



WEHI
brighter together

2022
Modern Slavery Statement



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WEHI's 2022 Modern Slavery Statement

WEHI (Walter and Eliza Hall Institute of Medical Research) is committed to respecting human rights, including the right to be free from slavery, exploitation, forced labour, domestic servitude and illegal forms of child labour.

Our modern slavery commitments enhance our broader ethical and sourcing commitments in relation to local, Indigenous and environmental supply and awareness.

This Modern Slavery Statement (**Statement**) has been prepared in accordance with the Modern Slavery Act 2018 (**Act**). It sets out the steps we have taken to assess and address modern slavery in our operations and supply chains during the 2022 reporting period and is our third statement since the scheme was enacted.

To date, there have been no major changes in the way that WEHI operates or the types of goods and services we procure through our supply chains.

In 2022, WEHI continued to develop its modern slavery program as part of a wider ethical sourcing programme and compliance review. Key updates include:

- Analysing our supplier data in more depth to better understand our overall modern slavery risks.
- Engaging with other sector organisations to benchmark our approach.
- Procuring a modern slavery compliance module.
- Media monitoring for modern slavery.
- Integrating modern slavery into WEHI's ethical sourcing commitments and environmental, social and governance (**ESG**) channels.

About WEHI

WEHI is one of Australia's leading biomedical research organisations, with a strong national and international reputation for performing highly influential basic and translational research.

WEHI's research focuses on improving the understanding, treatment and prevention of important health challenges, with a focus on cancer, immune and infectious diseases, developmental disorders and age-related conditions.

WEHI is an Australian not-for-profit public company limited by guarantee that is established to be, and to continue as, a charity registered with the Australian Charities and Not-for-Profits-Commission (**ACNC**) (ABN 12 004 251 423). Our charitable purpose is 'advancing health'.

WEHI is governed by a board of directors appointed under the WEHI constitution. Operational management is delegated to the director of WEHI, Professor Doug Hilton AO.

Our modern slavery risks

1. Our approach

We have taken a risk-based approach to determining whether we are likely to cause, contribute to or be directly linked to modern slavery in our operations and supply chains. Our modern slavery risk matrix is set out in the Annexure as Table 1.

2. Operations

We operate within the health and medical research sector in Melbourne, Australia. Our operations primarily involve the following:

- Health and medical research
- Education
- Provision of medical research products and services
- Commercialisation.

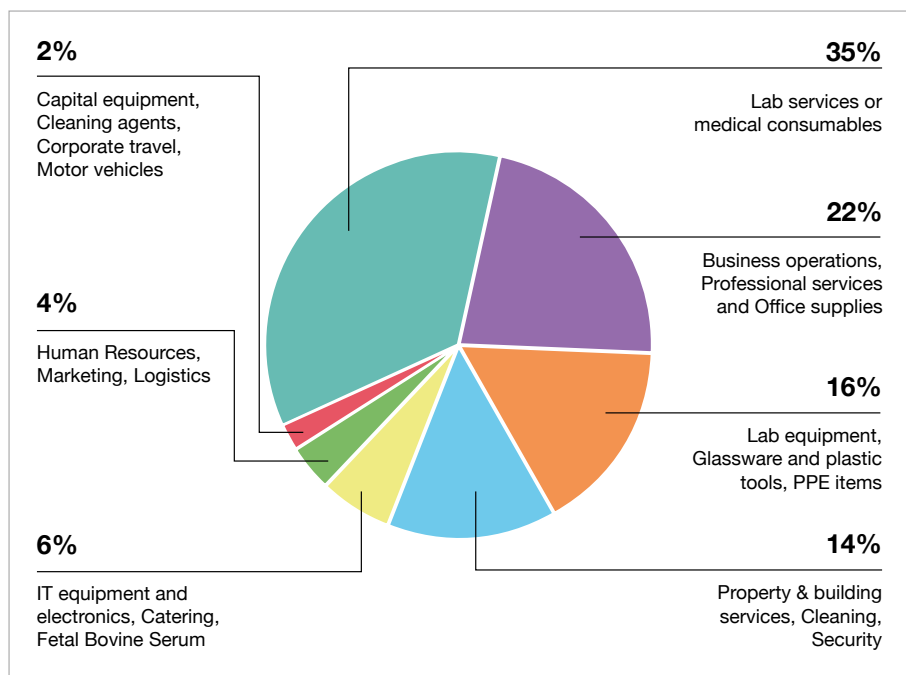
Our main facility is located in the Parkville Biomedical Precinct, a vibrant and collaborative life science research, education and healthcare hub. We also have offices in central Melbourne, and research facilities in Bundoora and Kew. Table 2 in the Annexure sets out the risk level for each WEHI operational category. Overall, our operational activities continue to pose a low risk for modern slavery:

- Our staff, students and domestic collaborators are subject to Australian legal and ethical obligations, including the One WEHI Enterprise Agreement 2022, Fair Work Act 2009, NHMRC National Statement on Ethical Conduct in Human Research (**National Statement**) and the Act.
- WEHI's collaborations are formalised contractually (with embedded compliance obligations).
- Where overseas collaborations occur in countries with high vulnerability scores for modern slavery, in addition to contractual requirements and reporting, these risks are mitigated by due diligence and our Australian legal obligations, including the ACNC External Conduct Standards, the National Statement, and foreign influence and interference legislation and guidelines.
- WEHI's human research projects are subject to human research ethics committee risk assessment and approval processes that consider compliance risks.

3. Supply chains

Supply categories

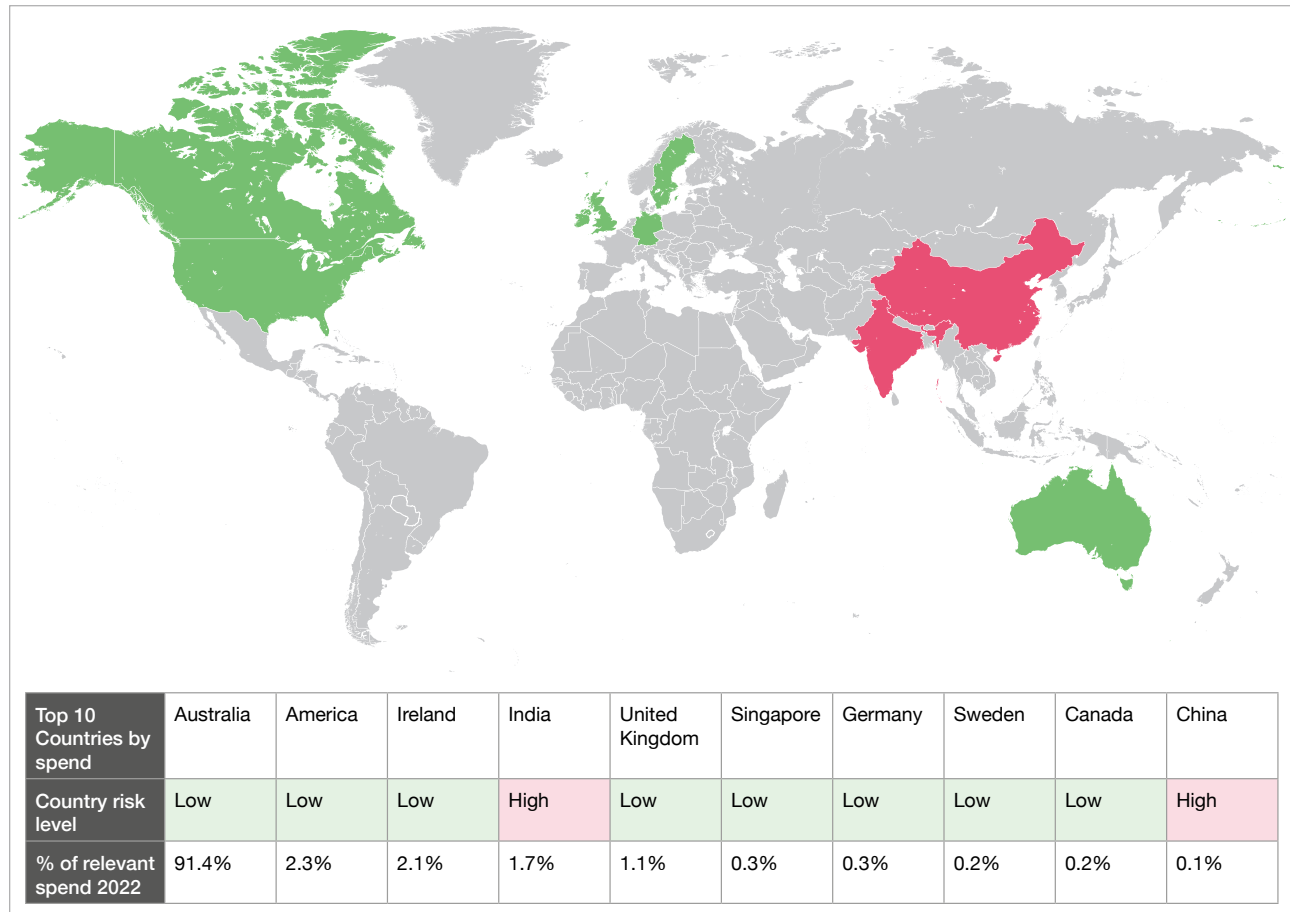
WEHI procures a range of products and services to support our activities. Our 2022 spend by category is summarised below.



As set out in Section 4, in 2022 we updated our risk matrix to reflect a more detailed understanding of our risk areas (Table 3 in the Annexure). Currently, our highest risk category is IT Equipment and Electronics.

Geographic location

WEHI draws from domestic and international supply chains to ensure provision of ethically sourced, high-quality components and supplies. Our 2022 spend by location is summarised below.



Products and services sourced from India and China continue to pose the highest risks for WEHI in terms of geographic location.

New initiatives

4. Refined risk assessment approach

In 2022, the Procurement team refined its supply chain risk assessment approach. From the total pool of active suppliers, the team reviewed each by industry type, geographic location and transactional volume (overall spend value and number of transactions), as well as responses to our modern slavery questionnaire, publicly available modern slavery statements and media monitoring alerts.

We previously identified IT equipment, laboratory equipment, laboratory services and medical consumables as our highest risk areas in terms of volume of supply.

After analysing the specific suppliers in each procurement category our review showed that:

- None of the suppliers previously identified as potentially high risk have been shown to be high risk in relation to WEHI's business.
- Some suppliers identified as potentially medium risk were in fact low risk.
- Two high risk categories in our previous risk matrix have been shown to be low risk in relation to WEHI's business.

5. Modern Slavery Policy

WEHI's Modern Slavery Policy was finalised in 2022 and is publicly available on our website. The Policy states WEHI's position on modern slavery and its alignment with WEHI's values, WEHI's expectations of staff and suppliers and WEHI's steps for practical compliance.

6. Media monitoring

Our Procurement team has engaged a third party, Meltwater, to provide media monitoring on modern slavery. In 2022, Meltwater identified 63,000 individual modern slavery alerts across all media globally. A select list of these are generated and sent to Procurement, who assess around 100 alerts per week. Of these, none have been identified as actionable risks at this stage.

7. Compliance module

As part of a broader compliance review (see section 16), we procured a modern slavery compliance module. This software provides guidance on our modern slavery obligations and allows WEHI to track progress and emerging risks through our enterprise risk and compliance software system.

Ongoing initiatives

8. Supplier due diligence

New suppliers are screened using our modern slavery risk matrix. Our Procurement Policy and ERP system includes modern slavery due diligence processes for selecting, onboarding and managing suppliers.

Answering our modern slavery questionnaire is a mandatory step in the supplier onboarding process. The 2021 survey indicated that most of our suppliers are not directly subject to the Act or its equivalent (in Australia or otherwise) and showed a reasonably low level of awareness around modern slavery risks. This was common among new suppliers in 2022.

9. Supplier monitoring

WEHI works with key suppliers to ensure alignment exists around organisational values, including the elimination of modern slavery.

Under WEHI's Supplier Code of Conduct, suppliers must ensure there is no modern slavery in their supply chains and operations and comply with modern slavery laws, rules and regulations. Suppliers must let us know if any modern slavery issues arise and take steps to address those issues.

In 2021, WEHI identified 392 active suppliers subject to modern slavery monitoring. In 2022, we identified 581 active suppliers relevant to our monitoring criteria.

10. Template agreements

WEHI's template agreements include compliance clauses as standard, with specific modern slavery clauses in agreements for the acquisition of goods and services. These will be reviewed in the next reporting period; see section 19.

11. Sector engagement and tools

The Procurement and Governance, Risk and Compliance teams continue to engage with sector-led initiatives to support best practice in modern slavery compliance, such as through professional bodies, including Procurement and Supply Australia (PASA), Procurement Australasia (PA) and HealthShare Victoria (HSV).

12. Governance

WEHI's Modern Slavery Working Group is led by the Procurement and Governance, Risk and Compliance teams and reports to the Professional Services Leadership Team, Audit, Risk and Compliance Committee and the WEHI Board. The committee has met monthly to progress modern slavery initiatives and support the development of this Statement.

Modern slavery is included in WEHI's risk systems. This allows WEHI's Audit, Risk and Compliance Committee to track progress and manage risk mitigations.

13. Training

WEHI personnel with purchasing responsibilities, or who are responsible for high-risk research activities overseas, are provided with training on modern slavery risks, including the Supplier Code of Conduct and preferred contractual terms, where appropriate.

Assessing the effectiveness of our actions

14. Annual review

WEHI is committed to applying a continuous improvement approach to modern slavery. The steps described in this Statement represent an ongoing process. The Modern Slavery Working Group completed an annual review of our modern slavery activities in preparation for drafting this Statement and to set the priorities for the next reporting period.

15. Remediation

In 2022, there were claims of modern slavery breaches within Ansell's supply chains. WEHI regularly uses Ansell products, mainly latex gloves, so these concerns were relevant to our modern slavery risks.

WEHI's Modern Slavery Policy sets out the notification and remediation steps. Upon review, WEHI did not need to take any remedial actions and are pleased with those taken by Ansell. We now consider Ansell as a managed risk.

Looking forward – to 2023 and beyond

16. Compliance systems and software

WEHI is currently updating its compliance processes and implementing an enterprise risk and compliance software system. This work will continue through 2023 and will include the modern slavery module mentioned in section 7.

17. ESG criteria

WEHI's Procurement team is involved in various aspects of environmental, social and governance (**ESG**) compliance. WEHI wishes to engage with suppliers who share similar values and with like-minded organisations who can support us in acting on these values.

In 2023, WEHI is looking to leverage the modern slavery learnings to further advance other ESG considerations, including environmental sustainability and the Reconciliation Action Plan.

18. Supplier certification

As set out in section 4, the supplier due diligence process is time-consuming, and we continue to seek out products that would streamline and simplify these risk assessments.

As ESG concerns become more prevalent, we expect to see an increase in supplier certification products on the market. In 2023, we will be looking into some of the available products that have scored/certified our key suppliers.

We are also looking to collaborate with our medical research institute (**MRI**) sector partners to build best practice in these areas. A sector-led approach to supplier certification could provide substantial savings, as well streamline dealings with MRIs for common suppliers.

19. Review of template agreements

In 2023 WEHI is undertaking a review of our template agreements. Compliance issues, including modern slavery, will be considered as part of any updates.

20. International engagement framework

WEHI is progressing the rollout of its international engagement framework (**IEF**), which will include modern slavery considerations.

Statement approval

This Statement was reviewed and approved by the Board of Directors of WEHI on 23 March 2023.

Annexure – Risk assessment tables

Table 1: Product and service risk matrix

			Domestic Region	Overseas Regions				
			0 Australia (4.3/100)	1 Europe & Central Asia (28/100)	2 Americas (41/100)	3 Asia & The Pacific (46/100)	4 Arab States (57/100)	5 Africa (62/100)
			Note, numbers in brackets are 'vulnerability of modern slavery risks' per the Global Slavery Index 2018					
Supply Categories	Minerals	5 Extremely high risk	M (7)	M (11)	H (16)	H (20)	E (23)	E (25)
	IT electronics (computing equipment, software SaaS), Catering (fish, rice, cocoa), Fetal Bovine Serum							
	Laboratory equipment (surgical equipment, freezers, microscopes, garments (textiles))	4 High risk	L (5)	M (7)	M (12)	H (17)	H (21)	E (24)
	Glassware and plastic tools (pipettes, dishes)							
	PPE items (gloves, masks)							
	Utilities and related property services	3 Medium Risk	L (3)	L (4)	M (8)	M (13)	H (18)	H (22)
	Laboratory services, Laboratory consumables							
	Human Resources (P&C, Recruitment), Marketing and Communications, Logistics							
	Building, Repairs and maintenance services							
	Capital equipment, Cleaning agents	2 Low Risk	L (2)	L (2)	L (5)	M (9)	M (14)	H (19)
	Corporate travel, Motor vehicles							
	Business/Admin, Office Supplies	1 Extremely low risk	L (1)	L (1)	L (3)	L (6)	M (10)	M (15)
	Consultants, Legal, Professional fees							

Risk Rating Key

L = Low	M = Medium	H = High	E = Extreme
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Note: The numbers in brackets (1-25) allow for further prioritisation of risks within each Rating category, e.g. E(25) has a higher priority than E(23)

Table 2: Risk level by operational area

Operational area	Description	Risk level domestic	Risk level overseas
Research (excluding human research)	Basic and translational research, on-site in Parkville, Melbourne. Research collaborations with academics, research institutes and commercial organisations.	Low	Low
Human research	Human clinical studies with academic institutions and hospitals.	Low	Low
Education	Supervision and experience for tertiary students through the Department of Medical Biology at the University of Melbourne. Work experience programs for domestic and overseas secondary students. Training opportunities for WEHI personnel.	Low	N/A
Supply of products and services	Supply of specialty mice. Supply of speciality research services (such as sample analysis, cell and tissue sorting and bioinformation analysis). Access to advanced technologies.	Low	Low
Commercialisation	Arrangements with pharmaceutical companies and research institutions to commercialise WEHI discoveries. Routine drug discovery tasks sometimes outsourced to overseas contractors, typically in China or India.	Low	Low

Table 3: Risk level by supply category

Risk level	Supply category
Extremely high risk	Nil
High risk	IT equipment and electronics
Medium risk	Laboratory equipment, glassware and plastic tools, personal protective equipment (PPE) items, laboratory services, medical consumables, foetal bovine serum
	Property and building services, cleaning, security, catering
	Human resources, communications and marketing, logistics
Low risk	Capital equipment, cleaning agents, corporate travel, motor vehicles
Extremely low risk	Business operations, professional services and office supplies

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