

Modern Slavery Act Statement 2024





Chairman Statement

At the Murdoch Children’s Research Institute and Victorian Clinical Genetics Services (‘VCGS’) (collectively ‘MCRI’), We recognise the importance of identifying and addressing Modern Slavery risks as We pursue our mission to provide children and families a safe and healthy world to live a fulfilled life.

Modern Slavery covers a range of exploitative practices that impact upon people’s freedoms including human trafficking, forced or compulsory labour including any form of child exploitation and abuse.

This statement outlines our approach to identifying and minimising risks of Modern Slavery in our operations now and in the future.

This statement upholds our commitment to combat Modern Slavery and protect the human rights and freedoms of any individuals, including of our personnel and those involved in MCRI’s operations and supply chains.

Murdoch Children’s Research Institute makes this statement in accordance with section 13 of the Modern Slavery Act 2018 (Cth) and following consultation with its subsidiary, Victorian Clinical Genetics Services Limited. This statement was approved by our Board of Directors on 1 May 2024.

Signed by:

Patrick Houlihan
2024 Chairman and Non-Executive Board Member



Our Purpose

To give all children the opportunity to live a healthy and fulfilled life



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An overview of modern slavery

Modern slavery is used to describe exploitative practices. It includes any exploitation of a worker, human trafficking, slavery, servitude, forced labour, debt bondage or deceptive recruiting for labour or services or similar types of conduct. It also includes forced marriage and the worst forms of child labour as defined in Article 3 of the International Labour Organization (ILO) convention.

Modern slavery occurs when coercion, threats or deception are used to exploit individuals and undermine or deprive them of their freedom. Cases do not always involve physical violence. Perpetrators often use subtle threats and psychological pressure to control individuals.

According to the International Labour Organisation (ILO) of the United Nations¹, the number of people in Modern Slavery has continued to rise with Global Estimates indicating that 50 million people worldwide are victims of modern slavery, including 28 million in forced labour and 22 million in forced marriages. Since 2016 the number of men, women, girls and boys in modern slavery has risen by nearly 10 million.

More than 12 million of the total in Modern Slavery are children. Children also account for about 12 per cent of all those in forced labour. More than half of these children are in commercial sexual exploitation.

In addition, more than 160 million children are subject to child labour, accounting for almost one in ten children around the world. Nearly half of these children (79 million) are in hazardous work.

Women and girls are disproportionately affected by forced labour. Nearly four out of every five of those trapped in forced commercial exploitation are girls or women. Women and girls also remain disproportionately at risk of forced marriage, accounting for more than two-thirds of all people forced to marry.

Nearly two-thirds of all forced labour cases are connected to global supply chains.



Source 1: International Labour Organisation (ILO) of the United Nations, Walk Free, and International Organization for Migration (IOM) 2023 available from: <https://www.ilo.org/>.



MCRI and VCGS - our structure

Murdoch Children's Research Institute ('MCRI') is a registered charity that marked its 37th year of operations in 2023. With 1751 paid employees (1440 MCRI paid staff and 311 VCGS paid staff) and 1585 unpaid staff (1525 MCRI unpaid staff and 60 VCGS unpaid staff) including honorary appointments who hold other employment roles while providing voluntary expertise and students.

We are Australia's largest child health research institute. We are dedicated to making discoveries to prevent and treat childhood conditions. Many of our researchers are also clinicians at the Royal Children's Hospital (RCH) and often hold joint appointments at the University of Melbourne.

MCRI specialises in discoveries transforming child health and our research improves the lives of millions of kids each year. We also study the health of communities to understand what factors influence child health at the population level and research common infections and immune conditions both locally and globally. Our research encompasses five major themes: stem cell biology, genomics, population health, clinical sciences, infection and immunity.

MCRI's work goes beyond research to impact clinical practice and community health. We are one of the only research institutes in Australia to offer genetic testing to find answers for families of children with previously undiagnosed conditions, using the latest genetic sequencing technology.

Victorian Clinical Genetics Services Limited ('VCGS') is an Australian Not-For-Profit wholly owned subsidiary of MCRI. VCGS is a specialist prenatal, childhood and adult genetics service, one of the largest contributors driving genetic healthcare, research and policy in the country and the pioneering clinical genetic services arm of MCRI.

At our core, We aim to provide a human-centered genetic service that puts people at the heart of everything We do. We provide the following experts in clinical and laboratory genetics:

Clinical Geneticists

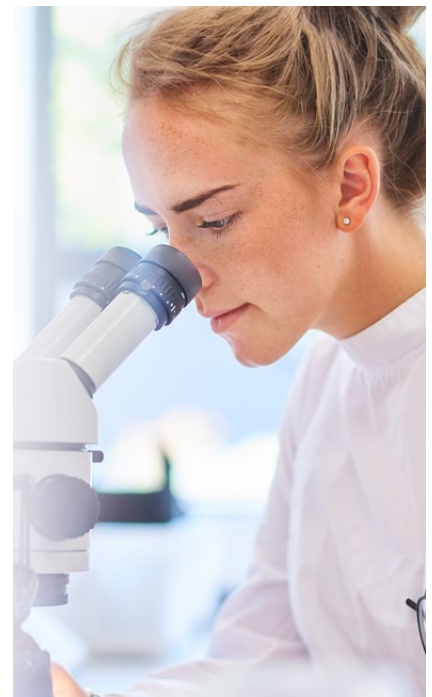
Medical specialists who focus on the diagnosis and management of genetic conditions. We play an important role in the provision of genetic testing, interpretation of test results and explanation of results to families and doctors.

Genetic Counsellors

Health professionals who have training in both clinical genetics and counselling, and who have expertise in interpreting and communicating complex genetic information.

Laboratory Scientists

Medical laboratory scientists who specialise in research and diagnostics for clinical biochemistry and clinical genetics. Our scientists have a long history of successfully translating research and development into clinical tests and services.



This is the Modern Slavery Statement ('Statement') for MCRI and VCGS for the financial year ended 31 December 2023 ('Statement Period') under the *Australian Modern Slavery Act 2018* (Cth) ('Act'). MCRI is the reporting entity under the Act. For this Statement, reference to MCRI or 'We' refers jointly to MCRI and VCGS unless otherwise stated.



Our operations

MCRI has five main themes that our research is grouped into: Genetics, Stem Cell Biology, Infection and Immunity, Clinical Sciences and Population Health. The Research Support and Operations team provide support to the research projects across MCRI and VCGS.

Our main operations are based in the Royal Children’s Hospital (RCH) in Victoria, Australia. We also collaborate with organisations and conduct research activities around the world including in: Austria, Brazil, Denmark, Ethiopia, Fiji, France, India, Indonesia, Italy, Laos, Malawi, Mongolia, Netherlands, New Zealand, Nigeria, Papua New Guinea, Solomon Islands, South Africa, United Kingdom, United States of America, and Vietnam.



Clinical Sciences

Our researchers are working to improve the diagnosis and treatment practices for sick babies, children, and adolescents with acute and chronic illnesses.



Genomic Medicine

Our scientists study DNA to understand the genetic basis of diseases including ataxia, thalassemia, mitochondrial and chromosome disorders.

Stem Cell Medicine

Stem Cell biology researchers work with stem cells and cutting-edge technology to understand how disease alters healthy cells. They’re developing new treatments for children with cancer, congenital diseases, and developmental disorders.

Population Health

Our diverse team of researchers study the health of communities and translate this knowledge into prevention, intervention, and treatment.



Infection, Immunity & Global Health

Allergies, infections, and immune conditions are under the microscope at MCRI with a major focus on developing new vaccines and testing these to ensure they are safe to give to children.

Research Support and Operations, Growth and Innovation

Provides the support services to sustain our research.

Our activities



Allergy

Eradicate food allergy



High-risk infant

Improve long-term outcomes for high-risk infants



Mental Health

Prevent and treat mental illness through a whole-of-system approach



Rare Disease

Improve detection, diagnosis and treatment of rare diseases



Pre and early pregnancy screening

Reproductive screening using genetic testing prior to and during early pregnancy.



COVID



Neurodevelopment

Transform our treatment of autism, social impairment and intellectual disability



Kidney

Develop new therapies for kidney disease



Infection

Reduce misuse of antibiotics and minimise drug resistance and side effects



Adolescent Health

Improve the health of future generations



Newborn and metabolic screening

Identifies rare metabolic disorders.



Heart

User regenerative medicine to repair damaged heart tissue



Complex Disease

Use life-long data to predict and prevent complex disease



Cancer

Develop new models of care for paediatric cancer



Aboriginal Health

Work with Aboriginal communities to improve the lives of their children



Mitochondrial Disease

Early diagnosis of chronic diseases that often result in poor growth, developmental delay, and muscle weakness.

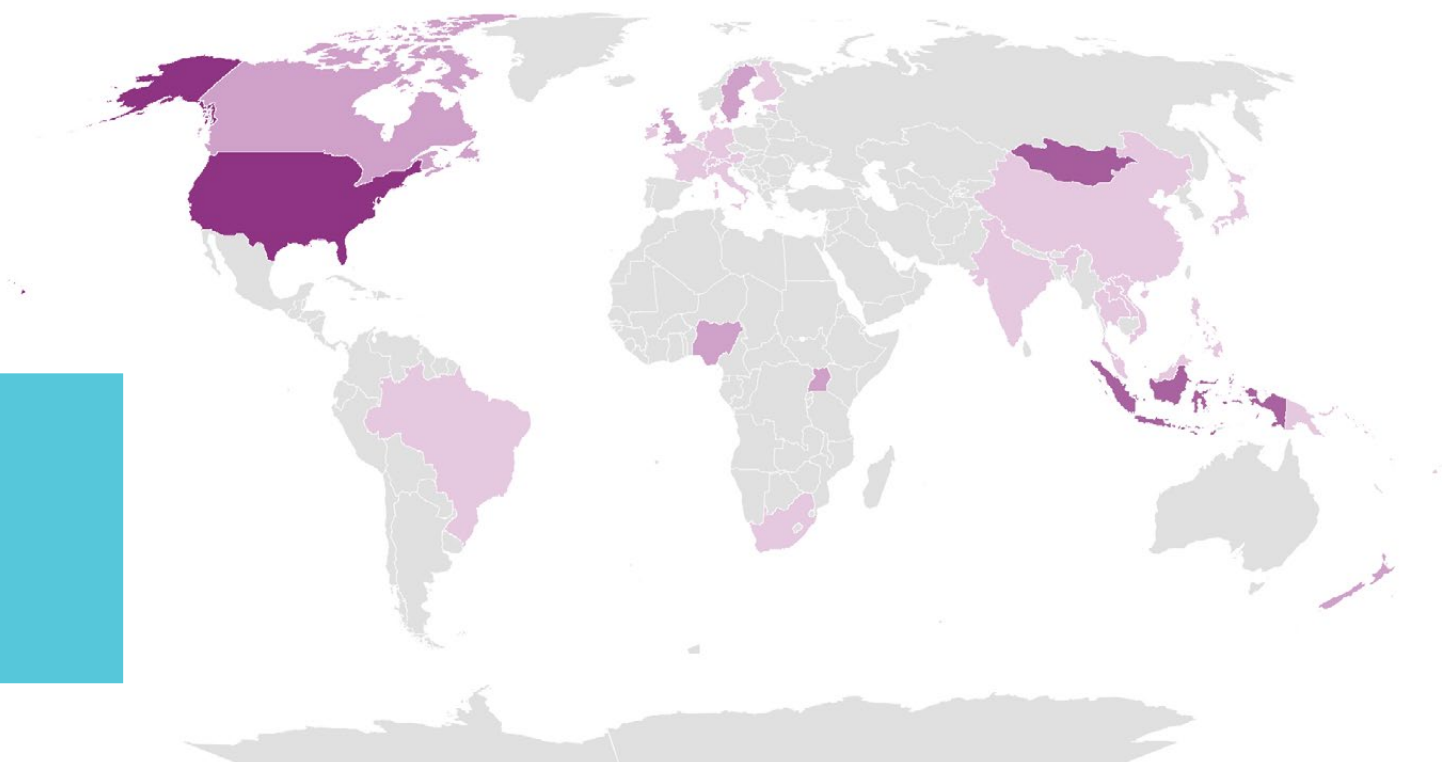


Our supply chain review



	Category	Examples
Service providers	Utilities and Waste Disposal	water, gas, electricity and waste disposal (including dangerous chemicals and waste)
	Administrative	temporary contract labour supply for administrative roles, legal, communications, hospital repairs and maintenance, advertising, consultants, continuity services, staff training, subscriptions and memberships
	Financial	general banking including credit cards, investment management, insurances, audit, staff default superannuation, external payroll bureau
	Couriers	domestic and specialised international couriers and dry shippers
	Travel and Accommodation	domestic and international transport, accommodation providers
Product suppliers	Laboratory and Pathology	chemicals, diagnostic kits and reagents, gases, glass/plastic ware, lab equipment
	IT, Telecommunications and Electronics	computer equipment, telephone and mobile phones, equipment with electronic components, software supply and maintenance
	Furniture and Non-Electronic Equipment	office equipment, furniture and fittings, office refurbishments
	Medical and Surgical	instruments, medical consumables, Personal Protective Equipment ('PPE')
	Office Supplies	printing, stationery, postage
	Catering and Food	food, beverage, crockery
Partners	Research Collaborators	universities, medical research institutes, hospitals, health care, government
	Global Health international services	Global Health and international field collaborators and suppliers
	Key Partner: RCH services	Royal Children's Hospital (main landlord) providing purchasing, parking, child care, pathology services
	Key Partner: RCH outsourced service provider	RCH's key service provider who provides key services including cleaning, maintenance, security, facility management

Our supply locations outside Australia



Country	Percent of spend %	Walk free score ¹
Austria	0.13%	8
Brazil	0.45%	47
Canada	4.15%	11
China	0.60%	46
Denmark	0.58%	6
Estonia	0.09%	15
Fiji	12.80%	N/A
Finland	0.31%	5
France	0.25%	13
French Polynesia	0.24%	N/A
Germany	1.72%	11
Hong Kong	1.68%	28
India	0.46%	56
Indonesia	7.50%	49
Ireland	0.50%	9
Italy	0.12%	22
Japan	0.05%	11
Kiribati	0.33%	N/A
Laos	0.09%	52

Country	Percent of spend %	Walk free score ¹
Malawi	<0.1%	55
Malaysia	0.32%	37
Mongolia	3.86%	50
Netherlands	0.50%	6
New Zealand	7.04%	8
Nigeria	1.51%	76
Papua New Guinea	0.26%	79
Philippines	2.34%	66
Singapore	2.77%	24
Solomon Islands	3.49%	N/A
Sweden	1.82%	7
South Africa	0.26%	52
Switzerland	1.84%	14
Thailand	0.45%	46
Tonga	0.69%	N/A
Uganda	1.34%	62
United Kingdom	8.84%	14
USA	29.60%	25
Vietnam	1.00%	44

¹Global Slavery Index 2023 Dataset, Walk Free Foundation, available from: www.globalslaveryindex.org

Indicating the vulnerability of a country in relation to Governance, Nourishment, Inequality, Disenfranchised Groups and Effects of Conflict (scale from 1-100, low is desirable).

Modern slavery risk assessment

A fresh risk assessment was undertaken for the Statement period and was supported by review of the following (including VCGS data and consultation):

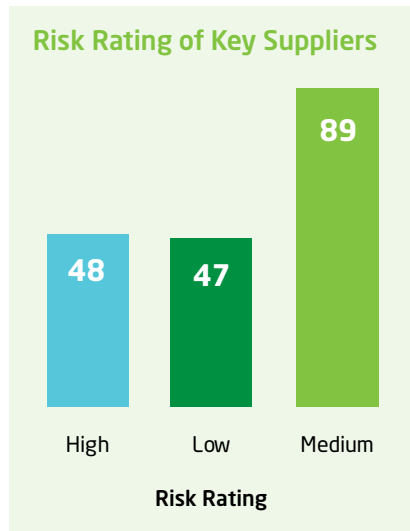
- Hiring practices and controls
- Types of goods and services
- Supplier frequency
- Supplier spend
- Supplier location

The risk of modern slavery associated with the types of goods and services supplied, geographic risks, sector and industry risks continues to be relatively low. However, We acknowledge that there are areas of our supply chain that may pose higher risks of modern slavery.

The following categories of our supply chain continue to pose higher risks of modern slavery when selecting suppliers for further assessment through the supplier questionnaire:

- Medical consumables
- PPE
- Shipping
- Electronics
- Cleaning services (engaged through the Royal Children's Hospital)
- Security services (engaged through the Royal Children's Hospital)

Based on our surveys to key suppliers and considering the high-risk products, a risk assessment was conducted and risk rating assigned. From this, we identified that 25% of our suppliers during the statement period were rated as high risk, of which 53% have modern slavery statements. This knowledge will enable further assessment of these suppliers to determine their suitability for future collaborations.



The risk assessment also allowed us to refine the definition of some product categories, in particular, medical consumables, to be implements made in specific high-risk locations and identify those locations. This resulted in positive actions, for example when purchasing replacement carpet for MCRI's offices we ensured that the carpet was purchased from a local supplier with a low-risk rating.

As outlined in our supply locations above, we identified the following supply locations during the Statement period as posing higher risks of modern slavery:

- Nigeria
- Papua New Guinea
- Philippines
- Uganda

When combined, these supply locations amount to approximately 5.4% of MCRI's overseas supply spend.

The majority of our spend (87% of our total institute expenses) remained in Australia, which is a low risk country.



Our actions

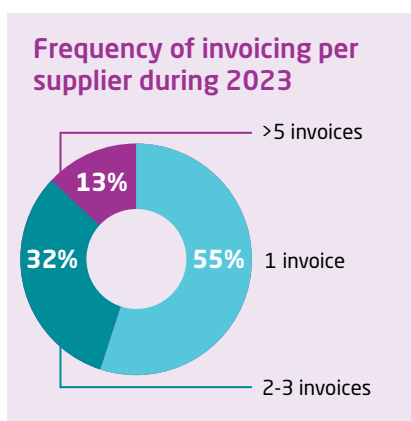
MCRI has taken the following actions during the 2023 Statement period to identify and manage Modern Slavery risks in our supply chain:

Supply chain review

MCRI continued its review of supplier data in 2023. By considering supplier frequency and spend, We gained further insights into our supply chain (including the ease of changing suppliers and our ability to influence the supplier relationship) in the context of assessing and managing Modern Slavery risks.

The review continued to show a wide range of suppliers, some common to both MCRI or VCGS, but many unique to only one. These suppliers included large enterprises, government departments and universities through to small and medium sized businesses, sole traders and consultants. The frequency of engaging these suppliers was analysed. During 2023 (excluding activity through RCH), MCRI transacted with 308 suppliers. Of these, 32% had five or less invoices processed during the period, with those having only one invoice processed representing 55% of the total. Spend with suppliers was also analysed, with the top 28 suppliers accounting for over two thirds of total overseas expenditure. Most suppliers continued to be located in countries considered low risk for Modern Slavery.

Analysis of frequency of purchase and spend by MCRI with each supplier continued to provide insight into the risks of modern slavery in our supply chain. From this data we can consider the ease with which we can change suppliers if necessary and our ability to influence each supplier relationship.



Procurement review

Previously a procurement review indicated an opportunity to improve our existing purchasing system. As a result, We engaged in an overhaul of our procurement function, which involved insourcing of the purchasing functions from RCH to MCRI and implementation of a new purchasing system in 2021.

Having made this change, during the current statement period we were able to complete a more vigorous analysis of our supplier list, which helped to refine our focus of suppliers. We were then able to categorise the risk ratings for these additional suppliers and record these in our system. A process has commenced to confirm whether these suppliers have modern slavery statements of their own to reduce some from medium to low risk.

Supplier questionnaire

Following our initial supply chain review through which We identified suppliers that were high risk or high spend, the Modern Slavery working group prepared a supplier questionnaire based on Modern Slavery risks and controls. To date, the supplier questionnaire has been sent to 183 high risk or high spend suppliers identified by the initial supply chain review. The responses received have allowed us to understand the risks in our suppliers' operations and the controls they have put in place to address those risks. This program of work continued in 2023 to follow up with suppliers who have not yet submitted questionnaires and explore responses in more detail where required.

Policy development

Our policies support our vision and values and form part of our key compliance controls in our operations and supply chains. A policy working group was formed in 2023 aimed at reviewing our policies, including our Code of Conduct, and ensuring that we meet our legal and ethical obligations, and to fulfill the mission, goals and objectives of MCRI.

Template clauses

Template clauses for supplier contracts addressing modern slavery have been introduced. New supplier agreements include the template clauses and MCRI will continue to conduct ongoing supplier contract reviews for existing suppliers in 2024.

Hiring practices

MCRI maintains a standardised hiring process and practices (including screening employees) for domestic and international research. Where staff have joint appointments, We work with international collaborators such as hospitals, universities and international research bodies and these are skilled staff. Our experience in partner selection with reputable organisations that maintain robust hiring practices is built into our sourcing and helps manage Modern Slavery risks. We take all reasonable steps to ensure that local staff working on research projects and trials are paid and treated appropriately. Our Global Health research assists many people around the world with healthcare that reduces vulnerability.

Whistleblowing Program

MCRI has taken significant steps to develop a Whistleblowing Program to enable reporting of Modern Slavery and is internationally available in multiple languages. We have partnered with an independent whistleblowing service to develop this program that will strengthen compliance by our employees and external suppliers with our ethical requirements. The program includes a process for anonymous reporting of concerns and employee awareness measures.

Compliance Portal

To ensure that staff have a clear understanding of their responsibilities in the different stages of our operations and supply chain, We have implemented an electronic compliance portal to monitor compliance of our core obligations. This portal includes a Modern Slavery module. This module in turn includes core obligations for ensuring compliance in our supply chains. These obligations are broken into recruitment and employment practices; risk assessment in our operations; procurement and supply chains; and modern slavery reporting. We have commenced rolling out training to core staff in 2024.

Bribery and Corruption

MCRI has a zero tolerance towards bribery and corruption. We are committed to preventing bribery and corruption, both within the organisation and in our dealings with other organisations. We have developed an Anti-Bribery & Corruption Policy in line with our existing Code of Conduct, that sets out the key principles on which We manage our bribery and corruption risks, and to strengthen our commitment to the highest standards of legal, moral and ethical behaviour. MCRI has also partnered with Transparency International to understand the global challenges and the impact of corruption in health care settings.



Actions taken in our Global Health projects

Most of the research and clinical trial activity undertaken by MCRI outside of Australia, primarily in Africa, Asia and the Pacific region, is run by research groups who work in MCRI's Global Health research initiative. As such, we recognise the importance of identifying and addressing Modern Slavery risks as we undertake these activities.

Since 2017 MCRI has been a full member¹ of the Australian Council for International Development (ACFID). ACFID is the peak body for Australian non-government organisations involved in the areas of international development and humanitarian action.

ACFID members work to alleviate poverty, reduce inequality, support environmentally sustainable and inclusive development and on the front lines of humanitarian emergency and disaster relief. ACFID membership comprises over 250 organisations actively working in the international aid and development sector.

As a signatory to ACFID, our work is conducted with transparency, accountability and integrity in line with the guidelines and principles of the ACFID Code of Conduct. We are committed to meeting ACFID's compliance verifiers and good practice indicators, as we combat the risks of modern slavery and protect the human rights and freedoms of our staff, partners and individuals in our supply chains. This includes completing the ACFID self-assessment in 2024. As an ACFID member, MCRI is required to maintain the highest standards in its overseas operations that specifically address risks in relation to: modern slavery; protection of children, the vulnerable and marginalised; human rights; gender equality; disability inclusion; fraud and corruption control (including anti-terrorism).

To manage the risks in our global health partnerships, including risks of modern slavery, our global health team have developed questionnaires and checklists that include questions related to Modern Slavery risks and controls. These assessments are undertaken for new overseas collaborators and our global health staff have begun completing them with representatives of existing overseas collaborators.

Collaborator assessments for our global health work include child safety risks, Prevention of Sexual Exploitation, Abuse and Harassment ('PSEAH') risk assessments. An assessment of child protection minimum standards has been introduced including child labour and sexual exploitation as part of a child protection risk assessment.

Source 1: Australian Council for International Development, available: <https://acfid.asn.au/content/membership-types>



Our international trials and research

Our international medical research and clinical trials support the improvement of healthcare around the world, which strengthens communities against vulnerabilities that exacerbate slavery risks.

Some of our major strategic initiatives support and implement research addressing health issues affecting the world's poorest children. This includes observational healthcare studies; clinical trials; education and training and administering treatment and vaccines in association with local healthcare organisations. Examples of these international collaborations are:

International Trials

Trial name/description	Country (s)
The Polar Trial Positive End-Expiratory Pressure (PEEP) Levels During Resuscitation of Preterm Infants at Birth.	Netherlands, Italy, France, Austria, UK, USA, Poland, Brazil
Big Shift Scabies or World Scabies Program Mass Drug administration of Ivermectin to eradicate scabies.	Fiji, Solomon Islands

International Studies

Study name/description	Country (s)
Mate-Asia A prospective observational study for improving diagnosis of pneumonia and determining the burden of vaccine-preventable pneumococcal empyema.	Indonesia, Philippines, Thailand, Cambodia, Hong Kong, Bangladesh
Oxygen Access (including Real Moxy) Developing and testing better ways to get life-saving oxygen to patients when they need it. Our AutoOx trial for pre-term infants in Nigeria was completed in 2023, with the international study continuing.	Ethiopia, Kenya, Uganda, Nigeria, Liberia, Rwanda, India, Laos, and Cambodia
Sentinel Study To obtain baseline international multi-centre multi-country retrospective observational data required to answer fundamental aspects of sepsis care for children and to plan future interventional studies.	Thailand, Vietnam, Philippines, Costa Rica, Sri Lanka, Indonesia, India
AQUA Study Study looking at the possible effects on child development of drinking low or moderate levels of alcohol in pregnancy.	Belgium

Effectiveness of our actions

It is important to MCRI that the actions we are taking to identify and mitigate risks of modern slavery are effective.

Ongoing reviews of our insourced purchasing functions continue to give us greater visibility over our supply chain, including the ability to identify risks of Modern Slavery. The improved risk assessment of our supplier list in our internal system enhances our assurance of a robust process and enables tracking of these suppliers. From this we have been able to focus on those suppliers who are higher risk and do not have modern slavery statements of their own. This visibility allows us to track our assessment of suppliers on modern slavery and continuously improve our supply choices.

The supplier questionnaire responses continue to be a means to inform our decision making on suppliers and our assessment of risk. These continue to help us identify key suppliers for follow up discussions. The questionnaire response rate is being tracked as a key indicator of the effectiveness of our interactions.

All Whistleblower notifications, including those in relation to Modern Slavery, are tracked and the number of reports is used as a key indicator.

The implementation of the legislative compliance portal increases our understanding of modern slavery risks and obligations to help ensure we have a comprehensive view of our modern slavery obligations and comply with these. By having a portal to track that these are assigned ownership and actively being managed supports the effectiveness of our program.





Continuous improvement

We recognise the need for continuous improvement in managing Modern Slavery risks and the importance of reassessment as our institute grows and changes over time. In 2023, we continued our progress to combat the risks of modern slavery, as reflected in our actions.

Key Initiatives for 2024

- A commitment to rolling out standard training to educate and support staff and suppliers to identify, report and manage Modern Slavery risks.
- Continuing to follow up suppliers who have not yet submitted their supplier questionnaires, a process that resulted in an increase in responses from suppliers in the previous statement years. For suppliers who have not submitted, We will assess our contractual obligations to determine the feasibility of tendering our supply contract.
- Ongoing reviews and updating of supplier contracts and collaboration agreements with the Modern Slavery clauses that were introduced prior to the previous Statement year.
- The criterion developed for risk assessing suppliers which has been built into our procurement software, enables ongoing risk assessments of suppliers.

MCRI remains committed to vigilance in our organisation to identify Modern Slavery risks and manage them effectively. Through our research and operations, We will continue to support vulnerable children and families in many parts of the world.





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