

Modern Slavery Statement 2021



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Reporting Entity

This modern slavery statement is made pursuant to the *Modern Slavery Act 2018* (Cth) in respect of ANZ Hospitals Topco Pty Ltd (ACN 631 014 965) and its wholly owned subsidiaries, together trading as “Healthscope” (**Healthscope**). It is submitted by Healthscope in respect of the period ending 31 December, 2020.

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Healthscope's Organisational Structure, Operations and Supply Chains

Overview

Healthscope exists to provide the highest quality healthcare to the communities we operate in. We are proud of our 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.

Healthscope 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 work together for better care; for our patients, our employees, and our partners, and we are committed to support all efforts to stop modern slavery.

Healthscope's business and operations

Healthscope is a privately owned Australian company limited by shares and is a national provider of health care. Healthscope employs greater than 19,000 people, across 42 facilities in all Australian states and territories. Healthscope's corporate office is located on Level 1, 312 St Kilda Road, Melbourne, Victoria.

Healthscope provides a range of services, including maternity, medical and surgical, mental health and emergency department services. We engage a broad range of highly skilled professional to deliver these services, as employees, contractors, doctors and partners.

We treat in excess of 600,000 patients per year, deliver more than 12,000 babies and perform over 360,000 surgical procedures. We do this through our 33 acute hospitals, 6 rehabilitation hospitals, and 12 maternity units.

Corporate governance

Healthscope'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 Healthscope expects all people associated with our business – including employees, contractors, subcontractors, consultants, Visiting Medical Officers and agency employees, to conduct business.

The Employee Code of Conduct aims to:

- Promote a high level of professionalism and provide a benchmark for ethical and professional behaviour through Healthscope.
- 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 Healthscope 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 Healthscope facilities and employees. Healthscope's easy to use online set of eLearning training modules support staff understanding and awareness of our values, expectations, and policies.

Supply chain

Healthscope's supply chain consists of a broad range of local and global providers, both via direct relationships and through an intermediary/agent. The range of goods and services required by Healthscope 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 a centralised team of dedicated procurement specialists. Healthscope does not currently engage directly with input raw material/commodity producers.



Risk of Modern Slavery Practices

Overview

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

With primary operations in Australia, Healthscope 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 Healthscope's supply chain, a program of action has been undertaken, with initial actions implemented, and further work underway. Healthscope's approach 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, Healthscope has engaged in the order of 9,000 suppliers of goods and services to conduct and maintain its operations. These suppliers are local and global, comprising manufacturers, distributors, agencies, brokers, consultants, and other service providers.

Healthscope seeks to exceed the workplace health and safety standards and legislative requirements in the regions it operates, and has a proven track record of compliance with its obligations. For this reason, Healthscope considers that the risk of modern slavery practices within the confines of Healthscope's direct control has been mitigated.

The review conducted of Healthscope's supply chain of providers 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, catering and linen
- Other corporate services such as travel and entertainment

Healthscope has 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, Malaysia and India.

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

In summary, Healthscope 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 to Healthscope

Actions taken

To manage the modern slavery risk within Healthscope's direct operations, Healthscope has implemented the following measures:

1. Published an Employee Code of Conduct, which mandates employee compliance with all laws, rules, regulations and policies, with consequences for any breaches.
2. Established a Whistleblower policy, appointed an Internal Whistleblower Protection Officer and launched both a toll free Ethics Hotline and a response program.
3. Implemented a compulsory registered online training module for the Employee Code of Conduct. This registers all employees who have completed the training module upon employment commencement, and also upon re-training following Employee Code of Conduct updates.

Healthscope has also implemented a number of measures to address its modern slavery risk across the two main sources identified.

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 our Procurement Category Management team, to identify any business negative news, legal action, sanctions and watchlists, credit or other public records/reports in 15 languages.
- b. If an issue is identified, then the Procurement Category Management team 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 Healthscope:

- a. Healthscope has published a Supplier Code of Conduct on Healthscope'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 Healthscope's website: www.healthscope.com.au
- b. Healthscope has included a modern slavery compliance clause within all of its standard supplier contracts, which commenced in January, 2020. 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 Healthscope of any breaches.

Evaluating effectiveness

Healthscope intends to expand upon its assessment and mitigation of the two core identified risk areas by undertaking the following actions by the end of 2022:

- Conduct modern slavery awareness training for its Procurement category managers and key employees responsible for the sourcing of new suppliers.
- Perform a further risk evaluation of the top tiers of suppliers to be assessed for modern slavery compliance.
- Introduce a self-assessment survey, to collate further data on the risks within its supply chain.
- Develop a risk framework and policy to respond to potential non-compliance with our modern slavery requirements, including guidance and support for our suppliers to achieve compliance.
- Implement the framework for Healthscope's first tier suppliers.
- Review and update Procurement and Purchasing policies as needed.
- Measure and report on framework outcomes, applying an adapt and learn model.
- Incorporate modern slavery risk and compliance into corporate governance processes, including board reporting processes

Healthscope's progress against these actions will be tracked and evaluated by an internal corporate team, with updates presented to the executive leadership team on a periodic basis determined by the business.

The Board of Directors of Healthscope has approved this statement on behalf of itself, and has authorised it to be signed in my capacity as CEO.



Steven Rubic

Chief Executive Officer, Healthscope





Healthscope

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