



Modern Slavery Statement

1 January 2023 to 31 December 2023

Reporting Criteria 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 2023.

Reporting Criteria 2: 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 the 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. 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.

ACHA employs 2,285 people and treats in excess of 75,000 patients per year, delivers more than 1,500 babies and performs 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 throughout 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 have 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.

Reporting Criteria 3: Risk of Modern Slavery Practices in our operations and supply chains

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

With ACHA's operations solely in Australia, ACHA and 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.

Suppliers for ACHA and the Manager 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:

Supply chain of providers include 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, professional services, licences and hardware
- Facilities Management such as security and fire services
- Site services such as contingent labour providers including linen, maintenance and biomedical engineering.
- 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 believe 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 supplier operations not currently visible to Healthscope

Reporting Criteria 4: Assessing and addressing modern slavery risks

Internal Policies and Practices

ACHA's Board and that of the Manager, together with management are committed to our Employee Codes of Conduct, which are based upon core values and on the expectations of the broader community. Our Employee Codes of Conduct complies with the law and with applicable guidelines on appropriate ethical standards, including prohibition on modern slavery practices.

Our Employee Codes of Conduct outlines how the Manager and ACHA expects all people associated with our businesses – including employees, contractors, subcontractors, consultants,

Visiting Medical Officers and agency employees, to conduct themselves in the course of carrying on their work.

The Employee Codes 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 and ACHA to be familiar with their 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 that apply to all ACHA facilities and employees. This includes a Whistleblower policy, complete with an internal Whistleblower Protection Officer, a Toll-Free Ethics Hotline, and a response program.

The easy to use online set of eLearning training modules support staff understanding and awareness of our values, expectations, and policies. Since a registered online training module for the Employee Code of Conduct was implemented, a total of 2,124 employees have undertaken the training - 413 during this reporting period.

Supplier Code of Conduct

The Manager also has a Supplier Code of Conduct, encompassing modern slavery laws and obligations. Suppliers are expected to uphold ethical practices and integrity in all transactions, adhering to national and local regulations. They must also hold their supply chain to these standards, ensuring no modern slavery within their operations. Access the Supplier Code of Conduct on the Manager's website: <https://healthscope.com.au/internal-pages/sustainability>

Actions Taken

To mitigate the potential risk of modern slavery in the supply chain, a program of action has been undertaken, with initial actions implemented, and further work underway. The Manager'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.

To manage the modern slavery risk within the Manager's direct operations, the following measures were implemented by the Manager within the reporting period:

1. Policy updates

The Manager has enhanced their processes regarding Third-Party due diligence assessments. Their Procurement Policy has been revised to enforce the completion of Third-Party due diligence activities by all staff throughout the organisation. The Policy now offers greater clarity by outlining the procedures and prerequisites for engaging with suppliers for goods and services, particularly emphasising the completion of the Supplier Due Diligence workbook, which has

recently been made accessible on our intranet. This workbook contains a series of questions pertaining to WHS, Anti-bribery, corruption, and Modern Slavery risks.

Additionally, the Manager's Procurement Policy has been updated to incorporate a section on Modern Slavery. This stipulation ensures that all staff understand their responsibility in identifying and appropriately reporting any modern slavery risks associated with their preferred suppliers. The mandate also requires them to ensure that our modern slavery expectations are expressly reflected in appropriate clauses in all supplier contracts, with any departures being reviewed by the Manager's Legal team.

2. Modern slavery training

The Manager's head office procurement team completed the formal training module on Modern Slavery in Public Procurement. The Manager is continuing to develop formal internal training on Modern Slavery obligations and requirements that will be rolled out across the organisation.

3. Due diligence

The Manager has completed annual audits of some of our critical suppliers in 2023. The robust Due Diligence activity allowed the Manager to understand the suppliers' modern slavery compliance as well as be aware of any instances of modern slavery that may have been identified within in the supplier's supply chain. Through this process, in collaboration with these suppliers, any identified gaps were rectified to achieve compliance.

A new mandate was also introduced to the Manager's head office procurement team which requires staff to send the Third-party due diligence questionnaire to all new suppliers they engage with.

Reporting Criteria 5: Evaluating effectiveness and looking ahead

The need for ongoing enhancement and advancement in our efforts (and those of the Manager) to combat modern slavery is acknowledged. In the last reporting period, the Manager set goals to improving responses to potential non compliances, updating relevant Manager's policies, incorporating modern slavery risk and compliance into corporate governance processes, including board reporting processes and evaluating the due diligence process on top suppliers to ensure it is achieving the goal of identifying any gaps.

The actions taken since then and outlined above in section RC 4 have enabled the achievement of these goals. However, we, and the Manager, are aware there is more progress needed concerning obtaining clear direction and guidance on how the Manager should address potential non-compliance with Modern Slavery standards within the supply chain.

Moving forward, the primary focus areas for the next reporting period are outlined as follows:

- To address the identified risk of direct engagements with suppliers operating in high-risk countries, the Manager will commence a process of auditing selected direct sourcing suppliers. The Manager's Procurement team members to physically attend the primary manufacturing premises to assess third party risks including Modern Slavery for new manufacturers.

- Seek management endorsement for the development of a standalone Modern Slavery policy.
- Ongoing assessment and revision of the Manager's and ACHA's policies as necessary and relevant to modern slavery risk, incorporating additional guidance for staff on addressing potential non-compliance with our modern slavery standards.
- The Manager to evaluate the new mandate in the procurement policy for the wider Healthscope and ACHA teams to complete the more robust due diligence activities outlined in the policy.
- The Manager to engage their People & Culture team to work on initiatives to increasing employee engagement on the Employee Code of Conduct training module.

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. Also adopted by ACHA, these measures are principally designed to support a strong risk identification and management culture increasing capability broadly across the business.

Progress against the listed 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.

Reporting Criteria 6 & 7: Consultation, endorsement and other matters

During the reporting period this statement covers, 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

26 June 2024