

## MODERN SLAVERY STATEMENT 2022



### ACKNOWLEDGEMENT OF COUNTRY

In the spirit of reconciliation Team Medical Supplies acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people today.



Team Medical offices and warehouses operate from the land of the Dharug, Yuggera, Wurundjeri and Whadjuk nations.

## CEO Letter

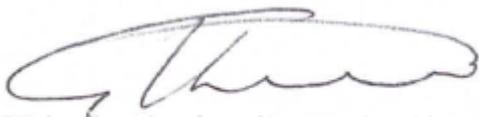
Team Medical Supplies saw rapid growth during the COVID-19 pandemic of certain products such as PPE. With this demand comes additional pressure and challenges across the business, including those associated with modern slavery. Team Medical Supplies has acknowledged these risks and is committed to working to address them in the coming years.

This year marks the first year we have been required to publish a modern slavery statement in line with the Australian Modern Slavery Act and we will strive to demonstrate ongoing improvement in subsequent statements.

The appointment of a new Risk & Compliance Manager will better equip us to uplift the way we address risks across our operations and supply chains, including those relating to modern slavery. This new role will ensure we are operating in line with relevant legislation such as the modern slavery act, as well as embedding risk management procedures across the business.

The statement was approved by the Board of Team Medical Supplies on 20<sup>th</sup> of December 2022.

On behalf of the Board of Directors of Team Medical Supplies Pty Limited:

A handwritten signature in black ink, appearing to read 'Pieter Vriens', is written over a faint horizontal line.

Pieter Vriens

Chief Executive Officer, Team Medical Supplies

21 December 2022

# INTRODUCTION

This document serves as a statement complying with the *Modern Slavery Act 2018 (Cth)* in Australia. It covers the structure, operations, and supply chain of the Team Medical Supplies business in Australia for the period ending on 30<sup>th</sup> June 2022.

This statement is for the reporting entity Team Medical Supplies Pty Ltd.

Registered office: Team Medical Supplies.

Address: PO Box 646. Seven Hills, 1730

Email: [info@teammed.com.au](mailto:info@teammed.com.au)

Phone: 1300 224 450

Fax: 1300 224 460

## STRUCTURE, OPERATIONS, AND SUPPLY CHAIN

### Structure

Team Medical Supplies is an Australian owned, family run medical wholesaler. We distribute nationwide and cater for almost all medical practitioners and centres in Australia. We provide over 100,000 high-quality medical products.

### Workforce

Our workforce consists of full-time and part-time employees, and casual short-term staff, all based in Australia.



Full time employees	92
Part-time employees	15
Employees on fixed term full time contracts	0
Employees on fixed term part time contracts	0
Casual employees	4

Table 1: Breakdown of workforce at Team Medical Supplies in 2022

### Operations and Supply chain

We have four distribution centres in Australia. [include locations of distribution centres]

- Seven Hills, NSW
- Meadowbrook, QLD
- Tullamarine, VIC
- Malaga, WA

Table 2 shows our top sourcing countries by spend based on 103 of our suppliers during FY21, along with major procurement categories in each country.

Location	Number of suppliers	Category
Australia	84	All categories
China	15	<ul style="list-style-type: none"> <li>• Plant based fibres</li> <li>• Electronic Equipment</li> <li>• Machinery and Equipment</li> <li>• Chemical, Rubber, and Plastic products</li> </ul>
Malaysia	1	<ul style="list-style-type: none"> <li>• Chemical, Rubber, and Plastic Products</li> </ul>
Pakistan	1	<ul style="list-style-type: none"> <li>• Machinery and Equipment</li> </ul>
South Korea	1	<ul style="list-style-type: none"> <li>• Machinery and Equipment</li> </ul>
Honduras	1	<ul style="list-style-type: none"> <li>• Paper Products</li> </ul>

**Table 2:** Top sourcing countries by spend – based on 103 suppliers

Table 3 shows our main product and service offerings used by our clients and customers.

<b>Online healthcare equipment suppliers:</b> e.g., medical consumables, equipment, accessories and more.	<b>Diagnostic equipment:</b> e.g., stethoscopes, scales and more.
<b>Medical equipment:</b> e.g., exercise and rehabilitation equipment, defibrillation, CPR resuscitation.	<b>Furniture and fittings:</b> e.g., beds, couches, tables, trolleys, waste disposal options.
<b>Wound care:</b> e.g., bandage, gauze, and wound closure supplies.	<b>Surgical instruments:</b> e.g., forceps, podiatry instruments, probes.
<b>Disposable and general supplies:</b> e.g., hand and body wash solutions, surgical gloves.	<b>Pharmaceuticals:</b> e.g., anaesthetics, vaccinations, pain treatment.

**Table 3:** Main product and service offerings from Team Medical Supplies

## Customers

Our current customers include individual general practitioners, medical centres, day surgeries, podiatrists, hospitals, nursing homes, dentists, through to large Super GP Clinics. We also work with a range of specialists including skin cancer, day surgery, dental, cosmetics and more.

## RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAIN

In line with the Modern Slavery Act, we define modern slavery as “including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services.”

## **Key identified modern slavery risks in our supply chain:**

Demand for medical products has dramatically increased throughout the COVID-19 pandemic. Now, more than ever, supply of such products is linked to the everyday consumption and the supply chains of most businesses small and large. There is greater scrutiny regarding what those products are made from and under what conditions they are made.

To begin to address modern slavery risks in our supply chain, in FY21 we conducted a supplier risk assessment, using data from Social Hotspots and the Walk Free Foundation to determine country, category and dependency risks across 103 of our suppliers.

103 suppliers were assessed from the previous 12 months spend. Based on this supplier risk assessment, we found that Team Medical Supplies has a moderate exposure to modern slavery across the countries in which our tier one suppliers are based.

While most Team Medical Supplies' suppliers are in Australia, there is some exposure to higher risk countries such as China, Malaysia, Pakistan, South Korea, and Honduras. We also acknowledge that while many of our suppliers may be headquartered in Australia, the products that we source from them may be manufactured elsewhere, meaning that modern slavery risk may be present deeper within our supply chain

There were four categories that carried a high dependency risk. These were textiles, food products, plant-based fibres, and paper products. While this does not necessarily indicate modern slavery risk, they are categorised as high dependency risk due to Team Medical Supplies' reliance on just one or two suppliers of a particular product.

To address the potential risk, Team Medical Supplies aims to have a range of suppliers for critical products. This ensures we can be responsive to issues that arise in relation to quality and human rights risks.

## **Key category risks identified:**

In FY21 we engaged an external consultant to do specific research into categories of risk. Globally, the increased demand in medical consumables is likely to increase risk factors associated with modern slavery as suppliers look to meet growing demands whilst remaining competitive. Five product categories were identified as potential risk categories: electronics, pharmaceuticals, cotton, metals, and plastics. Further research was conducted into the following three categories:

### **Plastics (gloves):**

There are well-documented modern slavery risks in the glove manufacturing industry, specifically in relation to conditions of migrant workers from Bangladesh, Nepal, and Myanmar working in factories in Malaysia. Passport and identification document confiscations, illegal withholding of pay, restricted freedom of movement, poor living conditions, debt bondage, underpayment, work environments with weak health and safety procedures, unpaid and compulsory overtime, and infringements on the freedom of association and unionisation remain concerns. Major global manufacturers with links to Team Medical Supplies' supply chain have been implicated, but specific products purchased by Team Medical Supplies are not been implicated with modern slavery. Team Medical Supplies now requests modern slavery statements from glove suppliers.

### **Cotton:**

The cotton industry is a high-risk industry with well-documented evidence of modern slavery and other human rights abuses worldwide. Cotton harvesting is a sector that is particularly prone to labour exploitation, especially in countries such as Uzbekistan, Turkmenistan, and China. Cotton is a core base material in a range of medical supplies including masks, PPE, and some wound dressings. Currently Team Medical Supplies has two suppliers that fall under the plant-based fibres social hotspot category, which may potentially be vulnerable to such modern slavery risks. Team Medical Supplies is not aware of any exploitation from our suppliers, but we acknowledge the heightened risk and are committed to actively monitor this risk as part of our modern slavery risk management.

### **Metals (steel):**

In the medical sector, steel serves as a crucial component of surgical instruments. The production of surgical instruments is concentrated in Pakistan, where forced labour, forced child labour, hazardous working conditions, and unsanitary living conditions are key modern slavery risks. Surgical instruments produced in Pakistan has been identified under the United States Department of Labour's list of goods that are believed to be produced by child

labour or forced labour in violation of international standards. Team Medical Supplies has one supplier of surgical instruments that is based in Pakistan.

## ACTIONS TAKEN

Understanding and addressing modern slavery and human rights risks forms part of Team Medical Supplies' overall project to mature its systems as a growing company.

We have recently undergone a process to formalise our purpose and values. Modern slavery and human rights considerations are aligned to these values.

## OUR PURPOSE AND VALUES

# To create solutions for a healthier world



### Policies and governance:

#### **Ethical Code of Conduct:**

Every member of our team acknowledges and agrees to our Ethical Code of Conduct. The code stipulates a 'Duty of Care' in which they believe that "all businesses and organisations should avoid causing any adverse effect on the human rights of people and organisations we deal with, the local and wider environment, and the well-being of society at large."

Several further policy documents are in development, demonstrating our commitment to uplifting our approach to governance and management of risk, which could extend to modern slavery risks. As part of this uplift, we are developing the following policies and frameworks:

**Risk Management framework (RMF):** We are currently working to formalise our RMF, which will address strategic, operational and project risks, including those relating to environment, social and governance. Modern slavery risk

management is also embedded in our RMF, which includes the work such as country risk assessment and sector risks assessments, and future periodic reviews. All employees are expected to act ethically and in accordance with the law and Team Medical Supplies' corporate policies. Management will demonstrate ownership and accountability regarding managing risks which sit within their respective business units; and The Board and Senior Management Team will set the 'tone from the top' regarding acceptable practices and behaviour.

**Compliance Management framework:**

The Compliance Management Framework will set out the process of escalating non-compliance occurrences, including those related to Modern Slavery: Notify, contain, assess, categorise, and record, investigate, rectify, remedial steps taken, report. The framework also stipulates a requirement for compliance training and communication, to ensure that all employees have the requisite knowledge, skills, and experience to understand and comply with applicable compliance obligations. Further, Modern Slavery is included on Team Medical Supplies' Compliance Obligations Register.

**Whistle-blower Policy:**

The Whistleblower Policy will apply to all employees (whether full-time, part-time, or casual) and all persons performing work at the direction of, in connection with, or on behalf of TMS (e.g., contractors, subcontractors, agents, consultants, and temporary staff). It also applies to former employees. Anti-Bullying and Anti-Harassment Policy.

The Whistleblowing policy sets out the process for making a report which includes several anonymous channels. The policy also lays out the investigative process. If required, third parties will be used during a whistleblower investigation (e.g., accounting firms, investigative firms, or human resources consultants). This policy is expected to be endorsed by the board in 2023.

**Employee awareness and communication:**

Each time a new policy is developed, it is uploaded onto our 'Employment Hero' system, where employees are then required to read and agree to the relevant policy. All new starters are required to read and accept all existing policies and codes of conduct as part of their induction process.

**Supplier due diligence:**

Where possible we source our products from large suppliers who publish their own modern slavery statements.

**Future commitments:**

- To develop clear governance and accountability process for modern slavery.
- Embedding organisational values consistent with effective human rights risk management
- Conduct human rights training across all employees in FY23
- Develop a human rights working group to address modern slavery risks
- Publish a modern slavery statement on an annual basis
- Conduct a Modern Slavery Current State Assessment.
- Embed considerations of modern slavery risks within existing Risk Management processes i.e., within the Risk Management Framework and Compliance Obligations Register

## ASSESS EFFECTIVENESS

This is the first year that Team Medical Supplies has published a modern slavery statement. We will be publishing a statement on an annual basis within which we will provide an update on key activities conducted during that reporting year and report on progress against commitments made in the previous year. Developing measures to assess effectiveness of our activities to address modern slavery risk will form part of our plan for next year.

## CONSULTATION WITH SUBSIDIARIES/ANY ENTITY YOU OWN OR CONTROL

Not applicable.