

Modern Slavery Statement

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

The focus of our reporting period under the *Modern Slavery Act 2018 (Cth)* was to undertake supplier risk assessments within HSV Collective Purchasing Agreements. In this reporting period, Grampians Health has worked collaboratively with HSV to identify mitigation efforts to combat modern slavery risks, and foster collaboration between Grampians Health and suppliers to seek to address those risks.

Mandatory Criteria 1: Identify the reporting entity

Grampians Health (GH) is a health service established under section 181 of the *Health Services Act 1988* (Vic).

Mandatory Criteria 2: Describe the reporting entity's structure, operations and supply chains

On the 1 November 2021 with the approval of the Victorian Government; Ballarat Health Services, Edenhope and District Memorial Hospital, Stawell Regional Health and Wimmera Health Care Group amalgamated to become Grampians Health ABN 39 089 584 391.

Grampians Health is the main public referral health service to a catchment population of around 250,000 people across the Grampians region. It has campuses located in Ballarat, Horsham, Stawell, Dimboola and Edenhope with an annual budget of approximately \$750M and employing in excess of 6,500 staff.

It delivers care across acute and residential care and increasingly in the community and people's homes. It is the largest public provider of residential aged care in Australia. Additionally, Grampians Health is the main teaching, training and research provider in the region and does this through affiliations with several universities and teaching institutions.

HealthShare Victoria (HSV) is a state-wide procurement organisation that partners with Victorian public health services to procure best-value goods and services. HSV works in partnership with public health services to understand their requirements, facilitate large-scale collective tenders and manage common-use contracts on behalf of the state. Grampians Health purchases the goods and services it needs from the suppliers who are party to HSV collective agreements. As such, it is recognized that HSV has a significant role in health service supply chains.

HSV works with approximately 488 tier-one suppliers and is responsible for more than 69 contracts with a spend value of over \$1.3 billion.

HSV contracts cover a broad range of services, equipment and supplies across a number of categories including:

- ventilators
- beds
- mattresses
- patient trolleys
- treatment chairs
- hypodermic needles and syringes
- gloves
- pharmaceutical products
- IV fluids
- agency labour
- catering supplies
- laundry and linen services
- non-emergency patient transport

A full list of HSV's sourcing categories can be found at <https://healthsharevic.org.au/contracts-and-tenders/contracts-and-documents>.

Modern slavery is thought to exist in every country and industry worldwide. It may be embedded in products used and consumed every day which makes it a supply chain problem. It is estimated that more than US\$354 billion of goods are at risk of being produced by modern-day slaves, and imported into G20 countries every year. Current research suggests that medical products are sourced from a wide range of countries, for example medical gloves are manufactured in Malaysia, Thailand and Sri Lanka, surgical equipment in Pakistan and garments such as linens, gowns and patient clothing are manufactured in India and Pakistan.

As part of our operations GH purchases medical consumable products, implants, medical equipment (including maintenance), pharmaceuticals, food and nutrition, PPE, textiles, consultancy services, facility management, IT and marketing from either HSV or our direct contracts.

Further information regarding GH can found www.grampianshealth.org.au.

Mandatory Criteria 3: Describe the risks modern slavery practices in operations and supply chains

Grampians Health recognises that the extensive nature of our global supply chains may expose us to modern slavery risks. Given HSV's significant role in Grampians Health supply chains, HSV has helped identify the general risks of modern slavery that may be present.

As a health service with a largely skilled workforce, Grampians 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 continue to be examined in subsequent reporting periods.

HSV has scoped the general modern slavery risks in health service supply chains by drawing on academic research and international and domestic reports and analysis. Grampians Health are likely to be exposed to a number of modern slavery risks due to the diversity of products and services sourced by HSV and the associated geographic locations, industries and regulatory systems further down those supply chains.

Some of the general risk areas present in Grampians Health supply chain include:

- Labour practices in offshore manufacturing facilities such as in South-East Asia, for medical consumables and IT equipment
- Labour practices in the sourcing of raw materials, including cotton and rubber
- 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
- Linens and gowns

Given the level of complexity in such extensive supply chains, HSV has continued to refine its risk assessment methodology to further improve the visibility of high-risk areas within health supply chains in Victoria. Going forward, HSV will continue consulting with health services to broaden the assessment of the overall health base.

We acknowledge that the risks of modern slavery may be heightened in some of our groups supply chains and operations as a result of the geographical location of some suppliers, our areas of operation, and the source of materials used in products supplied to us. We also acknowledge that we lack visibility in certain overseas markets and this carries additional risks in respect of modern slavery, especially in secondary chain suppliers and source materials used in our goods and services.

Mandatory Criteria Four: Describe the actions taken to assess and address risks of modern slavery

In 2022 -23 Grampians Health has continued to engage with HSV to understand the actions that HSV has undertaken to assess and address the modern slavery risks in Grampians Health supply chains.

Grampians Health has utilised modern slavery clauses and schedules through relevant policies, contracts and procurement activities which have supported the assessment and reporting of supplier modern slavery risk.

Grampians Health has had a number of senior procurement staff (7) under the Director of Procurement and Supply Chain attend the HSV Modern Slavery Community of Learning education series of webinars during 2022-23. These sessions have included the following topics;

- Modern Slavery Statements
- Modern Slavery risk Assessments
- Demonstrating Progress
- Good practice Reporting
- Australian Border force presentation
- HSV Work Program Update
- Supplier Risk Remediation
- Modern Slavery Act 2018
- HSV Modern Slavery Position Statement

Micro Assessment

The micro assessment categories identified are Geographic Risks, Sector/Industry Risks, Entity Risks and Product/Services Risks as shown with further detail below.

Geographic Risks

Some countries may have higher risks of modern slavery due to poor governance, weak rule of law, conflict, corruption, displacement, 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/Services Risks

Certain products and services may have high modern slavery risks because of the way they are produced, provided or used.

Consideration was given as to 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. The micro assessment also considered whether the nature of the supply chain model carried a greater risk of modern slavery. This type of assessment provided a general understanding of the scope of modern slavery risks that suppliers may carry.

During FY 22-23 HSV has again written to all very high risk, high risk and medium risk suppliers identified in the above process providing them with tools and resources to develop and enhance their modern slavery risk management systems. HSV also outlined their contractual obligations under Collective Purchasing Agreements and expectation under the Victorian Government Supplier Code of Conduct to respond to modern slavery risk in their operations and supply chain.

Macro Assessment

HSV undertook a macro assessment by undertaking a detailed analysis to identify and assess possible modern slavery risk, determine what risk mitigation strategies suppliers had in place and what risks would need to be managed.

Macro assessment involved risk identification across four categories:

- Policy
- Due Diligence
- Remedy
- Training



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.

Scoring

Scoring for this year's risk assessment was adjusted from the previous assessments completed. Notably the weightings were adjusted to both sections to **Company Details/Modern Slavery** to ensure a greater reflection of actions taken and to provide a more accurate picture of the suppliers' approach to modern slavery.

Company Details accounted for 20% of the overall score that could be accumulated. This was seen as a decisive step going forward, as suppliers might operate out of a high-risk area or industry for their operations. Thus, to reduce penalising based on location or industry alone, the modern slavery component was reweighted higher to screen what mitigation actions were being taken to ensure no adverse behaviours were present.

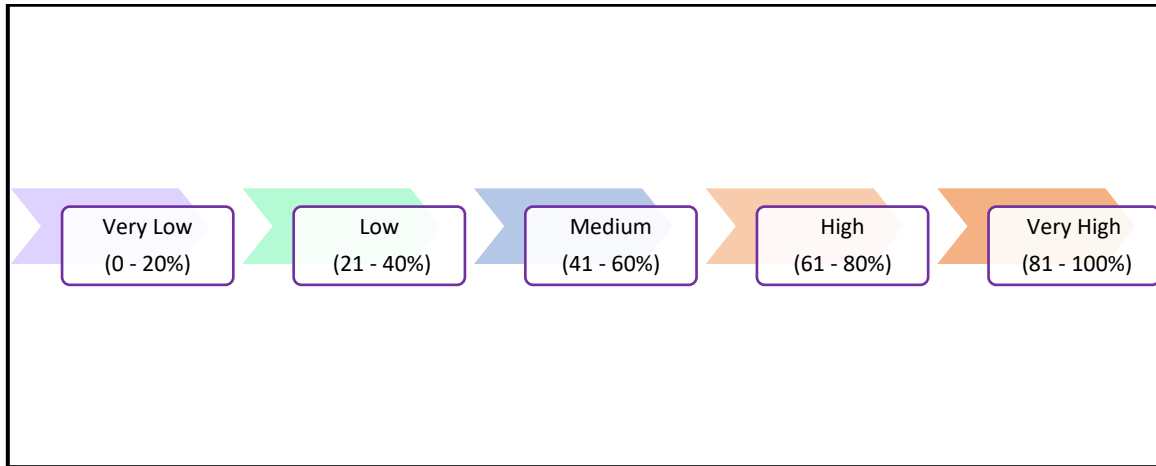
The micro assessment also considered whether the nature of the supply chain model carried a greater risk of modern slavery. This type of assessment provided general understanding of the scope of modern slavery risks that the supplier may carry.

Modern Slavery was weighted at 80% as this section was to allow the supplier to highlight what policy, procedures, due diligence/visibility, remedy and training/awareness were in place, and to offset the company details section. In these sections, scoring was assigned to each question with some yielding higher scores based on the importance of the topic. This accumulation of the score would equal their weighting for the various sections. ie to score high on a target would result in a high to very high result in modern slavery.

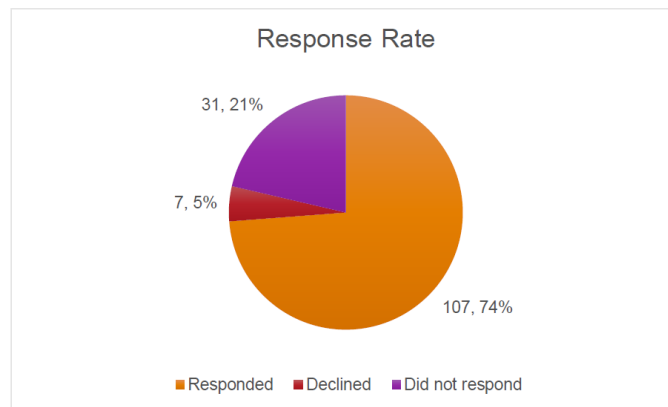
The macro assessment facilitated a detailed analysis of modern slavery risk by identifying and determining what mitigation suppliers took over their supply chain. This is pivotal, as the more awareness about operating in a high-risk industry or area would need to be associated with greater risk management including potential risks.

The total of both the macro and micro sections would allocate one of the following risk ratings to the suppliers: Very Low, Low, Medium, High or Very High. From the rating, monitoring and support can occur to facilitate less and less opportunity that modern slavery occurs.

Modern Slavery risk assessment tool comprised of macro and micro assessment components outlined below:



In 2022-23 Financial Year, HSV invited 145 Collective Purchasing Agreements Grampians Health suppliers on 10Oct22 of which 107 responded, 7 declined to respond and 31 did not respond.

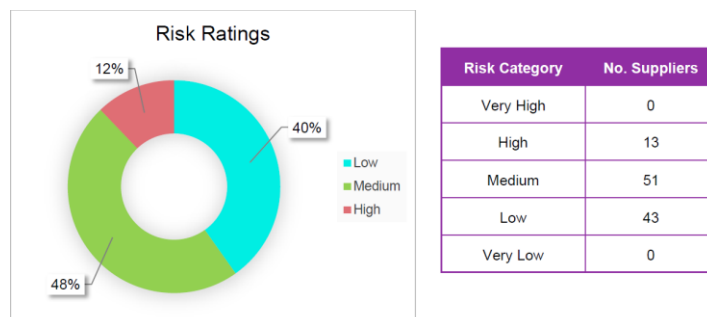


Within our top 20 GH suppliers representing a total spend of \$97.0M (41% of the GH contractual spend), 8 agencies responded to the risk survey with a score rating as follows:

| Rank | Spend (\$) | Percentage of Spend | Score | Risk Rating |
|------|--------------|---------------------|-------|-------------|
| 1 | \$4,042,520 | 4.17% | 62.00 | High |
| 4 | \$34,536,550 | 35.60% | 47.25 | Medium |
| 3 | \$9,729,788 | 10.03% | 35.33 | Low |

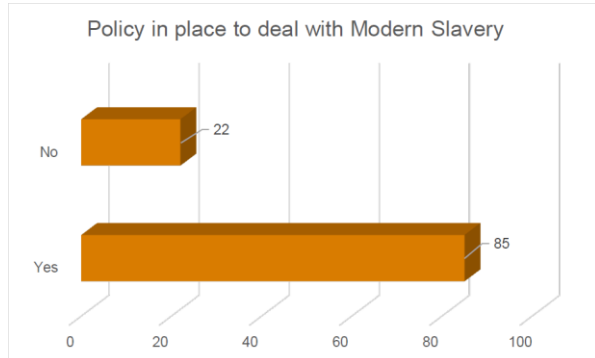
Modern Slavery Supplier Risk Ratings

This section illustrates the all-inclusive, combined macro and micro assessment outcomes for suppliers, outlining the risk categories in which the suppliers fall:

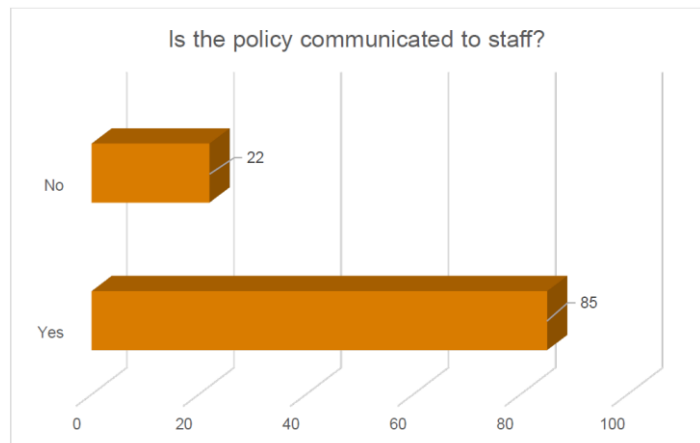


Policy

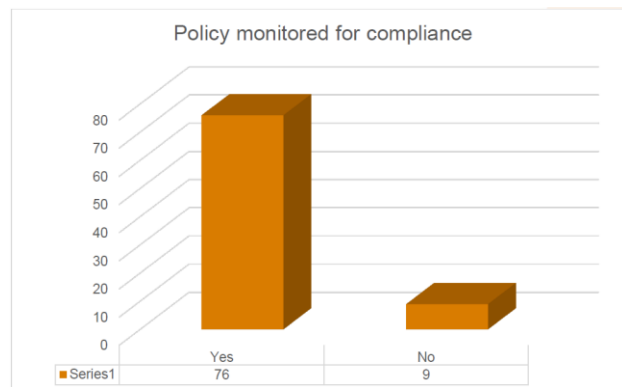
This section reviews the policies and procedures suppliers have in place when encountering Modern Slavery issues. The intent is to identify suppliers that had a policy, whether it was communicated to staff and how it was monitored.



Policy in place to deal with Modern Slavery: From the 107 respondents, 85 suppliers have policies in place regarding Modern Slavery.



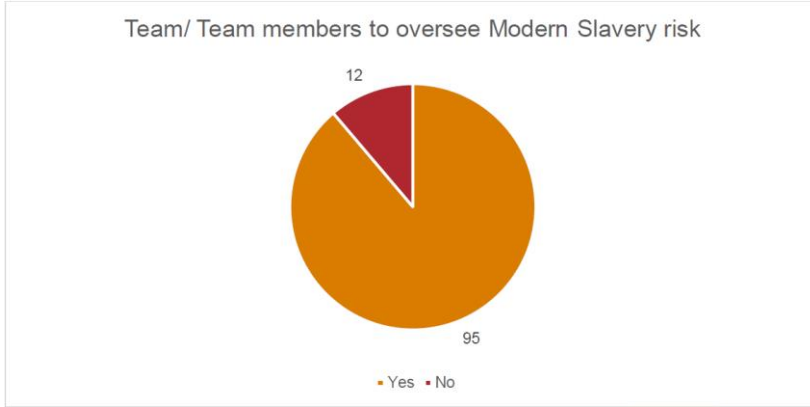
Policy communicated to staff: 85 suppliers communicate the policy they have in place to staff.



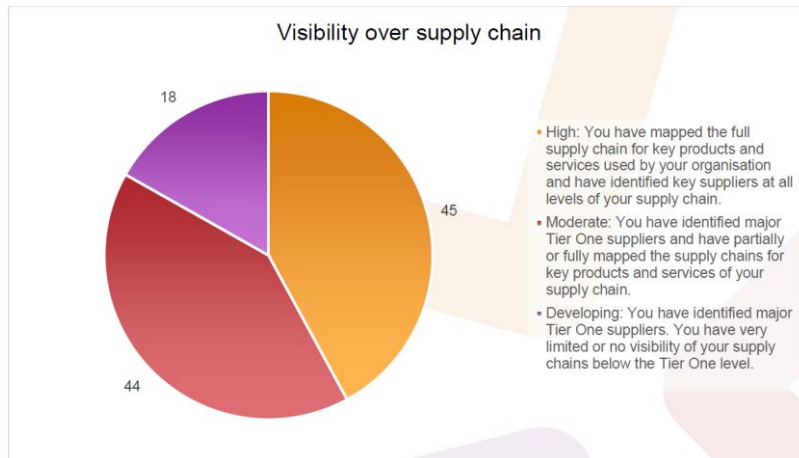
The organisation has a system to monitor compliance with these policies: 76 suppliers have systems in place to monitor compliance for their policy.

Due Diligence

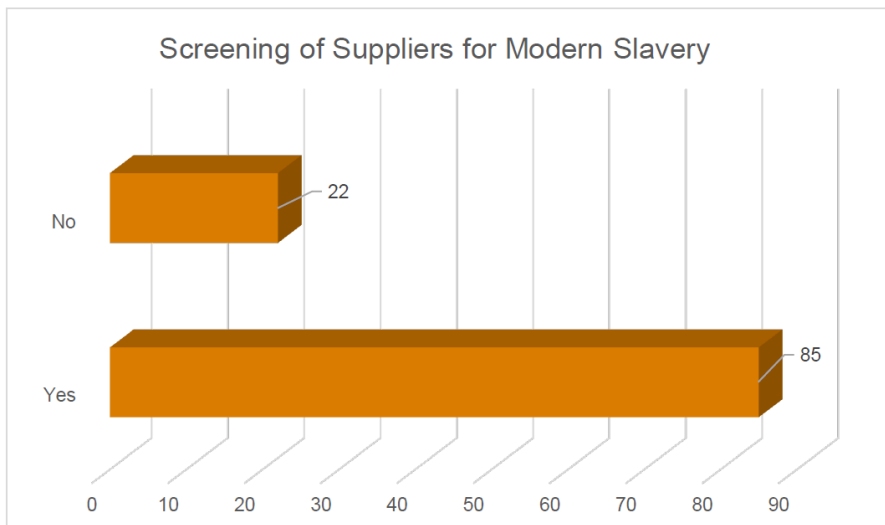
This section reviews what the supplier is doing to actively mitigate modern slavery. Reviewing what screening processes of suppliers are in place, the mapping of their supply chain and a compliance overview of procedures.



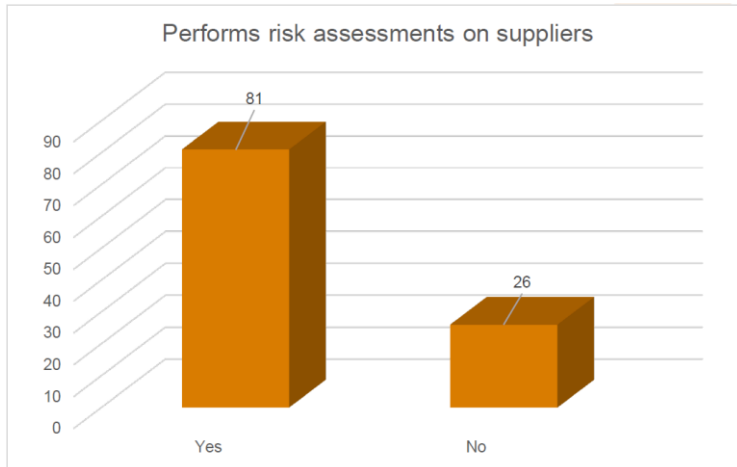
Organisation has a team or team members (including third party) to oversee Modern Slavery: 95 Suppliers have role that is responsible for identify and oversee modern slavery risks in relation to the goods/services they provide.



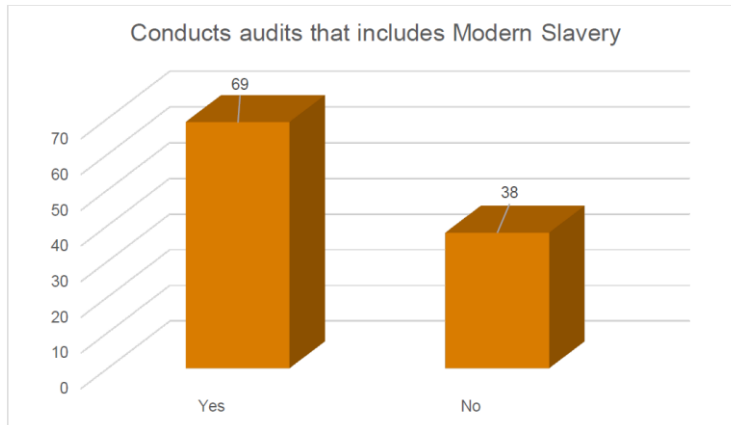
Visibility over supply chain: 45 suppliers have mapped their supply chain on multiple layers and levels to confirm high transparency over operations.



Organisation screens prospective suppliers for risk of Modern Slavery: 85 suppliers have a system or process in place to screen prospective suppliers.



Organisations perform risk assessments that includes modern slavery: 81 suppliers conduct risk assessments inclusive of modern slavery.



Organisation conducts audits of its operations inclusive of Modern Slavery: 69 suppliers conduct audits that it includes Modern Slavery.

Training

This section reviews the training and materials a supplier has across its operations to educate and bring awareness to modern slavery.



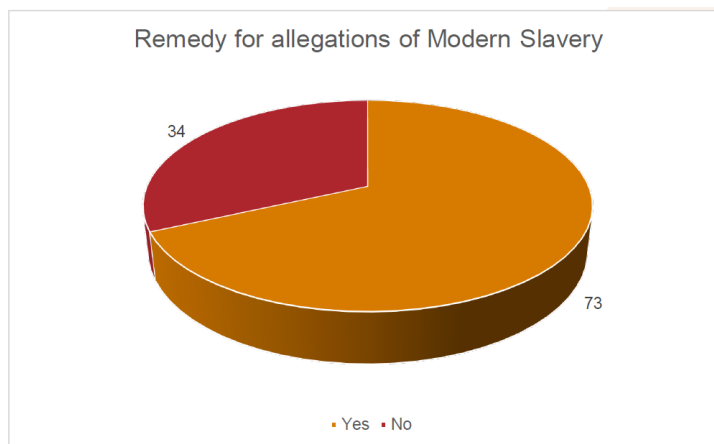
Are staff, particularly those in supply chain management trained on identifying modern slavery risks: 85 suppliers train their staff to identify, assess and respond to modern slavery risks.



Training available to other entities and staff in supply chain: 64 Suppliers offer training to various levels of staff and throughout its supply chain.

Remedy

This section reviews what processes and remedial action plans the organization has to respond to allegations of modern slavery.



Organisation has processes in place to respond to allegations of Modern Slavery: 73 Suppliers have remedy/ action plans to respond to allegations of Modern Slavery.

Mandatory Criteria Five: Describe how the reporting entity assesses the effectiveness of actions

HSV has introduced several mechanisms for monitoring the effectiveness of the actions it has taken to date. Representatives from mandated health services who attend training sessions on the requirements of the Act periodically complete surveys to self-assess their progress against several criteria. The results are used to measure the success of engagement programs, inform future workshop content and identify potential gaps in training.

In addition to this, HSV's senior leadership has taken ownership of the modern slavery program and progress is regularly discussed at senior committees. Feedback from committee members is used to inform decision making and future activities within the program.

HSV has defined the modern slavery key performance indicators within the FY2022-23 reporting period.

Mandatory Criterion Six: Describe the process of consultation with any entities the reporting entity owns or controls

Grampians Health does not own or control any other entities.

Mandatory Criterion Seven: Any other relevant information

In order to support the implementation of the Act within health services, HSV has developed a toolkit to assist with meeting the requirements under the Act. The toolkit contains:

- A modern slavery plan to support the implementation of the governance structures, policies, processes and risk registers needed to underpin a successful modern slavery framework;
- Advice on implementing a modern slavery policy;
- A modern slavery risk register to capture and address the key modern slavery risks that a health service might cause, contribute or be directly linked to;
- A modern slavery risk assessment tool, including advice on modern slavery risk assessments, supplier questionnaires for ITS due diligence and incumbent suppliers and advice on how to interpret questionnaire results;
- A modern slavery fact sheet to facilitate staff training; and
- Supplier contract considerations, including the addition of modern slavery clauses in contracts.

The rollout and implementation of the toolkit has supported Grampians Health to conduct its own risk assessment, due diligence and remediation activities.

Closing Statement

Grampians Health have aligned our Procurement and Contract management policies with the Modern Slavery Act, provided ongoing education via Health Share Victoria to our Procurement teams and continue to recognise the importance of identifying and reducing modern slavery practices through appropriate risk mitigation strategies.

Modern Slavery Statement

Financial Year 2022 - 2023

Final Statement

Introduction

The Australian Government introduced the *Modern Slavery Act 2018* (Cth) (the **Act**) which requires certain entities to report on the risks of modern slavery in their operations and supply chains and actions to address those risks. The Act commenced operation on 1 January 2019. The Act requires reporting entities subject to the Act, to produce an annual modern slavery statement. This statement is prepared for Financial Year 2022 – 2023.

Identify the Reporting Entity

Grampians Health ABN 39 089 584 391

Please be advised that on the 1 November 2021 with the approval of the Victorian Government; Ballarat Health Services, Edenhope and District Memorial Hospital, Stawell Regional Health and Wimmera Health Care Group amalgamated to become Grampians Health ABN 39 089 584 391.

This Modern Slavery Statement is made in accordance with section 14 of the Modern Slavery Act 2018 (Cth) and represents the Grampians Health Statement for the Financial Year 2022 - 2023.

Approved 25th October 2023 by the Board of Directors of Grampians Health.



Mr Bill Brown
Board Chair
Grampians Health