

Modern Slavery Statement

1 July 2019 to 30 June 2020

Introduction

The Australian Government introduced the *Modern Slavery Act 2018* (Cth) (the **Act**) which requires certain entities to report on the risks of modern slavery in their operations and supply chains and actions to address those risks. The Act commenced operation on 1 January 2019. The Act requires reporting entities subject to the Act, to produce an annual modern slavery statement. This statement is prepared for the period 1 July 2019 to 30 June 2020 (**Reporting Period**).

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.¹

According to the estimates of the Global Slavery Index around 15,000 individuals are held in modern slavery in Australia by way of migrant worker exploitation, debt bondage and deprivation of liberty.²

As Victoria's largest not-for profit private hospital group, Epworth HealthCare is committed to understanding and identifying the extent to which such practices are embedded into the supply chains of Australian healthcare services, and what Epworth can do to eradicate any such practices, both as a consumer of services and a service provider.

1. Identify the reporting entity

Epworth HealthCare

Information about the history, operations and services of Epworth HealthCare are available on our website www.epworth.org.au.

Information about the corporate and legal structure is outlined in this statement. Epworth Foundation (**Epworth**) is established as a body corporate pursuant to the *Epworth Foundation Act 1980* (Vic). Epworth Foundation ABN 97 420 694 950 trades under the registered business name Epworth HealthCare.

Epworth is a reporting entity for the purposes of the Act, having met the reporting threshold in the Reporting Period. Annual reporting information about Epworth is available from the Australian Charities and Not-for-profits Commission (**ACNC**).³

Epworth has a number of related entities involved in the provision of health services and philanthropic activities related to health promotion and advancing culture (**Epworth Group**). These entities are not reporting entities for the purposes of the Act. However, this Statement is provided on behalf of all entities in the Epworth Group, given Epworth Foundation conducts all sourcing and procurement on behalf of these entities and is responsible for compliance with the Act, and staffing requirements of the other entities are supplied by Epworth Foundation.

¹ Commonwealth Modern Slavery Act Guidance for Reporting Entities

² Walk Free Foundation, *Global Slavery Index* (2018)

³ www.acnc.gov.au

To the extent that this statement outlines activities conducted by Epworth, those activities have been conducted by Epworth on its own behalf and on behalf of the entities listed below, unless expressly stated otherwise. Accordingly, other entities in the Epworth Group are reporting on a voluntary basis.

- **Epworth Medical Foundation Limited ABN 59 135 483 055 (EMF)**

Epworth Foundation is the sole member of EMF, a public company limited by guarantee and registered with the ACNC as a health promotion charity.

During the Reporting Period and as at the date of this statement EMF's principal activity is to promote the prevention or control of diseases in human beings by raising funds to provide Epworth's patients with the best possible facilities, equipment, surgical expertise and access to research.

- **Epworth Arts Foundation Limited ABN 62 606 612 220 (EAFL)**

Epworth Foundation is the sole member of EAFL, a public company limited by guarantee and registered as a charity for the purposes of advancing culture with the ACNC.

During the Reporting Period and as at the date of this statement EAFL receives donated art works (Collection) via the Australian Government's Cultural Gift's Program.

- **Epworth Clarendon Ltd ABN 32 141 881 129 (Epworth Clarendon)**

Epworth Foundation is the sole member of Epworth Clarendon, a public company limited by guarantee.

During the Reporting Period Epworth Clarendon held the head lease of hospital premises located at 166 Clarendon Street, East Melbourne, Victoria known as Epworth Freemasons.

- **Epworth Medical Imaging Pty Ltd ABN 93 166 479 116 (EMI)**

EMI is a proprietary limited company, jointly controlled by Epworth Foundation with Sonic Imaging Pty Ltd ABN 12 094 953 349.

During the Reporting Period and as at the date of this statement, EMI operates group medical imaging services under the registered business name Epworth Medical Imaging.

2. *The entity's structure, operations and supply chain*

Epworth's structure, operations and supply chain

Epworth operates across a number of private hospitals in Victoria, Australia including:

- Epworth Brighton
- Epworth Camberwell
- Epworth Cliveden
- Epworth Eastern
- Epworth Freemasons
- Epworth Geelong
- Epworth Hawthorn
- Epworth Richmond

These facilities provide a range of private hospital and health services, outlined on our website www.epworth.org.au. Epworth is also the facility manager of the South West Regional Cancer Centre on behalf of the State of Victoria, operates a transitional living rehabilitation centre in Thornbury and conducts a number of medical consulting suite facilities across south-east Melbourne.

To support its various health care and hospital operations, Epworth engages 7,138 staff, comprising an employed and contracted workforce, and its supply chains consists of approximately 3,700 suppliers across a diverse range of industries. Our suppliers (and suppliers to our suppliers) are primarily located in Australia, but also in countries including Belarus, Canada, China, Costa Rica, Czech Republic, Dominican Republic, France, India, Ireland, Japan, Malaysia, Mexico, Poland, Slovakia, Sweden, Switzerland, Taiwan, Tunisia, UK and the US. Many of these countries have publicised records of modern slavery particularly, in those countries where the rule of law is low and low cost and migrant labour are the norm.

Given the range of inputs into the provision of health care services, Epworth has a vast supply chain that includes the purchase of products and services required for the delivery of hospital operations. In addition to those hospital specific products and services, Epworth procures goods and services related to a range of business functions including office and corporate administration, building and construction, engineering, labour hire, security, cleaning, catering, information technology infrastructure and uniforms.

3. *Risk of modern slavery practices in the entity's operations and supply chain and any entities owned or controlled by the reporting entity*

Risks of modern slavery practices in Epworth's operations and supply chains

The risks of modern slavery for Epworth arise through its supply chains particularly for products and services sourced in Australia or overseas and extending beyond direct suppliers. For example, where a supplier of products exploits labour or creates unrealistic cost targets that can only be met with exploited labour, this constitutes modern slavery.

The greatest area of risk by product type is sourcing medical goods that are associated with risks to labour and human rights, whether concerning gloves, surgical instruments, garments or electronic goods. Most medical equipment is sourced from Asia.

The most significant area of modern slavery risk by geography for Epworth is the manufacture of products, or product components, sourced overseas. This equates to our top 500 suppliers.

4. *Actions taken to assess and address modern slavery risks, including due diligence and remediation processes*

Assessing and addressing modern slavery risks

Epworth is committed to an action plan to reduce the prevalence of modern slavery in its supply chains. This commitment extends to working with its suppliers to identify products manufactured in countries where modern slavery is a recognised or emerging risk.

During the period 1 July 2019 to 30 June 2020 Epworth commenced its preparatory work to establish a framework to mitigate modern slavery risks. The following specific measures were undertaken:

- **Supplier Audit**

Epworth compiled a database of its top tier suppliers of medical equipment by spend including country of manufacture of goods. This data allowed Epworth to initially assess the potential modern slavery risks in its operations and supply chains with emphasis on high risk geographical locations

and business transactions. This comprehensive database allows Epworth to conduct further due diligence on local and global supply chains and highlights the suppliers that it needs to engage with to assess whether Epworth is being complicit in the modern slavery trade.

- ***Documentation development***

Epworth developed and revised its procurement documentation to ensure: compliance with the Act from its suppliers; identify suppliers where the risk of modern slavery is high; and otherwise identify areas of risk in its procurement practises.

Epworth recognises that its suppliers are in the preliminary stages of modern slavery risk identification. In order to establish open and transparent supplier relationships, Epworth developed a supplier questionnaire with the objective of improving supplier awareness of modern slavery. The supplier questionnaires are to be sent during the course of the 2020/21 reporting period.

Epworth revised its tender templates to ensure that all future tender and sourcing activities require our suppliers to Epworth demonstrate their compliance with the mandatory evaluation criteria and to ensure that there are efforts being made to ensure equitable labour conditions in supply chains.

Epworth updated its procurement agreement templates to include obligations on suppliers to continuously monitor and report on modern slavery within its organisation and supply chain and to report to Epworth on the steps it is taking towards compliance with the mandatory evaluation criteria.

During the Reporting Period Epworth did not establish any remediation processes focused solely on modern slavery. As an organisation Epworth values and observes all laws regarding corporate social responsibility, environmental and workplace safety protection and staff inclusion and diversity. Epworth has a whistle-blower policy and protocol for receiving anonymous disclosures under the policy, and it is proposed to extend these processes and the scope of protected disclosures under the policy to include anonymous reporting of suspected modern slavery practices in Epworth's supply chain.

5. How the entity assesses the effectiveness of its actions

Assessment of the effectiveness of our actions to address modern slavery

During the period 1 July 2019 to 30 June 2020 Epworth committed to a program of generating awareness via a high-level audit of suppliers and preparing documentation to set the framework for identifying modern slavery risks in its supply chains.

Epworth's actions need to go further before providing any meaningful commentary on the effectiveness of our preliminary actions. Epworth will be guided by engagement with existing suppliers in amending our agreements to include modern slavery compliance obligations and on reviewing completed supplier questionnaires in the development of its future action plan. This process will provide Epworth with an opportunity to commence a dialogue with suppliers and to understand which suppliers are aware of and/or required to comply with the Act, how suppliers are currently responding to combatting modern slavery practices and which suppliers Epworth will need to engage further with based on a higher level of identified risk.

6. *Process of consultation with entities owned and/or controlled by the entity*

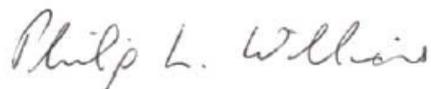
Consultation across the Epworth Group

All procurement and sourcing for the Epworth Group is conducted by Epworth HealthCare. As part of consultation with Epworth Group entities, each Board of Directors has reviewed and approved this Modern Slavery Statement prior to it being approved by the Board of Management of Epworth Foundation (reporting entity).

This Modern Slavery Statement is made in accordance with section 14 of the *Modern Slavery Act 2018* (Cth) and represents the Epworth Group Statement for the period 1 July 2019 to 30 June 2020. Approved October 2020 by the Board of Management of Epworth Foundation, the Board of Directors of Epworth Arts Foundation Limited, the Board of Directors of Epworth Medical Foundation Limited, the Board of Directors of Epworth Medical Imaging Pty Ltd and the Board of Directors of Epworth Clarendon Ltd.



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