

THE BURNET INSTITUTE

Macfarlane Burnet Institute for Medical Research and Public Health Limited
ABN 49 007 349 984

MODERN SLAVERY STATEMENT

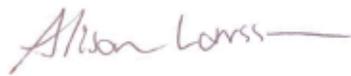
UNDER THE MODERN SLAVERY ACT 2018 (CTH)

REPORTING PERIOD: 1 January 2021 – 31 December 2021

This Modern Slavery Statement was approved by the board of Macfarlane Burnet Institute for Medical Research and Public Health Limited in their capacity as the principal governing body of Macfarlane Burnet Institute for Medical Research and Public Health Limited on 29 June 2022.

Pursuant to the requirements of the Modern Slavery Act 2018 (Cth), the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

This statement is signed by Ms Alison Larsson and Professor Brendan Crabb in their roles as Board Directors and Chair of the Governance, Audit & Risk Committee and Chief Executive Officer respectively on 29 June 2022.



Ms Alison Larsson
Director

Professor Brendan Crabb
CEO

Signed in Melbourne on 29 June 2022

Part One: Who we are and what we do

1. The Burnet Institute is an independent, not-for-profit medical research institute. We are passionate about social justice, equality and evidence-based research. Our vision is to create a more equitable world through better health.
2. This is our first Modern Slavery Statement pursuant to the requirements of the *Modern Slavery Act 2018* (Cth) (the **Act**)
3. We acknowledge that, all over the world (including in Australia), modern slavery is shockingly common reality, where victims are subject to coercion, lack of freedom and deception. It includes human trafficking, forced labour, debt bondage, forced marriage, and the worst forms of child labour
4. As a not-for-profit entity focused on aiding health inequality for vulnerable communities in Australia and internationally, we want to ensure that our operational activities are not knowingly causing, contributing, or otherwise linked to modern slavery practices. We welcome this opportunity to carefully examine our business practices and supply chains so as to meaningfully address modern slavery risk.
5. The Burnet Institute surpassed the annual revenue threshold for mandatory reporting under the Act only due to the extraordinary sale of our shareholding in ‘**360Biolabs Pty Ltd**’ in October 2021. In the foreseeable future, we do not anticipate again having annual revenue over \$100 million, and therefore do not expect that will we continue to fall within the scope of a mandatory reporting entity as defined under the Act.
6. Upon becoming aware that this one-off increased revenue event resulted in the Institute becoming a mandatory reporting entity for the subject reporting period, we promptly engaged external experts to facilitate the process of taking steps to identify, assess and address modern slavery risks.
7. Consequently, whilst we have carried out modern slavery risk assessment based on the supplier, personnel and other operational data applicable for the 2021 calendar year, the specific modern slavery due diligence measures referred to in this Statement were, unless otherwise noted, carried out after the conclusion of the reporting period, but prior to our lodgement of this Statement.

Our Structure

8. The mandatory reporting entity under the Act is **Macfarlane Burnet Institute for Medical Research and Public Health Limited** ABN 49 007 349 984 (“**the Burnet Institute**”)
9. The Burnet Institute owns or controls the following entities that are not, individually, mandatory reporting entities under the Act:
 - Hepseevax Pty Ltd
 - SeeD4 Pty Ltd

- Burnet Institute (Hong Kong) Limited ¹
- Biopoint Hong Kong Limited
- Biopoint Nanjing Diagnostic Technology Co. Limited ¹

The above entities have been effectively non-operational or had limited supplier transactions during the reporting period.

10. For the purposes of this Statement, any reference to the ‘Burnet Institute’, or ‘we’ or ‘our’ should be taken to also include these owned or controlled entities, unless otherwise specified.
11. The Burnet Institute is an Australian company, limited by guarantee. We are a registered charity with the *Australian Charities and Not for Profits Commission*. A significant portion of our operating budget is funded through competitive grants, major philanthropic donors, charitable trusts, and foundations.

Our Operations

12. The Burnet Institute is program led, not-for-profit institute that links medical research with practical action to help solve devastating health problems. Our organisation combines programs of clinical and laboratory research in virology and immunology with epidemiology, social research and public health programs.
13. In particular, our research is focused on designing and delivering evidence-based responses to global health challenges within the following thematic health programs:
 - disease elimination, including infection diseases;
 - behaviour and health risks, with a focus on harm reduction and healthy ageing;
 - health Security and pandemic preparedness; and
 - maternal, child and adolescent health.
14. The Burnet Institute’s technical breadth includes the following disciplines:
 - vaccine research and promotion of vaccine equity;
 - diagnostic initiatives to develop systems to support the process of diagnostic product development; and
 - modelling to inform public health responses to COVID-19 and other infectious diseases.
15. Our flagship initiatives include:
 - **Know-C19** - a knowledge hub for COVID-19 information and publication of our research, public health reports and data modelling.
 - **EC Australia** - a national collaborative partnership to reduce the incidence and prevalence of Hepatitis C as a public health threat.

¹ This entity commenced the process of deregistration during the reporting period and has since been placed into administration in early 2022. Accordingly, as at the date of preparing this Statement, the Burnet Institute has no operational control of this entity.

- **Healthy Mother, Healthy Babies** - a research program focused on understanding causes of death and disease among women and children in Papua New Guinea and evaluating strategies to improve their health.
16. The vision of the Burnet Institute is to create an equitable world through better health. This drives our allocation of key facilities, programs and resources. Our organisation is wholly aligned with the UN Sustainable Development Goal 3 - to ensure healthy lives and promote well-being for all at all ages.
17. Our 2030 strategy is focused on maximising our impact in addressing the following specific targets:
- Target 3.1 – Reduce maternal mortality
 - Target 3.2 – End all preventable deaths under 5 years of age
 - Target 3.3 – Fight communicable diseases
 - Target 3.5 – Prevent and treat substance abuse
 - Target 3.7 – Universal access to sexual and reproductive care, family planning and education
 - Target 3.B – Support research, development and universal access to affordable vaccines and medicines
 - Target 3.D – Improve early warning systems for global health risks
18. Our research involves working closely with a wide array of vulnerable communities including:
- resource-poor communities;
 - marginalised communities;
 - prisons; and
 - people at higher risk of contracting blood-borne viruses.
19. We are the only unaligned organisation in Australia that has dual accreditation with both the *Australian National Health and Medical Research Council* (NHMRC) and the *Department of Foreign Affairs and Trade*. As a result, our organisation is subject to a variety of regulatory controls, to which we abide closely.
20. The headquarters and Australian research facilities of the Burnet Institute are located in Melbourne, Australia.
21. Our international presence includes offices / facilities in East New Britain (Papua New Guinea) and Yangon (Myanmar). We are also actively involved in various research projects and activities in a range of countries throughout Asia, the Pacific and Africa:
- China;
 - Lao People’s Democratic Republic;
 - Timor-Leste;
 - Fiji;
 - India;
 - Indonesia;
 - Vietnam;
 - Thailand;
 - Kenya; and

- Zimbabwe.

22. Our Australian based workforce during the reporting period included:

- Approximately 350 fulltime employees, including researchers and public health professionals;
- Over 30 research students;
- Approximately 4 staff represented by the Nurses union; and
- Approximately 1-2 staff sourced from labour hire agencies per month and approximately 1-2 contracted staff per month. These staff are exclusively engaged in professional related roles.

23. Our international offices were staffed as follows during the reporting period:

- In Papua New Guinea, we had 90 locally employed staff and 10 'expat' staff supervising the research programs; and
- In Myanmar, we had 30 locally employed staff.

Our Supply Chains

24. Given the breadth of our operations and international presence, the Burnet Institute has a broad range of suppliers that support our work. During the reporting period the Burnet Institute engaged approximately 800 suppliers globally.

25. Our Australian research facilities and corporate functions procure goods and services from the following supplier categories:

- Technical equipment;
- Medical supplies and consumables;
- Cleaning services;
- Computer and technical services;
- Office equipment, goods and stationary;
- Recruitment agencies;
- Travel, Accommodation and Venue Hire;
- Consulting and business management services;
- Equipment Maintenance and repair services;
- Building renovations and maintenance;
- Mailing and courier services;
- Education and training services; and
- Telecommunication providers.

26. Our international operations have generally similar supply chains, such as medical supplies and consumables, computer equipment, telecommunications services and consulting services to support research facilities. However, these types of services and goods are typically more locally sourced, particularly from South-East Asia. We also procure the additional types of goods and services to facilitate our international operations:

- Accommodation and venue hire;
- Customs and shipping services;
- Flight and travel services;
- Clinic rental costs;
- Professional Services;
- Pharmaceutical goods;
- Fleet running costs;
- Insurance services;
- Security services; and
- Construction.

27. Primarily due to its international projects, the Burnet Institute has a significant number of suppliers based overseas, including companies located in:

- New Zealand;
- USA;
- United Kingdom;
- China;
- Netherlands;
- Singapore;
- Myanmar;
- Papua New Guinea;
- Vietnam;
- Lao;
- Indonesia; and
- Argentina.

28. We understand that a number of these countries are generally considered to have elevated risks of modern slavery across a range of industries.

Part Two: Assessing Modern Slavery Risks in our Operations and Supply Chains

29. There were no actual or suspected instances of modern slavery in our supply chains or operations that were reported to us during the reporting period, or that we subsequently discovered during the risk assessment process covered in this statement.

30. As part of our external expert engagement, we have assessed the potential modern slavery risks associated with both our operations and supply chains. The assessment of suppliers supporting our offices in Myanmar and Papua New Guinea was prioritised.

31. The risk assessment tool used proprietary technology to assess the cumulative modern slavery risk through to the tenth tier of our supply chains, through assessing the complex interaction between factors including:

- Total supplier spend amount (i.e. the value of our direct supplier contracts);
- Industry category, including industries that, in turn, feed into particular categories further down the supply chain;

- Geographical area of operation; and
 - Depth of tiering within the supply chain(s)- e.g., 3rd tier supplier, 5th tier supplier, etc.
32. The Appendix contains a summary of the proprietary risk assessment methodology used for our initial risk assessment.
33. The identified areas of highest potential risk in our supply chains include **direct suppliers** in the aforementioned high-risk geographies. The following industry categories were identified as having the overall greatest potential risk:
- *Hotels and Restaurants in Papua New Guinea*
 - *Financial Intermediation and Machinery Suppliers in Papua New Guinea*
 - *Electrical and Machinery Suppliers in Papua New Guinea*

Hotels and Restaurants in Papua New Guinea

34. During the reporting period, we used the services of 27 accommodation and venue hire suppliers. This typically involves travelling staff and partner accommodation, venue hire and hosting of conferences/workshops.
35. This category is high risk due to two interrelated factors. First, the hotel and restaurant industries are, globally, characterised by a relatively high prevalence of modern slavery. This is due to various factors including a widespread reliance on labour hire agents to procure low-skilled workers such as security guards, dishwashers, room cleaners and gardeners. These low-skilled jobs are often filled by more vulnerable workers, including people from low-socioeconomic groups, underage /displaced females, and migrants. These groups are susceptible to deceptive recruitment and bonded labour. Additionally, the seasonal nature of the sector, driven by peaks of demand further increases the possibility of worker exploitation.
36. These inherent industry risks are increased by the fact that these service providers are operating in a high-risk geography. Papua New Guinea is ranked by the Global Slavery Index as having the 21st highest prevalence for modern slavery worldwide (out of an assessed 167 countries). There are numerous reported instances of forced labour occurring within predominantly low-skilled sectors. Papua New Guinea is also known to have instances of human trafficking and child sexual exploitation within the hospitality industry.

Financial Intermediation & Machinery in Papua New Guinea and Electrical & Machinery in Papua New Guinea

37. These industry categories are deemed to have a higher risk profile, but not necessarily within their direct operations, given there is a relatively higher proportion of skilled professions. Rather, the same kinds of geographical risks as the above category, is the primary basis for the overall elevated risk profile.
38. These industry categories require a broad range of supplier service inputs such as fleet hires services, insurance services, security services, consultants, data, and IT providers. The category of electrical and machinery suppliers includes several medical related suppliers. Additionally,

these suppliers are likely to have a reliance on high risk supply chain inputs, such as electronic products that are commonly manufactured in high risk geographies such as Malaysia or China.

Operational Risk

39. Similar to our supply chain risk, some areas of our operations have been assessed as having a relatively elevated risk because our organisation operates research programs that engage local organisations in low-income, less developed nations. This, of course, is an indispensable component towards achieving our mission of improving equitable access to health through international aid and development. Specifically, we have operations based in the following high-risk geographies:

- Papua New Guinea; and
- Myanmar.

We also have project activities implemented with partners in the following high risk geographies:

- China;
- Lao;
- Timor-Leste;
- India;
- Indonesia;
- Vietnam;
- Thailand;
- Kenya; and
- Zimbabwe

40. Our major operational partners in these higher risk countries are usually local government organisations, research bodies, universities, or local NGOs. However, we recognise that this dominance of lower risk industry categories for direct operational engagement does not exclude the potential for increased modern slavery risk within our operations in these locations, particularly in relation to ancillary facilities services such as cleaning, building maintenance, and local freight and transportation services.

41. Many of these countries feature well recognised risk factors for a higher prevalence of modern slavery, such as vast social inequality, a relatively high proportion of internal or foreign migrant workers, concentrated demand for low skilled industries, temporary / seasonal labour, limited government responses to enforcement, regulating workplaces, and enforcing compliance with national standards.

42. All employees at our facilities in Papua New Guinea and Myanmar are employed on a direct contract with our organisation.

Part Three: Addressing Modern Slavery Risks

Modern Slavery Risk Assessment

43. One of the key features of our modern slavery response has been engaging with an external subject matter expert to undertake a comprehensive risk assessment to provide the organisation with a deeper understanding of where the greatest risks lie in our supply chains.

44. We also recognise that improving our visibility beyond tier one of our supply chains is a foundational step to help effectively direct our resources towards appropriate due diligence and achieve maximum positive impact.

Internal Governance Framework and Policy Updates

45. As an accredited non-government organisation that is subject to rigorous government requirements, during the reporting period, the following policies were in place, which specifically address issues relating to child protection and child labour:

- A Child Protection Policy prohibiting any form of behaviour that exploits or abuses children, including using children for labour. This policy applies to our staff, volunteers, partner organisations, contractors and suppliers, including our overseas suppliers in high risk geographies.
- A Safeguarding Code of Conduct requiring our staff and representatives to report any allegations of child or vulnerable adult exploitation and comply with Australian and local labour legislation regarding child labour.
- A Safeguarding Policy confirming zero tolerance for sexual exploitation, abuse and harassment, and prioritising the needs of victim survivors in dealing with any allegations of abuse.

46. Our standard services agreement requires contractors to have policies in place to ensure children are protected from abuse in their operations, including personnel screening.

47. We also work closely with our in-country partners to ensure they are fully aware of our strong commitment to protect children in all of our operations and increase those partners' own capacity to safeguard children from all forms of abuse.

48. Since engaging external assistance, we have reviewed our current internal governance framework and commenced the process of developing the following modern slavery specific policies to complement our existing framework, which we plan to operationalise:

- **Human Rights Policy**, which contains express anti-slavery provisions and sets our commitment to addressing modern slavery and adverse human rights impacts through due diligence and other similar activities. This will include the consideration of the need for a separate **Human Rights Grievance Policy**.
- **Supplier Code of Conduct**, which upholds the elimination of all forms of modern slavery and requires our suppliers to integrate these standards into their own contracts with suppliers, to try and 'cascade' an anti-slavery awareness down the tiers of our supply chain.

49. In addition to the having the above planned policies in the pipeline for implementation, we have developed a standard supplier contract provision that specifically addresses modern slavery by requiring our suppliers to undertake their own modern slavery due diligence and comply with our Supplier Code of Conduct. Specifically, the provisions require our suppliers to warrant that:

- They will not engage in any modern slavery-related activity.

- None of their employees have been convicted or have pending investigations in relation to any modern slavery type offences.
 - They are taking reasonable steps to ensure that modern slavery risks are being identified and addressed in their operations, supply chains and with their subcontractors.
 - They agree to notify us of any potential instances of modern slavery that they become aware of in their own operations or supply chains.
50. We intend to incorporate these provisions into our regular supply agreements in the near future.
51. We remain in the process of reviewing our procurement policies to formalise our commitments in relation to broader social issues, including a reconciliation action plan, and issues relating to the environment and sustainability. We intend to include a modern slavery focus within the policy and procedure upgrade.
52. We are also developing internal responsibility for our ongoing measures to address modern slavery. Currently a group comprised of executive members, including our Chief Operating Officer, Procurement Manager, and Head of Program Management & Quality Assurance has this responsibility.
53. We have also invited contributions from our Program Managers based in Papua New Guinea and Myanmar to ensure we create an appropriately tailored, locally-driven response in these locations to more effectively address the specific needs of our international operations and associated risk profile.

Education & Training

54. We have prioritised education and training programs to build our organisational awareness and capacity to address modern slavery.
55. Our auditor, following determination of our consolidated revenue in late-2021, facilitated an initial modern slavery focused workshop with the Board Audit and Risks Committee, and involving senior management personnel.
56. We have since engaged external subject matter experts, who will provide specialised training to our Board of Directors, as part of the ongoing process so ensuring that those in the highest leadership role of the Institute are appropriately equipped oversee the management of our modern slavery risks. This training will address the following areas:
- an in-depth understanding of the typology of modern slavery;
 - the nature and prevalence of modern slavery - both globally and in Australia;
 - Burnet Institute's specific modern slavery risk profile and key risks in our industry and international presence;
 - legislative requirements under the Act;
 - trends in industry compliance with the Act's mandatory reporting requirements;
 - the driving forces in an organisational response to modern slavery; and
 - ongoing due diligence measures to address our unique risk profile

57. We are looking to introduce compulsory modern slavery training for our procurement teams, because we recognise that a major part of any modern slavery framework is in engaging with suppliers – both ongoing and potential. We intend for this to be completed during 2022.
58. As an accredited non-government organisation, we are an active member of Australian Council for International Development (“ACID”), which is a body focused on strengthening the collaborative impact of NGOs and aid organisations to address poverty. ACID has participated in modern slavery related action, given the nexus between social and economic inequality and incidences of modern slavery. Moving forward, the Burnet Institute plans to engage further with international aid focused groups to improve our integration of modern slavery into our overall international aid and development framework within the countries we are operating in.

Part Four: Measuring Effectiveness

59. The Burnet Institute is atypical for mandatory reporting entities in that, as disclosed above, it appears highly unlikely that will again fall within the scope of being a ‘mandatory reporting entity’ under the Act for the foreseeable future.
60. Despite this, we are committed to addressing modern slavery within the broader framework of our existing philanthropic goals and our organisational values of striving to address inequity in healthcare. Such an ongoing commitment is also entirely consistent with our core efforts of working with marginalised communities, and actively pursuing achievement of the UN Sustainable Development Goals.
61. We intend to focus on the following future areas to develop a modern slavery response that is continually improving, and maximises practical impact:
- Expanding the scope of our supply chain risk assessment;
 - Operationalising modern slavery-specific policies, including actively engaging with our larger suppliers regarding the practical effect and substantive expectations under these policies;
 - Improving and building the capacity of our overseas partners in high-risk countries to achieve real impact in their operations and supply chains, including continual monitoring of our suppliers; and
 - Comprehensively integrating modern slavery as factor within our internal audit program.
62. We plan to implement an annual review system through our Audit and Risk Committee to track our progress of key modern slavery measures.

Part Four: Consultation with controlled entities & other information

Impact of COVID-19 pandemic

63. Like most organisations, the ongoing COVID-19 pandemic has vastly impacted our operations, and to an extent, our supply chains. This has, in many ways, resulted in unprecedented shaping of core parts of our organisational focus, such as developing COVID-19 modelling programs, and assisting with the COVID-19 vaccine roll-out in Papua New Guinea.

64. In relation to the pandemic's impact on our procurement practices, we faced the difficulty of ensuring that our staff both in Australia and overseas had sufficient access to Personal Protective Equipment. Navigating the sudden change in demand and supply chain disruptions meant that the Institute was required to fast-track PPE procurement decisions to take advantage of readily available suppliers and stock.
65. As detailed above, we are seeking to integrate modern slavery within our updated procurement policy to remedy the issues highlighted by these circumstances.
66. All of the Institute's owned / controlled entities (as listed above at paragraph [9] of this Statement) are either non-operational or currently being wound down and on that basis the Institute has not taken on a full consultation with them in preparation of this Statement.

Appendix – Initial Risk Assessment Methodology Summary

1. As discussed in Part Two of this Statement, we engaged with external subject matter expert to carry out a comprehensive risk assessment in relation to certain suppliers. This baseline exercise provides the basis for our subsequent focus for ongoing due diligence and remediation activities across not only the present reporting period but for upcoming years.
2. Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of the Burnet Institute' top suppliers by spend.
3. This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:
 - a. The United Nations' (UN) System of National Accounts;
 - b. UN COMTRADE databases;
 - c. Eurostat databases;
 - d. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - e. Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
 - a. The UN Guiding Principles on Business and Human Rights;
 - b. The Global Slavery Index;
 - c. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - d. The United States' Reports on International Child Labour and Forced Labour.
5. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier.
6. This analysis was performed for the purposes of risk identification under the Act. It does not purport to confirm the actual existence (or non-existence) of slavery in the Burnet Institute's supply chains and operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.
7. The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:

- a. The individual suppliers and industries with the most elevated risk of modern slavery;
- b. Supply chain plots to provide a visual representation of the supply chains for the Burnet Institute's top 3 first tier industries;
- c. Plotting the relative slavery risk in the supply chain by tier, up to tier 10;
- d. Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world; and
- e. An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk.