



Adventist HealthCare

Adventist HealthCare Limited

ABN 76 096 452 925

MODERN SLAVERY STATEMENT

UNDER THE *MODERN SLAVERY ACT 2018* (CTH)

REPORTING PERIOD 1 JULY 2022 – 30 JUNE 2023

This Modern Slavery Statement has been approved by the Board of Adventist HealthCare Limited, ABN 76 096 452 925 on 23/10 2023, in its capacity as the principal governing body of Adventist HealthCare Limited.

This Statement is signed by Brett Goods in his capacity as Director and Chief Executive Officer of Adventist HealthCare Limited.

A handwritten signature in black ink, appearing to read 'Brett Goods', written in a cursive style.

Director and Chief Executive Officer, Adventist HealthCare Limited

23/10 2023.

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Part One: Addressing Mandatory Reporting Requirements: Our Structure, Operations and Supply Chains

1. This is Adventist HealthCare Limited's Fourth Modern Slavery statement made pursuant to the *Modern Slavery Act 2018* (Cth) (the "**Act**"). This Statement describes our actions to identify and address risks of modern slavery in our operations and supply chains for the reporting period ending 30 June 2023.
2. Aside from obtaining operational control of ELIA Wellness Trust (detailed below), our structure, operations and supply chains have not materially changed from previous statements. Consequently, many descriptions of these aspects of the reporting requirements correspond with our previous statement.

Our Structure

3. The mandatory reporting entity is Adventist HealthCare Limited ("**AHCL**") – ABN 76 096 452 925.
4. Adventist HealthCare is a public company, limited by guarantee, and registered with the Australian Charities and Not for Profits Commission.
5. Adventist Healthcare continues to trade under several other business names, including:
 - Fox Valley Medical & Dental Centre;
 - San Day Surgery Hornsby;
 - San Radiology & Nuclear Medicine;
 - Sydney Adventist Hospital Pharmacy; and
 - Sydney Adventist Hospital.
6. As described in prior statements, AHCL has previously been appointed the trustee of the ELIA Wellness Trust ("**ELIA Wellness**"). During this reporting period, the operational control and business activities of ELIA Wellness officially transitioned to AHCL, making ELIA Wellness a fully operational controlled entity of AHCL.
7. Like AHCL, ELIA Wellness is also a not-for-profit entity. A description of its core operations is set out below.

Our Operations

8. Adventist HealthCare is, first and foremost, a not-for-profit healthcare and services provider that prioritises quality patient care. The mission of our organisation is "Christianity in Action – Caring for the body, mind and spirit of our patients, colleagues, community and ourselves".
9. As a not-for-profit organisation our purpose is to benefit our patients – not shareholders - with all proceeds reinvested back into services and facilities ensuring we provide the best possible care.
10. Our operations remain centred around running our flagship entity, Sydney Adventist Hospital, located in Wahroonga, NSW. "The San", as it is widely known, is both the largest private and not-for-profit hospital in NSW. Our major medical facility, San Day Surgery at Hornsby specialises in a variety of day surgical procedures including Ophthalmic, Plastic & Cosmetic, Hand, Oral & Dental, and Gynaecology.
11. Below is a snapshot of AHCL's core operations for the reporting period:
 - 174,112 total bed days occupied;
 - 2,260 babies delivered;
 - 20,273 cases presented to Emergency Care; and
 - 34,416 total surgeries.

12. The Sydney Adventist Hospital provides a range of medical services, including comprehensive acute surgical, medical and obstetric care. Further areas of specialist medical services include complex cardiac procedures, robotics, and minimally invasive surgery.
13. We operate a broad range of facilities to support our healthcare services, including operating theatres, endoscopy suites, cardiac catheterisation laboratories, intensive care and coronary care units, renal dialysis units, rehabilitation and sleep studies units, integrated cancer centre, diagnostic imaging, and a range of diagnostic allied health and support services.
14. The Sydney Adventist Hospital has various outpatient services including:
 - Physiotherapy;
 - Radiology;
 - Ultrasound for women;
 - Nuclear medicine;
 - Wound care clinic; and
 - Medical and dental centre.
15. The Sydney Adventist Hospital is also a teaching facility with an onsite purpose-built clinical educational centre.
16. Our services, businesses, and facilities are located in Sydney, New South Wales.
17. In addition to our medical services, Adventist HealthCare also provides the following services through the Sydney Adventist Hospital:
 - Meals and catering services for patients and visitors;
 - Spiritual care services team
 - Onsite Gift shop
 - Low-cost accommodation for outpatients and families at our Jacaranda lodge.
18. As described above, we consider the most significant change to our structure and operations to be ELIA Wellness coming under the control of AHCL. ELIA Wellness is a not-for-profit entity, and its mission is to 'empower people to whole-person health through lifestyle medicine education, programs, and clinical interventions'. Specifically, ELIA Wellness provides following programs and services:
 - An online platform that provides subscriptions for health, fitness, and wellness related programs;
 - Health and wellbeing resources, including self-directed wellness programs, factsheets, articles and wellness questionnaires and recommendations; and
 - Digital community engagement programs that facilitate peer-to-peer discussions for people living with chronic diseases.
19. In addition to these online resources and platforms, ELIA Wellness also runs a lifestyle medicine centre. The centre is staffed by healthcare professionals who provide fee-based management programs for chronic health conditions. The centre is based in Wahroonga, near other AHCL sites.
20. Adventist HealthCare employed over 2,588 staff during the reporting period. The characteristics of our labour force remains unchanged from the previous reporting period. We continue to employ a broad range of staff, including healthcare professionals, administrative staff, and corporate services.

21. ELIA Wellness employed 3 healthcare professionals to manage the lifestyle medicine centre. It also engaged 6 software developers via contractual arrangements with a global third-party software development provider. These software contractors help create and manage our digital platform and resources.

Our Supply Chains

22. During the reporting period Adventist HealthCare again engaged approximately [1,610] direct (first tier) suppliers, which continue to be almost exclusively Australian-based companies. This figure now includes ELIA Wellness' suppliers. Since coming under the control of AHCL, ELIA Wellness has integrated with AHCL's procurement function to source medical products for the lifestyle medicine centre from existing AHCL suppliers. ELIA Wellness also benefits from cleaning staff employed or contracted by AHCL. Aside from this, ELIA Wellness independently engaged 9 additional unique suppliers during the reporting period (beyond AHCL's existing supplier base), including contracted software developers, marketing and clinical consultants, a software supplier, and office stationery and furniture suppliers.
23. The overall nature of AHCL's supply chains has not changed materially since our last statement. We continue to engage suppliers that support the daily operations of our medical facilities from a variety of industries including:
 - Medical devices, equipment, and suppliers;
 - Pharmaceutical products;
 - Logistical and transport services;
 - Laundry services;
 - Facilities Maintenance;
 - IT software and networking services;
 - Cleaning services;
 - Food and drink consumables for our catering services;
 - Utilities.
24. In addition to our healthcare related suppliers, we also continued to procure goods and services to support our corporate functions, including:
 - Computer, Technological & Telecommunication services;
 - Office supplies;
 - Business services;
 - Finance services;
 - Insurance services;
 - Legal services.

Part Two: Modern Slavery Risk Assessment

25. Neither AHCL or ELIA Wellness identified, received complaints or reports, or otherwise became aware of, any actual or suspected instances of modern slavery in our operations or supply chains during the reporting period.
26. AHCL has continued to partner with our external subject matter expert to identify, assess and address modern slavery risks associated with our supply chains and operations. We have continued to use the UN Guiding Principles on Business and Human Rights to categorise our potential exposure to modern slavery risks. The assessment has drawn upon resources such as Walk Free Foundation's 2023 Global Slavery Index

and recent US Department of Labor Reports regarding child and forced labour, to better understand the nature of the risks associated with our highest spend procurement categories and our operational suppliers.

27. We have identified the following categories as having a higher potential risk of exposure to modern slavery:
 - Sourcing of Medical and Surgical Equipment and Devices;
 - Sourcing of Medical PPE;
 - Operational reliance on cleaning and laundry services
 - Agricultural activities (including within Australia) for raw ingredients and other food products / manufacturing processes that may be linked to the supply chains of our food, catering, and café services.
28. These categories have remained largely unchanged across all reporting periods to date, which reflects the consistent and long-term nature of our core procurement and operational activities.
29. An additional area of potential identified risk related to ELIA Wellness' use of contracted software developers, three of which are based in Pakistan. Aside from this, ELIA Wellness' supply chain is predominantly aligned with AHCL's. During the reporting period, it utilised the same suppliers as AHCL to procure medical consumables.

Supply Chain Risks

Medical and Surgical Equipment, Devices and Consumables

30. As a healthcare provider, AHCL's single largest procurement spend is with the category of 'medical and surgical equipment, devices, and consumables.' This feature of our supply chain is not expected to change for the foreseeable future due to our dependence on these products in delivering quality services to our patients.
31. Our suppliers in this broad category are predominantly large Australian or multinational companies that are also reporting entities under the Act. These companies are often not manufacturers, but have relationships with offshore suppliers, sometimes in high-risk regions such as Southeast Asia. These locations are recognised by the 2023 GSI as having a higher prevalence of modern slavery practices, such as debt bondage of migrant workers, forced labour and deceptive recruitment practices.¹ The actual supply chain components of these various products are also linked to risks such as:
 - The use of high-risk metals such as steel and aluminium for surgical instruments, which are often refined in higher risk locations such as China.
 - Conflict minerals, including tin, tungsten, tantalum, and gold are also common materials used to manufacture medical and surgical devices and instruments.
 - The electrical components and batteries used in medical devices may be manufactured in high-risk locations such as Malaysia and China. The electronic manufacturing sector in these locations is reported to have a relatively high incidence of forced labour practices, particularly in relation to disempowered migrant workers.
32. These risks have consistently been assessed as being well removed from our direct operations and are often likely to be concentrated several tiers beyond the operations of our suppliers.

¹ <https://www.walkfree.org/global-slavery-index/findings/regional-findings/asia-and-the-pacific/>

Medical Personal Protective Equipment

33. The risks associated with our suppliers of medical personal protective equipment (“PPE”) are unchanged from our previous statements. The PPE manufacturing sector is largely concentrated in higher risk countries such as Malaysia and China, where forced labour exploitation has occurred in factories manufacturing PPE.
34. The 2023 GSI has also recognised the ongoing impacts of COVID-19 upon the PPE manufacturing sector and the associated risks and difficulties faced by G20 countries in procuring these products.² Additionally, the PPE supply chain is recognised as using high risk products inputs, such as rubber, synthetic textiles, plastic, or cotton. We continue to monitor and engage with suppliers in this sector and are monitoring, including through external advisors, evolving developments such as forced labour related litigation involving major PPE and disposable glove suppliers in the USA.
35. Like the category of *Medical and Surgical Equipment and Devices*, our direct suppliers are predominately Australian or global companies that have modern slavery reporting requirements and do not have a direct involvement in manufacturing.

Agricultural and related food production activities (including within Australia)

36. As part of our offerings at the Sydney Adventist Hospital, AHCL provides catering services to patients and visitors through our brand ‘San Catering’.
37. In contrast to the most prevalent areas of identified modern slavery risk relating to the deeper tiers of complex global supply chains for medical instruments and electronic products, we recognise that agriculture / primary food production are industry sectors where modern slavery is of significant concern not only globally, but also here in Australia.
38. We recognise that, in discussing the highest domestic risk industries, the 2023 Global Slavery Index identifies the following characteristics for potentially elevated risk that may have connection with our food catering services:³

“Forced labour [in Australia] predominantly occurs in high-risk industries such as agriculture... .. hospitality, and food services.”

“Research has identified that “rogue” labour hire companies are often part of an opaque sub-contracting network exploiting vulnerable workers. This includes underpayment, non-payment of entitlements such as leave or superannuation, and sub-standard accommodation in certain industries such as agriculture, horticulture...”

39. AHCL’s key catering suppliers are major Australian companies that are reporting entities under the Act with established anti-slavery frameworks and local family businesses with long-term trusted relationships with AHCL.

Operational Risks

40. As a healthcare provider, AHCL and ELIA Wellness has a predominately high skilled and tertiary educated workforce. However, our ongoing reliance upon higher risk operational suppliers, including our cleaning and laundry providers is a risk area that requires ongoing assessment and monitoring.

² <https://www.walkfree.org/global-slavery-index/findings/importing-risk/>

³ <https://www.walkfree.org/global-slavery-index/country-studies/australia/> , original footnotes omitted

41. The cleaning and laundry sector and the catering sector are all recognised to have an elevated risk of modern slavery, since they all have a relatively high reliance on low skilled migrant workers, who are typically sourced via third party recruiters. The risks in these sectors also stem from insufficient worker protections through employment contracts and available grievance mechanisms.
42. AHCL has limited its exposure to these risks by directly employing staff to perform most of these roles inhouse. AHCL does use third party providers for certain laundry requirements and a small number of third party specialised cleaners who are required to have a high level of technical knowledge to clean our operating theatres. ELIA Wellness does not engage contracted cleaning services and utilises the cleaning staff directly employed by AHCL.

ELIA Wellness Contractors

43. An area of additional potential risk exposure that we identified and assessed in the reporting period relates to ELIA Wellness recruitment practices. To develop and maintain its digital platform and online services, ELIA Wellness engaged 6 software contractors. Three of these contractors are Australian based and three are based in Pakistan. The updated Global Slavery Index (published in May 2023), continues to categorise Pakistan, at a national level, as a high-risk country for modern slavery.⁴
44. In specifically assessing and addressing this potential risk, the following characteristics are relevant:
 - All Pakistan-based contractors are employed in technical and skilled roles.
 - Staff in Pakistan were engaged by a reputable global software provider, rather than a locally based recruitment agency.
 - Staff received written employment contracts, which provide (amongst other worker protections) that staff are paid at least twice the local minimum wage (as set by local government regulations).

Part Three: Addressing Modern Slavery Risks

45. In addition to the risk mitigation and other response measures already described in this Statement, AHCL continued to implement a range of modern slavery related action during the reporting period.

Internal Education

46. During the reporting period, we continued to provide specialist training to key personnel. AHCL worked with our external consultants to develop and deliver two tailored training sessions to our Executives and Leadership Team and Board of Directors. All members of our Modern Slavery Oversight Committee attended the workshop for the Executives and Leadership Team. The sessions were recorded for future training purposes.
47. Both sessions covered the following key areas:
 - An overview of modern slavery and the continuum of exploitation and updates from the 2023 GSI
 - A summary of the key supply chain and operational risks in the healthcare sector, including medical and surgical equipment, PPE, and cleaning and laundry services.

⁴ <https://www.walkfree.org/global-slavery-index/findings/regional-findings/asia-and-the-pacific/>

- An explanation of AHCL’s obligations as a reporting entity under the Act and a summary of our modern slavery response framework to date, including a summary of prior action and key risks identified.
- An interactive case study on spotting the signs of exploitation with cleaning suppliers.

48. Each training session also included specifically developed content for each audience, including:

- Executives and Leadership Team:
 - In depth explanation of indicators for identifying modern slavery risks in suppliers, broken down by workforce characteristics, high risk product categories and geographical factors.
 - Tips for reviewing suppliers that are reporting entities, including assessing the strength of due diligence frameworks.
 - An additional interactive case study on the risks associated with surgical instruments and how to engage with direct suppliers to encourage supply chain due diligence.
 - An overview of AHCL’s whistleblower mechanism and advice about how to report modern slavery concerns.
- Board of Directors:
 - Highlights and key recommendations from the 2023 review of the Act, including an overview of the potential future of modern slavery reporting requirements.
 - Discussion about modern slavery due diligence, including obligations on Directors in reviewing AHCL’s modern slavery statements.

Supplier Engagement

49. AHCL has continued to engage with our suppliers on issues relating to modern slavery risk. One way in which this has occurred is through the contract renewal process. Our procurement team members also informally engage in discussions with suppliers about approaches to addressing modern slavery and request copies of the supplier’s latest documents relating to its overall modern slavery response.

50. We also continued to roll out the modern slavery contract provisions developed in the last reporting period. All our renewed contracts for the reporting period either included our own modern slavery provisions, or we adopted equivalent standard provisions used by our supplier that address any modern slavery concerns. We also engaged a variety of suppliers through NSW Healthshare Contracted pricing that did not require individual contracts. We understand that the individual contract between these suppliers and NSW Healthshare also includes provisions addressing modern slavery issues.

51. AHCL also continued to integrate modern slavery considerations as part of our broader engagement with specific suppliers throughout the reporting period:

- Renewing the contract for our linen and laundry provider that was the subject of our supplier-specific audit for modern slavery risk in the previous reporting period. As part of this process, AHCL reviewed the provider’s current modern slavery response framework (including all relevant updated policy documents) and determined that the identified risks were being appropriately mitigated. Specific clauses further addressing modern slavery issues are planned for integration as part of the forthcoming contract renewal process with this supplier.
- Engaging with several of our higher risk medical and surgical product suppliers, that had also been reviewed as part of our series of supplier-specific audits for modern slavery risk in the previous reporting

period. AHCL was satisfied that these suppliers' current modern slavery response frameworks are appropriately tailored to address the identified risks.

52. No suppliers' contracts were deemed inappropriate for renewable due to issues relating to unmitigated modern slavery risk. We are satisfied that our current approach of positive and collaborative supplier engagement remains the best approach.

Policies and Governance

Modern Slavery Oversight Committee and Modern Slavery Project Tracker

53. AHCL has continued to work on formalising our modern slavery governance structures to improve transparency and accountability. We prepared and approved formal terms of reference for the modern slavery oversight committee ("**Oversight Committee**"). The terms of reference designate responsibility to the Oversight Committee for reviewing our modern slavery procedures, ensuring legislative compliance, standardising practice across the organisation, and measuring AHCL's performance and effectiveness. The terms of reference also require the Oversight Committee to document its actions and regularly report to the Corporate Governance, Executive Committee and Board Committees.
54. AHCL has also created a Modern Slavery Working Party, which is a more informal forum, designed to facilitate practical discussions about AHCL's progress and actions across reporting periods. The Oversight Committee and the Working Party feature common membership, allowing the Oversight Committee to formally report on the outcomes and initiatives proposed by the Working Party. Both groups met throughout the reporting period.
55. One of the key actions of the Oversight Committee was to finalise and review the project tracker that we started developing in the previous reporting period. The project tracker measures specific action areas against each pillar that we consider in relation to the effectiveness. Responsibilities are allocated to each committee member. The project tracker has also identified material areas of potential risk exposure such as our medical devices, cleaning, linen, and PPE suppliers, and the Oversight Committee has tasked our procurement representative with monitoring the suppliers across these categories. The Oversight Committee reviewed our progress using the tracker from this reporting period. It has also developed new action areas for AHCL to focus on during the next reporting period.

Industry collaboration

56. We recognise the need to engage in collective action to address risks that are prevalent across the healthcare industry. Key staff members participated at a specialist healthcare procurement conference that included modern slavery sessions and featured other healthcare bodies and subject matter experts. The conference also provided advice and tools to assist healthcare providers in addressing modern slavery in a manner most relevant to our operating context.

Updated Industry-Category Based Risk Assessment

57. Another component of AHCL's modern slavery response for the reporting period was our engagement with a third-party risk assessment provider. This provider has used a proprietary process to perform an initial assessment of AHCL and ELIA Wellness' supply chains and total procurement spend for the reporting period.⁵ This risk assessment provided insights about cumulative exposure to modern slavery risk through to Tier 10 of our supply chain.

⁵ This assessment was finalised after 30 June 2023 but prior to the lodgement of this statement.

Part Four: Measuring the Effectiveness of Our Approach

58. Over previous reporting periods AHCL has developed a measuring effectiveness framework, which we have used to monitor our progress and determine areas for further improvement. During the reporting period, we embedded the key pillars and planned action areas into our project tracker, which has been reviewed periodically by our Oversight Committee and the modern slavery working party.
59. The Oversight Committee has continued to provide regular updates to the Corporate Governance Committee, facilitating organisational visibility of our modern slavery response framework. An overview of our progress for the reporting period was included in training delivered to the Board of Directors in June 2023.
60. We frankly acknowledge that not all the actions that we had previously hoped we might complete within the reporting period were fully accomplished. However, as a not-for-profit entity, AHCL must continually balance our primary commitment to quality patient care and adherence to a range of regulatory obligations, whilst also navigating how to implement modern slavery action in a manner that is achievable and proportionate to our organisation’s composition and operating context. We are continuing to review better ways to integrate modern slavery action into our existing business operations. In particular, our goal is to prioritise those actions that are most likely to achieve practical impact in identifying, assessing, and addressing the most pressing areas of potential worker vulnerability.

Pillar	Action Area identified for this reporting period	Progress Update and Next Steps
Risk assessment	Comprehensive supply chain mapping	Completed. Third party supply chain risk assessment was finalised in August 2023. AHCL is currently reviewing assessment findings.
Supplier engagement	Continued review of our supplier’s modern slavery related action	Completed and ongoing in future reporting periods. Specific focus on our linen providers and medical device providers during this reporting period.
	Expanding the use of modern slavery provisions for supplier contracts	Completed and ongoing in future reporting periods. All renewed key supplier contracts during the reporting period incorporated modern slavery provisions.
Internal governance and policy frameworks	Implement our modern slavery compliance framework	In progress and planned to be finalised in the next reporting period. Internal updates to the framework are complete. AHCL anticipates submitting the framework for the usual governance approval process in the next reporting period.
	Finalise modern slavery clauses for supplier code of conduct	In progress and planned to be finalised in the next reporting period.

		Ongoing internal review of supplier code of conduct by material management department. Anticipated approval process in the next reporting period.
	Undertake formal policy review and gap analysis	Completed. Policy updates finalised.
	Operation of the modern slavery oversight committee	Completed and ongoing in future reporting periods. The Oversight Committee continues to review our modern slavery response, in tandem with our more recently formed Modern Slavery Working Party.
Modern slavery training	Training of key internal stakeholders and oversight committee	Completed. Training delivered to Executives and Leadership team and Board of Directors.
Industry collaboration	AHCL to consult with other Adventist Entities in the Seventh-day Adventist church organisation.	Substituted action taken. Attendance at CIPS Procurement in Healthcare Forum. AHCL will continue to participate in this industry forum. We will review the need to engage with other Seventh-day Adventist organisations, if that appears to be a viable pathway to help improve our anti-slavery response.
Grievance procedures & empower worker voices	Whistleblower Policy finalisation and operationalisation.	In progress and planned to be finalised in next reporting period. Modern slavery updates to Policy finalised. Policy currently under separate review by Human Resources team. Publication planned for next reporting period. AHCL will review approach to communicating existence of updated policy to workforce.

Part Five: Consultation with controlled entities & other relevant information

61. As detailed at **Part One**, AHCL gained operational control of ELIA Wellness. Appropriate oversight and consultation occurred with this additional entity in the preparation of this statement, as well as in relation to our overall modern slavery response in the reporting period.
62. Consultation with ELIA Wellness included:
 - The CEO of ELIA Wellness also sits on the Board of AHCL and completed specifically developed training on AHCL’s approach to modern slavery and its risk profile.
 - ELIA Wellness is now subject to AHCL’s modern slavery policy and governance framework. ELIA Wellness has integrated with AHCL’s procurement function, using several similar medical product and cleaning supplies. As part of this, the risk assessment described at **Part Three** has been undertaken using procurement data from ELIA wellness.