

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

This is Alfred Health's fourth Modern Slavery Statement made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) and relates to the financial year 1 July 2022 to 30 June 2023.

### Reporting Criterion 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 3 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 and commercially-oriented 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.

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

- Outsourced non-clinical support services (patient meals, cleaning, security, ward support)
- Telecommunications; ITS hardware, software and services
- Professional services
- Furniture, fittings and equipment
- Facilities maintenance
- Specialised clinical products; and
- 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. HSV works with approximately 488 suppliers with \$1.3 billion in total value under contract, covering a broad range of services, equipment and supplies across a number of categories. 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 and non-emergency patient transport.

At the start of the COVID-19 pandemic the Victorian Government centralised the ordering, warehousing and distribution of all tier 1 Personal Protective Equipment (PPE) through the State Supply Chain (SSC) now operated by HSV.

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

Alfred Health's primary exposure to modern slavery practices, lies in risks which exist offshore and in high-risk geographies.

There is potential risk of modern slavery in the sourcing of raw materials and production of some health care goods, including gloves, textiles, patient clothing, uniforms, sheets, towels etc. Health services use these goods, on a regular basis to ensure the overall health and well-being of our patients.

#### Modern Slavery supplier risk assessment

Alfred Health works closely with HSV to assess and address additional risks within healthcare supply chains. Alfred Health in conjunction with HSV completed supplier risk categorisations for HSV collective purchasing agreements. HSV data and analytics identified 299 suppliers from supplier spend data for the period FY2022 (July-December) for all health services including Alfred Health.

A risk assessment was conducted on suppliers with HSV collective agreements to oversee any adverse Modern Slavery behaviours or trends in the supply chain. The risk assessment was updated over the previous year to further evaluate and identify areas of concern.

The risk assessment was split into two sections covering:

- Company Details to identify the supplier's operational locations, industries they work in and gauge visibility of who they supply to more broadly
- Modern Slavery compiling four subsections covered under the Act being Policy, Due Diligence, Training and Remedy

The micro assessment identified modern slavery risks across four categories:

- Geographic Risks – some countries may have higher risks of modern slavery due to poor governance, weak rule of law, conflict, corruption, displacement or discrimination
- Sector/Industry Risks – certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes
- Entity Risks – some entities may have particular modern slavery risks because of poor governance structures, treating workers poorly, or have extensive sub-contracting
- Product/Service Risks – certain products and services may have high modern slavery risks because of the way they are produced, provided or used

The assessment considered whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service or in the location that the product or service is sourced or produced from. The micro assessment also considered whether the nature of the supply chain model carried a greater risk of modern slavery.

The macro assessment facilitated a detailed analysis by identifying and assessing possible modern slavery risk and in determining what risk mitigation strategies suppliers already had in place and what risks would need to be managed.

Whilst the above addresses HSV contracted suppliers utilised by Alfred Health work on the development of the Risk Assessment tool for Alfred Health suppliers not covered under HSV contract was completed in October 2023 enabling graduated assessment of those suppliers to commence. Of the 299 suppliers assessed by HSV, 189 are utilised by Alfred Health.

#### Supplier responses

Of the 189 suppliers utilised by Alfred Health:

- 67% responded
- 31% did not respond
- 2% declined to respond

#### Policy

Suppliers were asked if they had policies and procedures in place when encountering Modern Slavery issues. The intent was to see how many suppliers had a policy, if it was communicated to staff, and how it is monitored.

**Due Diligence**

Suppliers were asked what they are doing to actively mitigate modern slavery.

In relation to the goods and services they provide, 60% of Suppliers have a role that is responsible to identify and oversee modern slavery risks whilst multiple levels and layers of transparency have been mapped by 31% of suppliers.

52% of suppliers screen prospective suppliers and conduct Modern Slavery risk assessments.

**Training**

52% of suppliers train their staff to identify, assess, and respond to modern slavery risks and 37% make this training available to other entities and staff within the supply chain.

**Remedy**

In response to allegations of modern slavery, suppliers were asked what processes and remedial action plans they have in place. 42% of suppliers have a remedy or action plan in place to respond to any allegations.

**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 2022-23**

Implement actions from the gap analysis of current documentation and internal practice completed by Alfred Health Internal Auditors and ensure alignment with the requirements of the MSA.

Alfred Health has made significant progress on this action as detailed below:

Action	Progress
Establish and confirm the coverage and governance of the Modern Slavery Framework	This action is 75% complete with the remaining 25% in progress to be completed by end of 2023.
Develop and implement the elements of the Modern Slavery Framework	This action includes establishing a Modern Slavery Policy, complaints and escalation procedure, risk assessment and risk register and is 50% complete with the remainder due for completion by April 2024
Implement mechanisms to monitor the effectiveness of the Modern Slavery Network	This action is 30% complete with the action to be completed by April 2024

**Training**

Alfred Health committed to develop and release a training program to assist Alfred Health staff to understand and comply with the expectations of the Modern Slavery Act. The training package was

finalised in June 2023 and detailed information regarding numbers of staff trained and subjects covered will be published in the 2024 modern slavery statement.

**Due Diligence**

The Alfred Health Supplier Code of Conduct has been finalised and will be rolled out during FY 2023-24.

Contract and market engagement clauses have been finalised.

Corrective actions are in the design phase and will be completed and implemented over the next 12 months.

**Previous reporting periods**

The focus of Alfred Health’s second reporting period under the Modern Slavery Act 2018 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 this, reporting period significant progress has been made towards meeting all requirements of the Modern Slavery Act. This included:

- Addressing the outcome of the gap analysis of Alfred Health’s current documentation and internal practice and aligning that to comply with the requirements of the Act
- Amending existing procurement policy and related documentation; and
- Developing a suitable training program to assist Alfred Health staff meet the continuous improvement expectations required under the Modern Slavery Act

A dedicated Manager is responsible, as part of their duties, for the integration of Modern Slavery requirements into Alfred Health’s processes and business practice.

**Actions to be taken by Alfred Health in 2023-24**

Alfred Health will:

- Complete all actions from the gap analysis of current documentation and internal practice conducted by Alfred Health Internal Auditors and ensure alignment with the requirements of the MSA
- Roll out a training program to assist Alfred Health staff to understand and comply with the expectations of the MSA
- Roll out Alfred Health’s Risk Assessment tool to selected suppliers and include the results of that roll out on the next reporting period

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

During this reporting period, we focused on improving our understanding of the risks associated with modern slavery, as well as identifying how these risks could affect our operations and supply chains. It is still too early for us to assess the efficacy of the measures we have taken at this point. However, we have begun and will continue to develop frameworks and processes to ensure that we can audit the effectiveness of the measures we are taking to assess and address modern slavery risks in our operations and supply chains.

**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 LGBTI persons
- Freedom of religion and belief
- Good governance
- People with disability

### Closing statement

Combating modern slavery is consistent with the core values on which Alfred Health strives to live up to each day. It is Alfred Health's firm belief that fighting modern slavery requires continuous improvement, and it is committed to improving current identification, assessment and reporting strategies over time by working collaboratively with HealthShare Victoria, our stakeholders and the local community.

This statement was approved by the Board of Alfred Health on .....

Signed.....

Name.....

Position.....

*[Signature]*  
MARTIN FOLEY

Chair - Alfred Health

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