

Modern Slavery Statement



MELBOURNE HEALTH - ABN 73 802 706 972

Trading as Royal Melbourne Hospital

Financial Year 2019 – 2020

Introduction

This Modern Slavery Statement (Statement) is made pursuant to the *Commonwealth Modern Slavery Act 2018* (the Act) by Melbourne Health ABN 73 802 706 972 trading as the Royal Melbourne Hospital (RMH) and relates to the period from 1 July 2019 to 31st January 2021. This is an extended reporting period due to the impact that the COVID-19 pandemic has had on reporting entities for FY2019-2020.

In making this Statement, the RMH recognises that modern slavery encompasses the most serious forms of exploitation and must be stamped out in all its various forms. The RMH commits to its ongoing responsibility to identify and take action against modern slavery risks to maintain a responsible and transparent supply chain.

The Royal Melbourne Hospital

The RMH is Victoria's first public hospital, opening its doors in 1848 with 10-beds. Today, the health service employees more than 10,000 people across 32 sites and with more than 1,100 beds. This is made up of:

- Around 7100 staff employed with the Royal Melbourne Hospital
- Around 2050 staff employed with the RMH's NorthWestern Mental Health (mental health) service

- Over 1000 casual staff are utilised across the organisation

For further information about the history, operations and services of The Royal Melbourne Hospital visit www.thermh.org.au

Structure, Operations and Supply Chain

The RMH is a health service established under section 181 of the Health Services Act 1988 (Vic) and is one of Australia's leading public healthcare providers and is a registered public entity.

Today we provide care through two key services:

- The Royal Melbourne Hospital – this includes mental health services provided by the RMH's NorthWestern Mental Health
- The Doherty Institute for Infection and Immunity, a joint venture with the University of Melbourne.

To provide care, the RMH relies on suppliers of various specialised goods and services; from personal protective equipment to state of the art medical equipment.

The RMH, as a public health service in Victoria, is mandated to purchase a large portion of its goods and services through collective purchasing agreements that are established by HealthShare Victoria (HSV) (Previously Health

Purchasing Victoria (HPV). HSV is responsible and accountable for the identification and management of modern slavery in these agreements. As a result The RMH is dependent on the processes that HSV has in place for these agreements.

<https://www.hsv.org.au/contracts-and-documents/contracts>

Key risks of modern slavery practices

The RMH has been significantly impacted by the COVID-19 pandemic. This has resulted in reduced capacity to conduct a detailed risk assessment of our operations and supply chains during FY2019-20. The RMH recognises the importance of this activity and will endeavour to conduct a risk assessment in the FY2020-21 reporting period. In the interim, the RMH has engaged with HSV to understand the general modern slavery risks within our supply chains.

Some of the general risk areas present in RMH's supply chain include:

- Labour practices in offshore manufacturing facilities, some of which are located in South-East Asia;
- Labour practices in the sourcing of raw materials, including cotton and rubber; and
- Industry risks associated with textiles, electronics and cleaning services.

In addition to general risks, the following high risk areas specific to the healthcare sector have been identified:

- Surgical and examination gloves;
- Surgical instruments; and
- Linens and gowns.

We recognise that COVID-19 may have increased modern slavery risks in some supply chains. These risks include:

- Increased global demand due to supply chain shortages, particularly in the category of personal protective equipment;

- Shorter production windows;
- Increased unemployment and a fear of loss of income;
- Factory closures; and
- Inability of vulnerable migrant workers to return to home countries.

The RMH will continue to work closely with HSV to assess and address additional risks within healthcare supply chains caused by the COVID-19 pandemic.

Key actions taken to assess and address risks

The key actions the RMH has undertaken are as follows:

- Established a modern slavery program of work and allocated responsibility to address modern slavery risks in our operations and supply chains. The program encompasses education and business support, supplier engagement, due diligence and remediation, amongst other activities.
- Developed a modern slavery policy which includes a statement on combatting modern slavery in supply chains and capturing allegations of modern slavery practice(s) in its remit of complaints management, enabling the development of remediation processes. This policy will be an important internal document that outlines the RMH's position on procurement governance and activities, including its response to government policy.
- Included modern slavery questions in our market engagement documentation to gain a greater understanding of these supply chains.
- Seek ongoing commitment to the Victorian Government Supplier Code of Conduct, which requires suppliers to proactively identify, address and report on modern slavery risks in their business operations and supply chains (<https://www.buyingfor.vic.gov.au/supplier-code-conduct>). In addition to this, the RMH has started embedding explicit modern

slavery clauses into its contract, which requires suppliers to meet its obligations under the Act.

- Participated in modern slavery training workshops and consultations, to ensure we are always in a position to do better.

Case study

Through HSV, the RMH was made aware of allegations of forced labour in the manufacturing of a clinical product currently sourced under HSV's collective agreements. HSV did not have a direct relationship with the manufacturer and it engaged all tier-one suppliers within the category to determine if the manufacturer was involved in their supply chains and, if so, what corrective actions were implemented to address any modern slavery risks.

Suppliers were asked to provide evidence of their commitment to the Supplier Code of Conduct, which requires suppliers to proactively identify modern slavery risks. HSV received detailed survey responses from all suppliers, including details of social responsibility audit non-conformities and remediation actions. This information was used to assess all tier-one suppliers to inform future engagement activities.

The information obtained through this exercise will inform and guide RMH's future engagement with tier-one suppliers.

Effectiveness of our actions

This Statement represents the first step in the RMH's journey in acknowledging that modern slavery risks exist in our supply chain and that we must do more to identify and address these risks.

The effectiveness of our actions will become more apparent as we start proactively identifying and measuring the outcomes of our actions in the FY 2020-2021 and beyond.

Given the global nature of the RMH's supply chain, the RMH will continue to work closely with

HSV, suppliers and other agencies to ensure that we are in a position to make long-term impacts in creating a sustainable, transparent and fair supply chain that is free of modern slavery.

Next Steps

The implementation of the modern slavery framework is an iterative process. Over the next 12 months, the RMH will embed the modern slavery framework further by:

- Developing a modern slavery framework implementation plan;
- Conducting a modern slavery supplier risk assessment for our top tier suppliers; and
- Increasing the RMH staff awareness of modern slavery risks.

Closing Statement

The RMH has undertaken steps this year to build a modern slavery framework and we recognise that there is more to do. We are committed to continually improving our approach and partnering with stakeholders to improve modern slavery risks in our supply chains.

This statement was approved by the Board of Melbourne Health on 31 March 2021.



Linda Bardo Nicholls AO
Chair