

PENINSUAL HEALTH – MODERN SLAVERY STATEMENT

Introduction

This Modern Slavery Statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by Peninsula Health and relates to the financial year 1 July 2019 to 30 June 2020.

Mandatory Criteria One and Two: Identify the reporting entity and describe its structure, operations and supply chains:

Peninsula Health is the major metropolitan health service for Frankston and the Mornington Peninsula. We care for a population of around 300,000 people, which swells to over 400,000 people during the peak tourism seasons between December and March.

Our health service consists of four major hospitals: Frankston Hospital, Rosebud Hospital, Golf Links Road Rehabilitation Centre, and the Mornington Centre; five community mental health facilities; and five community health centres in Frankston, Mornington, Rosebud, Hastings and Carrum Downs.

Our services for the community include care across the life continuum for obstetrics, paediatrics, emergency medicine, intensive care, critical care, surgical and general medicine, rehabilitation, and oncology, through to aged care and palliative care. We also provide extensive services in community health, health education and promotion, ambulatory care, and mental health. We are a major teaching and research health facility, training the next generation of doctors, nurses, allied health professionals and support staff. We have strong partnerships with Monash University, Deakin University, La Trobe University, Chisholm Institute and Holmesglen Institute.

Our catchment has some unique demographic features and challenges, including:

A higher than average rate of population ageing;

A mix of wealth and extreme disadvantage;

Higher than average rates of vulnerable children, homelessness and family violence;

Higher than average rates of chronic diseases and mental health issues.

These factors create challenges in providing the best of care, where and when it is needed to respond to the needs of children, people with mental health issues, and elderly residents. With over 6,300 staff and 700 volunteers, consumer representatives and auxiliary members, our dedicated and highly skilled teams work together to provide high-quality care, close to home, for people and families in Frankston and on the Mornington Peninsula.

We have undergone significant growth and transformation in recent years and we are recognised as a leading metropolitan health service.

Peninsula Health is a health service established under section 181 of the Health Services Act 1988 (Vic).

Health Share 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. Peninsula Health 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://www.hsv.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.

Mandatory Criterion Three: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls

The health service has not been able to assess general modern slavery risks

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

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

HSV has scoped the general modern slavery risks in health service supply chains by drawing on academic research and international and domestic reports and analysis. Peninsula Health 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 areas present in Peninsula Health'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, HSV has identified the following high risk areas specific to the healthcare sector:

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

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

The health service has not been able to undertake any actions to assess and address modern slavery risks in the FY2019-20 reporting period

Peninsula Health has been significantly impacted by the COVID-19 pandemic, which has resulted in reduced capacity to undertake actions to assess and address modern slavery risks in our operations and supply chains. Peninsula Health recognises the importance of this activity and will endeavour to undertake these actions in the FY2020-21 reporting period. In the interim, Peninsula Health has engaged with HSV to understand the actions that HSV has undertaken to assess and address the modern slavery risks in Peninsula Health's supply chains.

In recognition of the significant role that HSV has in health service supply chains and the substantial resourcing constraints placed on Peninsula Health as a result of the COVID-19 pandemic, HSV undertook numerous activities between 1 July 2019 and 30 June 2020 to address modern slavery risks in Peninsula Health's supply chains.

HSV has established a modern slavery program of work and appointed a 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 combatting 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.

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 developing a Supply Chain Management dashboard. The dashboard will synthesise and analyse HSV supply chain data, providing additional capability to detect and prevent modern slavery risk in health supply chains. This platform will enable HSV to:

- Conduct in-depth supply chain mapping (tier one+);
- Develop detailed modern slavery risk analysis and dashboard reporting;
- Screen prospective suppliers for modern slavery risk as part of ITS due diligence activities;
- Assess incumbent suppliers on modern slavery risk through tailored supplier questionnaires; and
- Manage remediation actions arising from due diligence or supplier questionnaires.

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.

The significant impact that COVID-19 has had on health procurement and supply chains has meant that HSV has had to postpone planned supplier engagement activities, however these remain an important part of the modern slavery program of work. While the priority for the first reporting period was to implement actions to address identified high-risk areas, HSV will continue to investigate what actions it can take in response to the modern slavery risks caused by the COVID-19 pandemic.

Case Study

HSV 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 and will inform future engagement activities.

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

The health service has not been able to implement mechanisms to assess the effectiveness of their actions Peninsula Health has been significantly impacted by the COVID-19 pandemic, which has resulted in reduced capacity to implement mechanisms to assess the effectiveness of actions taken to address our modern slavery risks. Peninsula Health recognises the importance of this activity and will endeavour to introduce assessment

mechanisms in the FY2020-21 reporting period. In the interim, Peninsula Health has engaged 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 FY2020-21 reporting period.

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

Peninsula Health 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 will contain:

- 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 advice on how to interpret questionnaire results;
- 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.

Peninsula Health intends to implement the toolkit once it becomes available.

Closing statement

Peninsula Health 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 Peninsula Health is committed to continually improving our approach, partnering with our stakeholders and working to eradicate modern slavery.

The Act requires reporting entities subject to the Act, to produce an annual modern slavery statement addressing the criteria in the Act.

This statement was approved by the Board of Peninsula Health on the 2nd of March 2021.

[Signature]

[Board Chair]

Prepared by:

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Title