



MODERN SLAVERY STATEMENT

This Modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the ACT) by Western District Health Service and relates to the financial year 1 July 2023 – 30 June 2024.

Mandatory Criteria 1: Identify the reporting entity

Western District Health Service is a health service established under Section 181 of the Health Services Act 1988 (Vic).

Mandatory Criteria 2: Describe the structure, operations and supply chains.

Western District Health Service (WDHS) is a leading rural and regional healthcare provider, recognised for delivering a range of quality services, Australia's firsts and internationally led programs. Located in Victoria's Western District, WDHS serves the Southern Grampians Shire, with a population of 16,100 and covering 6,652 square kilometres.

WDHS has campuses located in Hamilton, Penshurst, Coleraine and Merino. In total the health service has 93 acute beds and 174 residential aged care beds.

WDHS provides a wide range of professional specialties including emergency, acute, sub-acute, maternity, residential aged care, allied health, community health, administration, finance and extensive support services.

HealthShare Victoria (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. WDHS purchases the goods and services it needs from the suppliers who are party to HSV collective agreements. As such, it is recognised that HSV has a significant role in health service supply chains.

HSV works with approximately 449 tier-one suppliers and is responsible for more than 65 contracts with a spend value of over \$1.16 billion.

HSV contracts cover a broad range of services, equipment and supplies across a number of categories including ventilators, beds, mattresses, patient trolleys, treatment chairs, hypodermic needles and syringes, gloves, pharmaceutical products, IV fluids, agency labour, catering supplies, laundry and linen services and non-emergency patient transport.

A full list of HSV's sourcing categories can be found at;
<https://healthsharevic.org.au/contracts-and-documents/contracts>.

HSV acknowledges the impact that COVID-19 has had on global supply chains, particularly in light of the significant increase in demand for personal protective

equipment. HSV will undertake activities to investigate whether supply chains were restructured as a result of the significant procurement challenges faced during the pandemic.

WDHS supply chain is a combination of HSV sourcing contracts and other local suppliers.

Mandatory Criteria 3: Describe the risks modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity own of controls.

Western District Health Service (WDHS) has taken a targeted, risk-based approach to assessing modern slavery risks within its operations and supply chains, consistent with the UN Guiding Principles on Business and Human Rights.

This approach has enabled WDHS to continue addressing areas of higher modern slavery risk while managing significant resourcing constraints due to the COVID-19 pandemic. As a health service with a largely skilled workforce, WDHS considers the risk of modern slavery within its direct business operations to be relatively low. WDHS has not caused or contributed to modern slavery practices, but rather WDHS may be linked to risks which exist offshore and high-risk overseas locations. In line with a risk-based approach these risks will be further examined in subsequent reporting periods.

WDHS has been significantly impacted by the COVID-19 pandemic. The continuing impact of COVID-19 on our health service in particular workforce has restricted WDHS capacity to conduct a detailed risk assessment of our operations and supply chains. WDHS recognises the importance of this activity and will endeavour to conduct a risk assessment in the FY2024-25 reporting period. In the interim, WDHS will work with HSV to understand the general modern slavery risks within our supply chains.

WDHS recognises that the extensive nature of our global chains may expose us to modern slavery risks. Given HSV's significant role in WDHS supply chains, HSV has helped identify the general risks of modern slavery that may be present.

HSV has scoped the general slavery risks in health service supply chains by drawing on academic research and international and domestic reports and analysis. WDHS may be exposed to a number of modern slavery risks due to the diversity of products and services sourced by HSV and the associated geographic locations, industries and regulatory systems further down those supply chains.

Some of the general risk's areas present in WDHS's supply chains include:

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

In addition to the general risks, HSV has identified the following high-risk areas specific to the health care sector:

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

Given the level of complexity in such extensive supply chains, HSV will continue to refine its risk assessments methodology to further improve the visibility of high-risk areas within the health supply chains in Victoria.

HSV also recognises 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.

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

Mandatory Criteria Four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.

WDHS recognises the importance of this activity and will endeavour to undertake a review of policy, due diligence, remediation, contracts and training in the FY2024-25 reporting period. In the meantime WDHS continues to engage with HSV to understand the actions that HSV has undertaken to assess and address the modern slavery risks in WDHS's supply chains.

HSV has a modern slavery program with a dedicated Supply Chain Risk Manager to implement the program and support Victorian health services to address modern slavery risks in their operations and supply chains. The program encompasses health service education and support, supplier engagement, due diligence and remediation, amongst other activities.

HSV upholds the Australian Government's position on modern slavery. HSV has updated its Procurement Policy to include a statement on combating modern slavery in health supply chains and capturing allegations of modern slavery practice(s) in its remit of complaints management, enabling the development of remediation processes. The Procurement Policy is an important internal document that outlines HSV's position on procurement governance and activities, including its response to Government policy. The amendment to the Procurement Policy consolidates HSV's position on modern slavery, which will in turn inform other internal governance amendments and educational resources for the health sector. The modern slavery section of HSV's website contains information and resources to assist reporting entities required to submit a Modern Slavery Statement

As part of its due diligence, HSV has included a modern slavery clause in some Invitation to Supply (ITS) documentation to ensure prospective suppliers acknowledge their responsibility to health services that are reporting entities pursuant to the Act. In addition to its inclusion in the ITS, this clause has been incorporated into select executed contracts.

Where applicable WDHS will require suppliers to complete a set off questions aligned to the standards as part of our market approach and supplier selection process. This will assess their policies and practices to identify, assess and mitigate the risk of modern slavery practices in their operations and supply chains. WDHS will develop and

incorporate appropriate evaluation methodologies to contribute to modern slavery issues in a meaningful way to the evaluation process.

As well as specific modern slavery provisions, suppliers wishing to conduct business with HSV, public hospitals or any other branch of the Victorian Government must aspire and commit to meet the Supplier Code of Conduct. Under the Supplier Code of Conduct, 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.

To further enhance its approach to due diligence, HSV is in the process of implementing a program for direct and indirect suppliers through a modern slavery function. This program will embed modern slavery risk considerations and mitigation across actions in the HSV end to end procurement cycle.

The program will establish a minimum set of mandatory standards for conduct for suppliers and require suppliers to commit to and demonstrate progressive realisation of the standards. The standards align with the universally recognized UN Guiding Principles on Business and Human Rights, the expectations of the Act and the Victorian Government Supplier Code of Conduct.

In addition to these activities, HSV has facilitated training workshops for HSV staff and key health service stakeholders on modern slavery practices and the requirements of the Act.

Mandatory Criteria Five: Describe how the reporting entity assesses the effectiveness of actions taken to assess and address modern slavery risks.

WDHS recognises the importance of this activity and will endeavour to introduce assessment mechanisms in the FY2024-25 reporting period. In the interim, WDHS will work with HSV to understand the effectiveness of the assessments they have conducted.

HSV has introduced several mechanisms for monitoring the effectiveness of the actions it has taken to date. Representatives from mandated health services who attend training sessions on the requirements of the Act periodically complete surveys to self-assess their progress against several criteria. The results are used to measure the success of engagement programs, inform future workshop content and identify potential gaps in training.

In addition to this, HSV's senior leadership has taken ownership of the modern slavery program and progress is regularly discussed at senior committees. Feedback from committee members is used to inform decision making and future activities within the program.

The impact of the COVID-19 pandemic has delayed the implementation of further monitoring activities, however HSV aims to define modern slavery key performance indicators within the FY2024-25 reporting period.

Mandatory Criterion Six: Describe the process of consultation with any entities the reporting entity owns or controls

Western District Health Service does not own or control any other entities.

Mandatory Criterion Seven: Any other relevant information

In order to support the implementation of the Act within health services, HSV has developed a toolkit to assist with meeting the requirements under the Act. The toolkit contains:

- A modern slavery plan to support the implementation of the governance structures, policies, processes and risk registers needed to underpin a successful modern slavery framework;
- Advice on implementing a modern slavery policy;
- A modern slavery risk register to capture and address the key modern slavery risks that a health service might cause, contribute or be directly linked to;
- A modern slavery risk assessment tool, including advice on modern slavery risk assessments, supplier questionnaires for ITS due diligence and incumbent suppliers and;
- A modern slavery fact sheet to facilitate staff training; and
- Supplier contract considerations, including the addition of modern slavery clauses in contracts.

The rollout and implementation of the toolkit will support health services to conduct their own risk assessment, due diligence and remediation activities.

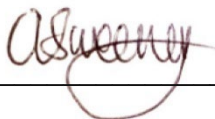
Western District Health Service continues to implement certain aspects of the toolkit to its daily operations.

Closing Statement

Western District Health Service is confident that the steps taken this year have built a strong foundation for a robust modern slavery framework. We recognise there is more to do and Western District Health Service is committed to continually improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

This statement was approved by the Board of Western District Health Service at the May 2024 Board Meeting.

Signature

A handwritten signature in red ink, appearing to read 'ASweeney', is written over a horizontal line.

Name: Ms Anna Sweeney – WDHS Board Chair