

Modern Slavery Statement 2022



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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, 2021.

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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. 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.

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. Healthscope understands 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 and we are committed to support all efforts to stop Modern slavery.

Our values tell the story of who we are, how we work together and how we treat each other and our patients. Developed by thousands of people across the Healthscope network, these four values are grounded in our reality, and sum us up beautifully.

We care. That's what in our hearts. We care for ourselves, each other, our patients, and community. We respect and protect the physical and emotional safety and wellbeing of everyone.

We do. We dig in. We're accountable to each other. We do what we say and get it done. We speak up, listen, and own and learn from mistakes. We build trust by explaining the 'Why' behind the 'What'.

We strive. We always look for ways to improve. We have ambition, embrace change, adapt, share, and learn. We are open to new ideas because that's when we grow and shine.

We're a team. We're all in this OneHealthscope club. We welcome everyone, value all contributions, celebrate successes, listen and create the best place for care, and for work. That's how we win. Together.

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 Healthscope. We are truly committed to creating a safe workplace for everyone, because we care!

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.

Healthscope acts as the Manager of hospital operations for three hospitals owned by Adelaide Community Healthcare Alliance Incorporated ABN 99 367 793 956 ("ACHA") owned hospitals, which are located in South Australia.

This means Healthscope procures certain goods and services on behalf of these ACHA owned hospitals to the extent that the Services are being acquired for ACHA or an ACHA-owned hospital.

Healthscope engages with ACHA for consultation on procurement and supply chain activities directly through regular monthly update meetings and a monthly Procurement & Supply Chain Steerco. A senior ACHA representative is invited to these regular meetings.

Due to the nature of the management relationship between Healthscope and ACHA, Healthscope provide ACHA with:

- all material contracts entered into on behalf of ACHA as part of Healthscope's procurement activities, at the end of every financial year; and
- a copy of its Modern Slavery Statement.



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. Since a compulsory registered online training module for the Employee Code of Conduct was implemented, 4563 employees undertook the training over the last 12 months.

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.



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.

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, 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, 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 accessible version of the Employee Code of Conduct, which mandates employee compliance with all laws, rules, regulations and policies, with consequences for any breaches.
2. Published an accessible version of the Whistleblower policy, complete with internal Whistleblower Protection Officer, a Toll Free Ethics Hotline, and a response program.
3. Established a People, Remuneration and WH&S Committee with the responsibility of endorsing and reviewing the effectiveness of the People Strategy, which includes remuneration arrangements, Diversity and Inclusion Policy, and staff engagement.
4. Established an Audit, Risk & Compliance Committee, and published an Enterprise Risk Management Framework, along with a Risk Management Policy to improve the identification, treatment and monitoring of enterprise risks. These measures are principally designed to support a strong risk culture and increase capability broadly across the business.
5. Published an accessible Purchasing Policy, providing clarity for all personnel to follow approved supplier arrangements and supply chain methodologies as required.



Healthscope continues to build on the same measures to address its modern slavery risk across the two main sources:

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 Clinical 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. Healthscope will engage with an accredited third party auditor to physically audit the primary manufacturing premises to assess third party risks including Modern Slavery for new manufacturers.
- c. If an issue is identified, then the Procurement Category Management team will 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:

- d. 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: <https://healthscope.com.au>
- e. Healthscope has included a modern slavery compliance clause contained within all of our standard supplier contracts, commencing in January, 2020 for all new contracts, and contract renewals. 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.
- f. Healthscope has progressed a programme to undertake a more robust Due Diligence process for its most significant supply chains which identified its largest supply partners. The programme is scheduled to be rolled out in 2022 and works directly with the top suppliers to understand their modern slavery compliance activities. A risk assessment is being trialled, in collaboration with these partners, to identify gaps and then work through rectification plans to achieve compliance. The learnings from this activity will be assessed and used to inform improvements to the Due Diligence and overall third party risk management activity. This activity contributes to the goal of requiring all first tier suppliers to participate in a more robust Due Diligence assessment and subsequent compliance.

Evaluating effectiveness

The plan to expand upon the assessment and mitigation of the two core identified risk areas is already on target, by undertaking the following actions by the end of the next reporting period:

- Introduce a self-assessment questionnaire, as part of its procurement processes across the wider supply chain to collate further data on the risks within its supply chain.
- Develop a risk framework and policy to respond to potential non-compliance to 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 as part of the third party risk management reporting process

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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