



Modern Slavery Statement

1 January 2022 to 31 December 2022

1. Reporting Entity

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) in respect of Adelaide Community Healthcare Alliance Incorporated (ABN 99 367 793 956) and its wholly owned subsidiary, ACHA FPH Property Pty Ltd (ABN 13 068 752 214), both not-for-profit entities, consolidated and trading as “ACHA” (**ACHA**).

This Modern Slavery Statement is submitted by ACHA in respect of the 12-month period ending 31 December 2022.

2. ACHA’s Organisational Structure, Operations and Supply Chains

Overview

ACHA is a community-based and not-for-profit private hospital group in South Australia.

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

ACHA has a contractual agreement with Healthscope Operations Pty Ltd (Healthscope) that sees ACHA retain responsibility for strategic direction and governance while Healthscope (**Manager**) takes care of daily management of operations.

This means the Manager enters contracts on behalf of ACHA for the majority of goods and services required for the operation of the ACHA hospitals. The Manager acquires goods and services on behalf of ACHA where there is a clear nexus between the goods or services provided under the contract and the operations conducted at the ACHA hospital.

Due to the nature of the management relationship between Manager and ACHA, the Manager provides ACHA with:

- All material contracts entered into on behalf of ACHA as part of the Manager’s procurement activities, at the end of every financial year; and
- A copy of the Manager’s Modern Slavery Statement.

Our people are known for achieving exceptional clinical outcomes, transparent public reporting and positive patient feedback that leads the industry. No matter the role, every day our people make a difference to the lives of our patients and their families and it is a privilege to be part of their care.

ACHA is a values-driven organisation and insists that its employees go beyond just complying with laws, regulations and with basic standards of personal conduct. We understand that creating a culture for employees to develop, work safely and thrive has a profound impact on our business, our patients, their families and our doctors and we are committed to support all efforts to stop modern slavery.

We take safety seriously. Underpinning our values is our commitment to safety – how we look out for oneself and each other, calling out and correcting unsafe conditions and not accepting injury as part of working at ACHA. We are truly committed to creating a safe workplace for everyone, because we care.

ACHA's business and operations

ACHA is an Association governed by a Board of six Directors in accordance with its Constitution.

ACHA is registered as a charity by the Australian Charities and Not-for-profits Commission (ACNC) and as an income tax exempt charitable entity under Subdivision 50B of the Income Tax Assessment Act 1997.

ACHA's operations are comprised of:

- Ashford Hospital, complemented by an Emergency Service
- Flinders Private Hospital
- The Memorial Hospital

ACHA's corporate office is located at 1 Flinders Drive, Bedford Park, SA 5042.

ACHA provides a wide range of high quality healthcare services through its collection of acute medical, rehabilitation, surgical and obstetric hospitals. We engage a broad range of highly skilled professionals to deliver these services, as employees, contractors, doctors and partners.

We treat in excess of 70,000 patients per year, deliver more than 1,500 babies and perform over 51,000 surgical procedures.

A subsidiary of ACHA, ACHA FPH Property Pty Ltd, was established for the development of Flinders Private Hospital, for the purpose of fulfilling the requirements of the Flinders Medical Centre Private Development Project. It is managed by a board of three Directors (who are also Directors of ACHA) in accordance with its Constitution. It is registered as a charity and as an income tax exempt charitable entity under Subdivision 50B of the Income Tax Assessment Act 1997.

Also included in this Statement is the ACHA Foundation Incorporated, a small charity with annual revenue usually less than \$100k. It has two common Directors with ACHA, uses the same policies and procedures and accesses shared suppliers.

Corporate governance

ACHA's relationship with Healthscope provides access to, and support for, a range of operational and corporate management functions. To that end, Healthscope has developed a comprehensive approach to achieving Modern Slavery Act compliance, which has been reviewed and evaluated by the ACHA Board to be both appropriate and applicable to ACHA operations and its Supply Chain.

ACHA's Board and management are committed to our employee code of conduct, which is based upon our core values and on the expectations of the broader community (**Employee Code of Conduct**). Our Employee Code of Conduct complies with the law and with applicable guidelines on appropriate ethical standards.

Our Employee Code of Conduct outlines how ACHA expects all people associated with our business – including employees, contractors, subcontractors, consultants, Visiting Medical Officers and agency employees, to conduct business.

ACHA's Employee Code of Conduct aims to:

- Promote a high level of professionalism and provide a benchmark for ethical and professional behaviour through ACHA.
- Promote a healthy, respectful and positive workplace and environment.
- Ensure awareness of the consequences if an employee breaches the Employee Code of Conduct.
- Require everyone at ACHA to be familiar with the Employee Code of Conduct, live the 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.

The Employee Code of Conduct is complemented by an extensive series of corporate policies and procedures which apply to all ACHA facilities and employees. The easy to use online set of eLearning training modules (provided through the Manager) support staff understanding and awareness of ACHA's values, expectations, and policies.

ACHA has a Whistleblower policy, complete with an internal Whistleblower Protection Officer, a Toll Free Ethics Hotline, and a response program.

The Manager's People, Remuneration and WH&S Committees has responsibility for endorsing and reviewing the effectiveness of the People Strategy, which includes remuneration arrangements, Diversity and Inclusion Policy, and staff engagement.

Through the Manager's Audit, Risk & Compliance Committee, an Enterprise Risk Management Framework, along with a Risk Management Policy is in place to improve the identification, treatment and monitoring of enterprise risks. These measures are principally designed to support a strong risk identification and management culture increasing capability broadly across the business. The ACHA Board has also endorsed an ACHA Risk Management Policy.

Supply chain

ACHA's supply chain consists of a broad range of local and global providers, predominantly through direct commercial and contractual relationships. The range of goods and services required by ACHA spans local contingent labour forces, travel services, corporate office supplies, right through to critical medical consumables. Clinical equipment and materials are the largest areas of spend, and the sourcing of those goods is managed through the Manager's centralised team of dedicated procurement specialists who all participated in the mandated training on the Manager's Employee Code of Conduct.

3. Risk of Modern Slavery Practices

Overview

ACHA is committed to supporting all efforts to stop modern slavery.

With ACHA's operations solely in Australia, the Manager considers its risk of direct involvement in modern slavery practices to be extremely low, with further consideration needing to be given to its extended supply chain as a source of potential risk.

To mitigate the potential risk of modern slavery in our supply chain, a program of action has been undertaken, with initial actions implemented, and further work underway. The approach of ACHA's Manager is to continually plan, do, act and check, thereby learning and adapting as the programs progress. This approach is proven to maximise the effectiveness of the outcome, regardless of the program, and hence has been applied to modern slavery compliance.

Identification of risk

Across its supply chain, the Manager has engaged in the order of 6,000 suppliers of goods and services to conduct and maintain its operations, a portion of these suppliers are engaged on our behalf. These suppliers are local and global, comprising manufacturers, distributors, agencies, brokers, consultants, and other service providers.

The review conducted by the Manager of the supply chain of providers relevant to our operations, included the following categories of spend:

- Clinical products and equipment such as Prostheses, Medical Consumables, Surgical Instruments, and Pharmacy
- Utilities such as gas and electricity
- Indirect corporate spend such as IT contractors, licences, and hardware
- Facilities Management such as security and fire services
- Site services such as contingent labour providers, linen and maintenance
- Other corporate services such as travel and entertainment

In consultation with the Manager we considered the sources of risk of modern slavery practices in these categories and believes that exposure may exist with respect to suppliers of products manufactured in, and distributed by, known high-risk countries such as China, Hong Kong, Taiwan, Malaysia, Pakistan and India.

The greatest risk is through the lack of visibility of the second and third tier supply chain, or “downstream” suppliers.

In summary, the Manager believes it has two main sources of risk;

1. Direct engagements with suppliers operating in high-risk countries
2. Downstream vendor operations not currently visible

4. Actions taken

In conjunction with our Manager to manage the modern slavery risk within our operations, the following measures have been implemented:

1. Published an accessible Procurement Policy, outlining the processes and requirements for engaging with suppliers for goods and services, including assessing third party risks including but not limited to Modern Slavery risks.
2. Continuing to develop formal training on Modern Slavery obligations and requirements as flagged in our previous statement.

On our behalf, the Manager continues to build on the same measures to address its modern slavery risk across the two main sources.

1. Direct engagement of suppliers operating in high-risk countries:
 - a. These high-risk supply arrangements have been considered, and are subject to an externally run Desktop Due Diligence process, managed by the Manager’s Clinical Procurement Category Management team, to identify any negative business news, legal action, sanctions and watchlists, credit or other public records/reports in 15 languages.
 - b. The Manager will engage with an accredited third party auditor to physically audit the primary manufacturing premises to assess third party risks including Modern Slavery for new manufacturers.
 - c. If an issue is identified, then the Manager’s Procurement Category Management team will conduct a further evaluation via direct contact, and through industry networks. If the supplier cannot be vetted for their modern slavery compliance, then the business will not proceed with the engagement.

2. Downstream vendor operations not currently visible to the Manager:
 - a. A Supplier Code of Conduct is published on the Manager’s website, incorporating our expectations on compliance with modern slavery laws and obligations. Our expectation is clear; our suppliers must behave ethically and with integrity in all business transactions, complying with all national and local laws and regulations. We expect our suppliers to hold their supply chain accountable to the same principles and standards contained within this Supplier Code of Conduct. Specifically, we require that our direct suppliers and their supply chains ensure that there is no modern slavery in their businesses. The Supplier Code of Conduct can be accessed on the Manager’s website: <https://healthscope.com.au>
 - b. The Manager has included a modern slavery compliance clause within all of its standard supplier contracts, commencing in January 2020, for all new contracts, and contract renewals. The clause requires the supplier to take reasonable steps to ensure that there is no modern slavery in the supplier’s or its subcontractors’ supply chains or in any part of their business, and to conduct due diligence as well as notify the Manager, who will then notify us, of any breaches.
 - c. On our behalf, the Manager has progressed a programme to undertake a more robust Due Diligence process for its most significant supply chains which identified its largest supply partners. The programme was launched in 2022 directly engaging with top suppliers to understand their modern slavery compliance activities as part of our environmental, social and governance due diligence process. Through this process, in collaboration with these suppliers, any identified gaps will require rectification plans to achieve compliance. The learnings from this activity will be assessed and used to inform improvements to the Due Diligence and overall third party risk management activity.

The implementation of these measures reflects the Manager’s dedication to continuous improvement in its approach to managing modern slavery risks. By conducting supply chain audits and undertaking robust due diligence processes, the Manager is able to proactively address any potential risks as well as enhance its strategies to address modern slavery effectively.

5. Evaluating effectiveness

The Manager’s plan to expand upon assessment and mitigation of the two core identified risk areas is already on target, by undertaking the following actions by the end of the next reporting period:

- Continually improve the risk framework and policy to respond to potential non-compliance to our modern slavery requirements, including guidance and support for our suppliers to achieve compliance.
- Review and update policies as needed and relevant to modern slavery risk.
- Further incorporate modern slavery risk and compliance into corporate governance processes, including board reporting processes
- Evaluating the due diligence process on top suppliers to ensure it is achieving the Manager’s goal of identifying any gaps.

Progress against these actions will be tracked and evaluated by the Manager’s Audit & Risk Committee, with updates presented to the executive leadership team as part of the third-party risk management reporting process. Updates will be presented to the ACHA leadership team on a periodic basis as determined by the business.

6. Process of consultation with any entities the reporting entity owns or controls

ACHA consulted with its Manager, Healthscope, and the Directors of ACHA FPH Property Pty Ltd and the ACHA Foundation in the development of this Statement.

The Board of Directors has approved this statement on behalf of ACHA and the entities it owns or controls, and has authorised it to be signed by the Chairman.



Tony Johnson

ACHA Board Chairman

28 June 2023