funds to our Operational Centres in Paris and Geneva, which are used to fund field operations around the world. The use of these funds is subject to each Operational Centre's field and procurement processes. MSFA does not have direct control over the products and services the funds are used for; however it does have control over the projects it chooses to fund.

All MSF Operational Centres operate in the highly regulated EU jurisdiction and have a longstanding history of adhering to the MSF Charter and Chantilly Principles which are underpinned by:

- Medical ethics
- Independence
- Impartiality and neutrality
- Bearing witness
- Defence of Human Rights
- Accountability

Staff (Office staff and Field Workers)

Field workers are employed by MSFA and work on humanitarian projects run by the five MSF Operational Centre partners in Belgium, France, the Netherlands, Spain and Switzerland. The MSF Operational Centres operate in the highly regulated EU jurisdiction.

Office staff are mainly contracted in Australia and their employment is governed by the *Fair Work Act 2009* (Cth). MSFA has one staff member currently employed through MSF Kenya. Kenya is considered a medium-to-high risk country on the Global Slavery Index ('GSI'). The remaining staff working in other locations are contracted through EU member states, US and Canada which are low-risk countries and subject to similar pay and conditions as Australia.

Suppliers

In order to identify the risk of modern slavery, we mapped out our operations and supply chains to identify suppliers, functions and activities that carry a greater risk of involving modern slavery activities. We based that exercise on using key risk indicators provided by expert organisations such as the GSI, and by reference to country,

industry, product and service risk profiles. We have not been made aware of any modern slavery allegations against any of our suppliers.

i. Risks in where our suppliers are located

The majority of our **Tier 1 suppliers** are in Australia and New Zealand. These countries have a low prevalence of modern slavery and governments take strong action against it.

Less than 4 per cent of our spend is with direct suppliers who are located in countries that have a medium to high modern slavery risk (in regards to vulnerability⁴). Travel costs and manufacturing costs are the most prevalent category of goods and services that we procure from our suppliers in these countries.

ii. Risks in industry, product and services

Having regard to product type, sector and geography, we have identified the following sectors, industries, products and services in our supply chains as potentially having higher levels of risk of modern slavery practices:

Sector or industry	Product or services risks
Cleaning	Outsourced cleaning and facilities management services
Manufacturing	Externally sourced equipment, including electronics such as laptops and mobile phones, medical supplies and equipment (including personal protective equipment), uniforms and stationery
Travel	Flights, accommodation, transportation of personnel
Textiles	Uniforms/apparel
Information technology	Offshore/outsourced IT services

Impact of COVID-19 on modern slavery risks

Despite the economic and social impacts of COVID-19, we have been able to maintain continuity of services, operations and arrangements with our suppliers. The majority of our office staff transitioned to working remotely with only critical roles working from the office.

4. ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS OF MODERN SLAVERY PRACTICES

MSFA is committed to high standards of corporate governance and the Board is responsible for ensuring that MSFA has an appropriate governance framework in place to assess and address modern slavery risks in its operations and supply chains. Forming part of and underpinning our governance practices are a number of policies and procedures which outline our commitment to respecting human rights throughout our operations and supply chains, and which assist us in mitigating the risk of modern slavery.

Due diligence processes

- **Recruitment** – We operate a recruitment process that includes right to work checks for all our prospective employees, which helps reduce the risk of human trafficking and modern slavery. Our Recruitment Policy ensures that hiring decisions are fair and equitable and that all positions have a Police Criminal History Check and a Working with Children Check where relevant.
- **Fundraising Face-to-Face suppliers** – We are committed to the lawful and socially responsible engagement of human labour in our fundraising supply chains, and we expect the same standards of our Suppliers of Fundraising Services. As part of our Fundraising Supply Chain Governance

⁴ We have used the Global Slavery Index as our basis for determining medium-high risk countries.

Strategy, we conduct a rigorous due diligence process which includes requiring accreditation from the Public Fundraising Regulatory Association and commitment from our suppliers to the adherence to our Fundraising Supplier Code of Conduct (Code)⁵ and Supplier Responsibility Standards Statement⁶. Our Code sets out our expectations in the areas of: (i) labour and human rights; (ii) health and safety; (iii) integrity, ethics and conduct; and (iv) corporate and supply chain governance.

Remediation processes

MSFA has established a number of mechanisms which allow employees and third parties to report concerns about suspected or actual improper conduct, including in relation to modern slavery. These include the following:

- **Code of Conduct** – Our Code applies to all employees, volunteers, interns, contractors, Board and members of MSFA and is communicated to all new employees as part of the induction process. The Code sets out a framework for making ethical business decisions and behavioural commitments for the way we work, including a zero-tolerance policy approach to child abuse and exploitation.
- **Child Protection Policy** - The purpose of this policy is to endorse MSFA's continued commitment to child protection in our operations and applies to all employees, volunteers, interns, contractors and, Board and Association members.
- **Equal Employment Opportunity, Discrimination and Harassment Policy** – This Policy sets out MSFA's commitments to creating an inclusive environment and respecting the dignity and diversity of all people.
- **Whistle-blowers Policy** – This Policy applies to any employee, volunteer, intern, contractor, Board and Association member and encourages these individuals to report their concerns about any illegal or unethical conduct. MSFA has an independent whistle-blowing hotline and a confidential employee assistance program which enables employees and third parties to anonymously report potential modern slavery related concerns and other improper conduct.
- **Complaints and Grievance Handling Policy, Association Members Complaints Policy** and a global grievance procedure for employees to report any wrongdoing.

5. EFFECTIVENESS OF ACTIONS AND LOOKING FORWARD

As this is MSFA's first Modern Slavery Statement, it outlines our initial actions taken to address any modern slavery risks in our business. Looking forward, we will build on the actions that we took to continue to enhance our policies and processes to manage the potential modern slavery risks in our operations and supply chain.

We performed the following activities to assess the effectiveness in addressing the risk of modern slavery:

- Consultation with our Leadership Team and key stakeholders to review, assess and address risks of modern slavery practices across our operations and supply chain; and
- Completion of a review of MSFA's Tier 1 suppliers to determine the extent to which modern slavery risks exist within our supply chain.

In addition, MSFA monitors and manages concerns regarding modern slavery raised through the reporting or grievance mechanisms made available to our employees and suppliers. Our reporting and grievance mechanisms are an effective tool for identifying modern slavery risks and provide MSFA with the opportunity to assess and address modern slavery concerns. They also allow us to review and improve our policies and procedures to prevent similar issues from arising in the future.

Our modern slavery risk assessment has provided MSFA with reassurance that the risk of modern slavery practices in our operations and direct supply chains for Tier 1 suppliers is low at this time, but we recognise that there is further work to be undertaken to review our Tier 2 and Tier 3 suppliers. In particular, we will focus on developing a Modern Slavery Action Plan which will be reviewed and approved by the Finance, Risk and Audit Committee. The plan may focus on the following:

⁵ [Fundraising Code of Conduct](#), MSF Australia

⁶ [Fundraising Code of Conduct](#), MSF Australia

- Staff awareness training
- Development of a Procurement policy
- Contractual clauses specific to modern slavery to include in our standard supplier contracts
- Development of a supplier questionnaire to allow us to better understand any potential risks of modern slavery practices in their supply chains
- Establishment of key performance indicators to monitor the effectiveness of actions taken to mitigate modern slavery risks
- Consideration of any trends in cases reported through grievance mechanisms and how these cases were handled

6. CONSULTATION AND APPROVAL PROCESS

We have consulted with all areas of our business, including MSFNZ and our Leadership Team, to comply with our legal obligations under the Act.

This Statement was circulated to the Leadership Team and Chair of the Finance, Risk and Audit Committee for comment prior to being put to the Directors of the Board for review and approval.

This statement was approved by the Board of Médecins Sans Frontières Australia Limited on 23 June 2021.



Ms Katrina Penney
President, Board of Directors