



Australian Red Cross
Lifeblood



Modern Slavery Statement

Financial year 2020/2021

14 December 2021

This modern slavery statement was approved by the Lifeblood Board in its capacity as principal governing body of Lifeblood on 14 December 2021. It is signed by James Birch AM in his role as Chair and Shelly Park in her role as Chief Executive.

The Statement addresses the mandatory reporting criteria of the Modern Slavery Act 2018 (Cth) in the following sections:

Modern Slavery Act requirement	Page
1. Identify the reporting entity	1-4
2. Describe the reporting entity’s structure, operations and supply chains	1-9
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or control	6-9
4. Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	2-9
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	4-9
6. Describe the process of consultation with any entities that the reporting entity owns or controls	9
7. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	1-10

Acknowledgement of Country

Australian Red Cross Lifeblood acknowledges and pays our respects to the past, present and future Traditional Custodians and Elders of this land and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

Who we are and what we do

Lifeblood, as part of the Australian Red Cross Society (Red Cross), is guided by a set of principles and values that compel a duty of care towards our people, donors, the community and the environment. An important part of our duty of care is a commitment to Corporate Social Responsibility and producing an overall positive impact on society. As a good corporate citizen, we support, and have positive relationships with, the communities in which we operate and behave ethically towards all our stakeholders.

Lifeblood is committed to doing everything that we can to reduce the risks of modern slavery in any of its forms, including forced labour and child labour, in our operations and supply chain.

Our Modern Slavery Statement for the purposes of the *Modern Slavery Act 2018* (Cth) sets out the steps we have taken consistent with our ethical and legal commitments.

Our purpose

Our purpose is life-giving blood, plasma, transplantation and biological products for world-leading health outcomes — through the power of humanity.

Our values



Safety and quality

we make safety and quality part of everything we do



Integrity

we act honestly and ethically at all times



Service

we focus on meeting the needs of patients, the community, customers, donors, stakeholders and colleagues



Collaboration

we work together to achieve our goals



Accountability

we take ownership of our actions and behaviours to ensure we achieve our goals



Excellence

we strive to be the best at what we do

Our governance and structure

Lifeblood is an operating division of the Australian Red Cross Society (Red Cross). The Lifeblood Board reports to the Red Cross Board, which has overall responsibility and oversight and appoints all non-executive board members.

The Red Cross is part of the world's largest humanitarian organisation, which has more than 100 million volunteers in 186 countries. It's independent of government and has no political, religious or cultural affiliation. The Red Cross was established by Royal Charter as an unincorporated society and is registered with the independent national regulator of charities, the Australian Charities and Not-for-profits Commission, under ABN 50169561394.

Under a delegation from the Red Cross Board, the Lifeblood Board is responsible for and manages the operations of Lifeblood.

Lifeblood has major processing facilities in Brisbane, Melbourne, Sydney and Perth, three customer distribution hubs in Adelaide, Darwin and Hobart, a National Contact Centre in Adelaide supported by corporate functions locally and nationally. We operate 96 fixed and mobile blood donor centres across Australia, including two plasma donor centres.



Our operations

We provide critical health products and services to Australia. We deliver one of the world's safest supplies of life-giving biological products, as well as world-class research and expertise in diagnostic, clinical, transplantation and immunogenetics services.

We're committed to clinical excellence, transfusion education, the highest standards of safety and quality, and investing in research and development to help people throughout Australia every day.

We have nine operating divisions:

- Business Growth and Innovation
- Clinical Services and Research
- Corporate
- Corporate Strategy and Transformation
- Donor Services
- Finance
- Information and Communications Technology
- Manufacturing and Quality, and
- People and Culture.

The delivery of the blood supply is governed by the Deed of Agreement with the National Blood Authority (NBA). This statutory agency within the Australian Government health portfolio manages and coordinates arrangements for the supply of blood products and services on behalf of the Australian Government and state and territory governments.

We couldn't do our vital work without around half a million generous, non-remunerated, volunteer donors. These special people volunteer to help thousands of people lead fuller healthier lives. They give blood, plasma and platelets so patients can receive vital treatments; donate bone marrow; give breast milk; or sign up to be an organ and tissue donor and transform people's lives. We receive around 1.5 million biological donations annually.

We employ 3760 employees with our workforce consisting of nearly equal numbers of both permanent full-time and part-time employees. We also have a small number of contractors who support our employees in delivering our life-giving work. Our people work across a variety of environments including donor centres, processing centres, supported by corporate functions locally and nationally.

Integrity and respect underpin our decision making and behaviours at Lifeblood. We have a Code of Conduct that sets out the standard of personal behaviour expected. It provides a shared understanding of the way we behave towards each other to ensure that Lifeblood is an enjoyable place to work. A number of policies covering gender affirmation, equal opportunity and discrimination, workplace bullying and harassment, and fraud and corruption control support the Code. We care about the health and wellbeing of our people, and these policies support that.

The employment of the majority of our employees is covered by an enterprise agreement (EA) and a modern award. All Lifeblood employees have a written contract of employment which provides terms and conditions of employment. Other policies provide additional benefits, for example, parental leave.

Our people can choose whether they join a trade union. We engage constructively with a number of trade unions including United Voice, the Australian Nursing and Midwifery Federation (ANMF), Professionals Australia, Health Services Union (HSU), Australian Services Union (ASU), Community and Public Sector Union (CPSU), Australian Manufacturing Workers Union (AMWU) and the Transport Workers' Union (TWU).

Our Whistleblower Policy supports our 'safe to say' culture where people feel safe and are encouraged to speak up on matters that concern them. Our people can contact a dedicated 24/7 hotline run by an external provider.

Planning and Policies

Strategic Planning

Lifeblood's *Strategy 2023 – Blood and Beyond* includes a focus on corporate social responsibility as a key strategic foundation area. Our commitment is encapsulated by the organisation's Sustainability Roadmap, which includes working with many of our suppliers and partners to ensure we do not contribute to modern slavery in any of its forms. Starting in 2020/21, and contained in the annual Business Plan, Lifeblood publishes its annual modern slavery aims and targets. For 2021/22 the target is for modern slavery prevention to be made a standing agenda item in business review meetings with our critical suppliers.

Lifeblood Code of Conduct

Our Code of Conduct includes acting in the best interests of Lifeblood and respecting other people through our actions.

Our suppliers are an extension of us. Who we do business with can affect us both positively and negatively. We expect our suppliers to be ethical in their business activities, including relationships, practices and sourcing operations. We take great care in our procurement processes to partner with organisations who meet these expectations, including all relevant legal obligations and treating their people and others fairly and with respect. We have a Supplier Code of Conduct which you can read about more on page 8.

Corporate Social Responsibility Policy

Our Corporate Social Responsibility (CSR) Policy focuses on environmental, social and governance considerations and expresses our vision, mission, values and duty of care. Corporate social responsibilities are a balanced approach for organisations to address economic, social and environmental issues in a way that aims to benefit people, communities and society. This includes how we approach ethical and legal obligations, compliance, financial responsibility and the way we interact with our suppliers as we achieve our purpose. Our policy includes taking steps to avoid contributing to the practice of modern slavery as well as having controls and reporting mechanisms in place.

As part of the Red Cross, Lifeblood is guided by a set of principles and values that compel a duty of care towards our employees, donors, the community and the environment. In addition to this we are required by government under the Deed of Agreement to comply with certain corporate governance standards. One of these is the Australian Standard for Corporate Social Responsibility. Our CSR policy demonstrates how our organisational processes produce an overall positive impact on society and is a key foundation area within our organisational strategy.

Our CSR policy areas

1. Environment

We will actively manage our environmental impact to ensure we are a sustainable business by:

- actively minimising the consumption of materials and resources within our organisation
- promoting environmental awareness and sustainability, and
- moving towards compliance with ISO 14001 environmental standards.

2. Our communities and stakeholders

Lifeblood will ensure we support and have positive relationships with our communities and will behave ethically towards all our stakeholders. Lifeblood employees see formal service to the community as a valuable social contribution.

3. Our people

Lifeblood is committed to improving employees' general health and wellbeing. We endeavour to enhance employee engagement and retention, as well as improve morale, through inclusive activities. We provide our people with a safe working environment.

We report on those activities and outcomes that support our CSR policy in our Lifeblood Annual Report. Red Cross Partnership Protocol.

In line with the Red Cross Partnership Protocol, we will not engage in partnerships or sponsorships with businesses or affiliates of:

- Manufacturers or sellers of arms and ammunition
- Tobacco companies and products, or
- Pornography companies, products and events.

These non-negotiable risk categories don't affect Lifeblood Teams, our group blood donation program for workmates, friends, team mates and communities who want to make a difference together.

Before entering a partnership or collaboration with an external party, we conduct a risk review and screening of potential partners. During the review process we assess the industry type, organisational values, brand alignment and any history of illegal activity, human rights abuse or activities running counter to the Red Cross fundamental principles. A risk evaluation screening form is available through our national software system for managing and reporting Incident and Quality (IQ) business processes and is a compliance requirement across the organisation.

Purchasing Policy

Our people making purchasing decisions must act in a manner consistent with our Purchasing Policy, Guide to Ethical Decision Making, and our Supplier Code of Conduct (which is described in detail within this document). Our Purchasing Policy ensures that we seek the best value for money when purchasing products and services, while staying true to our obligations to governments and to our values as an operating division of the Red Cross.

Treasury and Investment Policy

In the pursuit of aligning the Red Cross fundamental principles with the management of our investment portfolio, we apply environment, social and governance (ESG) factors to our investment portfolio process. We use ethical investment screening guidelines during the portfolio construction process which exclude those organisations that generate revenues in the categories described above (Partnership Protocol) or operate counter to human and labour rights.

Risks of modern slavery practices in operations and supply chains

There are risks that modern slavery practices exist in the operations and supply chains of our suppliers and other parties that we deal with. We understand that there is a greater risk of such practices where manufacturing and raw material costs are minimised.

Lifblood acknowledges we are still evolving and developing our practices with our key suppliers on how to identify and treat any possible modern slavery risks.

Our operations are mapped at a high level with the intent to identify the types of business, affiliates and individuals that we deal with within the supply chain. This encompasses suppliers and other stakeholders, including the Australian Government.

Over the last year, Lifblood was affected by the COVID-19 pandemic, including movement restrictions, a shift to remote working for non-essential staff, and travel restrictions. As a result, significant additional effort was required to manage our operations during this period, while continuing to monitor the risks of modern slavery practices within our supply chain.

The global and national constraints of COVID-19 has added further challenges to the monitoring of local and overseas practices and modern slavery risks.

The pandemic affected global supply chains, with an increased demand for products, including increased requirements for personal protective equipment, leading to global constraints in raw material, and manufacturing shortages and significant disruptions in international logistics. Lifblood made a substantial effort to manage these impacts, focusing on our most business-critical suppliers and products.

To support our risk management framework, of which risk of modern slavery forms a part, we accelerated our country of origin understanding and further identified over 1,000 inventory items from 80 suppliers, coming from 24 nations. These items and geographic locations did not indicate concerns about poor labour practices but continue to be monitored for any potential change in risk.

During 2020/21, we were required to source additional personal protective equipment and associated products in addition to our routine supplies. Before committing to any one-off purchases from alternative suppliers or new suppliers, reviews and various supply checks were undertaken including seeking information about the supplier's approach to eliminate modern slavery practices in their supply chain.

Further strengthening our approach to eliminating modern slavery practices in our supply chain, Lifblood continued the roll out of our Supplier Relationship Management program across our critical suppliers. This program includes the sustainability and risk management components, with regular discussion with suppliers on any adverse events and their approaches to eliminating modern slavery practices from within their respective supply chains. Modern slavery remains a standing agenda item in our meetings with key suppliers for discussion on an annual basis.

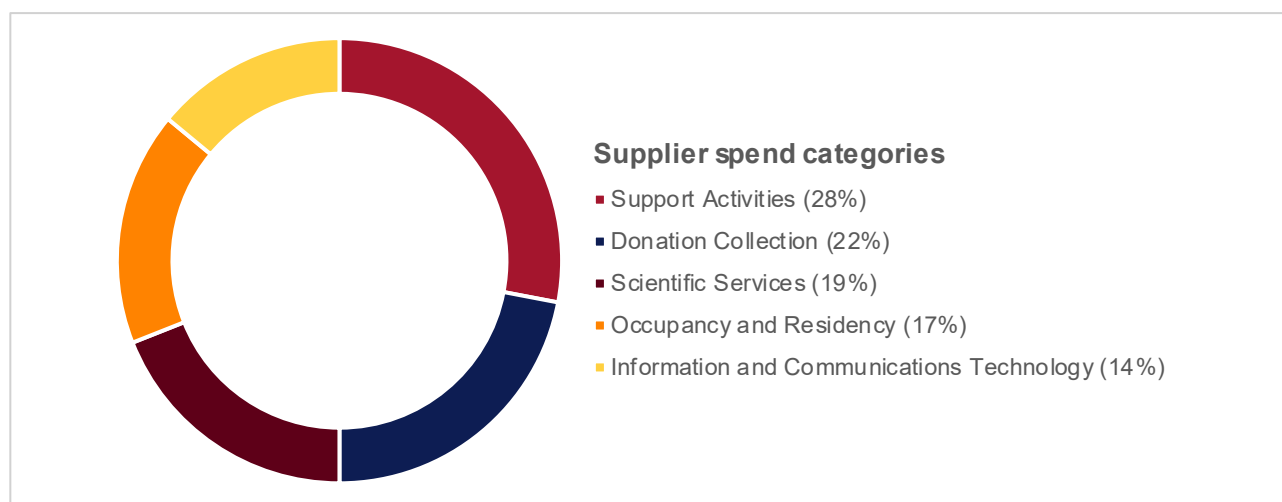
In the reporting period, we did not receive any reports about possible problems of labour practices in our supplier base. Using the Global Slavery Index 2018 report, we completed an initial review of our top product suppliers to identify risks of modern slavery practices by those suppliers. We used criteria such as product type and geographic location. This analysis raised our awareness of products that have a history of poor labour practices such as garment manufacture, rubber and latex products, and electronics. Our supply chain for these products is dominated by large and well-known brands and suppliers, many with their own modern slavery and ethical dealing policies.

We will continue our supply chain mapping, including starting to map our sub-supply chains and further countries of origin analysis, and will further invest in technology solutions to assist in modern slavery identification and mitigation as part of our development in better managing the risk of modern slavery. In all but a small number of cases (e.g. software, labels, other ancillary supplies) our transactions are with Australian-based entities, some of whom are subsidiaries of overseas based organisations.

Lifeblood is committed to eradicating modern slavery from within our supply chain and continues to look to improve the current supply process and practices with our supplier base.

Supplier spend categories

In 2020/21, we engaged directly with over 1,300 suppliers. Approximately 80% of our spend was with 63 suppliers. Most of our suppliers have sub-supply chains and so also rely on their own suppliers.



Supplier spend categories in the last financial year:

- Our largest category of spend supports our overall operations and corporate business functions and includes freight for the movement of our supplies and finished products, marketing, professional services and other indirect services representing 28% of total spend.
- Our second largest category of spend supports the collection of donations as well as blood processing, equipment maintenance and distribution of those products. The purchases associated with these activities represent 22% of Lifeblood's expenditure with our supplier network.
- Our scientific services area accounts for 19%. The items purchased enable the testing and analysis required to ensure the safe supply of biological products to all Australians.
- Occupancy and Residency is Lifeblood's next largest spend category at 17%. These costs support the network of collection centres, manufacturing plants and offices where we undertake our life-saving work. After leasing costs, many of these expenses are labour based.
- Information and communications technology accounted for 14%. These items are used by Lifeblood employees. It includes services that relate to the licencing, development and programming of software, ensuring security and providing technology support to our donors and our people.

Our approach to risk management and due diligence

We have screening and due diligence processes in place across Lifeblood. Modern slavery has been incorporated into our human rights due diligence process which expands our enquiries into prospective suppliers' labour supply chains, commitment to diversity, and work health and safety.

A health and safety risk assessment forms part of our sourcing process and sourcing decisions must not compromise health and safety and other legislative obligations.

Supplier Code of Conduct and requirements

We introduced a Supplier Code of Conduct in 2020 and all suppliers, new and existing, are required to comply. It sets out our expectations of suppliers' ethical conduct and includes:

- A requirement to take steps to ensure that modern slavery doesn't exist in their supply chain or organisation
- Obligations regarding fair treatment and equal opportunity
- Expectations of business integrity
- Requirements and instructions for reporting concerns

We expect our suppliers to comply with internationally recognised standards for human rights, labour, and the environment in a manner consistent with our Supplier Code of Conduct, the Lifeblood Code of Conduct and the values of the Red Cross. We developed a communications plan to engage with our suppliers about the Supplier Code of Conduct.

Our contract templates, purchase order terms and conditions and tender terms include requirements around modern slavery and human rights. These include requirements that the supplier has taken sufficient steps to investigate its labour practices and those of its suppliers and subcontractors to ensure there is no illegal or exploitative labour practices in the supply chain, and has taken reasonable steps to ensure that processes, procedures, investigations, audit and compliance systems are in place to adequately address any potential adverse findings. Suppliers are to notify us of any change that may reasonably cause a breach, and we can require them to assess or audit compliance with their obligations.

Modern slavery forms part of our corporate enterprise risk management process, which will help us identify risks of modern slavery practices and screening suppliers in areas of CSR as well as any matters that require further investigation within our supply chains and operations.

Training and education

We have increased awareness of modern slavery, both internally within Lifeblood and externally through engagement with suppliers, other parties and the wider community.

We have in place a modern slavery intranet page to provide our people with resources and updates on current activities we're undertaking to help prevent modern slavery. The resources include a recording of an all staff presentation which provides modern slavery training. We also published a news article on our intranet: *Our first Modern Slavery Statement*.

We held a number of briefing sessions for our suppliers on the actions Lifeblood is taking to address modern slavery risks. This included direct briefings with our top eight suppliers and we have planned a general briefing session to be delivered by our Chief Executive, which will be open to a broader cross section of Lifeblood's suppliers.

Whistleblowing tools

Lifeblood has online resources through a third party for anonymous disclosures by our people or the public, including in relation to modern slavery. No disclosures were made regarding modern slavery in the reporting period.

Effectiveness of actions

We are committed to doing everything we can to reduce the risks of contributing to unethical practices that violate fundamental human rights and that our government funding is being used in a manner that is consistent with modern slavery requirements.

Our established multi-disciplinary team meets regularly to evaluate the effectiveness of our actions to identify and mitigate risks of modern slavery in our operations and supply chains. The team also plans and monitors educational activities at Lifeblood regarding the issues of modern slavery practices.

Lifeblood identifies risks of modern slavery as part of our screening and due diligence processes or through our ongoing communications with our current suppliers. We do regular evaluations of any risks of modern slavery identified within our core operations and supply chains. From a partnership perspective, the screening process has elevated modern slavery in our decision criteria, which helps us assess risk and identify any areas for further investigation, reporting and guides decisions about whether or not to proceed.

Detailed mapping of our supply chains and other global shocks have combined to identify opportunities to better understand supply chains. Our supplier relationship management program has focused on a selection of our most important suppliers who do have control of our primary supply chains. This improves the opportunity to include corporate social responsibilities, including requirements regarding risks of contributing to modern slavery.

Further understanding of country of origin for critical consumables is an initiative we continue to enhance to identify products that may originate in areas with a poor history of labour practices. Lifeblood is also developing guidelines to preference locally made goods and support local industry.

As we continue our mapping of suppliers and other parties, we are identifying and considering metrics to assess the impact and our ability to influence.

Consultation

Lifeblood forms part of the Australian Red Cross Society. Lifeblood's purpose of delivering life-giving blood plasma, transplantation and biological products for world-leading health outcomes is very different to the Humanitarian Services Division's purpose. Recognising this, Lifeblood operates as a separate division with its own management team and Board as described above.

Given Lifeblood's distinct operations, this reporting period we have prepared and will submit our own Modern Slavery Statement approved by our principal governing body, the Lifeblood Board.

Lifeblood consulted with the Red Cross in the preparation of this Statement. Lifeblood's General Counsel sits on Red Cross's modern slavery Steering Committee which contains Executives from both divisions. Our established multi-disciplinary team including Procurement, Legal, Partnerships and Strategy, includes members of both divisions and consults and collaborates on the requirements of the Modern Slavery Act 2018 (Cth) and the approach of both divisions to addressing the requirements and preparing the statements.

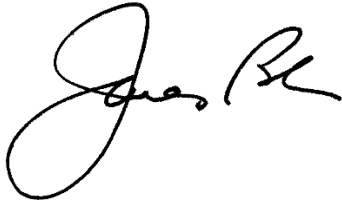
Going forward, we are developing ways to increase our engagement and consultation with the Red Cross. This includes mapping the modern slavery governance structure and management across the two divisions establishing a formal structure to regularly engage cross-functionally, and across management levels, and identify opportunities for collaboration.

Looking forward

In the coming year, we will continue our supply chain monitoring, due diligence and training. We will continue to map and review our supply chains and develop further assessment tools to identify risks and any matters that require further investigation within our supply chains and operations.

We will further integrate with our sustainability program and increase awareness of modern slavery, both internally within Lifeblood and externally through engagement with suppliers, other parties and the wider community.

This statement constitutes the Modern Slavery Statement of Australian Red Cross Lifeblood for the year ended 30 June 2021 and has been approved by the Lifeblood Board.



Mr James Birch AM
Chair

14/12/2021



Ms Shelly Park
Chief Executive

14/12/2021