



Adventist HealthCare Limited

ABN 76 096 452 925

MODERN SLAVERY STATEMENT

UNDER THE *MODERN SLAVERY ACT 2018* (CTH)

REPORTING PERIOD 1 JULY 2020 – 30 JUNE 2021

This Modern Slavery Statement has been approved by the Board of Adventist HealthCare Limited, ABN 76 096 452 925 on 7 February 2022, 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', is written over a horizontal line.

Brett Goods
Director and Chief Executive Officer, Adventist HealthCare Limited

9 February 2022.

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PART ONE Mandatory reporting requirements - Preliminary information

1. This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**).

Reporting requirement #1 – “Identify the reporting entity”

2. The mandatory reporting entity is Adventist HealthCare Limited – ABN 76 096 452 925.

Reporting requirement #2 – “Describe the reporting entity’s structure operations and supply chains”

3. Adventist HealthCare is a public company, limited by guarantee, and registered with the Australian Charities and Not for Profits Commission.
4. We are a not-for-profit organisation that provides a variety of healthcare facilities and services. Our mission is “Christianity in Action – Caring for the body, mind and spirit of our patients, colleagues, community and ourselves”. This means that our profits are re-invested to our facilities.
5. Our operations are primarily centred around running the Sydney Adventist Hospital, which is 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.
6. Adventist Healthcare also trades under several other business names, including:
 - Fox Valley Medical & Dental Centre;
 - San Day Surgery Hornsby;
 - San Radiology & Nuclear Medicine;
 - Sydney Adventist Hospital Pharmacy;
 - Sydney Adventist Hospital
7. 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.
8. Our facilities include 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.
9. The Sydney Adventist Hospital has various outpatient services including:
 - Physiotherapy;
 - Radiology;
 - Ultrasound for women;
 - Nuclear medicine;
 - Wound care clinic; and
 - Medical and dental centre.
10. During the reporting period, Adventist HealthCare was appointed as trustee for the ELIA Wellness Trust. The ELIA Wellness Trust’s mission is to promote improved wellness and lifestyle in the community. Whilst the legal structure of the ELIA Wellness Trust was established during FY21, the operations and functions of the ELIA Wellness Trust have not yet commenced and as such it was a non-operational controlled entity during the reporting period.
11. The Sydney Adventist Hospital is also a teaching facility with a purpose-built clinical educational centre.
12. 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, through our brands ‘San catering’ and ‘San Snax’
 - Spiritual care services team
 - Onsite Gift shop
 - Low-cost accommodation for outpatients and families at our Jacaranda lodge.
13. All of our services, businesses, and facilities are located in Sydney, New South Wales.
14. The following is a snapshot of our operations during the reporting period:
 - 528 licenced overnight beds available;
 - 177,754 total bed days occupied ;
 - 1,907 babies delivered;
 - 18,409 cases presented to Emergency Care;
 - 24,224 total surgeries.

15. During the reporting period, Adventist HealthCare undertook an increasing role in assisting in managing the healthcare response to the escalating COVID-19 pandemic. Our operational focus shifted to include participation in the NSW Health vaccination program and caring for public patients (due to the increased caseload across the NSW public hospital sector). Whilst this represented a material shift in our operations, we consider that it did not significantly impact our overall modern slavery risk profile, given that it was a re-allocation of our existing staff and accommodation resources.
16. During the reporting period, we also commenced the implementation of the AS4187 Project at the Sydney Adventist Hospital. The AS4187 Project relates to new regulatory compliance requirements for cleaning operating theatres and sterilisation of theatre equipment. It has involved various non-recurring construction projects to upgrade our operating theatres and related facilities for the installation of new sterilisation devices.
17. Adventist HealthCare currently employs over 2,200 staff. This includes a broad range of employees, such as healthcare professionals, administrative staff, and corporate services.
18. Adventist HealthCare has approximately 1,600 direct suppliers, which are primarily based in Australia.
19. Suppliers 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;
 - Utilities.
20. Suppliers that assist with our corporate functions include:
 - Computer, Technological & Telecommunication services;
 - Office supplies;
 - Business services;
 - Finance services;
 - Insurance services; and
 - Legal services.

PART TWO - Assessing and addressing modern slavery risk

Reporting requirement #3 - Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns and controls

21. No actual or suspected incidences of modern slavery were identified in our operations and supply chains during the reporting period. Our overall modern slavery risk profile, including the risk exposure of our key direct suppliers, has been assessed as being relatively low.
22. Adventist HealthCare has identified the following industries as posing a higher potential risk of modern slavery within our supply chains and operations:
 - Building & Constructions services;
 - Cleaning services;
 - Procurement of Medical and surgical devices;
 - Procurement of PPE.

Building & construction

23. As detailed above, Adventist HealthCare has commenced works relating to the AS4187 project. This major physical upgrade has required additional construction and renovation suppliers, such as plumbing and electrical services, to facilitate the installation of state-of-the-art sterilisation equipment.
24. We acknowledge, on a global and national scale, the heightened general modern slavery risks associated with the building and construction industry. This is attributable to a range of factors, such as a low barrier to entry for unskilled migrant workers, relatively low wage work, and heavy reliance on subcontracting arrangements that minimise transparency over labour conditions and upstream suppliers.
25. Our primary construction contractor for the AS4187 project is also a mandatory reporting entity under the Act. We have carefully reviewed this supplier's published Modern Slavery Statement, which demonstrates an acute awareness of the risks occurring within the building and construction industry in Australia. We have also considered

the extensive measures that our supplier has implemented to prevent instances of modern slavery in their workforce. This includes appointing modern slavery representatives for key operating divisions and delivering modern slavery training to each construction site employee and subcontractor.

Cleaning services

26. Adventist HealthCare directly employs cleaning staff, and also contracts with specialised cleaning services. We acknowledge that, at a general industry category level, the Australian cleaning industry is another potential area for significantly elevated modern slavery risks, including due to a high prevalence of vulnerable workers, such as temporary visa holders who are susceptible to debt bondage arrangements through their (employer) sponsors.
27. We consider that these industry-level risks are actively mitigated in our own supply chains and operations by the fact that we directly employ the majority of our cleaning staff. We do not employ cleaning staff through recruitment agencies.
28. The only contract cleaners that we engage are specialised medical cleaners to assist with the sterilisation of facilities, such as our operating theatres, radiology clinic, nurses' residences and the like.

Procurement of Medical and surgical devices

29. As providers of a full range of critical and specialist medical services, we purchase a significant volume of medical devices, surgical devices, and related consumables. These products are often manufactured using a diverse array of raw material components and manufacturing processes. This means they are characterised by complex supply chains with relatively low levels of visibility, particularly at the lower, more remote tiers of the supply chain. For example, metal alloys may be extracted and mined in international locations with a high prevalence of child or forced labour.

Personal Protective Equipment

30. It is perhaps self-evident to note that personal protective equipment ("PPE") supply chains have always been a significant component of medical services of the kind that are at the core of our day-to-day operations.
31. Adventist HealthCare has continued to procure atypically high quantities of certain types of PPE that specifically relate to meeting the health and safety challenges of the ongoing COVID-19 pandemic. PPE such as rubber gloves and uniforms may have an elevated risk of modern slavery, particularly at the manufacturing stage. Increased supply chain pressures and shorter delivery timeframes during the COVID-19 pandemic have exacerbated such modern slavery risks in the production of products such as rubber gloves.
32. We are continuing to monitor these identified modern slavery risk areas in balancing our obligation to provide the highest practicable levels of safety and hygiene to our patients, staff and the wider community. We plan to focus on engagement with suppliers operating in these industries as part of our future due diligence response.

Reporting requirement #4 - Describe the actions taken by reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes

Supplier Engagement

33. We are in the process of requesting information from select suppliers about their modern slavery response, including disclosure of Supplier Codes of Conduct, and/or confirmation relating to key supply chain review processes.¹
34. Adventist HealthCare recognises that partnering with suppliers and having visibility over their operations and supply chains is a key feature of a modern slavery response. We are seeking to expand this process in future reporting periods.
35. We have also incorporated modern slavery provisions into our procurement contracts with a select group of suppliers. During the next reporting period, we plan to more widely roll out the use of these provisions that expressly address the modern slavery issue in a range of appropriate supplier contracts.

Policy and Internal Governance

36. We consider effective modern slavery due diligence to be a long-term effort. Simply put, we recognise that for an organisation to achieve a practically effective and impactful modern slavery response it must commit to a marathon, not a sprint.

¹ Note this action occurred after 30 June 2021 and prior to the date of lodgement.

37. Adventist HealthCare is still in the process of developing a modern slavery compliance framework to guide our overall strategy and response in upcoming reporting periods, including our planned focus on the following key areas:
- Establishing a formal risk identification process for operations and supply chains, through strategically reviewing suppliers by industry and geographical risks. This targeted analysis will operate in tandem with a supplier screening process that will categorise suppliers based on the level of engagement with modern slavery or certifications in relation to human rights.
 - Implementing a risk assessment system for high risk suppliers, to identify specific entities for further due diligence or auditing. This assessment will focus upon desktop-based reviews and critical assessment prioritisations.
 - Creating a risk mitigation framework that focuses on appropriately tailored risk verification process, engaging with suppliers in auditing activities, and issuing supplier self-assessment questionnaires.
 - Facilitating risk reduction through executive oversight of our modern slavery framework. We will create an oversight committee that will be responsible for reviewing the results of our risk identification and assessment, to assist with directing our modern slavery response and reviewing the effectiveness of our action on a regular basis. It is intended that the oversight committee will provide annual reporting updates to the audit and risk committee of the Adventist HealthCare Board, including recommendations in relation to purchasing practices, supplier engagement, and internal training.
38. We intend to finalise our modern slavery compliance framework, including obtaining Board approval for organisation-wide implementation in the next reporting period.
39. Our Supplier Code of Conduct is being updated to include express anti-slavery provisions, including codifying zero tolerance for child labour, and entrenching the expectation that suppliers cannot benefit, directly or indirectly, from any form of forced labour. We plan to further develop and finalise the modern slavery provisions for this policy in FY22.
40. Adventist HealthCare has also utilised executive reporting channels for progressively reporting on our modern slavery response to the audit and risk committee of the Adventist HealthCare Board.² We intend to implement regular update mechanisms during the next reporting period through the creation of an oversight committee, which will form part of our modern slavery compliance framework, as described above.

Industry collaboration

41. Adventist HealthCare has consulted with other Adventist entities in the Seventh-day Adventist church organisation. Chosen was an entity which has developed and implemented a comprehensive modern slavery response, with an established track record. This entity has provided us with guidance in relation to developing our own overarching framework and roadmap for future modern slavery due diligence. We are exploring the possibility of engaging in further partnerships with this entity in future reporting periods.

² Note this action occurred after 30 June 2021 and prior to the date of lodgement.

PART THREE - Measuring effectiveness, consultation, and other information

Reporting requirement #5 - Describe how the reporting entity assesses the effectiveness of these actions

42. Adventist HealthCare has established internal modern slavery reporting processes to ensure that key internal stakeholders are periodically assessing the effectiveness of our modern slavery response. To assist with this, we have developed the following key indicators, which will be used to benchmark the effectiveness of our response over coming reporting periods:

Pillar	Action area indicator for FY22 & FY23
<i>Risk assessment</i>	Comprehensive supply chain mapping
<i>Supplier engagement</i>	Undertaking deep dive on high-risk suppliers Continued review of our supplier's modern slavery related action Expanding the use of modern slavery provisions for supplier contracts
<i>Internal governance & policy frameworks</i>	Implement our modern slavery compliance framework Finalise modern slavery clauses for supplier code of conduct Undertake formal policy review and gap analysis Operation of the modern slavery oversight committee
<i>Modern slavery training</i>	Training of key internal stakeholders and oversight committee
<i>Industry collaboration</i>	AHCL has consulted with other Adventist Entities in the Seventh-day Adventist church organisation who also have Modern Slavery obligations informing AHCL in its approach
<i>Grievance procedures & empower worker voices</i>	Review modern slavery provisions for Whistleblower policy

Reporting requirement #6 - Describe the process of consultation with any entities the reporting entity owns or controls

43. All appropriate internal consultation between Adventist HealthCare's key departments and personnel has occurred in relation to the preparation of this Modern Slavery Statement and will be ongoing as part of our continuing modern slavery response.
44. As noted above, although the ELIA Wellness Trust ("Trust") was established as a controlled entity of Adventist HealthCare during the reporting period, the operational control and business activities of ELIA Wellness have not commenced through the Trust itself. These operational activities are still yet to be transitioned from ownership of the previous controlling entity, as of the reporting date. Therefore, there has not been any consultation with the not-yet-operational ELIA Wellness Trust regarding Adventist HealthCare's overall modern slavery response during the reporting period.

Reporting requirement #7 - Any other relevant information

45. The ongoing COVID-19 pandemic has continued to place significant burdens upon our operational resources during the reporting period, including the diversion of personnel to assist with the NSW Health response to the Covid-19 pandemic, including the community vaccination program. As a result, our ability to undertake extensive modern slavery action during the reporting period has been significantly curtailed. We intend to significantly expand and build upon our efforts to date during the next reporting period.
46. Adventist HealthCare also candidly acknowledges that we have lodged this Statement after the deadline for the FY20/21 reporting period. As an organisation we worked to prepare and finalise this Statement prior to 31 December 2021. However due to the renewed pressures placed by the Omicron variant of COVID-19 requiring executive level resources, together with the onset of the Christmas shutdown period, the FY20/21 Statement was not completed in time for the Board to meet prior to the lodgement deadline for the purpose of approving the Statement.