


MODERN SLAVERY STATEMENT • 2022

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 Telethon Kids Institute acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and waters of Australia. We also acknowledge the Nyoongar, Wadjuk, Yawuru, Kariyarra and Kaurna Elders, their people and their land upon which the Institute is located and seek their wisdom in our work to improve the health and development of all children.

1. INTRODUCTION

The Commonwealth *Modern Slavery Act 2018* came into effect on 1 January 2019. The Act established a national modern slavery reporting requirement for organisations with annual consolidated revenue of at least AUD\$100 million. This requirement encourages Australian organisations to identify and address their modern slavery risks and maintain responsible and transparent supply chains. Entities required to comply with the reporting requirement must prepare annual Modern Slavery Statements. This is the Telethon Kids Institute's third Modern Slavery Statement and the second issued under the Modern Slavery Act 2018.

Modern slavery is defined in the *Modern Slavery Act (Cth) 2018* as including eight forms of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour services; and the worst forms of child labour.

The issue of modern slavery goes to the heart of the Telethon Kids Institute's vision of "Happy Healthy Kids" because globally one in four of the estimated 49.6 million victims of modern slavery are children¹.

It is everyone's responsibility to mitigate the risks of modern slavery through a persistent and collaborative approach involving employees, contractors and other organisations on the same path. The Telethon Kids Institute recognises this responsibility and is determined to minimise its footprint in the entrenched global network that is modern slavery.



¹ International Labour Organisation (ILO)

2. ABOUT TELETHON KIDS INSTITUTE

2.1 OUR ORGANISATION

The Telethon Kids Institute was officially opened in 1990 and has grown into one of the largest and most successful medical research institutes in Australia. The Institute is comprised of a dedicated and diverse team of over 1,200 staff, students and honorary researchers.

In 2019, our 2019 – 2023 Strategic Plan 'Up for the Challenge' was launched. This Plan sets out the blueprint for how we work to achieve our vision of Happy, Healthy Kids. Our work is focussed on our four strategic pillars of Impact, Partnerships, People and Sustainability and our values of Courage, Collaboration, Evidence and Respect underpin all that we do.

The Telethon Kids Institute is an independent Australian not-for-profit public organisation and is a charity registered with the Australian Charities and Not-for-Profits-Commission (ACNC) (ABN 86 009 278 755). The Telethon Kids Institute does not wholly own or control any other entities and is not part of a larger group, so no related consultation was required to produce this Statement. Our financial year runs from 1st January to 31st December and for the 2022 financial year our total operating revenue was over AUD\$100 million.

2.2 OUR STRUCTURE

The Telethon Kids Institute is governed by an eminent and highly skilled Board of Directors who all give their time voluntarily and work together to guide the overall business of the Institute, bringing a diverse range of experience from government (State and Commonwealth), academic and community sectors plus business and research organisations with substantial global reach.

The Board is Chaired by Hon Julie Bishop, who as Foreign Minister introduced and championed the Modern Slavery Act and was personally committed to ensuring it became a national focus.



HON JULIE BISHOP
CHAIR



JONATHAN CARAPETIS AM



HON BEN WYATT



FIONA DRUMMOND



JANE MUIRSMITH



JOZEF GÉCZ



NICOLE O'CONNOR



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Under the leadership of Executive Director Prof Jonathan Carapetis, the Institute's Executive team is responsible for the overall management and strategic direction of the Institute to enable it to achieve its strategic vision, goals and priorities.

The Telethon Kids Institute is broadly structured into research themes and professional services to support the research.

2.3 OUR OPERATIONS



The Telethon Kids Institute's head office is based within the Perth Children's Hospital (PCH) on the QEII Medical Centre campus in Nedlands, Western Australia. The Institute also has research teams based at other locations including Subiaco, Joondalup, the Kimberley (Broome), the Pilbara (South Hedland), Cockburn and Adelaide, South Australia.

The Institute's research is broadly organised into key themes relating to child health: Early Environment, Brain and Behaviour, Chronic and Severe Diseases and Indigenous Health. The Indigenous Health research theme integrates the needs of Indigenous families and children into all relevant areas of our work. Improving the health and well-being of Indigenous children and families is an overarching priority for every program and team at the Institute.

Other key elements of our operations include:

- Supervision and experience for students
- Provision of specialist research services and equipment
- Integration of research into clinical practice (e.g. CliniKids)
- Fundraising and development
- Community engagement
- Education and outreach
- Commercialization and innovation



Our national and international collaborative networks enable the ongoing development of medical research capacity as we work together to improve the lives of children in key areas. We are focused on training the next generation of child health researchers with 175 Honours, Masters, PhD and Doctor of Medicine students, sharing our state-of-the-art facilities, equipment, technology and expertise to benefit child health and development research worldwide.

Our annual Impact Report provides a full summary of the ways in which our research is making a real difference to children, young people, families and communities across the world. Recent examples of our research impacts include:

- Our Wesfarmers Centre of Vaccines and Infectious Diseases played a leading role in advising, assessing, and supporting the COVID_19 vaccine roll-out. The Institute's Geospatial Health and Development team developed highly sophisticated modelling which accurately predicted the peak and fall of WA's omicron outbreak.
- Research by our Neonatal Infection and Immunology team has led to coconut oil massages being the recommended standard care at King Edward Memorial Hospital's Neonatal Intensive Care Unit, after discovering it helped to reduce sepsis in premature newborns.
- Researchers from the Wal-Yan Respiratory Research Centre were part of a decade-long study, which found that the antibiotic azithromycin can be used as a safe anti-inflammatory for babies with Cystic Fibrosis.
- World-first research led by Clinikids Professor Andrew Whitehouse at Telethon Kids, in collaboration with the Child and Adolescent Health Service (CAHS), has found a parenting program for babies showing early signs of autism can reduce the chance of clinical autism diagnosis by two-thirds.
- The development of resources in traditional language by Telethon Kids researchers in partnership with Aboriginal Elders to spread the word in communities about the risks of drinking during pregnancy.

Over **650** publications 

..... over **500**

peer-reviewed journal articles

..... and more than

100 other publications

with our publications overall being cited more than **150,000 times**



2.4 OUR SUPPLY CHAIN

Our supply chain consists primarily of research and consultancy service providers and contractors who supply goods and services that support the research, our facilities and operations.

Key goods purchased include laboratory and scientific equipment and consumables, ICT infrastructure, facilities and office consumables.

Key services purchased include research and consulting services, equipment servicing, facilities management services (including cleaning, waste disposal, repairs and maintenance), travel services, ICT services, energy, software and delivery services.

3. IDENTIFYING MODERN SLAVERY RISKS

The Institute has identified the following key areas in our operations and supply chain where the perception of, or potential for, risk factors of modern slavery exist.

3.1 OUR OPERATIONS

- **Our people** including workers from diverse backgrounds and across various skill levels plus students, volunteers and honorary researchers.
- **Overseas operations** including research conducted abroad with overseas collaborators, especially collaborators from high-risk geographies.
- **Investments** including the risk that Institute funds are invested in organisations that do not adequately assess, understand and address risks of modern slavery in their operations or supply chains.
- **Donations and partnerships** including the risk that the Institute accepts funds from and implicitly endorses organisations that do not adequately assess, understand and address risks of modern slavery in their operations or supply chains.

3.2 OUR SUPPLY CHAINS

- **Engagement of contractors** including the risk that the contractors we engage do not adequately assess, understand, and address risks of modern slavery in their operations or supply chains.
- **Procurement of higher risk goods and services** including the risk that the supply chains involved in the development of these goods and services do not adequately assess, understand and address risks of modern slavery in their operations or supply chains. *This risk has been emphasised in the context of COVID-19 and the increased vulnerability of offshore workers during this time.*

4. ASSESSMENT OF MODERN SLAVERY RISKS

4.1 OUR OPERATIONS

- **Our workforce**

The Institute's staff, students, volunteers and honorary researchers are predominantly based in Australia. Per the Global Slavery Index 2018, the risk of modern slavery in Australia is extremely low (4.3/100). Furthermore, the Institute's recruitment processes and standards for employment are aligned with Australian legal and ethical obligations including the *Fair Work Act 2009* and supported by our policy framework including an Hours of Work Policy and Recruitment Procedure. Furthermore, the Institute has a host of support mechanisms in place to further support the health and wellbeing of our workforce, explored further in Section 5.

- **Overseas operations**

The majority of the Institute's overseas activities and projects relate to research being conducted abroad with research collaborators.

The Institute collaborates with researchers across the world, with research collaborations in 2022 active in: New Zealand, United States, United Kingdom, Denmark, Canada, the Netherlands, Thailand, Papua New Guinea, Switzerland, Sweden, Israel and Singapore.

The operations and supply chains in some of these geographies evidently attract higher risk factors for modern slavery, particularly in Thailand (where the estimated prevalence of modern slavery is 8.9 people per 1,000 population according to the Global Index 2018) and Papua New Guinea (where it is 10.3 per 1,000 population). The Institute's collaborations are subject to due diligence and an appropriate contractual framework to mitigate these risk factors.

- **Investments**

In lieu of independent management of our investments the Institute engages a sustainability focused investment management organisation to guide our investment decisions, who conduct comprehensive modern slavery reviews of the parties they engage which serves to complement the Institute's own due diligence processes and policy requirements.

- **Donations and partnerships**

The Institute actively seeks and accepts donations and partnerships from Australian and international-based donors to ensure a sustainable approach to funding is achieved and maintained. The Institute understands its responsibility and accountability for ensuring that donations and partnerships are derived from ethical sources.

4.2 OUR SUPPLY CHAINS

- **Engagement of contractors**

The Institute engages many contractors across different sectors and geographies. During the 2022 financial year, the Institute directly engaged 1,035 contractors (an increase from 954 in 2021). 92% of our contractors in 2022 were Australian based contractors (down from 94% in 2021), which as assessed by the Global Slavery Index 2018, has a low prevalence of modern slavery, together with active government responses to dealing with issues. However, such indications must not lead to complacency since Australia still has an estimated 15,000 victims of modern slavery².

The Institute's online supply chain questionnaire demonstrates a growing awareness, understanding and focus of modern slavery and human rights risks among the contractors we engage with. Of the contractors surveyed:

- 12% have a consolidated revenue above \$100 million and report under the Modern Slavery Act.
- 31% provide human rights and modern slavery training to their staff.
- 52% have an established policy in place that covers human rights and modern slavery and 16% have plans to develop one in the next 12 months, although 20% had no current plans.
- 30% screen existing contractors to assess the risk of modern slavery in their operations or supply chain and 29% screen new contractors (12% do not currently screen but plan to do so over the next 12 months).



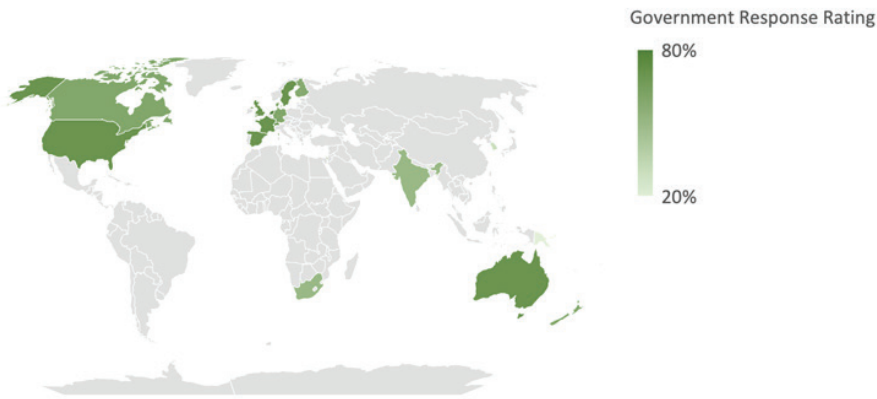
1,035
contractors
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² Global Slavery Index - <https://www.globalslaveryindex.org>

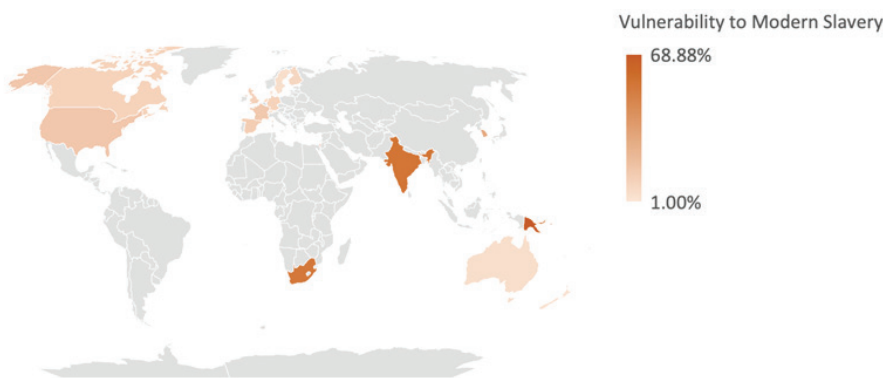
The following maps indicate ratings from the countries the Institute sources its goods and services from in relation to the following estimates from the 2018 Global Slavery Index:

Government Response Ratings of the Countries Where our Suppliers are Located



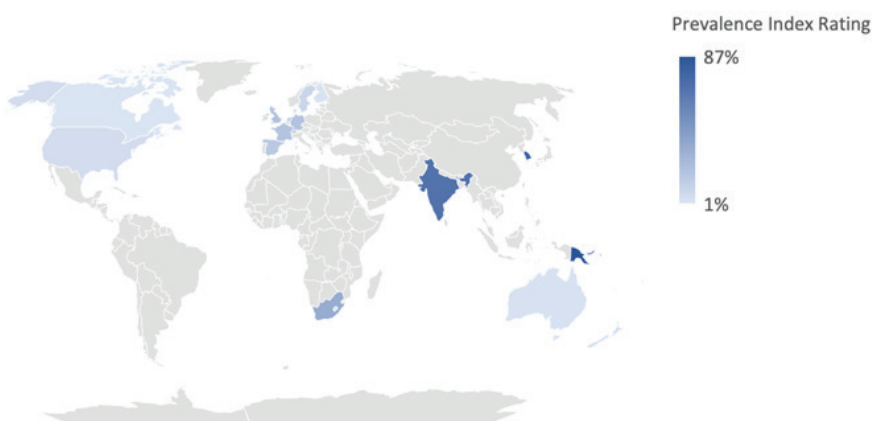
- Government response rating

Vulnerability to Modern Slavery of the Countries Where our Suppliers are Located



- Vulnerability to modern slavery

Prevalence of Modern Slavery in the Countries Where our Suppliers are Located



- Prevalence of modern slavery

The following table provides the percentage of total spend for the Institute's key international contractors highlighted on the maps above:

Country	% Total 2022 Spend	Estimated Prevalence ³	Rank ⁴
United States	2.73%	1.3	158
United Kingdom	1.02%	2.1	132
South Korea	0.88%	1.9	137
New Zealand	0.69%	0.6	164
Singapore	0.55%	3.4	97
Papua New Guinea	0.51%	10.3	21
Canada	0.43%	0.5	166
Denmark	0.36%	1.6	150

The assessment of contractor risk in terms of geography enabled us to identify our highest risk contractors from a country perspective, which are organisations based in Papua New Guinea, India (prevalence rating 6.1 ranked 53) and Pakistan (prevalence rating 16.8 ranked 8). The spend in Papua New Guinea relates to research collaboration with a medical research institute and was subject to appropriate due diligence and a contractual framework. The spend with India and Pakistan was minimal at less than 0.01% of our total spend and were once off very low value transactions.

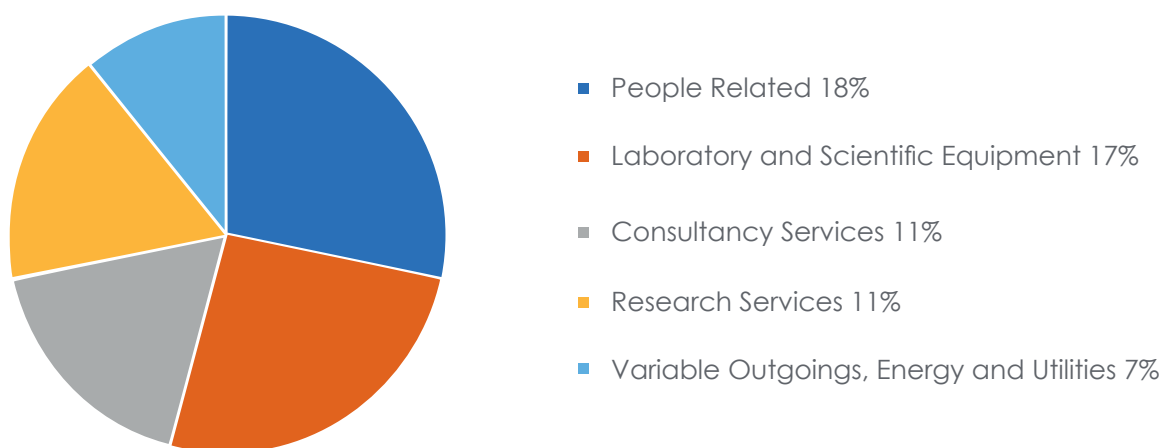
- **Procurement of higher risk goods and services**

From a goods and services perspective, the Institute's greatest areas of expenditure fall into the following five broad categories:

- (1) People related spend (including salaries, scholarships and recruitment costs) which represents 18% of total spend
- (2) Laboratory and scientific equipment 17% of total spend
- (3) Consultancy services 11% of total spend
- (4) Research services 11% of total spend
- (5) Variable outgoings, energy and utilities 7% of total spend

These spend categories are not linked to high-risk profiles in relation to modern slavery, but key contractors in these categories were subject to modern slavery due diligence due to the related level of spend.

Top Five Categories of Spend



³ Per thousand population – Global Slavery Index 2018

⁴ Out of 167 countries – Global Slavery Index 2018

Outside of the top 5 spend categories, the Institute also purchased goods and services from the following higher-risk categories therefore the key contractors in these categories were also subject to appropriate modern slavery due diligence.

2022 continued to be a challenging year across the globe due to the global pandemic which impacted supply chains considerably, particularly in relation to the Institute's information communication and technology (ICT) and laboratory and facilities consumables. In addition to the impact on product availability and delivery timeframes, we are conscious that this may also have had a potentially detrimental impact on the working conditions of those involved in production. The Institute collaborates with other medical research institutes around these challenges and continues to work closely with key contractors mindful of potential impacts on the downstream workforce.

Category	% of Total 2022 Spend
Cleaning	1%
Laboratory Consumables	7%
Facility Repairs and Maintenance	1%
IT Hardware	6%
Facility related	1%
Coffee	0.01%
Merchandise	0.17%
Design & Build	7%

5. ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

With reference to the Institute's key identified modern slavery risk exposures, the following actions have been taken.

Concerns regarding human rights or modern slavery risks can be raised in accordance with the Institute's Safeguarding Policy, Safeguarding Incident Response Procedure, Grievance Handling Policy, Feedback and Complaints Procedure or Whistleblower Policy.

5.1 OUR OPERATIONS

- **Our workforce**

In addition to the Institute's robust recruitment processes, compliance with all applicable employment laws and established policy and procedure framework outlined in Section 4 above, the Institute supports its staff's mental and physical wellbeing through a variety of initiatives, including training programs, wellbeing workshops, walks, yoga, social events, education style seminars, mentoring services and the provision of an employee assistance program.

The Institute offers a supportive and flexible workplace for those balancing families and other responsibilities with their careers, and strives to ensure our work environment is safe, family-friendly, environmentally friendly, and culturally sensitive with equal opportunity for all. The Institute embraces modern ways of working, with a focus on flexibility, adaptability and teamwork.

- **Overseas operations**

The majority of the Institute's overseas activities and projects relate to research being conducted abroad with research collaborators. These projects are actively monitored throughout the life of the project, through a series of processes and controls including:

- Research governance controls (including research governance review and approval prior to commencement including ethics);
- Ongoing monitoring of research projects;

- Procurement controls (including contractor checks, contract reviews); and
- Financial controls (including delegation of authority, segregation of duties, reporting, EFT controls).

Details of projects to be undertaken are captured in collaboration agreements which are rigorously reviewed prior to execution and stored in the Institute's contract register. Active project and contract monitoring provides opportunities for greater oversight of overseas activities, for issues to be identified and proactively managed, and ensures desired research outcomes are met.

- **Our investments**

The Institute's investment policy statement clearly stipulates the requirement for a mission based / socially responsible investment strategy wherever direct investments are made, including requirements around human rights, child labour, anti-competitive practices and environmental responsibility that need to be upheld.

The Institute requested and received responses to modern slavery questionnaires from all of the organisations we have significant investments in via our investment advisers, detailing their understanding of modern slavery, their related approaches and mitigations. Furthermore, in addition to their supply chains, our investment advisors have assessed 100% of their listed equity trusts for the risk of modern slavery (and intend to expand their assessments beyond equities) and are committed to collaborating with other institutional investors to improve human rights outcomes.

- **Our donations and partnerships**

Making ethical decisions regarding potential donations and partnerships requires sensitivity and a practiced method for exploring a wide range of factors relevant to the arrangement.

The Institute has developed a Donations and Partnerships Decision-Making Framework to:

- Encourage a robust, considered and consistent approach to evaluating all relevant aspects of potential donations or partnerships;
- Integrate adequate and proactive stakeholder engagement to inform decision-making;
- Ensure decisions regarding philanthropic support are aligned with the Institute's mission, vision and values; and
- Enable a sound, transparent and defensible position to explain decisions when requested.

Fundamental to the application of the Framework is the consideration of a series of risk assessment criteria which includes consideration of relevant geographical and political risk factors, including human rights and modern slavery risks associated with any potential donation or partnership.

5.2 OUR SUPPLY CHAIN

Although it is recognised that modern slavery is hidden within a supply chain beyond an organisation's key contractors, the Institute's focus has still largely been on understanding the modern slavery mechanisms that our key contractors have in place to manage their supply chains.

Outlined below are the key actions taken to manage the supply chain risks of modern slavery to date:

- The Institute's Procurement Policy mandates that all major purchases are to be managed via the Institute's Procurement team who are committed to ethical sourcing (supported by annual ethical training via the Chartered Institute of Procurement & Supply and evidenced by the robust and transparent processes and due diligence undertaken) and endeavour to work with contractors to improve their social and environmental practices.

- Key contractor engagement to increase transparency of their supply chains.
- Due diligence on contractors during relevant procurement processes and prior to onboarding new contractors.
- Annual contractor mapping analysis to identify the Institute's highest-risk contractors in terms of location and category of spend.
- Contractor monitoring via an online contractor questionnaire that improves compliance as contractors upload their information and share with all relevant organisations rather than having to submit individually. Collaboration, reporting and risk rating opportunities are also provided through the portal. To date 80 key contractors (approximately 8% of our active contractors who were selected based on risk and/or value) have engaged with this platform.
- Implementation of media monitoring capability.
- All Institute contract templates incorporate modern slavery clauses.
- All Request for Proposal (RFP) processes conducted by Procurement specifically ask providers about their approach to modern slavery as part of the corporate social responsibility criteria, and this is also recommended in our Request for Quote (RFQ) document that all staff utilise.

5.3 WHOLE OF INSTITUTE

The issue of modern slavery extends beyond the key risk areas identified, with efforts undertaken at a whole of Institute level to raise awareness of and improve the rigour with which we monitor and manage the risks of modern slavery. Examples of actions taken are outlined below, with a number of these initiatives introduced since the publication of the 2021 Modern Slavery Statement:

- **Development of a cross functional Modern Slavery Working Group:** The working group was established to lead the Institute's approach to mitigating modern slavery and drive staff training and awareness. Chaired by our Head of Procurement & Facilities, membership includes representatives from People and Culture, Communications, Risk & Compliance, Program Managers and Procurement.
- **Increased focus on education and training, including:**
 - Development and roll-out of modern slavery training within the Institute's online platform to all staff, students and honorary researchers.
 - Provision of communication resources to all staff via various mechanisms (including posters, digital screens, information sessions and articles) to increase awareness of modern slavery and related risks and opportunities
 - Information sessions presented to various teams to provide data driven updates about the importance of identifying and mitigating the risk of modern slavery across the Institute.
- **Dedicated suite of policies and procedures:** The Institute has developed and implemented a range of policies and procedures to establish expectations and express our commitment to protecting human rights and managing the risks of modern slavery. These policies and procedures seek to identify, avoid, and if necessary, mitigate human rights impacts that may result from our operations and supply chains. Examples of relevant policy and procedure frameworks include: our Modern Slavery Policy, Code of Conduct, Procurement Policy, Volunteer Policy, Contractor Code of Conduct, and our Environmental Sustainability Policy.
- **Governance Committee oversight:** Modern slavery compliance obligations and associated mitigation strategies are outlined within the Institute's Regulatory Compliance Obligations Register which is presented to the Risk and Compliance Committee on a six-monthly basis. Modern slavery risk is also considered as part of our broader supply chain risk, included within our organisation's corporate risk register which is reported quarterly to our Risk and Compliance Committee.

- **Networking and engagement:** Multiple conversations and collaborations with other organisations have been undertaken to share best practice and learn from each other, including other not for profits, medical research institutes, universities, key contractors, industry, professional bodies and other collaborative procurement groups.
- **Performance of annual self-assessments:** Annual self-assessment of compliance against ACNC External Conduct Standards which evaluates the extent to which the Institute complies with the ACNC'S standards regarding operations outside of Australia
- **Record-keeping:** Transparency, oversight and record-keeping of activities and expenditure occurring outside of Australia

6. MEASURING THE EFFECTIVENESS OF ACTIONS TAKEN

Modern slavery occurs in every country in the world and almost every supply chain, therefore the Institute takes the issue seriously and has implemented several initiatives designed to manage this risk exposure as detailed above.

An assessment of the effectiveness of our approach to modern slavery includes considering whether we find instances of such extreme forms of exploitation within our operations and supply chains. During this reporting period, we did not identify any potential issues of concern.

Clearly, we still have a significant amount of work to do in relation to mitigating modern slavery risk. We recognise that the process of developing a robust, effective, and sustainable approach to identifying, assessing, and managing modern slavery risk requires both time and resources. The Institute's effort this year has continued to focus on building a strong foundation to monitor the effectiveness of our actions. However, the Institute remains committed to expanding its scope and reach into the future to not only avoid any incidents but to continue to collaborate, educate and work on extending mitigations with internal and external stakeholders.

7. FUTURE COMMITMENTS AND THE WAY FORWARD

To continue to develop our approach to modern slavery mitigation and due diligence, over the next twelve months the Institute intends to focus on the following:

1. Supply Chain:

- Extend the number of contractors monitored via the online questionnaire.
- Follow up and improve questionnaire response rates.
- Explore how to achieve greater visibility over our contractors' supply chains.
- Deepen our relationships and engagement with contractors within higher risk supply chains and in higher risk geographies.

- Continue to work with our contractors to make them more aware of the risks of modern slavery and encourage risk mitigation.

2. Broaden the scope of our approach to modern slavery mitigation:

- Increase our understanding and awareness of the Institute's modern slavery risk areas, including ongoing identification of mechanisms to better manage our risk exposure.
- Extend internal and external collaborations (including universities, other medical research institutes, corporates and not for profits).
- Continue to extend the modern slavery risk identification, assessment and mitigation process more widely across our operations, research programs and partnerships.
- Conduct further related research and training.
- Utilise the Institute's collaborative procurement program to raise modern slavery risk awareness and capability amongst its members (including medical research institutes and community organisations).
- Explore how to appropriately encourage our collaborators to consider the issue of modern slavery in their operations and supply chains.

3. Build awareness internally and externally:

- Expand the scope and reach of our modern slavery training.
- Develop a contractor training module to bring the contractor code of conduct to life.
- Through continued communications, build awareness of modern slavery across the organisation to assist all staff to identify and mitigate modern slavery risk.

4. Continual improvement including enhanced monitoring of the effectiveness of our actions.

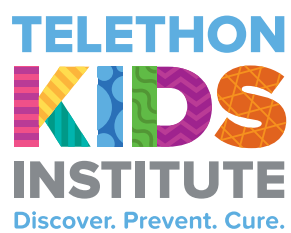
- Explore the possibility of engaging a third-party expert to review and validate the effectiveness of our actions and provide further insights to assist us to improve our mitigation strategy.

8. STATEMENT APPROVAL

This statement was reviewed and approved by the Board of Directors of the Telethon Kids Institute on 13th April 2023 and signed on its behalf by:



Hon Julie Bishop
Chair



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