

MODERN SLAVERY IN THE HEALTH SERVICES SECTOR

Practical responses for
managing risk to people



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The essential guide for managing modern slavery risks in the health services sector.

KPMG Australia (KPMG) has collaborated with the Australian Human Rights Commission to release a series of sector specific resources to help companies understand and effectively identify and manage their modern slavery risks.

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ACCESSIBILITY

We are committed to making our resources accessible and widely available. As such, and to comply with the Commonwealth Government's accessibility requirements for publishing on the internet, two versions of this Report are available: a KPMG and AHRC branded PDF version and a Microsoft Word version. The KPMG and AHRC branded PDF version remains the definitive version of this Report.

“The recent spotlight on health sector organisations as a result of the COVID-19 pandemic has not only highlighted the critical importance of the health sector, but also the sector’s modern slavery risks, especially in relation to the procurement of medical goods. Taking a rights-based approach to addressing modern slavery will assist health sector organisations to meet the increasing expectations of investors, governments, clients, consumers, business peers and civil society around business respect for human rights.”

EMERITUS PROFESSOR ROSALIND CROUCHER AM
President of the Australian Human Rights Commission

“The interconnectedness of public and private entities in the sector makes navigating and managing operational and supply chain issues challenging. Nevertheless, with its public interface and intrinsic people-centred focus, the sector is uniquely placed to address modern slavery risks.”

RICHARD BOELE
Partner in Charge of KPMG Banarra Human Rights and Social Impact,
Global Leader of Business and Human Rights Network, KPMG Australia

CONTENTS

MODERN SLAVERY IN THE HEALTH SERVICES SECTOR →

01. AN INTRODUCTION TO MODERN SLAVERY AND THE REPORTING REQUIREMENT →

02. THE REALITY OF MODERN SLAVERY IN HEALTH SERVICES →

03. RISK TO PEOPLE AND RISK TO YOUR ENTITY →

04. A HUMAN RIGHTS APPROACH TO MODERN SLAVERY →

05. PRACTICAL RESPONSES →

CONCLUSION →

ENDNOTES →

MODERN SLAVERY IN THE HEALTH SERVICES SECTOR

Human rights reporting in Australia has changed. Modern slavery legislation makes boards responsible for public statements about their entities' efforts to manage the risk of modern slavery in their operations and supply chains.

Australia's Modern Slavery Act 2018 (Cth) requires certain entities to report on their efforts to identify and address risks of modern slavery in their operations and supply chains. The Commonwealth Department of Home Affairs' publication, Guidance for Reporting Entities, provides general guidance to entities about how to prepare for modern slavery reporting.

The reporting requirement applies to many health sector organisations. With the complex interplay of public and private relationships and ownership structures, we understand that

organisations in the health services sector need practical advice on how to respond to their modern slavery risks. This is especially the case in the COVID-19 pandemic context, which has not only highlighted the critical importance of the sector, but has also shone a spotlight on the sector's modern slavery risks, especially around the procurement of medical goods.

THIS GUIDANCE

01

Highlights key modern slavery risk areas across the operations and supply chains of health services sector organisations.

02

Provides tips for the health services sector on leading practice and a rights-based approach to managing modern slavery risk.

03

Fosters transparent modern slavery reporting for the benefit of organisations, government and the people at risk of harm.

1



AN INTRODUCTION TO MODERN SLAVERY AND THE REPORTING REQUIREMENT

1.1

What does the Modern Slavery Act 2018 (Cth) require?

The *Modern Slavery Act 2018* (Cth) requires entities with a consolidated revenue of \$100m or more to submit an annual modern slavery statement on what they are doing to identify and manage modern slavery risk in their operations and supply chain.

Modern slavery statements require approval of the board (or equivalent)¹ and the signature of a Director or a responsible member of the entity. The *Modern Slavery Act 2018* (Cth) applies to a wide range of entity types, including individuals, partnerships, associations and legal entities – such as companies, trusts, superannuation funds and other types of investment organisations. This includes both commercial entities and not-for-profit entities.

The reporting requirement is intended to apply to large entities with the capacity to meaningfully comply and the leverage to influence change in their operations and supply chains.² Statements are published on a central Australian Government online register. Importantly, the Australian Government chose to bind itself to the requirements of the *Modern Slavery Act 2018* (Cth), which means that federal public health agencies are part of the Australian Government's modern slavery response.

THE MANDATORY REPORTING CRITERIA

This guidance focuses on **risks** and **actions** to support your practical response to modern slavery. There are seven mandatory reporting criteria that your entity must respond to under the *Modern Slavery Act 2018* (Cth) requiring descriptions of:

01

The reporting entity.

02

Your structure, operations and supply chains.

03

The risks of modern slavery practices in your operations and supply chains and any entities owned or controlled by you.

04

Actions taken to assess and address those risks, including modern slavery due diligence and remediation processes.

05

How you assess the effectiveness of the actions taken.

06

The process of consultation with entities owned and/or controlled by you.

07

Any other information that you consider relevant.

1.2

What is modern slavery?

Modern slavery refers to a range of serious human rights violations, which are also crimes in Australia. The term is used to describe situations where coercion, threats or deception are used to exploit people and deprive them of their freedom.

Modern slavery includes trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services.³

1.3

Modern slavery reporting and risk management in the sector

The health services sector faces particular opportunities and challenges in relation to modern slavery, especially in the context of the COVID-19 pandemic.

While the *Modern Slavery Act 2018* (Cth) requires entities to look specifically at modern slavery, taking a broader approach and considering the full spectrum of human rights risks and impacts will enhance the credibility and strength of an entity's modern slavery response and statement. For a sector with public health and wellbeing at its core, and which employs more people than any other sector in Australia, health service organisations have an important opportunity to adopt a people-centred approach to risk management.

A wide range of health sector entities are captured by the *Modern Slavery Act 2018* (Cth) reporting requirement. However, modern slavery risk management should be considered good practice for all public entities, whether or not they are captured by the reporting requirements of the *Modern Slavery Act 2018* (Cth). In Australia, while public procurement regulations and approaches vary between the states and the federal government, international human rights standards make it clear that governments have a duty to protect human rights.⁴

This duty includes protecting people's human rights against abuse by third parties, including businesses. Public sector procurement practices can be a powerful driver for change. Globally, public procurement has an estimated value of approximately USD \$13 trillion a year, with over 97% of this spend not publicly released.⁵ The lack of transparency significantly increases the risk of issues relating to human rights, health and safety and corruption. The size and scale of public procurement represents an enormous opportunity for government agencies to drive the transition to sustainable production and consumption.⁶

For this reason, public health sector organisations that are under the threshold or currently not captured by the *Modern Slavery Act 2018* (Cth) should use the opportunity of increased focus on the sector to consider preparing a meaningful modern slavery risk management response. The legislation provides that entities that fall under the threshold for mandatory reporting can demonstrate good practice by reporting through a voluntary 'opt in' mechanism.

TIP

HEALTH INSURANCE COMPANIES

Health insurance companies are generally considered to be part of the financial services sector. As such, modern slavery related issues pertaining to their structure are covered in our [Financial Services and Modern Slavery Guide](#). However, the services they fund will have a direct intersection with the health services sector. This guidance will therefore also be relevant to their modern slavery risk identification process. Health insurance companies can read this guide in conjunction with the financial services guide to build an understanding of their modern slavery risks.



2.

THE REALITY OF MODERN SLAVERY IN HEALTH SERVICES

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2.1

The health services sector context

Modern slavery practices are antithetical to the purpose of the health sector. Given the sector's focus on an individual's health and wellbeing, the potential social and reputational damage of being associated with modern slavery is significant.

The health services sector is comprised of a complex mix of entities including public and private hospitals, medical care services, residential care, specialist medical services, allied health services, diagnostic imaging and pathology services, and government procurement agencies. These services are supported by a range of other organisations involved in providing information, monitoring, education and research. Pharmaceutical companies, private health insurance companies, as well as medical technology companies, are directly linked to the sector.

Additionally, all three levels of government in Australia have a role to play in the sector. The Australian Government finances the universal health insurance program (Medicare) and the National Disability Insurance Scheme (NDIS), but plays a limited role in the service delivery of healthcare. State and territory governments manage the service delivery for public healthcare including hospitals, community health clinics, ambulances and other health providers. Local governments support the delivery of community health programs.⁷

The interconnectedness of public and private entities in the sector makes navigating and managing operational and supply chain issues challenging. Nevertheless, with its public interface and intrinsic people-centred focus, the sector is uniquely placed to address modern slavery risks.

Recognising their responsibility, many health sector organisations have already started to report on their modern slavery risks and responses. Between 2019 and 2020, 79 health sector entities submitted modern slavery statements across various health related service areas, including pharmaceuticals, residential aged care, health insurance, and general health care.⁸ In 2019, the Australian Catholic Anti-Slavery Network was established to support a range of Catholic entities based in New South Wales, including organisations in the health and social assistance⁹ sectors, to implement a consistent modern slavery risk management program. St Vincent's Health Australia, for example, has also undertaken research on how to support its workforce to identify potential risks of human trafficking in its operations.¹⁰ Case studies of practical actions taken by health sector organisations are discussed in further detail in section 5.2.

COMMON MODERN SLAVERY PRACTICES CONNECTED TO THE HEALTH SERVICES SECTOR



Human trafficking



Forced or unpaid work



Bonded labour



Worst forms of child labour

WHY IS HEALTH SERVICES HIGH RISK?



In 2018 – 2019 Australia spent \$195.7 billion on health goods and services, amounting to 10% of gross domestic product (GDP).¹¹

The health and social assistance sector (including services such as aged care, disability assistance and welfare services), is the **largest employing industry in Australia**.¹²

Highly complex sector made up of **public, private** and **not for profit providers**.



Use of **third-party recruitment** and **talent acquisition agencies** which **limits visibility** over **working conditions** and **employment practices** faced by the **health services workforce**.



Significant purchasing power for **large-scale procurement**.

Low visibility over **multi-tiered supply chains** which **cross into** other **high-risk sectors**, across **high risk geographies**.



Multiple intersections with vulnerable people and populations.



For instance, the sector has a **large proportion of female workers**, making up **nearly 4 in every 5 workers**.¹³

And there is a **growing dependence** on **temporary migrant workers** from **Asia** and the **Pacific Islands** to **fulfil labour shortages**, particularly in aged care.¹⁵

32% of workers work in regional areas¹⁴ where labour exploitation has been **reported**.



KEY TRENDS IN THE SECTOR THAT INTERSECT WITH MODERN SLAVERY RISK

Rapid sector growth. The **health and social assistance sector** are set to **dominate growth** in **employment** in **upcoming years**, and is **projected to increase by 11.6% by 2025**.¹⁶

↑ **11.6%**



Increased pressure and demand for medical goods and PPE as a result of the **global COVID-19 pandemic**.

Significant operational and supply chain disruption.



Rapid workforce and technological change.



Increased complexity and scale of value chains.



Increased expectations of transparency and models built on **trust** and **patient-centricity**.

2.2

Modern slavery risks and the COVID-19 context

Responding to public health emergencies, like the recent COVID-19 pandemic, places extreme pressure, scrutiny and demand on the health services sector. In such conditions, workers with the most precarious labour rights are the first to be impacted.

The World Health Organisation stated in early 2020 that in order to meet global demand, the manufacturing of personal protective equipment (PPE) must increase by 40%.¹⁷ Health service organisations rapidly mobilised staff and resources, hospitals expanded emergency and intensive care unit capacity, and health agencies transformed their approach to procurement and logistics. Shifts in customer behaviour also resulted in the rapid adoption of digital solutions such as telehealth.¹⁸

The urgency presented by COVID-19 created the conditions for increased worker exploitation and affected vulnerable people in distinct ways.¹⁹ Vulnerable workers in medical, healthcare and pharmaceutical supply chains were already known to have been experiencing unsafe working conditions, excessive working hours, underpayment and non-payment of wages. The spike in demand for medical goods and other supplies caused by the pandemic has exacerbated worker vulnerability due to poor labour practices.

For example, a recent report confirmed that over \$100 billion has been spent on COVID-19-related contracts to provide medical goods.²⁰ Such drastic increases in demand can create pressures that enhance the risk of harm for both the workers manufacturing the goods in the supply chains, and the consumers of the medical goods.

During public health emergencies human rights protections regarding slavery and servitude continue to apply. The recent spotlight on health sector organisations as a result of the COVID-19 pandemic has increased scrutiny on, and brought into sharp relief, the need for a people-centred response to modern slavery risks. It has demonstrated that no organisation can ignore the risk of modern slavery in their operations and supply chains, and that embedding such an approach is a critical measure in preventing harm.

INSIGHT

COVID-19, MODERN SLAVERY RISKS & THE DEPARTMENT OF HEALTH

In the *Commonwealth Government's Modern Slavery Statement 2019 – 20* (page 24),¹ the Government recognised that the impacts of the COVID-19 global pandemic resulted in an increased urgent need for Australian Government procurement of health products and services, including PPE. It recognised that in order to meet unprecedented demand, the procurement of PPE often involved new suppliers and supply chains with highly contracted timeframes. The statement highlights that in order to adapt to the demand, the Department of Health undertook a streamlined approach to the Commonwealth procurement of PPE pursuant to paragraph 2.6 of the Commonwealth Procurement Rules. It acknowledged that this procurement carried high risks of modern slavery and took mitigating steps such as providing the bulk of payments upfront to ease some of the pressures being faced by suppliers. The Commonwealth Government also noted in the statement that it is developing a Rapid Response Framework that can be used in extraordinary procurement circumstances to ensure appropriate due diligence.

¹ Commonwealth of Australia 'Modern Slavery Statement 2019-20', 2021, 24 <<https://modernslaveryregister.gov.au/statements/file/dba35028-74c5-4324-8b41-4cd553a66f2e/>>

2.3

Modern slavery risks and the COVID-19 context

Responding effectively to modern slavery risk involves understanding the types of exploitative labour practices and breaches of human rights that give rise to situations where modern slavery flourishes.

This understanding will allow your organisation to prevent or address high risk situations early on, before they rise to the severity of modern slavery.

There are modern slavery risks across health services operations and supply chains. The sector's exposure to modern slavery risk arises, in part, due to its links to other high-risk sectors and industries around the world.

The sector tends to engage in the manufacturing of goods in high risk geographies and use a range of known high risk business models and structures which reduce visibility over the labour conditions of workers. This means that each health sector organisation should take a systematic and rigorous approach to assessing its connections to modern slavery risk. This is particularly the case for frontline care, as well as corporate operations and supply chains.

AREAS IN THE HEALTH SERVICES SECTOR WHERE MODERN SLAVERY RISKS MAY ARISE



Procurement of goods



Operating activities



Frontline care



PROCUREMENT OF MEDICAL GOODS

Health care supplies

Glove manufacture, Personal Protective Equipment (PPE), Garments and health uniforms, General and sterile linen

Medical equipment & technology

Surgical Instruments, Medical equipment, Electronics

Fleet management

Patient transport services

Medical consumables

Pharmaceutical manufacture



OPERATING ACTIVITIES

Building & facility services

Construction and renovation labour, Construction materials, Cleaning and security services, Maintenance services, Plants and cut flowers, Bedding and furniture

Contingent and base-skill workers

Support services, IT, HR, tax, data processing, Use of recruitment agencies, Office, equipment, and products, Brand & marketing, merchandising

Hospitality & food services

Food preparation and packaging, Catering and hospitality workers providing base skill labour, Migrant workers

Asset & tenant management

Hospital retail tenancies, Customer service workers



FRONTLINE CARE

Direct provision of health services

Intersection with potential victims of modern slavery

Health workers

Working conditions of health workers



**The health services sector
faces an elevated risk of modern
slavery within its operations
and supply chains as a result
of intersecting structural and
contextual risk factors.**



Procurement of medical goods

The sector faces high modern slavery risks in the procurement of medical goods.

The production of garments as well as medical electronics and surgical instruments such as scalpels, scissors, forceps and surgical machines are linked to labour and human right violations.²¹

The sourcing of raw materials used to produce medical goods and instruments, including rubber, cotton, minerals and metals, are also known to carry significant modern slavery risks.²² The glove manufacturing industry is particularly high risk. With an estimated 150 million gloves produced annually, the nature and size of the industry is known to expose workers to hazardous working conditions. Other high-risk modern slavery areas include the manufacturing, wholesaling and distribution of pharmaceuticals, where there is significant use of labour hire companies.²³

These procurement categories carry significant risk of modern slavery, either as a result of the high risk geographies from which they are sourced, the opaqueness of third party arrangements in place to procure them, the vulnerable populations involved in their production, or, most likely, a combination of these risk factors.

Australia's procurement of medical goods has attracted attention in relation to slavery-like practices, leading to calls for the sector to be more heavily scrutinised in relation to its risk management processes.²⁴ For example, academics have criticised Australia's procurement of gloves from entities with reported use of forced labour, while countries like the United States have banned these products.²⁵

CASE STUDY: POOR WORKING CONDITIONS IN HEALTH CARE SUPPLY MANUFACTURING

MANUFACTURE OF DISINFECTANT

Health services organisations procure a wide variety of goods that are often manufactured in foreign countries. The lack of visibility over these manufacturing processes means that poor working conditions, including instances of modern slavery, can often slip under the radar.

A recent investigation found that palm oil plantations in Malaysia and Indonesia were subjecting female workers to physical and sexual abuse and unsafe working conditions. The palm oil from such plantations flows into the supply chain of Clorox, a cleaning brand known for its hospital-grade disinfectant, as well as into the supply chain of other large companies.²⁶

Clorox issued a response stating that it would engage suppliers and partners to address the issue, and that since 2011, it has expected direct suppliers to adhere to its Business Partner Code of Conduct. This Code of Conduct articulates requirements regarding human rights, labour, health and safety, the environment, and business conduct and ethics.²⁷

This case study demonstrates that supplier adherence to relevant expectations needs to be effectively monitored through a relational approach to supplier management, to overcome the complexities of multi-tiered supply chains operating across geographies.

CASE STUDY: USE OF CHILD LABOUR IN MEDICAL EQUIPMENT MANUFACTURING

MANUFACTURE OF SURGICAL INSTRUMENTS

The Ethical Trading Initiative has reported that 80% of the surgical instruments imported by the UK's National Health Service were made in Pakistan.²⁸ The Sialkot region in Pakistan produces an average of 150 million surgical instruments annually, with heavy reliance on the informal sector, and has been scrutinised for the use of child labour, hazardous working conditions and other labour rights violations.²⁹

Many entities in recent decades have worked with the International Labour Organization to improve labour standards in the region. However, the global pandemic has changed international buying practices, fuelling the increased use of child labour.

Globally, many children have been unable to attend school as a result of the pandemic and many families are experiencing increased economic insecurity; together these factors tend to result in children seeking work to help support their families.³⁰ Additionally, the surgical instrument factories often operate through intermediary entities based in Germany and their profit margin is significant.³¹ This business model is informal, multi-layered and reliant on base-skill workers that often come from vulnerable groups.

CASE STUDY: POOR WORKING CONDITIONS IN HEALTH CARE SUPPLY MANUFACTURING

MANUFACTURE OF PROTECTIVE SOLUTIONS

There are a number of examples of the risks associated with the procurement of medical goods and the unprecedented surge in demand for medical goods related to this has only exacerbated the risk of forced labour issues in the Asia-Pacific region, particularly in Malaysia.³²

In one example, modern slavery practices were identified at the Malaysian manufacturing facilities of a leading global provider of protective solutions for the health services sector.

Despite efforts to manage these issues, the entity has faced ongoing challenges with high recruitment fees and debt bondage, resulting in countries, including the US, banning imports of the entity's products as a result of its association with poor labour conditions.³³ This ban was lifted in 2020 to meet the increased demand for PPE caused by the COVID-19 pandemic. However, in July 2020, the US restricted the imports based on evidence of forced labour, and urged other countries including Australia to do the same.³⁴ To date, Australia has not enforced any import bans and rather relies on regulations such as the *Modern Slavery Act 2018* (Cth).

In another example of the modern slavery risks associated with the manufacturing of protective solutions, in July 2020 one of the world's largest glove manufacturers denied media allegations of abusive labour practices towards migrant workers.³⁵ The entity cited audit reports from reputable organisations to demonstrate alignment with international standards. Social audits have come under increased scrutiny as a result of such allegations.

Importantly, social audits are only one component of a broader human rights due diligence program. Social audits are often conducted by third parties with varying levels of accountability and experience. If an entity uses social auditing as part of its human rights and modern slavery risk management, it must ensure that it is not solely reliant on the social auditing and that the auditing is complemented by, and not a substitute for, other methods of monitoring and meaningful engagement with suppliers and importantly, with workers.



Operating activities

The health services sector faces modern slavery risks associated with operational activities. Health service organisations – including hospitals, pharmacies, aged care residential services, general practice, clinics, and pathologies – all engage various service providers from building and facility services to asset and tenant management, and to procure non-medical related goods.

CASE STUDY

BUILDING & FACILITY SERVICES, HOSPITALITY & FOOD SERVICES, AND ASSET & TENANT MANAGEMENT

The provision of building and facilities services include various labour-related risk factors that can exacerbate the risk of modern slavery. Cleaning, security and maintenance tend to carry base-skill labour risks. In these sectors, base-skill labour, vulnerable populations and high-risk business models come together to elevate the risk of modern slavery practices. Additionally, asset and tenant management can involve relationships with tenants who operate in hospitality and catering services, which have higher risks of association with forced labour and trafficking practices. For example, food and catering services for hospitals may engage vulnerable populations such as migrant and base-skill workers.

The nature of the work involved with food preparation, packaging and distribution requires repetitive, manual labour, which can increase the risk of exploitation.

There are similar risks in the construction of the buildings and facilities that house health service providers, both in terms of direct labour, and the labour associated with the production of materials. See our [Property, Construction and Modern Slavery Guide](#) for more examples of modern slavery risk in building and facility services.



Frontline care

CASE STUDY

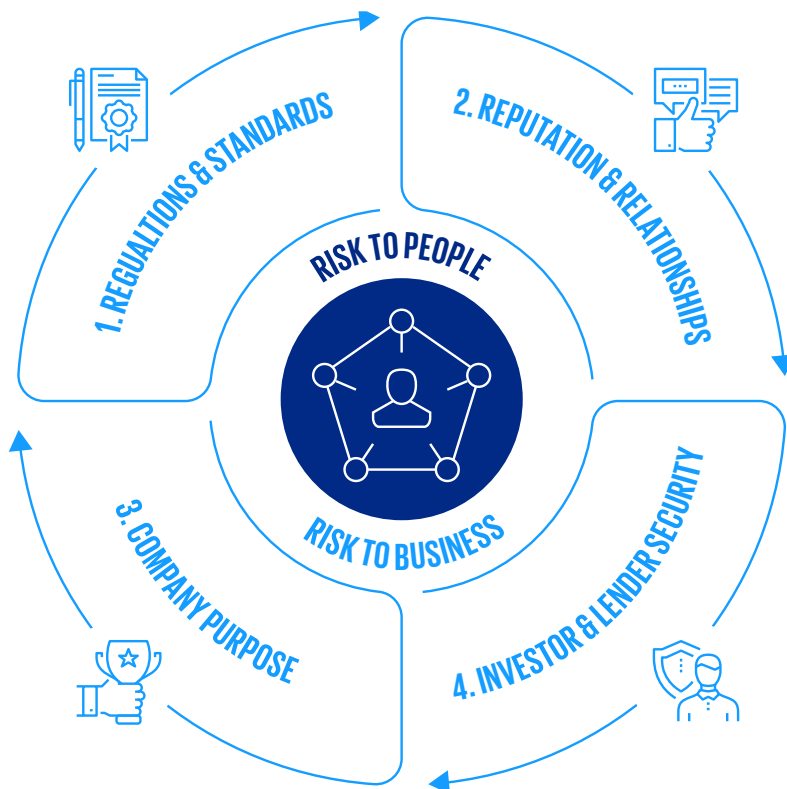
MIGRANT WORKERS AT RISK OF EXPLOITATION

The number of migrant nurses and doctors in the member countries of the Organisation for Economic Co-operation and Development (OECD) grew by 60% between 2004 and 2015.³⁶ A 2017 study found that many migrant nurses reported language barriers, and a lack of trust and mutual respect.³⁷ A lack of transparency in recruitment processes, and the use of labour agency contractors, tends to increase the risk of modern slavery for health care workers.

3.

RISK TO PEOPLE AND RISK TO YOUR ENTITY

When health sector entities fail to meaningfully engage with and report on human rights, they expose people to harm and themselves to organisational risk.



The modern slavery reporting requirement will help direct practical responses, including the development of systems and processes that identify and address modern slavery risk, and ultimately mitigate and account for harm to people. In this section, we consider how to put risk to people first and then consider how this can help entities assess the risks to their entity if they fail to respond to modern slavery.

3.1

Focusing on risk to people

The Australian Government has made it clear that it expects entities to identify and manage risk to people.

The Commonwealth Department of Home Affairs' publication, [Guidance for Reporting Entities](#), explains that effective responses to the modern slavery reporting requirement should be grounded in the human rights due diligence framework outlined in the 2011 United Nations Guiding Principles on Business and Human Rights (UNGPs).³⁸

A key difference between human rights due diligence and traditional due diligence and risk management is that human rights due diligence focuses on risks to people rather than risks to the business. A risk-based approach from a human rights due diligence perspective means that entities should prioritise addressing the most severe risks to people first. The most severe risks to people in relation to modern slavery will usually, though not always, also align with risks to your entity (such as reputational or financial risks). However, when taking a 'risk to people' approach, you will need to ask the question in a different way: how might people be harmed as a result of this activity, decision or purchase? For instance, a typical metric used to narrow risk assessment of vendors in your supply chain may be highest spend; however, the areas of biggest risk to people may sit outside your high-value, strategic suppliers.

Prioritising on the basis of highest risk to people means that health services would focus on their modern slavery risk hotspots, such as medical goods and surgical instruments from high-risk geographies, vulnerable populations providing labour in glove manufacturing or cleaning, or high-risk business models with low visibility of labour practices in the supply chain.

Considerations of an entity's level of influence, alongside the severity and irremediability of potential impacts, can help guide your mitigation and response.

As you develop a human rights risk-based response, which prioritises severe risks to people, your due diligence process should include a mechanism that will enable you to demonstrate the effectiveness of the steps you are taking over time. Ideally, human rights due diligence processes for managing modern slavery and other human rights risks will be integrated with existing risk management processes in your entity.

3.2

Organisational exposure to risk

Organisations face exposure around human rights risks in four domains: regulatory reporting requirements and standards, reputational damage and eroded public trust, investor scrutiny of social impact credentials, and values alignment for employees.

REGULATIONS AND STANDARDS

International frameworks and domestic legislation with cross-jurisdictional reporting requirements are all advancing. Relevant developments include:

- *Modern Slavery Act 2018* (Cth)
- *Modern Slavery Act 2018* (NSW)
- Similar legislation in other jurisdictions, including the *German Corporate Due Diligence in Supply Chains 2021*, *Norwegian Transparency Act 2021*, *French Corporate Duty of Vigilance Law 2017*, *Modern Slavery Act 2015* (UK), *California Transparency in Supply Chains Act 2010*, and *European Union (EU) Directive on Non-Financial Disclosures 2014*. The EU is expected to introduce an EU-wide directive on mandatory human rights and environmental due diligence laws in late 2021.

These legislative developments have been driven and informed by the UNGPs, which require businesses to address their adverse human rights impacts by taking measures to prevent, mitigate and, where appropriate, remediate, human rights harm.

Alongside the emerging cohort of corporate reporting and human rights due diligence laws outlined above, other regulatory tools are also being used to tackle forced labour, including the use of customs and import controls.

The United States, for example, can secure goods that have been produced by forced labour under the US Tariff Act 1930.³⁹ This power has recently been used in relation to a range of goods including medical gloves from Malaysia. Similar laws are under consideration in Canada and Australia.

Along with increased regulatory requirements, the Australian health sector faces ongoing monitoring and review by the National Health Performance Authority and the Australian Institute of Health and Welfare. The Australian Commission on Safety and Quality in Health Care has established national standards relating to the provision of health care with which entities must comply. Unions also play a key role in monitoring workplace issues and have previously brought attention to supply chain issues in the procurement of medical goods.⁴⁰

The health sector has also faced increased scrutiny in relation to the risk of harm to people as a result of the Royal Commission into Aged Care Quality and Safety, which examined the interface between aged care and the delivery of health care⁴¹, as well as the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, which is examining the delivery of health care to people with disabilities.⁴²

REPUTATION AND RELATIONSHIPS

Modern slavery reporting requirements are, at their core, transparency requirements aimed at increasing corporate responsiveness to modern slavery. The reputational risk imposed by stakeholders, including the media, civil society and labour unions, calling out unaddressed modern slavery risk, can be high.⁴³ The negative attention that PPE providers such as Supermax, WRP and Top Glove have received in the media in light of alleged human rights violations serves to highlight this risk. There is increased emphasis placed on the benchmarking of corporate performance on human rights, such as the World Benchmarking Alliance Corporate Human Rights Benchmark,⁴⁴ which is produced annually by an investor and civil society-run organisation.

In other jurisdictions, civil society groups have produced reports benchmarking published modern slavery statements and highlighting entities demonstrating both leading and poor human rights practice.⁴⁵ These are key market accountability mechanisms on which the modern slavery legislation relies to encourage good practice in managing the risks of harm to people. Increased scrutiny from the media and civil society organisations means that a failure to respond meaningfully to modern slavery can lead to a fundamental corrosion of public trust.

ORGANISATIONAL PURPOSE

For many organisations, addressing modern slavery is the 'right thing' to do. It aligns with their purpose, culture and values. Employees are also increasingly demanding that their employer considers the human rights impacts of their activities. The efforts of Australian entities to address their modern slavery risks also contribute to the achievement of the United Nations Sustainable Development Goal 8, Target 8.7, which asks for effective measures to eradicate modern slavery by 2025.⁴⁶

The health services sector is built on the foundation of human wellbeing. Managing modern slavery risk and taking steps to prevent harm to people aligns with the sector's core purpose.

Making a public commitment to addressing modern slavery practices in operations and supply chains can be an opportunity for health sector organisations to demonstrate internal alignment in practice and culture. An explicit public commitment like that made by St Vincent's Health Australia in its 2020 modern slavery statement provide a strong example of what this might look like in practice.⁴⁷

INVESTOR AND LENDER SCRUTINY

Investors and lenders are increasingly analysing the human rights performance of organisations. Organisations that cannot demonstrate that they are putting in place appropriate systems to identify and address these risks may experience loss of substantial investors or loss of trust from its stakeholders. This particularly applies in contexts where third parties raise allegations of modern slavery practices in relation to an organisation or its supply chains.

The Australasian Centre for Corporate Responsibility and the Responsible Investment Association Australasia have both reported that investors such as global pension funds are increasingly focused on decent working conditions and broader societal expectations, beyond value creation.⁴⁸ As investors themselves become the subject of required reporting, the pressure on organisations is increasing.⁴⁹ In response to increased scrutiny, Healthscope, a private hospital and healthcare provider, began releasing an annual Sustainability Report to communicate their efforts to align with good practice human rights due diligence.⁵⁰ While few organisations currently do any quantitative analysis of financial impacts arising from brand damage, loss of trust and interruptions to operations or production that may arise from human rights issues, proactively implementing human rights due diligence procedures can mitigate these impacts.

4.

A HUMAN RIGHTS APPROACH TO MODERN SLAVERY

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While the *Modern Slavery Act 2018* (Cth) requires organisations to look specifically at modern slavery, taking a broader approach and considering the full spectrum of the entity's human rights risks and impacts on their activities and relationships will enhance the credibility and strength of the modern slavery response.

It will also enable a whole of business approach to manage human rights risks and impacts.

Modern slavery does not occur in a vacuum. Situations where modern slavery takes place are likely also to involve a range of other violations related to the human rights of workers. Ideally, your investigation of modern slavery risks will also involve the investigation of the presence of other human rights risks posed by your entity's activities and relationships. The benefit of this more holistic approach is that it allows for early identification and response in contexts where human rights violations may be taking place, thereby decreasing the opportunities for severe human rights violations like modern slavery to flourish.

For example, the right to decent work is a fundamental human right. It can significantly affect the enjoyment of other human rights, including the right to health, adequate food, clothing and housing, and culture.

However, the employment relationship can often be a site of exploitation that increases the risk of human rights violations. Coercive employment practices by employers may result in forced or bonded labour, particularly for vulnerable populations such as children and migrant workers. Moreover, situations of forced or bonded labour often involve other labour and human rights abuses, such as the non-payment of wages, excessive hours of work, and the provision of sub-standard accommodation. It is important to identify these types of violations. These violations are harmful to the workers involved and alone constitute a denial of basic rights, but the presence of these issues can also signal a broader problem of modern slavery.

COMMONLY INFRINGED HUMAN RIGHTS OF WORKERS IN THE HEALTH SERVICES SECTOR



Right to enjoy just and favourable conditions of work



Freedom from discrimination and harassment in employment



Freedom of assembly and association and right to strike



Freedom from slavery and slavery-like conditions



Right to privacy



Right to decent work



Freedom from discrimination



Right to health (Physical and mental)



Right to life



Right to safety



Right to freedom of thought, conscience and religion

Meeting the business responsibility to respect human rights under the UNGPs also means considering the human rights that may be adversely impacted by a health services organisation.

The sector has direct impacts on the right to health, which is a fundamental human right indispensable to the exercise of other human rights. Its influence can manifest in health and safety impacts linked to participation, accessibility and working conditions. Human rights violations such as slavery and violence against women result in ill-health. The right to health also intersects with rights such as the right to privacy and the right to freedom from discrimination. Health services entities in particular have the opportunity to critically reflect on and account for the rights-alignment of the inputs required to deliver on the right to life and health to ensure that both process and outcome are rights-aligned and predicated on the doctrine of ‘do no harm’.

The former United Nations Special Rapporteur on the right to physical and mental health has advocated for a ‘rights-based health system’ that adopts a people-centred approach.⁵¹ He emphasised the need to incorporate human rights principles within the processes of healthcare, health policy and program development.⁵²

To implement this rights-based approach, human rights must not simply be mentioned in a broad sense but must be operationalised by naming specific norms and standards, and explicitly integrating them into processes.

A rights-based approach comes with several advantages, in addition to more individual-centred care. Human rights provide a practical framework to help mitigate risk during decision making and can reduce the risk of complaints and litigation in the long-term. This approach also provides the opportunity for more meaningful engagement, and the involvement and consideration of a broader range of marginalised groups.

EXAMPLE:

A RIGHTS-BASED APPROACH TO HEALTHCARE

An example of a human rights approach in practice is a Swedish provider of psychiatric care in Region Västra Götaland.⁵³ The provider has embedded the United Nations conventions on human rights into its systems and translated them into practical approaches for their patients. They view staff as 'duty-bearers', tasked with the responsibility of upholding human rights, and view patients as 'rights-holders' whose human rights must be prioritised on all levels.

Staff view patients as being on equal terms with them and encourage them to participate in decision-making and contribute their perspective wherever appropriate. This rights-based approach comes with several mutual beneficial advantages. It enhances the provision of services to patients by focusing on the human dignity of the individual and not just their ill health.

This leads to open dialogue with patients and means that human rights risks can be both more easily identified and respected.

In addition, by prioritising alignment with international human rights frameworks, the provider can mitigate human rights risks impacts and hold itself to a high standard of output. This is crucial for a public sector entity and ensures a high level of trust with both patients and the general public while maintaining a positive reputation. A rights-based approach also helps to ensure that human rights remain front-of-mind throughout the provider's operations, creating an environment of accountability, due diligence and ongoing risk management.

5



PRACTICAL RESPONSES

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A practical response to the mandatory reporting requirements will focus on:

01

Identifying modern slavery risks.

While you may still need to determine some important threshold questions, such as your consolidated annual revenue, relevant reporting entities, and your approach to joint statements for corporate groups, the most efficient and effective responses will focus on doing the work of identifying and addressing modern slavery risks and practices.

02

Actions taken to assess and address modern slavery risks and impacts.

In this section, we help you to understand the nature of modern slavery risks in the health services sector, along with practical examples of how and where modern slavery can manifest. Second, we provide practical guidance on actions your entity can take to manage identified risks, using the rights-based approach outlined in the UNGPs.

03

Measuring the effectiveness of your response.

5.1

Identifying modern slavery risks

KEY MODERN SLAVERY RISK FACTORS

The behaviours and practices which constitute modern slavery are serious human rights violations. The level of risk of modern slavery depends on a range of intersecting contextual factors. Certain procurement categories are also regarded as having more significant inherent modern-slavery related risks.

There are four key factors which elevate the risk of modern slavery: vulnerable populations, high-risk business models, high-risk categories, and high-risk geographies. Where multiple high-risk factors co-exist, there is a higher likelihood that actual harm is being experienced, and additional controls are required to ensure that risk does not become harm.

Vulnerable populations

- Migrant workers
- Base-skill workers

High risk business models

- Labour hire and outsourcing
- Franchising
- Seasonality
- Aggressive pricing



High risk categories

- Services procurement
- Goods not for resale
- Raw materials

High risk geographies

- Conflict
- Weak rule of law
- Corruption
- Displacement
- State failure to protect human rights

THE IMPORTANT ROLE OF CIVIL SOCIETY AND COMMUNITIES

The health services sector carries inherent modern slavery risks associated with procurement of goods, operations, and frontline care (i.e. providing patient care). Even if you are confident in your entity's modern slavery risk management systems, often the best information comes from consultation and collaboration. For example, civil society organisations, government departments, and communities can be valuable partners in identifying areas at high risk of modern slavery across your operations and supply chain.

Failure to consult and transparently report may have a negative reputational impact. Civil society has called out entities in industries where modern slavery risks are prevalent, but where the entity has failed to report the identification of modern slavery risks in their operations and supply chains.⁵⁴ Reporting that you have 'no modern slavery risks', or that you are not taking steps to manage modern slavery risks prevalent in health services industry, may come under similar scrutiny.

KEY TRENDS AND MODERN SLAVERY RISK AREAS FOR HEALTH SERVICES

Australia's health sector has grown dramatically over the past decade. The COVID-19 pandemic is also rapidly growing and changing the sector. The health and social assistance sector accounts for 13.9% of Australia's working population,⁵⁵ making it the largest sector by employment in Australia.⁵⁶ The sector currently employs 1.8 million people⁵⁷ and is projected to increase to 1.9 million people by 2024.⁵⁸

Demand on the sector is increasing, and will only continue to grow, due to general population growth and Australia's ageing population.⁵⁹ The number of Australians aged 65 or over is expected to increase 60% by 2030, amounting to 5.5 million people. This will not only increase the demand for health services but will also increase the cost.

Research from the Parliamentary Budget Office estimated that over the next decade, aged care will add around \$5 billion to the Commonwealth Budget, and healthcare spending will add an additional \$3 billion.⁶⁰

Related growth areas include medical and surgical equipment/devices, health IT, health infrastructure and services, and clinical trials. Ongoing innovation in medical technology is solving more problems with greater efficiency, while also stimulating new production and expenditure.⁶¹ The production of technology and the sourcing of raw materials poses increasing risk of harm to workers that needs to be considered and addressed. Demand for labour, particularly in base-skill or low-paid work, will also grow. It is likely that migrant workers, a typically vulnerable category of workers, will form a key part of the labour force.

Another notable trend is a growing adoption of a hybrid private/public ownership and governance structure for hospitals. This has the potential to increase the complexity of hospital supply chains and their management.

KEY RISK IDENTIFICATION STEPS

For health services organisations, a key initial focus of an effective response to modern slavery risks will be mapping their operations, supply chain and governance structures to understand where and by whom policy and risk management can most effectively be coordinated.

Identifying the modern slavery risks in your entity, across procurement of goods, operating activities and frontline care (discussed above in Section 2.3), should be an ongoing process. As you gain greater visibility over your supply chains and understanding of relevant suppliers and geographies your entity is engaging with or sourcing from, you will increase your understanding of the modern slavery risks.

5.2

Taking action

According to the Commonwealth Department of Home Affairs' publication, *Guidance for Reporting Entities*, effective entity responses to the mandatory reporting requirement in the *Modern Slavery Act 2018* (Cth) should be grounded in the human rights due diligence framework outlined in the UNGPs.

IN PRACTICE, THIS MEANS:

01

Having a policy commitment to meet the entity's responsibility to respect human rights

02

Conducting a human rights due diligence process to identify, prevent, mitigate and account for how the entity addresses its human rights risks, such as modern slavery. This process involves:

- risk identification and assessment informed by mapping your operations and supply chain and identifying and prioritising the most severe risks
- acting on the findings of the risk identification and assessment, by implementing risk management measures, including training
- monitoring the risk management measures taken and reporting on them for example, in your annual modern slavery statement

03

Remediating human rights harms (such as modern slavery) that the entity causes or to which it contributes. Where the entity does not cause or contribute to the harm, but is directly linked to the harm (for example, through a supplier relationship) then the entity should use its leverage and influence to prevent or mitigate the harm from reoccurring, and to ensure the person harmed is remediated. Having effective remediation processes in the modern slavery context includes:

- responding to the identification of instances of modern slavery in a manner that does not jeopardise the safety of victims, ideally working with expert advisors, such as local NGOs
- having a trusted, accessible and confidential grievance mechanism (and ensuring your suppliers have one), to elevate and address worker concerns, and to act as an early warning system for modern slavery risks.

Case studies of practical actions in the health services sector

Below we outline a range of practical examples of entities operating in the Australian and global health services sector undertaking risk management actions to address their modern slavery risks.

CASE STUDY: AUSTRALIAN CATHOLIC ANTI-SLAVERY NETWORK

IDENTIFYING AND MANAGING MODERN SLAVERY RISKS

In 2019, the Anti-Slavery Taskforce (ASTF), Catholic Archdiocese of Sydney established the Australian Catholic Anti-Slavery Network (ACAN). ACAN is comprised of *Modern Slavery Act 2018* (Cth) reporting entities in the health care, education, finance/investment and community services sectors, which collaborate on assessing and addressing modern slavery risks. ACAN entities are motivated by the Catholic Social Teaching on the Dignity of the Human Person and on the Dignity of Work and the Rights of Workers. ACAN participants include all six Catholic hospital groups and other Catholic aged care providers.

Analysis of ACAN data has found that approximately 71% of participants' annual spend can be characterised as potentially high risk for modern slavery.⁶² In 2020 the second highest annual spend on high-risk goods and services by participants was on medical consumable and devices, amounting to \$1.005 billion.⁶³ This spend trailed only construction and maintenance projects amounting to \$1.006 billion.⁶⁴

Through the ASTF, ACAN has undertaken the following actions:

- screened \$3.18 billion of spend for modern slavery risk, including assessing 2075 suppliers for modern slavery risk, identifying 1128 potentially high-risk suppliers
- developed sector-based action plans and associated supplier engagement
- identified 400 modern slavery-related actions.⁶⁵

The ASTF's approach to responding to modern slavery risk is founded on capability building and awareness raising. It provides entities with tools and resources to develop risk profiles, policies, contract templates, questionnaires, assessments and other modern slavery risk management systems including online training modules. ACAN's purpose is to achieve a consistent and effective approach to managing modern slavery risk across all participating entities.⁶⁶ ACAN is also developing a remedy pathway, via the 'Domus 8.7' service for business, workers or people impacted by modern slavery to obtain support, advice and guidance on how to respond to modern slavery concerns.⁶⁷



“From the boardroom to the emergency room, Australia’s health services sector faces many challenges in tackling modern slavery.

The sector’s biggest modern slavery risks lie in the procurement of medical devices, equipment and consumables, as well as in labour hire for services such as construction, cleaning and waste management. For the health sector to show it is addressing these risks, Modern Slavery Act reporting entities will need a workforce that is trained in recognising modern slavery indicators and equipped to respond.”

JENNY STANGER

Executive Manager of the Anti-Slavery Taskforce,
Catholic Archdiocese of Sydney

CASE STUDY: PRIVATE HEALTH CARE

INTEGRATING GLOBAL LEVEL POLICY COMMITMENTS INTO AN AUSTRALIAN RESPONSE

Many multinational health care entities have reported against the United Kingdom's Modern Slavery Act 2015 (UK). Some of these organisations also have a significant presence in Australia's health services sector and may be captured by the reporting requirement. Entities that have existing global policy commitments have an opportunity to cascade these into the Australian context and tailor implementation of existing due diligence.

For example, a private health provider developed a global human rights and labour policy that outlines its commitment to operate in accordance with all human rights (including labour rights) across all regions where the entity operates. The policy commitment outlines the scope, application (including to joint ventures), and contains guidance for responsible personnel in each region. In it, the entity explicitly prohibits manifestations of modern slavery such as child labour and forced labour.⁶⁸

To ensure alignment, the entity conducted an assessment of its global level policy against Australia's modern slavery reporting requirements and the risk areas presented by associated operations and supply chains.

Critical considerations for using global level policies as a foundation for a response to the Australian modern slavery reporting requirements included:

- identifying which entity will report under the Australian legislation (i.e. Australia or Group)
- if considering consolidated reporting at a Group level, identifying any gap in scope or criteria/requirements between the entity's most recent modern slavery statement under analogous legislation and the reporting requirements under the Australian law
- if considering reporting only at the Australia level, reviewing whether existing practice meets the criteria/requirements of the Australian law and is aligned with the Group approach.

CASE STUDY: VICTORIAN GOVERNMENT

ETHICAL PROCUREMENT PROGRAM

The Victorian Government has developed a Supplier Code of Conduct (Code) to ensure ethical, sustainable and socially responsible procurement across its agencies, including the Victorian Department of Health. The Code states that suppliers are expected to ensure a fair and ethical workplace for their workers, one which upholds high standards of human rights and implements appropriate labour and human rights due diligence.⁶⁹ Suppliers are required to acknowledge the Code by signing a commitment letter and demonstrating they have communicated the Code to their related entities, suppliers and subcontractors.

The Code is accompanied by additional guidance that forms part of a toolkit, which includes:

- a template letter of introduction that buyers can use in supplier engagement to communicate the Victorian Government's expectations and the Code
- standard messaging regarding the Code
- a factsheet for buyers
- a guidance document on handling issues of possible non-compliance with the Code.

HealthShare Victoria, the agency responsible for health-related procurement, has publicly committed to championing modern slavery responses in Victoria. Using the Code, it has designed a modern slavery work program that involves supplier engagement to achieve meaningful change, due diligence as part of procurement processes, modern slavery-related clauses in contracting, and awareness-raising and training sessions for suppliers.⁷⁰

CASE STUDY: ST VINCENT'S HEALTH AUSTRALIA

WORKFORCE SUPPORT AND RISK IDENTIFICATION

St Vincent's Health Australia has undertaken research on how to support their workforce to identify potential flags of human trafficking. Its research revealed that healthcare workers are most likely to encounter victims of modern slavery including human trafficking. St Vincent's Health is also a member of ACAN and has participated in its modern slavery risk identification and management initiatives.⁷¹

CASE STUDY: GLOBAL PROVIDER OF PROTECTIVE SOLUTIONS

HUMAN RIGHTS RISK IDENTIFICATION AND MANAGEMENT

Motivated by increased scrutiny and the need to demonstrate continuous improvement, a global provider of protective solutions put in place regular self-assessment and monitoring to continuously screen for risks and gaps in risk management.⁷²

Key steps included:

- a human rights impact assessment that determined the source of unacceptable labour practices at its manufacturing sites
- training on the Ethical Trading Initiative Base Code for identified manufacturing sites
- the setup of an online tracking system to measure progress of sites, including mandatory self-assessments by manufacturing sites to identify key gaps and areas of improvement over time.

“We know that most people who find themselves trapped in modern day slavery attend a hospital at some point. In health care we have a unique window of opportunity to not only address their health care needs, but to invite an organisational response in a way that might bring wider hope and transformation. This sort of change will take time, but within a year we hope to have taken some bold steps to address human trafficking that will provide a blueprint for the entire health system.”

LISA MCDONALD

SVHA Group Mission Leader

Case studies of sector collaboration

Collaborative health services sector initiatives can be leveraged to achieve greater visibility and mutually enforceable actions to combat modern slavery.

CASE STUDY

HEALTHSHARE VICTORIA

HealthShare Victoria (previously Health Purchasing Victoria) is a public authority mandated by the Health Services Act 1988 (Vic) to act as a centralised agency to support Victoria's health services sector. The agency's primary responsibility is procuring medical goods and services for an array of both public and private health providers in Victoria, including public hospitals and private medical clinics.

The centralised nature of its processes enables consistency in due diligence activities for a complex and diverse supplier base. The agency also acts in an advisory and consultancy role in relation to modern slavery. The agency provides entities in the health sector with guidance on reducing modern slavery risk in their supply chains, and assessing and addressing their modern slavery risks with a view to prepare the entities for modern slavery reporting. This collaborative approach strengthens the sector's modern slavery response, promoting compliance and due diligence.

CASE STUDY

AUSTRALIAN CONSENSUS FRAMEWORK FOR ETHICAL COLLABORATION IN THE HEALTHCARE SECTOR

The Australian Consensus Framework for Ethical Collaboration in the Healthcare Sector (ACF) is sector-led, voluntary and supported by federal and state governments. The ACF recognises declining public trust as measured by the Edelman Trust Barometer.⁷³ The 71 signatories include government authorities, hospitals, healthcare centres, biopharmaceutical industry, educators, medical device industries, healthcare professionals, patient communities and third parties. All of these members have an opportunity to use the ACF as a platform to consider and collaborate on modern slavery responses in the sector.

Engaging with sector peers could form an element of your practical response and be reported in your modern slavery statement.

KEY RISK MANAGEMENT STEPS

Embedding and operationalising a human rights commitment requires that a chain of command be established, and clear roles and responsibilities defined to manage human rights risk, including modern slavery risks. Cross-functional ownership is especially helpful for embedding human rights related commitments across both operations and procurement in the context of the significant levels of engagement with vulnerable people and spend on high-risk areas.

The often decentralised and reactive procurement practices in the sector will require specific attention, as will bringing together a range of internal stakeholders to drive an entity-wide response. Public health procurement may offer key learnings to take across to private sector entities.

As discussed above, your entity may benefit from engagement and consultation with experts, civil society and trade unions as you undertake the task of identifying and responding to your modern slavery risks.

As modern slavery risks tend to be common across industries, the process of identifying and managing modern slavery risks provides opportunities for sector-wide collaboration and peer learning. Collaborating with your peers and engaging with external expertise can increase the effectiveness of your response to modern slavery risks. It can also offer important leverage to secure greater supplier compliance with new expectations regarding modern slavery and other responsible sourcing considerations.

SUMMARY: KEY RISK MANAGEMENT STEPS

01

Confirm accountabilities

02

Establish governance structures and cross-functional responsibilities

03

Assess maturity of existing:

- Commitment
- Risk management systems and controls
- Grievance mechanisms and remediation

04

Incorporate explicit modern slavery risk considerations into risk processes

CONCLUSION

The *Modern Slavery Act* 2018 (Cth) presents an opportunity for the health services sector to embrace a human rights-based approach in its operations.

Some of you will be right at the start of the journey with significant internal buy-in required and foundational commitments to human rights still to be made. For others, you may have already developed quite sophisticated approaches to human rights, perhaps as part of a broader environmental, social and governance (ESG) framework or other approaches to social impacts. For most, you will have existing risk systems and controls around which you can build or retrofit human rights considerations.

A robust approach to managing modern slavery risk requires an understanding of the maturity of your existing systems and controls with an articulated pathway to enhancing them over time.

Building in learning from international leading practice and fundamental human rights principles can set a foundation for reporting on effectiveness under the mandatory criteria year-on-year and provide a benchmark for your response.

The following checklist provides practical guidance for entities starting to take action to manage their modern slavery risks.

Understanding how modern slavery risks present in operations and supply chains

- ☐ Do you understand what behaviours and practices constitute modern slavery and likely risk factors for the entity and sector?
- ☐ Has the entity included modern slavery risks on its risk register?
- ☐ Has the entity established accountabilities for identification of modern slavery risk (i.e. allocated lead responsibility at operational and senior management levels, and equipped staff for those roles)?
- ☐ Has the entity collaborated with experts, civil society, victim advocates or other relevant stakeholders to assist with better identification of modern slavery risks?

Assessing an entity's existing supply chain

- ☐ Is the entity able to report at a group-level on behalf of all subsidiaries and across all geographies?
- ☐ Does the board receive regular updates on changes to the structure, operations and supply chain of the entity?
- ☐ Has the entity determined its approach to publicly releasing detailed information about its operations and supply chain?

Monitoring and evaluating the effectiveness of the entity's actions

- ☐ Does the entity monitor and review its human rights policies and their implementation?
- ☐ Has the entity engaged with organisations that have in place more mature practices or have implemented regulatory obligations in other jurisdictions?
- ☐ Have the entity's management systems and controls uncovered any instances of modern slavery and, if not, are they robust enough?

Designing and implementing a framework to address modern slavery risks

- ☐ Has the entity established senior executive KPIs for managing modern slavery risk?
- ☐ Does the entity express its commitment to protecting human rights, including modern slavery, through a board approved public statement of policy?
- ☐ Does the board receive periodic reports on modern slavery risk? Is the risk committee (or equivalent) undertaking the more granular work associated with addressing modern slavery risks and addressing risks identified on the risk register?
- ☐ Has the entity introduced assurance measures for reporting on modern slavery due diligence?
- ☐ Has the entity established an effective grievance mechanism?
- ☐ Has the entity established a framework for what they do when they have found evidence that modern slavery may exist in their supply chains?
- ☐ Has appropriate staff training and education been put in place to ensure the organisation is able to implement their modern slavery obligations effectively?



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