



Epworth

Modern Slavery Statement

1 July 2021 to 30 June 2022

Introduction

Epworth HealthCare is Victoria's largest not-for-profit private hospital group, renowned for excellence in diagnosis, treatment, care and rehabilitation at convenient locations across Melbourne and Geelong. At Epworth, our patients are at the heart of everything we do. Supported by excellent facilities, we integrate clinical practice with education and research to deliver outstanding patient care, each and every day.

As Victoria's largest not-for-profit private hospital group, Epworth is committed to understanding and identifying the extent to which modern slavery practices are embedded in our supply chain, and what we can do to eradicate any such practices as both a consumer of services and a service provider. Identification and eradication of modern slavery practices, including forced and child labour and servitude, is in line with our core values of Compassion, Accountability, Respect and Excellence at Epworth.

In line with the requirements of the *Modern Slavery Act 2018* (Cth) (the **Act**), Epworth is required to produce an annual modern slavery statement. This statement is prepared for the period 1 July 2021 to 30 June 2022 (**Reporting Period**) and is the third statement for Epworth.



Our core values at Epworth HealthCare

About Epworth HealthCare

Epworth Foundation ABN 97 420 694 950 (**Epworth Foundation**) is established as a body corporate pursuant to the *Epworth Foundation Act 1980* (Vic) and trades under the registered business name Epworth HealthCare.

Epworth Foundation is a reporting entity for the purposes of the Act, having met the reporting threshold in the Reporting Period. Annual reporting information about Epworth Foundation is available from the Australian Charities and Not-for-profits Commission (**ACNC**).¹

Additionally, Epworth Foundation has a number of related entities involved in the provision of health services and philanthropic activities related to health promotion and advancing culture, namely:

- Epworth Medical Foundation Limited
ABN 59 135 483 055
- Epworth Arts Foundation Limited
ABN 62 606 612 220
- Epworth Geelong Limited
ABN 83 652 965 967

collectively, **Epworth**. These related entities are not reporting entities for the purposes of the Act. However, this statement is provided on behalf of all entities at Epworth, given Epworth Foundation conducts all sourcing and procurement on behalf of Epworth and is responsible for compliance with the Act, and staffing requirements of Epworth are supplied by Epworth Foundation.

To the extent that this statement outlines activities conducted by Epworth, those activities have been conducted by Epworth Foundation on its own behalf and on behalf of the entities at Epworth, unless expressly stated otherwise. Accordingly, other entities at Epworth are reporting on a voluntary basis.

¹ www.acnc.gov.au

Our operations

Epworth HealthCare operates across a number of private hospitals in Victoria, Australia including:

- Epworth Brighton
- Epworth Camberwell
- Epworth Eastern
- Epworth Freemasons
- Epworth Geelong
- Epworth Hawthorn
- Epworth Richmond

collectively, **Epworth facilities**. The Epworth facilities provide a range of private hospital and health services.

Epworth also:

- operates a transitional living rehabilitation centre in Thornbury;
- conducts a number of medical consulting suite facilities across south-east Melbourne; and
- conducts a number of clinical research programs.

To support our various healthcare and hospital operations, Epworth employs over 7,000 staff, comprising an employed and contracted workforce. Further information about the history, operations and services of Epworth is available on our website www.epworth.org.au

Continuing impact of COVID-19

COVID-19 continued to impact operations and supply chains globally during the Reporting Period. Epworth HealthCare first entered into a Private Hospital Funding Agreement (**PHFA**) with the Victorian Government to make available its infrastructure, essential equipment, supplies and workforce, to boost the capacity of the Victorian hospital system through the coronavirus pandemic as part of the COVID-19 Response Plan in April 2020. The PHFA provided funding to Epworth to relieve pressure on public hospitals and ensure the State of Victoria's health system operated at full capacity to care for Victorians during the coronavirus pandemic.

The PHFA was operational for a large part of the Reporting Period and operations at Epworth continued to support the COVID-19 response through the provision of services including:

- hospital services for public patients – both positive and negative for COVID-19;
- category 1 elective surgery;
- utilisation of wards and theatres to expand ICU capacity; and
- safety procedures and training.

As a result of these arrangements, normal operations at Epworth were partially suspended to some extent in each quarter of the Reporting Period. Planned activity, including the intended implementation of components of the Epworth Modern Slavery action plan, were delayed and resumed only in the fourth quarter of the Reporting Period.

Our supply chain

Given the range of inputs into the provision of healthcare services, Epworth HealthCare has a vast supply chain that includes the purchase of products and services required for the delivery of private hospital operations, that would be common to most healthcare providers in Australia.

Our supply chain is made up of approximately 3,700 suppliers across a diverse range of industries and with multi-level supply chains. Our suppliers (and suppliers to our suppliers) are primarily located in Australia, but also in countries including Canada, China, Costa Rica, Czech Republic, Dominican Republic, France, India, Ireland, Japan, Malaysia, Mexico, Poland, Slovakia, Sweden, Switzerland, Taiwan, Tunisia, UK and the US. Many of these countries have publicised records of modern slavery, particularly in those countries where the rule of law is low and low cost and migrant labour are the norm.

In addition to hospital specific products and services, Epworth also procures goods and services related to a range of business functions including office and corporate administration, building and construction, engineering, labour hire, security, cleaning, catering, information technology infrastructure and uniforms. Epworth does not currently engage directly with any raw material or commodity producers.

Risk of modern slavery practices

Epworth HealthCare has identified the following supply chain categories of spend, as giving rise to a risk of modern slavery:

- clinical products and equipment such as prostheses, medical consumables, surgical instruments and pharmaceuticals;
- facility services and management such as utilities, waste, security, cleaning, catering and linen;
- indirect corporate spend such as IT contractors, licences and hardware; and
- building and construction.

Epworth has not identified any specific instances of modern slavery in its operations or supply chain. However, Epworth has considered the sources of risk of modern slavery practices in the above categories and believes that the primary risk of modern slavery for our organisation arises through its supply chains particularly for products and services sourced overseas and extending beyond direct suppliers. For example, where a supplier of products exploits labour or creates unrealistic cost targets that can only be met with exploited labour, this constitutes modern slavery.

The greatest area of risk by product type is sourcing clinical products that are associated with risks to labour and human rights, whether concerning gloves, surgical instruments, garments or electronic goods.

The most significant area of modern slavery risk by geography for Epworth is the manufacture of products or product components sourced overseas, in particular from Asia. This equates to our top 500 suppliers.

Epworth is committed to an action plan to reduce the prevalence of modern slavery in its supply chains. This commitment extends to keeping an open dialogue with our suppliers to identify products manufactured in countries, where modern slavery is a recognised or emerging risk.

Assessing and addressing modern slavery risks

During the period 1 July 2021 to 30 June 2022, Epworth HealthCare continued to develop our framework to address modern slavery risks through the implementation of components of our modern slavery action plan including specific measures detailed below.

Internal policies and practices

Epworth has governance policies and practices, internal controls and risk and compliance management processes in place to promote responsible management and ethical conduct in a range of areas. Our risk management framework is designed to effectively identify, assess, manage, monitor and report risks including modern slavery risks.

Epworth is also committed to our Code of Conduct, which is based upon our core values and on the expectations of the broader community. The Code of Conduct sets out the fundamental principles and requirements that govern the ethics and standards of behaviour expected from all people who work for and within the organisation.

The Code of Conduct aims to promote:

- a high level of professionalism and provide a benchmark for ethical and professional behaviour throughout Epworth; and
- a healthy, respectful and positive workplace and environment that underpins our operational achievements and our contribution to the wellbeing of the communities in which we operate.

Everyone at Epworth is required at all times to adhere to our Code of Conduct, live our values every day in the workplace and, at all times, act and behave in a manner consistent with establishing trust and confidence in our organisation.

Whistleblowing

Epworth encourages a speak up culture and an environment where it is safe for staff to make whistleblowing reports. During the Reporting Period, Epworth did not receive any whistleblowing reports relating to a modern slavery issue in our supply chain. We acknowledge that this doesn't mean they don't exist, and we will continue to promote our confidential whistleblower reporting service as a process through which persons can raise concerns regarding actual or suspected misconduct.

Modern slavery training

A modern slavery training program was first developed and launched in 2021 to create an increased awareness among key Epworth procurement staff about modern slavery risks. Online training was also developed and launched for all staff, which was designed to create awareness and understanding of modern slavery and gauge existing awareness of modern slavery among Epworth staff. Modern slavery staff training continued to roll out across the organisation throughout 2022 and it is planned to be refreshed in 2023 to become more interactive and accessible to Epworth staff.

Modern Slavery Questionnaire

In May 2022, Epworth issued our top 50 suppliers (based on annual spend) with a Modern Slavery Questionnaire to assist our organisation to assess modern slavery risk in our supply chain. In addition, all personal protective equipment (PPE) suppliers that did not already sit within the top 50 suppliers were also issued with the Modern Slavery Questionnaire in response to an increased focus in the US and the UK on forced labour issues associated with the manufacture of rubber gloves in Malaysia. Given the potential risk of modern slavery, Epworth included PPE suppliers (distributors) in those suppliers asked to complete the Modern Slavery Questionnaire, regardless of annual spend with those PPE suppliers.

In total, 53 suppliers were issued with the Modern Slavery Questionnaire and these suppliers represent over 50% of the annual spend at Epworth. Epworth received 24 responses, representing a 45% response rate. Of respondents:

23 (96%) had formal modern slavery policies; and

14 (58%) had published modern slavery statements.

This Reporting Period represents the first time that Epworth has issued a Modern Slavery Questionnaire to suppliers. Given the response rate, Epworth notes that there are opportunities to encourage a better response from suppliers when issuing future questionnaires.

In conjunction with the Modern Slavery Questionnaire responses, Epworth also conducted a desktop review of our top 50 suppliers' published (where available) and/or provided modern slavery policies and statements.

From the review of questionnaire responses and desktop review of modern slavery statements, no significant or high risks of modern slavery were identified. The top 50 suppliers' questionnaire responses and modern slavery statements indicated only a high-level engagement in the identification and combat of modern slavery risks in their operations and supply chains. Risks of modern slavery predominately arose from the geographical location of manufacturing, predominately in China.

Supplier contracts and Supplier Code of Conduct

Epworth continues to incorporate contractual provisions into our standard supply and services agreements to require suppliers to comply with modern slavery laws and notify us of any modern slavery in their supply chain or operations.

In March 2022, Epworth introduced a Supplier Code of Conduct. A copy of the Epworth Supplier Code of Conduct is available at: www.epworth.org.au/who-we-are/corporate-social-responsibility/supplier-code-of-conduct

Epworth Supplier Code of Conduct is intended to be a high-level guiding principles document. It is a public facing statement that outlines our organisation's minimum expectations of existing and new suppliers. Compliance with the Supplier Code of Conduct is incorporated as a contractual obligation in our standard supplier agreements. In addition, suppliers are asked to confirm if they are compliant with the Supplier Code of Conduct as part of the Modern Slavery Questionnaire.

Assessing the effectiveness of our actions to address modern slavery

The Epworth primary indicator of the effectiveness of our actions to address modern slavery is to evaluate delivery against our commitments. As outlined in this statement, given the continued focus of the organisation on providing support to the Victoria's COVID-19 response during the majority of the Reporting Period, not all our intended actions were able to be taken. However,

notwithstanding COVID-19 challenges, Epworth has made significant progress during the period 1 July 2021 to 30 June 2022. We completed a more detailed review of supplier policies with completion of our first supplier Modern Slavery Questionnaire and introduction of the Supplier Code of Conduct.

Looking ahead

Epworth HealthCare recognises the need to continually improve and progress our approach to addressing modern slavery. Looking ahead, the key priorities for 2022–23 are as follows:

- Review and continued roll-out of the modern slavery training and awareness program for staff.
- Using the Modern Slavery Questionnaire responses as a guide, continuing to work with high-risk and high-value suppliers in our supply chains to better identify and eradicate modern slavery risk. Epworth will also work with suppliers that did not respond to gain better visibility over our supply chain in 2022–23.

- Continue to introduce modern slavery clauses across our supplier agreements.
- Incorporation of modern slavery assessments into our standard procurement processes.
- Review and update policies, including procurement and purchasing policies, as needed.

Consultation

In the preparation of this statement, consultation has occurred with relevant stakeholders within Epworth. As part of consultation with Epworth entities, each Board of Directors has reviewed and approved this Modern Slavery Statement as well as it being approved by the Board of Management of Epworth Foundation.

This Modern Slavery Statement is made in accordance with section 14 of the *Modern Slavery Act 2018* (Cth) and represents the Epworth Statement for the period 1 July 2021 to 30 June 2022.

Approved on 25 October 2022 by the Board of Management of Epworth Foundation. Also approved by the Board of Directors of Epworth Arts Foundation Limited, the Board of Directors of Epworth Medical Foundation Limited and the Board of Directors of Epworth Geelong Limited.



Wendy Thorpe
President, Epworth Foundation