

# Modern Slavery Assessment

## The Royal Women's Hospital

2021/22



the women's  
the royal women's hospital  
victoria australia

# **The Royal Women's Slavery Act Statement**

This Modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by the Royal Women's Hospital and relates to the financial year 1 July 2021 to 30 June 2022.

## **1.0 Reporting Criterion 1 & 2 - the Royal Women's Hospital structure, operations and supply chains**

The Royal Women's Hospital ABN 62 787 822 077.

The Royal Women's Hospital (the Women's) is a health service established under section 181 of the Health Services Act 1988 (Vic). The Women's is Australia's first and largest specialist hospital dedicated to improving the health of all women and newborns. Each year, we provide in excess of 250,000 episodes of care for women from 189 countries, who speak 90 different languages, and follow 69 separate religious faiths.

For more than 160 years, the Women's has led the advocacy and advancement of women's health and wellbeing across Victoria and further afield. We are committed to a holistic philosophy of health, providing comprehensive services ranging from health promotion to clinical expertise and leadership in maternity, gynaecology, women's cancer services and in the specialist care of newborns.

The Women's procures goods and services directly from suppliers or through its outsourced procurement services providers Health Share Victoria (HSV), and Melbourne Health for clinical products and supply chain services.

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. HSV works with approximately 500 suppliers with \$1.2 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, laundry and linen services.

As part of the supply chain agreement with HSV, the Women's purchases the majority of the goods and services that it needs from suppliers who are party to HSV collective agreements. As such, it is recognised and accepted that HSV has a significant role in the Women's supply chain.

The Women's does undertake some procurement activity, with the major categories of goods and services procured direct by the Women's including:

- Outsourced non-clinical support services (patient meals, linen);
- Telecommunications;
- IT hardware, software and services;
- Professional services;
- Furniture, fittings and equipment;
- Facilities maintenance;
- Financial investments through the Victorian Funds Management Corp. (VFMC); and
- Specialised clinical products.

In 2021/22, as part of a State government initiative to streamline practices within the Victorian public health sector's supply chain, the Women's has transitioned its supply chain contract from Melbourne Health to HSV. From April 2022 HSV supply chain provides the following services:

- Management of all HSV contracts for the Women's including commercial assessments, product substitution, and reporting;

- Non-stock purchases; and
- Delivery of goods to the Women's by Melbourne Health.

Melbourne Health, from April 22 continues to be partly involved with the Women's supply chain providing the following services:

- Delivery of goods to the Women's nominated areas; and
- Imprest system to nominated areas for stock.

The Women's upholds the Australian Government's position on modern slavery, in that there is no place for modern slavery in the Australian community or in the global supply chains of Australian goods and services.

In recognising the significant role that HSV has in the Women's supply chain, HSV has made a commitment to the Women's to assist it in addressing supply chain modern slavery risk, by:

- Assisting the Women's to meet its reporting requirement under the Act;
- Implementing and enforcing effective systems and controls to reduce the risk of modern slavery;
- Ensuring there is transparency in its operations and approach to addressing modern slavery risk;
- Fostering open and transparent supplier relationships which encourage modern slavery reporting and meaningful change through remediation; and
- 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.

As a result of the COVID-19 pandemic on global supply chains, and the significant increase in demand for personal protective equipment (PPE), the Victorian Government continued the centralised ordering, warehousing and distribution of all Tier 1 PPE and other items to ensure essential supplies were reaching areas with the greatest clinical need, through HSV via the State Supply Chain (SSC).

Tier 1 PPE supplied through a SSC includes N95 respirators, surgical masks, visors, hand hygiene, eye protection, isolation gowns, examination gloves, aprons and face shields. Other categories also supplied through the SSC are swabs, disinfectant wipes, caps/bouffants, overshoe covers, sterilisation wrap, contract media products, foetal monitoring electrodes, and rapid antigen tests.

## **2.0 Reporting Criterion 3 - Risks of modern slavery practices in the operations and supply chains of the Royal Women's Hospital**

The Women's has not directly caused or contributed to modern slavery practices, but acknowledges that modern slavery risk exists in supply chains from offshore and high-risk geographies.

Growing evidence demonstrates high occurrences of modern slavery in the sourcing of raw materials used in the production of health care goods, including gloves, surgical instruments, patient clothing, uniforms and footwear, sheets, towels and other textiles, and electronic health care equipment. Daily, health services use these goods to ensure the overall health and well-being of Australians. Australia is reliant on these imports from global supply chains for the supply of these essential products to health services.

The sourcing of raw materials and the production of these health care goods often involves hazardous working conditions, labour exploitation, child labour and other abuses, resulting in a high-risk that Australian health services are exposed to modern slavery risks and that the goods and services they use are tainted by modern slavery.

The COVID-19 pandemic has presented unprecedented challenges, disrupting supply chains, causing many workers to lose their jobs and being forced to look for opportunities in informal economies, which are rife with exploitation. This has heightened modern slavery risks in the health care sector, with the International Labour Organisation predicting that between 20 and 35 million more people will be working in poverty now, compared to pre COVID-19.

Because of this both the Women's and HSV will continue to assess and address additional risks within healthcare supply chains caused by the COVID-19 pandemic.

The Women's holds a number of investments with the VFMC. VFMC has a global investment portfolio spanning most major industries, countries and sectors such as energy, food and beverage, and materials. The VFMC is committed to responsible labour practices and is against all forms of slavery. In this regard the VFMC has a number of key focus areas that it applies to assist in addressing modern slavery risk.

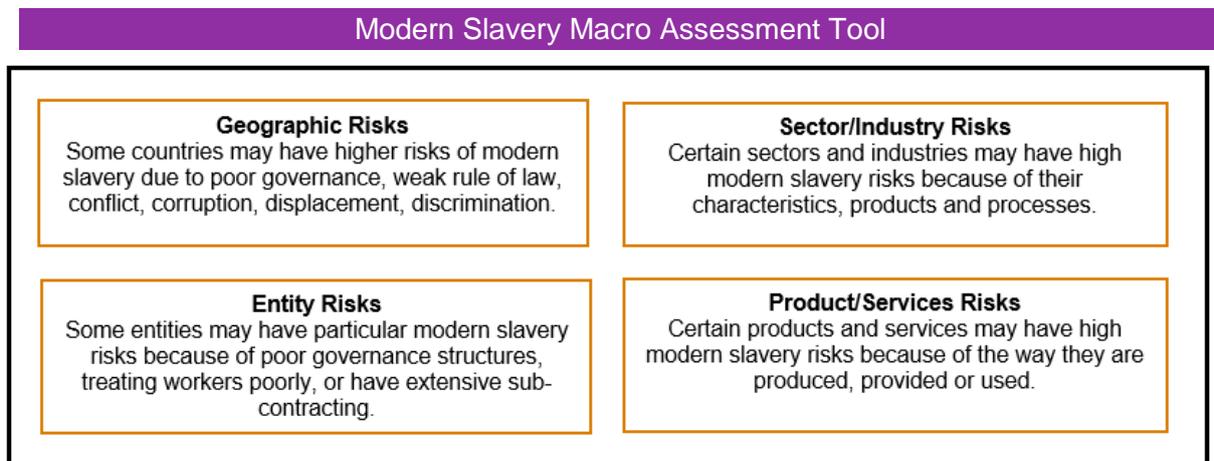
## 2.1 Modern Slavery supplier risk assessment

Goods and services procured through HSV collective agreements account for approximately 80% of the Women's non-salary expenditure. Given this quantum, in 2021/22, the Women's continues to concentrate its efforts within this cohort, and has worked with HSV to undertake risk assessments of suppliers through the HSV collective agreements.

125 suppliers to the Women's were identified from this work, and risk assessment of this cohort were undertaken.

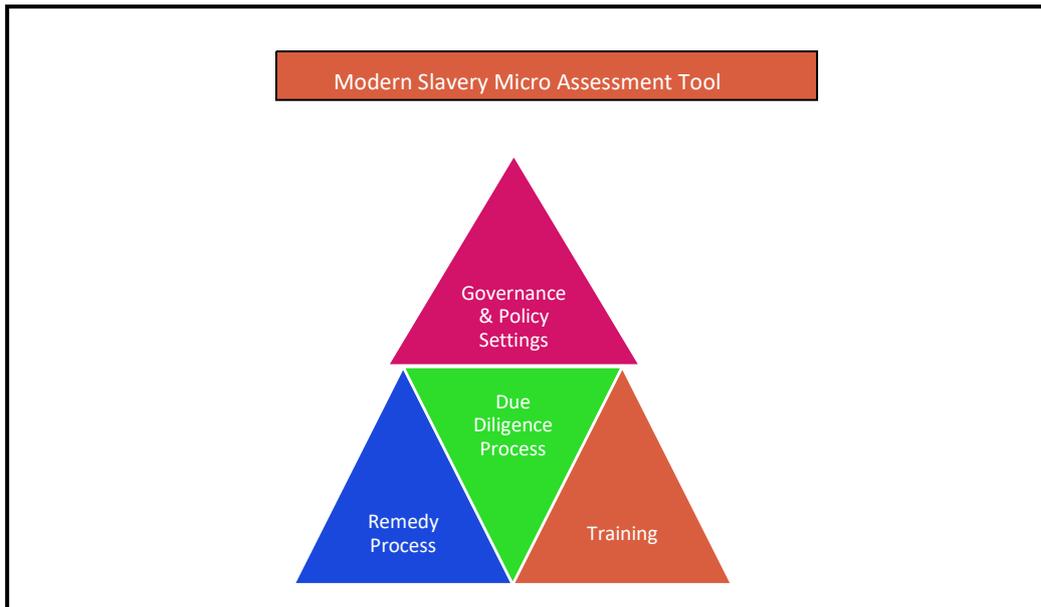
## 2.2 Methodology

In assessing suppliers, a modern slavery risk assessment tool comprising of macro and micro assessment components was utilised. The macro assessment identified modern slavery risks across four categories.

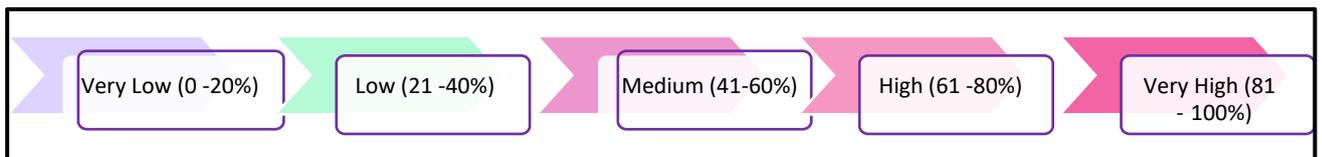


This involved considering whether there is a high prevalence of modern slavery in a particular sector or industry, or associated with a particular good or service, or in the location that the product or service is sourced or produced from. The macro assessment also considered whether the nature of the 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.

The micro 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.



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.

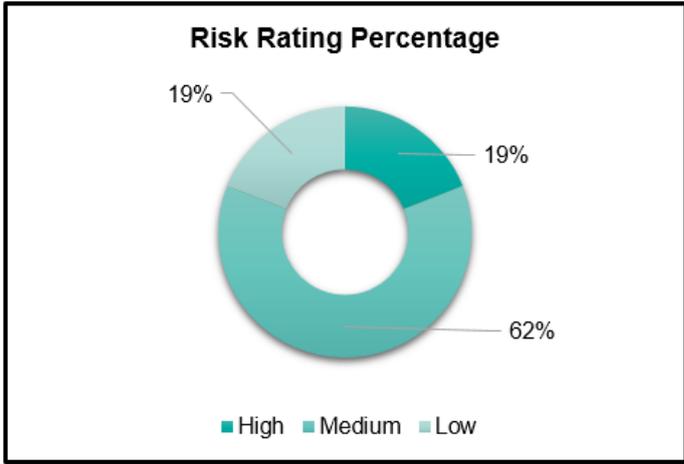


### 2.3 Operationalisation

The Tool was operationalised in the form of a Modern Slavery Supplier Questionnaire on the Informed365 platform, being HSV's supply chain management platform. The questionnaire was rolled out to all 125 suppliers on 3 May 2021 with a completion request date of 30 June 2021 to coincide with the conclusion of the second reporting period under the Act. There were 101 respondents and 24 non-respondents, providing an overall response rate of 81 percent.

### 2.4 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.



Risk Category	No. Suppliers
Very High	0
High	19
Medium	62
Low	19

The Women’s requested HSV to assist with providing mitigation strategies in relation to the 19 high risk suppliers. As part of the Women’s 2021/22 actions, the Women’s with HSV worked with these organisations to further understand and mitigate modern slavery risk.

**3.0 Reporting Criterion 4 - actions taken by the Women’s to assess and address these risks, including due diligence, remediation processes and contracts**

The focus of the Women’s third reporting period (2021/22) under the Act was to undertake mitigation efforts to combat modern slavery risks in each of the 19 high risk suppliers identified, and foster collaboration between the Women’s and these suppliers to seek to address these risks.

In this regard, the Women’s in conjunction with HSV has taken a number of actions to mitigate the risks associated with Modern slavery in these organisations. The suppliers have been provided with tools and resources to develop/enhance their modern slavery risk management system, including training modules that will educate them on how to identify risks pertaining to modern slavery from overseas manufacturers.

HSV also continues to highlight their contractual obligation 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.

As a result of this 4 out of 19 high risk suppliers have now included Modern Slavery Statements as part of their organisations regulatory framework. The continuous improvement process is part of the annual assessment that will periodically assess the suppliers and will lead to a reduction of their risk rating categorisation.

As part of the continuous improvement process, HSV provides *Modern Slavery Community of Learning* sessions to health services on a monthly basis, these are attended by the Women’s procurement staff. The Women’s continues to incorporate a modern slavery clause into any new non-HSV supplier contracts, committing suppliers to taking all reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in the provision of goods and services. Modern slavery clauses have been incorporated into all request for tender documents as part of mandatory requirements. Suppliers wishing to conduct business with the Women’s, need to commit to the Victorian Government Supplier Code of Conduct. Under this requirement suppliers are expected to proactively identify, address and where required by legislation, report on risks of modern slavery practices in their business operations and supply chains.

In 2022/23, the Women's will appoint an appropriate Procurement Department resource to undertake risk assessments of specific suppliers that are not subject to HSV state-wide collective agreements.

### **3.1 Actions to be taken by the Women's in 2022/23**

As part of the continuous improvement process, the Women's plans to measure and re-assess the risk rating of the 19 high risk suppliers and assess the 63 medium risk suppliers identified. Given the awareness and training provided in 2021/22 to these high-risk and medium risk suppliers, it is anticipated that it will reduce their risk rating categorisation in 2022/23.

In consultation with HSV, the Women's plans to focus on the following improvement initiatives in order to further meet the requirements of the Act:

- Continue to be involved in the *Modern Slavery Community of Learning* sessions, provided by HSV;
- Expand our staff's knowledge base and awareness through continued learning and education programs, in this regard all key staff involved in procurement activities will be required to complete an e - training module provided by HSV;
- Where required, updating all documentation and supply agreements;
- Possible enhancements to modern slavery criteria and assessment in invitation to supply processes – currently under review by HSV; and
- Evaluate and undertake risk assessments of the Women's specific suppliers that are not subject to HSV state-wide collective agreements.

### **3.2 Training**

HSV continues to facilitate learning programs and training workshops for key health service stakeholders on modern slavery practices and the requirements of the Act. These workshops, attended by the Women's procurement lead, provided guidance on how to address the seven mandatory reporting criteria under the Act.

HSV in conjunction with the Health Services will be launching an on line modern slavery training program that could possibly be incorporated into health services' Learning Management Systems. Once launched, all staff involved in the supply chain at the Women's will be required to undergo this training.

## **4.0 Reporting Criterion 5 - how the Women's assesses the effectiveness of actions taken to assess and address modern slavery risks**

The Women's continues to work in partnership with HSV to understand and fulfil its modern slavery obligations. Recognising their significant role in preventing modern slavery in health service supply chains and the benefits of its actions to the broader sector, HSV developed a comprehensive program of works to support the sector, including:

- A modern slavery toolkit;
- A modern slavery statement guide;
- Supplier engagement template; and
- *Modern Slavery Community of Learning* program.

With this, the Women's ensures that all key personnel have undertaken all necessary training, continue to be involved in the ongoing modern slavery health sector community, and immediately

actions all HSV updates. In addition, the effectiveness of actions can also be measured through the ratings of the suppliers. This is a continuous process, with both the Women's and HSV working in conjunction to reduce exposure in the supply chain.

#### **5.0 Reporting Criterion 6 - the Women's consultation process with related entities it owns or controls**

The Women's does not own or has any controlling interest in any other entities.

#### **6.0 Reporting Criterion 7 - Other relevant information**

Nil

#### **7.0 Closing statement**

The Women's is confident that the steps taken in the 2021/22 year have built a good foundation for a robust modern slavery framework. The Women's recognises there is more to do and is committed to continually improving its approach, collaborating with our stakeholders to identify and eradicate modern slavery in our supply chains.

This Statement was approved by the 15<sup>th</sup> December 2022 Board meeting of the Royal Women's Hospital.



Ms Cath Bowtell  
Board Chair  
The Royal Women's Hospital