

## **Eastern Health Modern Slavery Statement – FY 2020-2021**

### **Introduction**

Eastern Health is committed to safe workplaces, to limiting the risk of modern slavery within its operations and supply chains, and to the eradication of modern slavery.

This Modern Slavery Statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) by Eastern Health and relates to the financial year 1 July 2020 to 30 June 2021.

### **Eastern Health Structure, Operations and Supply Chain**

#### Overview

Eastern Health is a health service established under section 181 of the *Health Services Act 1988* (Vic) and is one of Melbourne's largest metropolitan public health services. We provide a range of emergency, surgical, medical and general healthcare services, including maternity, palliative care, mental health, drug and alcohol, residential care, community health and statewide specialist services to people and communities that are diverse in culture, age, socio-economic status, population and healthcare needs.

A more detailed description of Eastern Health's mission, vision and values can be found in the [Eastern Health 2019-2020 Annual Report](#).

#### Supply Chain

##### **The risks of modern slavery practices in Eastern Health operations and supply chains**

Eastern Health has taken a targeted, risk-based approach to assessing modern slavery risks within its operations and supply chains, consistent with the UN Guiding Principles on Business and Human Rights. Additionally, this approach has enabled Eastern Health to continue addressing areas of higher modern slavery risk while managing significant resourcing constraints due to the COVID-19 pandemic. As a health service with a largely skilled workforce, Eastern Health considers the risk of modern slavery within its direct business operations to be relatively low. In line with a risk-based approach, these risks will be further examined in subsequent reporting periods.

#### Modern slavery in the healthcare sector

Given Australia's reliance on global supply chains for the production of healthcare goods, including gloves; surgical instruments; patient clothing; uniforms and footwear of healthcare professionals; sheets, towels, and other textiles; and electronic healthcare equipment, Eastern Health's supply chain faces heightened geographic, industry and product modern slavery risks.

HealthShare Victoria (HSV) is a statewide procurement organisation that partners with Victorian public health services to procure best-value goods and services. HSV works with approximately 449 tier-one suppliers and is responsible for more than 65 contracts with a spend value of over \$1.16 billion. HSV is responsible for approximately 14% of Eastern Health contracts.

Some of the general risk areas present in Eastern Health’s supply chain include:

- Labour practices in offshore manufacturing facilities, some of which are located in South-East Asia;
- Labour practices in the sourcing of raw materials, including cotton and rubber; and
- Industry risks associated with textiles, electronics and cleaning services.

In addition to general risks, HSV has identified the following high risk areas specific to the healthcare sector:

- Surgical and examination gloves;
- Surgical instruments; and
- Linens and gowns.

**Eastern Health’s actions to assess and address Modern Slavery risks**

Eastern Health/HSV Joint Risk Assessment

A supplier risk assessment has been conducted of the HSV Collective Purchasing Agreements utilised by Eastern Health. This involved contacting the 159 suppliers from HSV Collective Purchasing Agreements utilised by Eastern Health and conducting a macro assessment that considered:

- Geographic Risks;
- Sector/Industry Risks;
- Entity Risks; and
- Product/Services Risks.

This was followed by a micro assessment that facilitated a detailed analysis by identifying and assessing possible modern slavery risks and determining what risk mitigation strategies suppliers already had in place and what risks would need to be managed. Both the macro and micro components included assigned weighting, rating, and risk scales designed to allocate a modern slavery risk rating to suppliers. Suppliers were allocated one of the following risk ratings: very low, low, medium, high, or very high.

There were 129 respondent and 30 non-respondent suppliers to the survey, providing an overall response rate of 81%. The combined macro and micro assessment outcomes for the respondent suppliers were as follows:

Risk Category	No. of Suppliers	Percentage
High	21	16.3%
Medium	86	66.7%
Low	22	17.1%

There were no suppliers assessed in either the very low or very high categories.

This analysis will be supplemented in the coming 12 months by a similar analysis of the 214 Eastern Health suppliers that are not part of HSV Collective Agreement analysis.

**Effectiveness of Eastern Health’s actions being taken to assess and address modern slavery risks**

Despite the continued impact on Eastern Health of the COVID-19 pandemic over the reporting period, progress has been made in implementing policies and undertaking practical actions to remediate modern slavery risks both directly within the organisation and in its supply chains. While specific reporting metrics have not yet been established, the focus of this early stage has been on integrating modern slavery provisions into general operations and improving staff awareness of modern slavery.

Actions initiated over the reporting period have included drafting a Modern Slavery Standard as part of Eastern Health’s broader policy framework and embedding a modern slavery remediation process into established procurement complaint handling procedures. Eastern Health has also incorporated modern slavery contract clauses into its contract templates for future contracts and plans to incorporate similar provisions into existing contracts, either by negotiation with suppliers or upon contract renewal. Eastern Health has included modern slavery provisions in its tender documentation and made it part of the standard evaluation consideration.

Modern Slavery awareness training has been conducted for Eastern Health staff involved in the day-to-day procurement process and this will be supplemented by a fact sheet and supporting communications for other staff as part of the introduction of the Eastern Health Modern Slavery Standard.

**Consultation process with any entities Eastern Health owns or controls**

Eastern Health does not own or control any other entities.

**Closing statement**

In a spirit of continuous improvement, Eastern Health looks to build on its initial steps in developing its modern slavery framework and working to eradicate modern slavery practices from our operations and supply chains.

This statement was approved by the Board of Eastern Health on 1 December 2021.



David Plunkett  
Chief Executive Officer