



 murdoch  
children's  
research  
institute

 VCGS  
leaders in genetic health

# Modern Slavery Act Statement 2022



## Chairman Statement

At Murdoch Children's Research Institute and Victorian Clinical Genetics Services ('VCGS') (collectively 'MCRI'), We recognise the importance of identifying and addressing Modern Slavery risks as We pursue our mission to provide children and families a safe and healthy world to live a fulfilled life.

Modern Slavery covers a range of exploitative practices that impact upon people's freedoms including human trafficking, forced or compulsory labour including any form of child exploitation and abuse.

This statement outlines our approach to identifying and minimising risks of Modern Slavery in our operations now and in the future.

This statement upholds our commitment to combat Modern Slavery and protect the human rights and freedoms of any individuals, including of our personnel and those involved in MCRI's operations and supply chains.

Murdoch Children's Research Institute makes this statement in accordance with section 13 of the Modern Slavery Act 2018 (Cth) and following consultation with its subsidiary, Victorian Clinical Genetics Services Limited. This statement was approved by our Board of Directors on 26th April 2022.



**Patrick Houlihan**  
2022 Chairman and  
Non-Executive Board Member

26th April 2022

Our Purpose

**We want all  
children to have  
the opportunity  
to live a healthy  
and fulfilled life**





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## An overview of modern slavery

Modern slavery is used to describe exploitative practices.

It includes any exploitation of a worker, human trafficking, slavery, servitude, forced labour, debt bondage or deceptive recruiting for labour or services or similar types of conduct. It also includes forced marriage and the worst forms of child labour as defined in Article 3 of the International Labour Organization (ILO) convention.

Modern slavery occurs when coercion, threats or deception are used to exploit individuals and undermine or deprive them of their freedom. Cases do not always involve physical violence. Perpetrators often use subtle threats and psychological pressure to control individuals.

According to the International Labour Organisation (ILO) of the United Nations<sup>1</sup>, more than 40 million people worldwide are victims of modern slavery, including 24.9 million in forced labour and 15.4 million in forced marriage.

In addition, more than 150 million children are subject to child labour, accounting for almost one in ten children around the world.

Women and girls are disproportionately affected by forced labour, accounting for 99% of victims in the commercial sex industry, and 58% in other sectors.

Source 1: International Labour Organisation (ILO) of the United Nations, available from: [www.ilo.org/](http://www.ilo.org/)





## MCRI and VCGS - our structure

Murdoch Children's Research Institute ('MCRI') is a registered charity in its 35th year of operations and with over 1,300 researchers, is Australia's largest child health research institute.

We are dedicated to making discoveries to prevent and treat childhood conditions. Many of our researchers are also clinicians at The Royal Children's Hospital (RCH) and often hold joint appointments at the University of Melbourne.

MCRI specialises in discoveries transforming child health and our research improves the lives of millions of kids each year. Our research encompasses five major themes: stem cell biology, genetics, infection and immunity, population health and clinical sciences.

Victorian Clinical Genetics Services Limited ('VCGS') is an Australian Not-For-Profit wholly owned subsidiary of MCRI. VCGS is a specialist prenatal, childhood and adult genetics service, one of the largest contributors driving genetic healthcare, research and policy in the country and the pioneering clinical genetic services arm of MCRI.

This is the Modern Slavery Statement ('Statement') for MCRI and VCGS for the financial year ended 31 December 2021 ('Statement Period') under the Australian Modern Slavery Act 2018 (Cth) ('Act'). MCRI is the reporting entity under the Act. For the purpose of this Statement, reference to MCRI or 'We' refers jointly to MCRI and VCGS unless otherwise stated.





## Our operations

MCRI has five main themes that our research is grouped into: Genetics, Stem Cell Biology, Infection and Immunity, Clinical Sciences and Population Health. The Research Support and Operations team provide support to the research projects across MCRI and VCGS.

Our main operations are based in The Royal Children’s Hospital (RCH) in Victoria, Australia. We also collaborate with organisations and conduct research activities around the world including in: Afghanistan, Austria, Brazil, Denmark, Ethiopia, Fiji, France, The Gambia, India, Indonesia, Italy, Laos, Malawi, Mongolia, Mozambique, Netherlands, New Zealand, Nigeria, Papua New Guinea, Poland, Solomon Islands, South Africa, Tanzania, United Kingdom, United States of America and Vietnam. Personnel from these locations were repatriated to Australia during the statement period due to the COVID pandemic (except for in The Gambia and Denmark).



### Clinical Sciences

Our researchers are working to improve the diagnosis and treatment practices for sick babies, children and adolescents with acute and chronic illnesses.



### Genetics

Our scientists study DNA to understand the genetic basis of diseases including ataxia, thalassemia, mitochondrial and chromosome disorders.

### Stem Cell Biology

Stem Cell biology researchers work with stem cells and cutting-edge technology to understand how disease alters healthy cells. They’re developing new treatments for children with cancer, congenital diseases and developmental disorders.

### Population Health

Our diverse team of researchers study the health of communities and translate this knowledge into prevention, intervention and treatment.

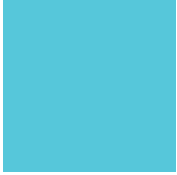


### Infection and Immunity

Allergies, infections and immune conditions are under the microscope at MCRI with a major focus on developing new vaccines and testing these to ensure they are safe to give to children.

### Research Support and Operations

Provides the support services to sustain our research.



## Our activities



### Neurodevelopment

Transform our treatment of autism, social impairment and intellectual disability



### Heart

User regenerative medicine to repair damaged heart tissue



### Allergy

Eradicate food allergy



### Kidney

Develop new therapies for kidney disease



### Complex Disease

Use life-long data to predict and prevent complex disease



### High-risk infant

Improve long-term outcomes for high-risk infants



### Infection

Reduce misuse of antibiotics and minimise drug resistance and side effects



### Cancer

Develop new models of care for paediatric cancer



### Mental Health

Prevent and treat mental illness through a whole-of-system approach



### Adolescent Health

Improve the health of future generations



### Aboriginal Health

Work with Aboriginal communities to improve the lives of their children

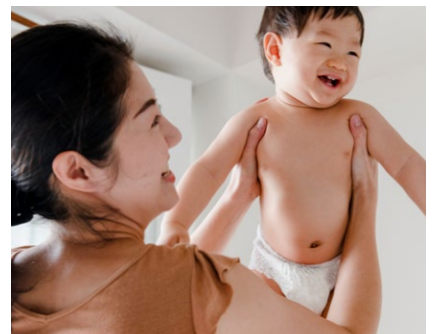


### Rare Disease

Improve detection, diagnosis and treatment of rare diseases



### COVID



## Our supply chain review

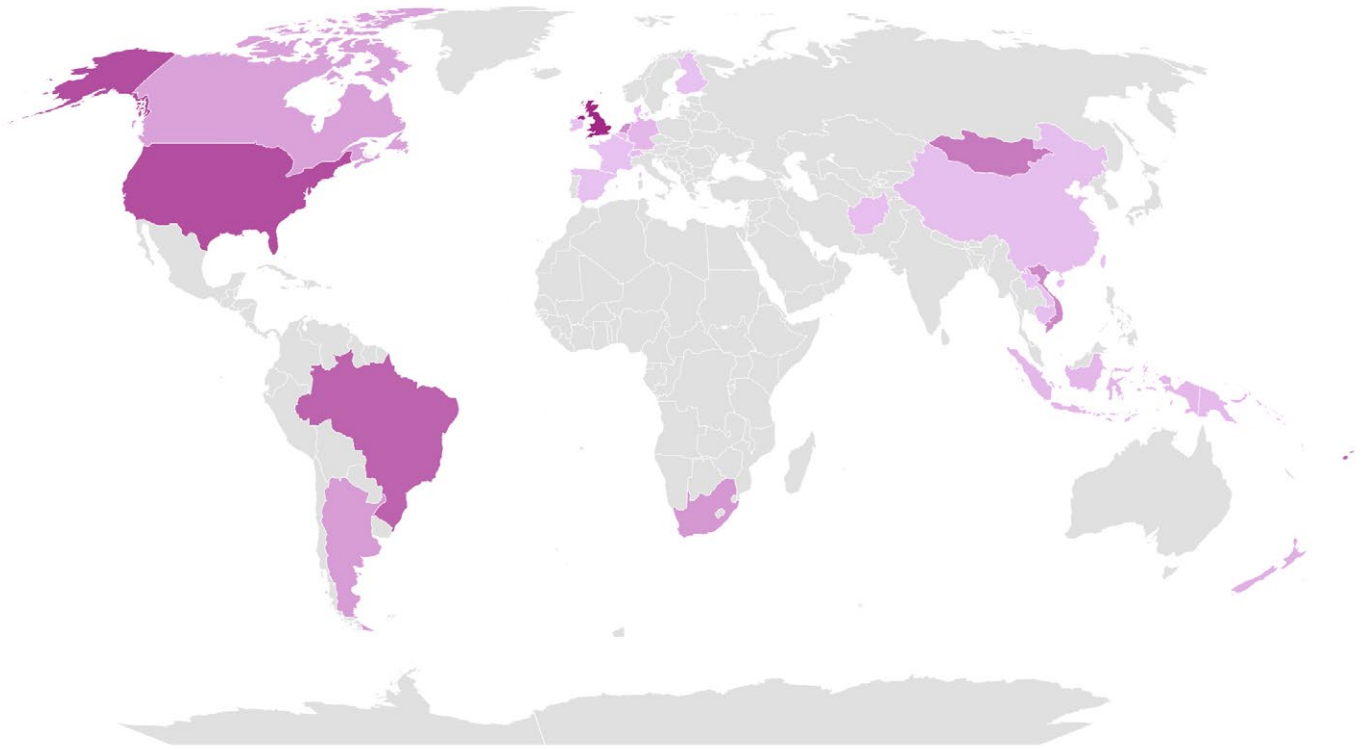


	Category	Examples
<b>Service providers</b>	Utilities and Waste Disposal	water, gas, electricity and waste disposal (including dangerous chemicals and waste)
	Administrative	temporary contract labour supply for administrative roles, legal, communications, hospital repairs and maintenance, advertising, consultants, continuity services, staff training, subscriptions and memberships
	Financial	general banking including credit cards, investment management, insurances, audit, staff default superannuation, external payroll bureau
	Couriers	domestic and specialised international couriers and dry shippers
	Travel and Accommodation	domestic and international transport, accommodation providers
<b>Product suppliers</b>	Laboratory and Pathology	chemicals, diagnostic kits and reagents, gases, glass/plastic ware, lab equipment
	IT, Telecommunications and Electronics	computer equipment, telephone and mobile phones, equipment with electronic components, software supply and maintenance
	Furniture and Non-Electronic Equipment	office equipment, furniture and fittings, office refurbishments
	Medical and Surgical	instruments, medical consumables, Personal Protective Equipment ('PPE')
	Office Supplies	printing, stationery, postage
	Catering and Food	food, beverage, crockery
<b>Partners</b>	Research Collaborators	universities, medical research institutes, hospitals, health care, government
	Global Health international services	Global Health and international field collaborators and suppliers
	Key Partner: RCH services	Royal Children's Hospital (main landlord) providing purchasing, parking, child care, pathology services
	Key Partner: RCH outsourced service provider	RCH's key service provider who provides key services including cleaning, maintenance, security, facility management





## Our supply locations outside Australia



Country	Percent of spend $\geq$ 0.1%	Walk free score <sup>1</sup>
Afghanistan	0.6%	94
Argentina	4.6%	29
Belgium	0.2%	13
Brazil	11.0%	36
Cambodia	0.6%	64
Canada	3.9%	10
China	0.7%	51
Denmark	0.3%	N/A
Fiji	10.3%	N/A
Finland	0.3%	8
France	0.2%	15
Germany	1.4%	10
Hong Kong	0.4%	25
Indonesia	1.3%	50
Ireland	0.4%	10

Country	Percent of spend	Walk free score <sup>1</sup>
Laos	0.3%	58
Mongolia	8.4%	44
Netherlands	6.1%	6
New Zealand	2.3%	2
Papua New Guinea	1.1%	62
Singapore	0.4%	13
Solomon Islands	1.5%	N/A
South Africa	5.0%	54
Spain	0.3%	13
Switzerland	0.8%	2
Taiwan	0.1%	20
United Kingdom	17.5%	11
USA	13.4%	16
Vietnam	6.6%	41

<sup>1</sup>Global Slavery Index 2018 Dataset, Walk Free Foundation, available from: [www.globalslaveryindex.org](http://www.globalslaveryindex.org)

Indicating the vulnerability of a country in relation to Governance, Nourishment, Inequality, Disenfranchised Groups and Effects of Conflict (scale from 1-100, low is desirable)



## Modern slavery risk assessment

The risk assessment conducted by our Modern Slavery working group for the Statement period was supported by review of the following (including VCGS data and consultation):

- Hiring practices and controls
- Types of goods and services
- Supplier frequency
- Supplier spend
- Supplier location

The MCRI Modern Slavery working group considered the risks of Modern Slavery associated with the types of goods and services supplied, geographic risks, and sector and industry risks.

In the first tier of our supply chain, MCRI considers that the risk of modern slavery is relatively low. However, we acknowledge that there are areas of our supply chain that may pose higher risks of modern slavery.

We have identified the following categories of our supply chain as posing higher risks of modern slavery when selecting suppliers for further assessment through the supplier questionnaire:

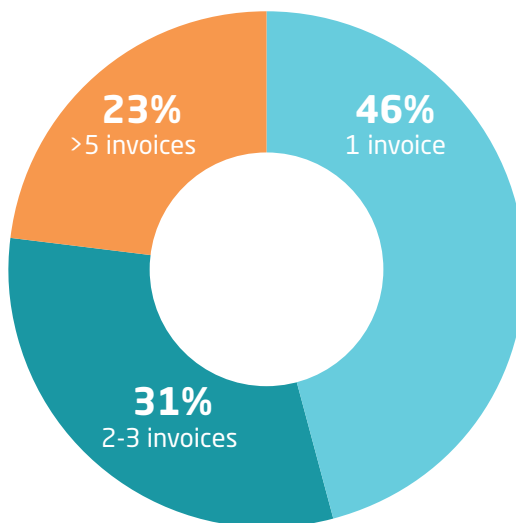
- Medical consumables
- PPE
- Shipping
- Electronics
- Cleaning services (engaged through the Royal Children's Hospital)
- Security services (engaged through the Royal Children's Hospital)

We have also identified the following supply locations as posing higher risks of modern slavery:

- Afghanistan
- Cambodia
- China
- Indonesia
- Laos
- Papua New Guinea

When combined, these supply locations only amount to approximately 4.6% of MCRI's overseas supply spend.

### Frequency of invoicing per supplier over 5 years







## Our actions

MCRI has taken the following actions during the Statement period to identify and manage Modern Slavery risks in our supply chain:

### Supply chain review

MCRI undertook an initial review of supplier data over a 5 year period. By considering supplier frequency and spend, we gained insights into our supply chain (including the ease of changing suppliers and our ability to influence the supplier relationship) in the context of assessing and managing Modern Slavery risks.

The review identified a wide range of suppliers, some common to both MCRI or VCGS, but many unique to only one. These suppliers included large enterprises, government departments and universities through to small and medium sized businesses, sole traders and consultants. The frequency of engaging these suppliers was analysed. During the initial 5 year review period (excluding activity through RCH), MCRI transacted with almost 3,400 suppliers. Of these, 77% had five or less invoices processed during the period, with those having only one invoice processed representing 46% of the total. Spend with suppliers was also analysed, with the top 14 suppliers accounting for over half of combined expenditure, while 93% of suppliers represented 10% of expenditure and 64% only 1% of expenditure. The vast majority of suppliers are located in countries considered low risk for Modern Slavery.

Analysis of frequency of purchase and spend by MCRI with each supplier provided insight into the risks of modern slavery in our supply chain. It also prompted us to consider the ease with which we can change suppliers if necessary and our ability to influence each supplier relationship.

### Procurement review

A procurement review indicated an opportunity to improve our existing purchasing system. As a result, we engaged in an overhaul of our procurement function, which involved insourcing of the purchasing functions from RCH to MCRI and implementation of a new purchasing system in 2021.

### Supplier questionnaire

Following our initial supply chain review through which we identified suppliers that were high risk or high spend, the Modern Slavery working group prepared a supplier questionnaire based on Modern Slavery risks and controls. The supplier questionnaire was sent to 175 high risk or high spend suppliers identified by the initial supply chain review.

The responses received have allowed us to understand the risks in our suppliers' operations and the controls they have put in place to address those risks. This program of work will continue in the year ahead to follow up with suppliers who have not yet submitted questionnaires and explore responses in more detail where required.

### Policy development

A Modern Slavery policy has been developed and will be published in 2022.

The Whistleblower policy has been updated to better reflect issues around modern slavery concerns.

Template clauses for supplier contracts to address modern slavery have been prepared. New supplier agreements will include the template clauses and MCRI will conduct ongoing supplier contract reviews for existing suppliers.



## Actions taken in respect of Global Health projects

Most of the research and clinical trial activity undertaken by MCRI outside of Australia, primarily in Africa, Asia and the Pacific region, is run by research groups who work in MCRI's Global Health research initiative.



Since 2017 MCRI has been a full member<sup>1</sup> of the Australian Council for International Development (ACFID). ACFID is the peak body for Australian non-government organisations involved in the areas of international development and humanitarian action.

Members work to alleviate poverty, reduce inequality, support environmentally sustainable and inclusive development and on the front lines of humanitarian emergency and disaster relief. ACFID membership is comprised of over 130 Australian organisations actively working in the international aid and development sector.

As an ACFID member, MCRI is required to maintain the highest standards in its overseas operations that specifically address risks in relation to: modern slavery; protection of children, the vulnerable and marginalised; human rights; gender equality; disability inclusion; fraud and corruption control (including anti-terrorism).

To reduce the risks outlined above, including risks of modern slavery, our Global Health team have developed questionnaires and checklists that include questions related to Modern Slavery risks and controls. These assessments are undertaken for new overseas collaborators and our Global Health staff have begun completing them with representatives of existing overseas collaborators.

Collaborator assessments include child safety risks, Prevention of Sexual Exploitation, Abuse and Harassment ('PSEAH') risk assessments.

We are assessed against and meet the Department of Foreign Affairs and Trade ('DFAT') child protection minimum standards. These include a risk management system for project activities and guidance on child labour risk assessment and control. Assessment of collaborators has also commenced as part of an ongoing program. An assessment of child protection minimum standards has been introduced including child labour and sexual exploitation as part of a child protection risk assessment.

MCRI maintains a standardised hiring process and practices (including screening employees) for domestic and international research. Where staff have joint appointments, we work with international collaborators such as hospitals, universities and international research bodies and these are skilled staff. Our experience in partner selection with reputable organisations that maintain robust hiring practices is built into our sourcing and helps manage Modern Slavery risks. We take all reasonable steps to ensure that local staff working on research projects and trials are paid and treated appropriately.

Our Global Health research assists many people around the world with healthcare that reduces vulnerability.

Source 1: Australian Council for International Development, available: <https://acfid.asn.au/content/membership-types>







## Effectiveness of our actions

It is important to MCRl that the actions We are taking to identify and mitigate risks of modern slavery are effective.

- ✔ Our insourced purchasing functions have given us greater visibility over our supply chain, including ability to identify risks of Modern Slavery.
- ✔ The supplier questionnaire responses We received are being used to inform our decision making on suppliers, and our assessment of risk. They have helped us identify key suppliers for follow up discussions. The questionnaire response rate is being tracked as a key indicator.
- ✔ All Whistleblower notifications, including those in relation to Modern Slavery, are tracked and the number of reports is used as a key indicator.





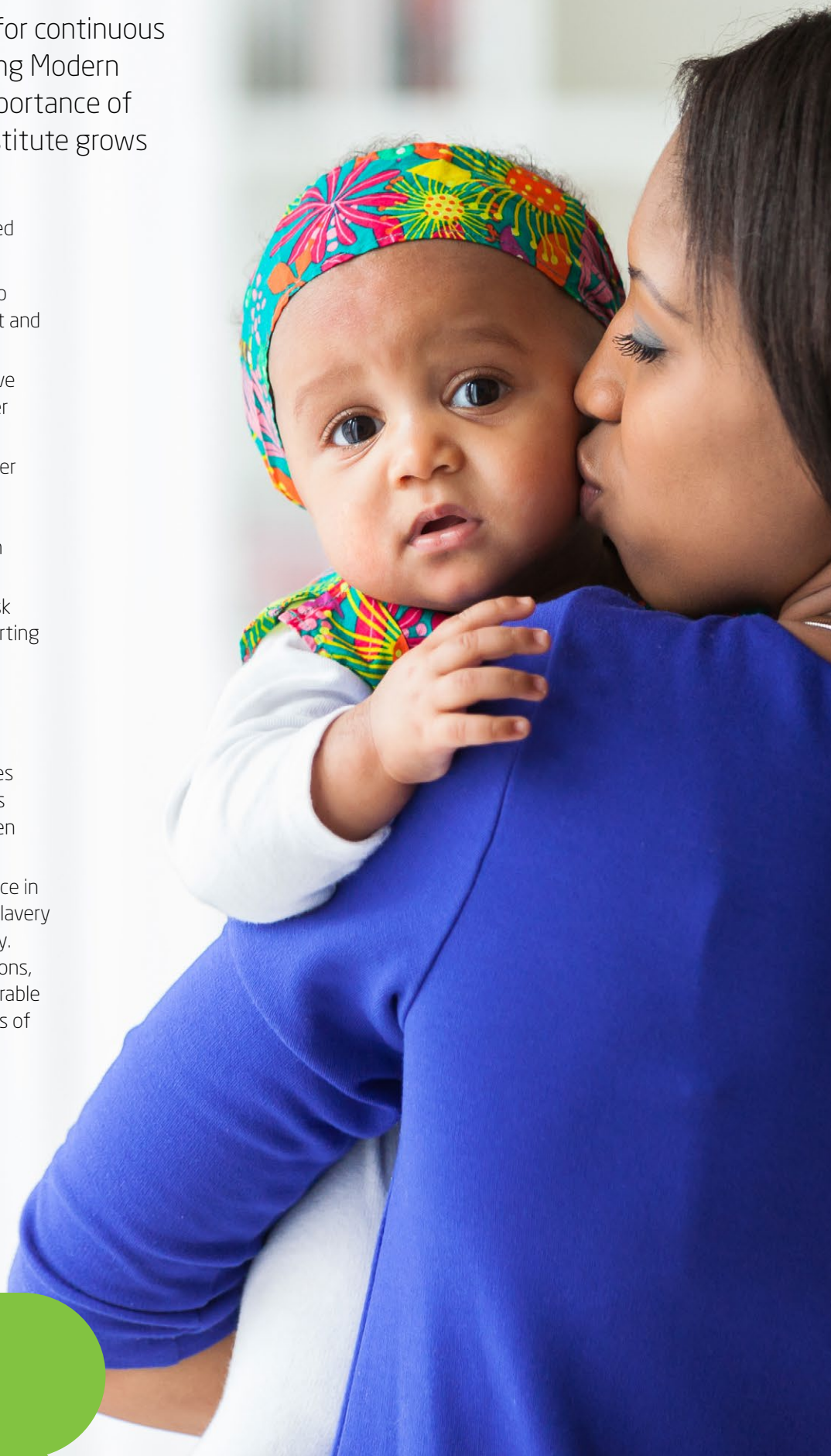
## Continuous improvement

We recognise the need for continuous improvement in managing Modern Slavery risks and the importance of reassessment as our institute grows and changes over time.

Some of the key initiatives planned include:

- Developing standard training to support staff to identify, report and manage Modern Slavery risks.
- Following up suppliers who have not yet submitted their supplier questionnaires.
- Reviewing and updating supplier contracts and collaboration agreements with the Modern Slavery clauses that have been drafted.
- Building the Modern Slavery risk assessment level into the reporting from the new procurement software.
- Developing a standardised preparation pack for research projects involving new countries without established operations and partnerships that have been assessed.

MCRI remain committed to vigilance in our institute to identify Modern Slavery risks and manage them effectively. Through our research and operations, We will continue to support vulnerable children and families in many parts of the world.







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Murdoch Children's Research Institute  
The Royal Children's Hospital  
50 Flemington Road, Parkville VIC 3052  
[mcri.edu.au](http://mcri.edu.au)     