

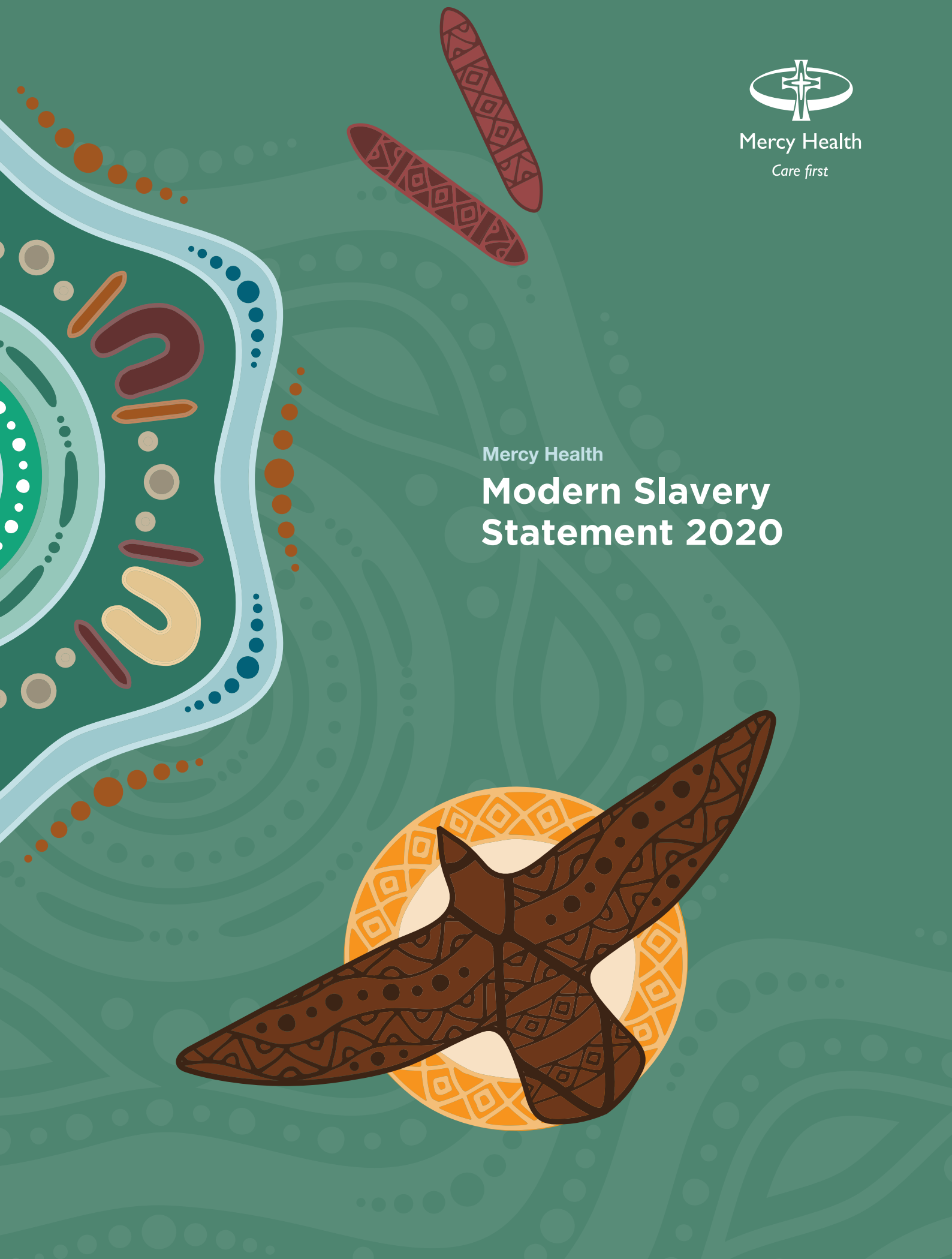


Mercy Health

Care first

Mercy Health

Modern Slavery Statement 2020



The Mercy Health reconciliation story in images

The *Mercy Health Modern Slavery Statement 2020* features original artwork by Yorta Yorta and Gunnai artist Dixon Patten. Dixon is Director and Designer of Bayila, an Aboriginal-owned graphic art company founded in Melbourne (Nairn). Dixon's own story is entwined with Mercy Health, having been born at the Mercy Maternity Hospital in East Melbourne. Dixon was also present for the birth of his two nieces at Mercy Hospital for Women in Heidelberg.

Here, Dixon explains the narrative and symbolism of the artwork:

This artwork represents Mercy Health's commitment to reconciliation and honours the connection and dedication to the communities it serves.

The central motifs represent the founding Sisters and the Mercy heritage story. The figures represent strong women and honouring the maternal roots of Mercy's identity. The hands represent Aboriginal people and honouring them as the First Peoples of Australia. The feet represent Aboriginal and non-Aboriginal people walking together in reconciliation and exchanging energy, knowledge and perspectives.

The formations to the left and right of the Sisters' represents the various branches of Mercy Health beyond maternity. The various circles

represent the different communities and the pathways depict our connection to each other.

The boomerangs represent returning to culture principles for guidance while on the reconciliation journey. The shields represent resilience. The 'birthing' trees represent traditional Aboriginal birthing practices; where a woman's placenta was placed in a tree and that tree was sacred to the newborn and during their lifetime. The gum leaves represent being 'Welcomed to Country'.

The coolamon was used for many traditions: babies were carried in them as a nurturing practice and they were also used in smoking ceremonies, which are a spiritual cleansing ritual. The message sticks were used as a 'passport' to allow others to cross the different countries, this allowed for exchange of dialogue and education.

The ancestors are wrapped in their possum-skin cloaks, a tradition in which a person had one cloak from birth to death.

Mercy Health was formed in Nairn (Melbourne). In the artwork, Bunjil and Waa, two creator beings for the Kulin (traditional owners of Melbourne) fly overhead, guiding and protecting us on our life's journey.

Title: wabung-ngetel

Call of Country
Gunnai Language

Artist

Dixon Patten
Bayila Creative
Gunnai and Yorta Yorta



Contents

About Mercy Health	3
Welcome from the Mercy Health Chair	3
This modern slavery statement	4
Our organisational structure	4
Our operations and supply chain	7
Modern slavery risks in our operations and supply chain	8
Actions taken to assess and address the risks	9
Approval	12

About Mercy Health

Mercy Health is a Catholic not-for-profit organisation that provides a range of health, aged and community care services to communities in Victoria, the Australian Capital Territory, New South Wales, Western Australia and Queensland. We care for people throughout life from conception to death. We are focused on the whole person: their health, their wellbeing and their capacity and freedom to thrive.

Mercy Health operates at all times as part of the mission of the Catholic Church in conformity with canon law and the ethical framework of the Institute

of Sisters of Mercy of Australia and Papua New Guinea. In the tradition of the first Sisters of Mercy and based on the founding vision of their founder, Catherine McAuley, we are an organisation dedicated to action. We employ people who are impelled by the principles of equity and social justice that were evident in that founding vision.

Central to our mission is providing care for those in need, irrespective of religion, faith, beliefs or background.

Welcome from the Mercy Health Chair



Mercy Health was established by Sisters of Mercy in Australia and continues as a Ministry of those Sisters.

The Sisters have distinguished themselves by working against human trafficking, which is one aspect of modern slavery.

It is in that tradition that Mercy Health presents our first modern slavery statement under the *Modern Slavery Act 2018* (Cth).

The advent of the *Modern Slavery Act* is consistent in its objectives with the values that form part of the Sisters' mission and vision.

This statement is made together with a range of Australian Catholic organisations. Mercy Health is pleased to be a part of the Australian Catholic Anti-Slavery Network (ACAN), and for our modern slavery statement to form part of the ACAN's compendium of modern slavery statements.

As Chair of Mercy Health, I would like to thank everyone who has helped develop this important piece of work, from discerning the issue and our commitment to action, to delivering the final statement. I look forward to leading and supporting our ongoing efforts to eliminate modern slavery.

A handwritten signature in black ink that reads "Virginia Bourke".

Virginia Bourke
Chair, Mercy Health

This modern slavery statement

This modern slavery statement is a joint statement made as required by the *Modern Slavery Act* on behalf of Mercy Health Australia Ltd, Mercy Hospitals Victoria Ltd and Mercy Aged and Community Care Ltd for the period 1 January to 31 December 2020.

Although Mercy Health generally reports on a 1 July to

30 June basis, we have adopted the reporting period of the ACAN's compendium members for the purpose of this statement.

This statement covers all entities owned or controlled by Mercy Health Australia Ltd, known together as 'Mercy Health'.

Our organisational structure

Mercy Health is comprised of Mercy Health Australia Ltd ABN 89 614 115 856 and its subsidiaries.

Mercy Health Australia Ltd is the sole member of each of the following companies:

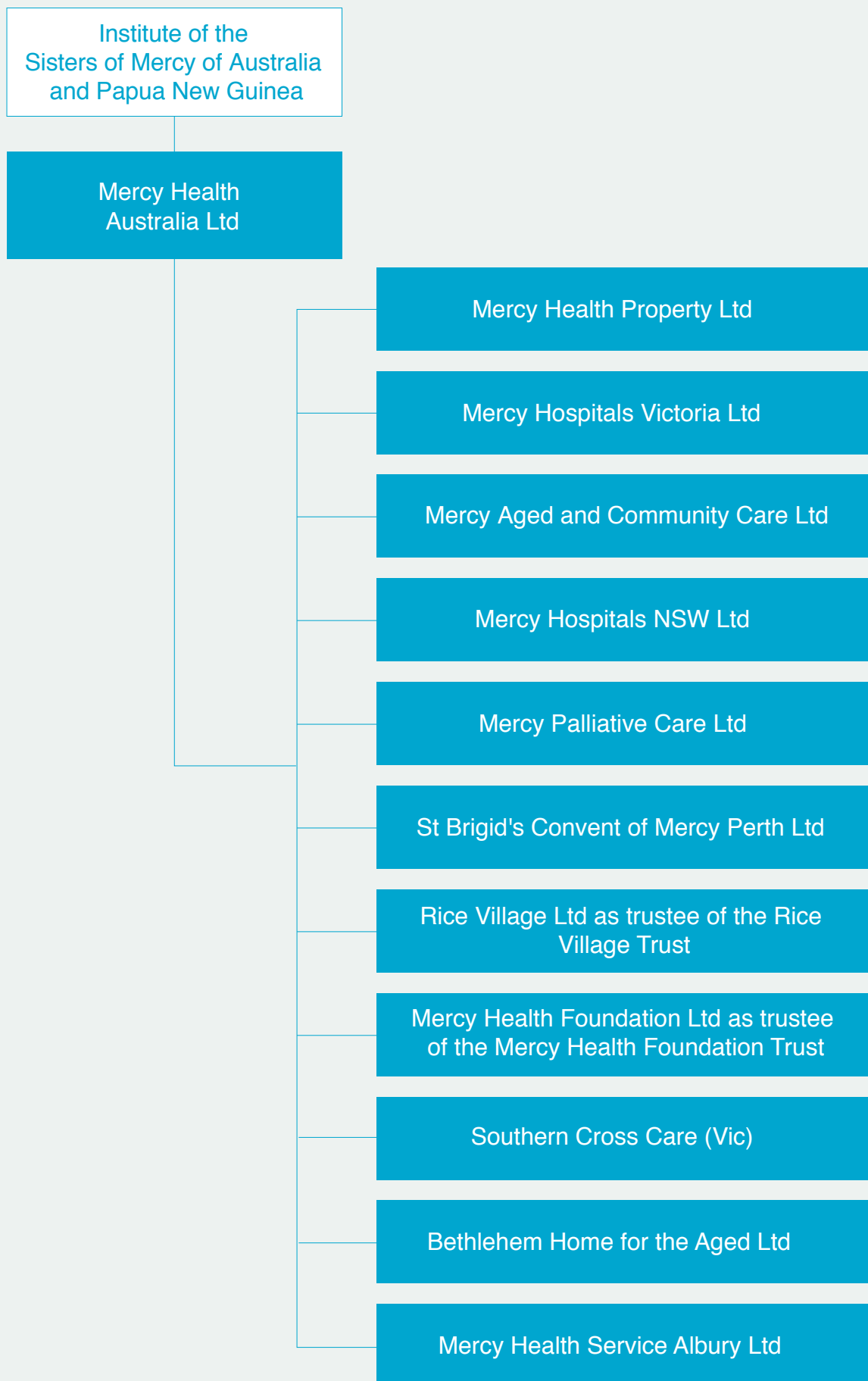
Mercy Health Property Limited	ACN 082 093 150	ABN 26 412 756 615
Mercy Hospitals Victoria Ltd	ACN 614 116 013	ABN 74 762 230 429
Mercy Hospitals NSW Ltd	ACN 075 648 350	ABN 53 075 648 350
Mercy Palliative Care Ltd	ACN 614 116 148	ABN 77 896 699 763
St Brigid's Convent of Mercy Perth Ltd	ACN 617 402 767	ABN 57 714 505 919
Mercy Aged and Community Care Ltd	ACN 088 254 460	ABN 77 191 901 062
Rice Village Limited as trustee for the Rice Village Trust*	ACN 089 460 935	ABN 58 089 460 935
Mercy Health Foundation Limited as trustee for the Mercy Health Foundation**	ACN 107 275 230	ABN 73 107 275 230
Southern Cross Care (Vic)	ACN 004 788 612	ABN 27 004 788 612
Bethlehem Home for the Aged Ltd	ACN 614 116 308	ABN 68 554 957 510
Mercy Health Service Albury Limited	ACN 068 291 234	ABN 82 068 291 234

* A trust established in accordance with the wills of Hannah Kathleen Moylan and Margaret May Rice administered cy-pres in accordance with Orders made by the Supreme Court of Victoria on 19 November 1993 and leave pursuant to section 63 of the *Religious Successory and Charitable Trusts Act 1958* (Vic) given in Orders made by the Supreme Court of Victoria on 30 November 1994.

** A trust established by deed made 30 March 2005 and as amended.

*Home Care client Ray
and his carer Anna*





The leadership team of the Institute of the Sisters of Mercy of Australia and Papua New Guinea are members of Mercy Health Australia Ltd.

The membership of the Boards of all of the companies that make up Mercy Health, other than Mercy Health Foundation Ltd, is concurrent. The concurrent boards are known as 'the Mercy Health Board'.

Mercy Health Foundation — which seeks philanthropic support for the work of Mercy Health — has a separate Board of Directors, referred to here as the 'Foundation Board'.

All of the companies that make up Mercy Health are supported by our Executive team. Support Services functions are also shared across the organisation. For example, human resources and procurement teams support the organisation as a whole.

Modern Slavery and Ethical Purchasing Working Group

Mercy Health established a Modern Slavery and Ethical Purchasing Working Group in February 2020, chaired by General Counsel. The Working Group includes Executive representation from the Chief Financial Officer; Executive Director People,

Learning and Culture; Executive Director Marketing, Communications and Stakeholder Relations; and Executive Director Leadership and Mission. The Group also includes representatives from procurement, health services, aged care and risk teams.

The Executive endorsed the proposal to establish the Working Group. The proposal was supported by the Mercy Health Board.

Consultation within Mercy Health

The entities owned or controlled by Mercy Health Australia Ltd were consulted as follows:

- The Mercy Health Board supported the establishment of the Working Group and approved the giving of this statement.
- The Mercy Health Foundation Board was consulted following a presentation about modern slavery and the Working Group.
- Members of the management team involved in the Working Group work across all entities that constitute Mercy Health.

Neither Mercy Hospitals Victoria Ltd nor Mercy Aged and Community Care Ltd own or control any other entities.



Support Services staff from Richmond (L-R) Aditya, Lucille and Ahmed

Our operations and supply chain

Operations

Mercy Health provides a range of health, aged and community care services in Australia.

Mercy Health provides public hospital services in Victoria and New South Wales. We cared for approximately 101,000 people in our Victorian hospitals in 2020. In that year, nearly 10,000 babies were born in those Victorian hospitals, 556 families were supported by our early parenting centre and more than 1,000 people received mental health services.

At the end of 2020, Mercy Health was operating 34 residential aged care homes across four states, providing care to about 3,400 people.

Mercy Health also supports people to live independently at home. In 2020, we provided care for more than 10,000 people in their own homes.

Supply chain

To deliver a wide range and scope of care, Mercy Health relies on products, goods and services including:

- medical and related services, such as allied health services, medical imaging services, pathology services and agency staff
- building, construction and infrastructure services, including waste management and medical gas supply
- ancillary services such as food, cleaning, linen and laundry and security
- communications, information technology hardware and support, and software solutions and support.

We deal mainly with suppliers that have an Australian presence. However, given the specialist nature of the services we provide, many of our providers are international suppliers with head offices based all around the world. Key countries include Australia, New Zealand, China, the United Kingdom, the United States of America and Germany.

Mercy Health's suppliers manufacture or source from manufacturers all over the world. Manufacturing occurs in a number of countries including Australia, the United States of America, Germany, Turkey, Japan, China, Malaysia, Mexico, Columbia and Sri Lanka.

*Werribee Mercy Hospital
surgical team*



Modern slavery risks in our operations and supply chain

Operational risk

About 10,000 people — 85 per cent of whom are women — worked for Mercy Health in 2020.

While Mercy Health employs people from approximately 134 countries, including India, the Philippines, Nepal and the United Kingdom, the vast majority of our employees are engaged in Australia.

Eight medical practitioners and one nurse commenced employment in our Health Services in 2020 having immigrated to do so. Visa applications related to those positions are managed by an in-house team in accordance with our Visa Policy and Procedure, and in compliance with immigration requirements under Australian law.

Mercy Health engages our employees under a wide range of enterprise agreements and modern awards, as well as under common law, and frequently engages with trade unions acting on our employees' behalf.

Some staff are engaged through agency and other labour hire arrangements. Where state laws require it, we engage staff only from registered labour-hire providers.

Mercy Health has a range of systems in place to identify and action changes to employment entitlements, immigration requirements, equal opportunity requirements and health and safety legislation. Mercy Health has a rolling internal audit plan that includes review of employee related entitlements.

Mercy Health has a Code of Conduct that governs how our employees conduct themselves in our operations. The Code of Conduct is based on our organisational values: compassion, hospitality, respect, innovation, stewardship and teamwork.

Mercy Health does not tolerate improper conduct by our employees, officers or volunteers, and we are committed to protecting and supporting whistleblowers who disclose improper conduct. This is explained in greater detail in our Whistleblowers Policy and Procedure and on our website.

The policies and procedures that govern how we relate to our people are available throughout the organisation and are reviewed and updated on a regular basis.

Supply chain risks

In 2019 in conjunction with the ACAN, Mercy Health undertook a supplier risk analysis of our top 54 suppliers by spend.

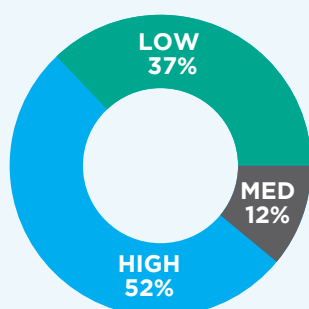
The resulting Mercy Health Risk Dashboard identified that of the top 54 spend suppliers, 28 were categorised as *potentially* high risk by virtue of falling within 10 identified high-risk categories. Identification of the high-risk categories was informed by the ACAN's Category Risk Taxonomy (see next page).

The high-risk spend categories for Mercy Health were identified as:

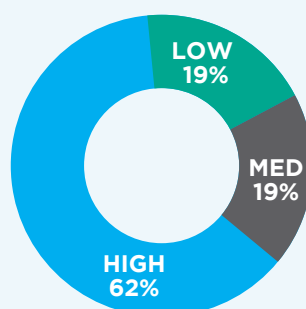
- building and construction
- cleaning services
- food and beverage
- furniture and office supplies
- labour hire (agency)
- linen/laundry
- medical supplies
- security services
- uniforms and workwear
- waste management.

Number of
suppliers**54**Number of
categories**16**Total
spend**\$128,792,107**High-risk
suppliers**28**High-risk
categories**10**High-risk
spend**\$63,348,324**

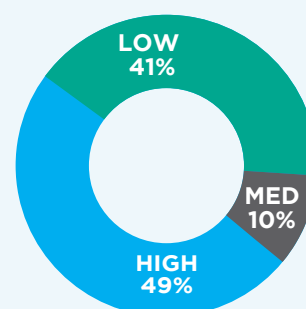
Risk by suppliers



Risk by category



Risk by spend



Percentages may not add to 100 per cent as a result of rounding.

Actions taken to assess and address the risks

As set out in more detail below, Mercy Health established the Working Group to liaise with management to assess and address modern slavery risks. In turn, the Working Group was guided by the ACAN. The Working Group oversaw the establishment and updating of guiding documents, training and education for relevant staff and a process for engagement with significant suppliers. Mercy Health's activities were hampered by the impact of the COVID-19 pandemic and this remains an impediment to supply in some areas of our operations.

Australian Catholic Anti-Slavery Network (ACAN)

In 2019 Mercy Health joined the ACAN, made up of more than 30 Catholic organisations around Australia including large Catholic health and aged care providers.

Mercy Health modern slavery liaison officers attended ACAN conferences and monthly meetings with the aim of understanding and responding to the potential risks of modern slavery in our organisation and supply chain.

Mercy Health undertook the ACAN 'Bridge the Gap Analysis', which generated a heat map of potential system gaps. In 2019, this analysis showed that while we had started to understand the potential risks, we needed to implement strategic action plans to support a progressive program of risk mapping, identification and, where necessary, remediation. We intend to repeat that analysis to guide our efforts in 2021.

Mercy Health worked with the ACAN to develop our organisational commitment; internal education and training; procedural tools and resources; and business systems.

Achievements of the Working Group

The Working Group was established and modern slavery liaison officers appointed to work with the ACAN to support and enhance our organisational responses to the risks of modern slavery.

Working in conjunction with the ACAN and under the supervision of the Working Group, the following goals have been achieved in 2020:

- We finalised a Modern Slavery Policy for Mercy Health employees and suppliers.
- We developed a Supplier Code of Conduct Policy and Supplier Code of Conduct for employees and suppliers.
- We implemented a detailed modern slavery questionnaire, which is designed to identify direct supplier risk as well as risk in at least second tier supply chains.
- Mercy Health procurement teams attended the ACAN's intensive supplier engagement training workshop.
- We developed a Modern Slavery Risk Management Approach Procedure, which aligns to the overall Mercy Health Risk Management Framework.
- We developed a corrective action plan template to track the progress of suppliers asked to complete the questionnaire.
- We updated our Recruitment and Selection Policy to refer to modern slavery.
- The following tools have been developed or modified to respond to the risk of modern slavery:
 - Standard letters to suppliers providing the Mercy Health Supplier Code of Conduct and Modern Slavery Policies and requesting a commitment to the Code and Policies.
 - Inclusion of the Code and Policies in tender documentation and the requirement for tenderer acknowledgement.
 - Inclusion of modern slavery clauses in significant Mercy Health supply contracts and tender documentation.

The actions taken to address supply chain risk within Mercy Health are identified below.

Process	1. Risk stratify inventory	2. Risk-based engagement	3. Appropriate remediation
Risk management activities	Maintain inventory of suppliers with information regarding their potential modern slavery risk (high, medium or low) (ACAN Risk Taxonomy)	<p>Assess the level of strategic and value impact of the high-risk supplier. (ACAN Supplier Engagement Strategy)</p> <p>Develop Engagement Strategy based on the Strategic/Value impact of the high-risk supplier. (ACAN Supplier Engagement Strategy)</p>	Where instances of modern slavery are identified, a prioritised risk management approach is taken: <ol style="list-style-type: none"> Modern slavery risk caused by our Entity Contributed to by our Entity Directly linked to our Entity
Scope	Mercy Operations; Suppliers/ Vendors and their Suppliers; Emerging Suppliers		
Foundation	Core Internal Controls; ACAN Supplier Engagement Strategy; ACAN Risk Taxonomy; Modern Slavery Act 2018		
Objective	Care First: We will care for, and about, marginalised and disadvantaged groups		

Internal education and awareness

The Mercy Health Board, the Mercy Health Foundation Board and the Mercy Health Executive were briefed about modern slavery. Some members of the Working Group and procurement teams received training on the risks of modern slavery and effective supplier engagement and remediation.

Remediation

Mercy Health is committed to ensuring it provides appropriate and timely remedies to people affected by modern slavery.

Mercy Health is a founding partner of Domus 8.7, an independent program providing remedy to people affected by modern slavery. By partnering with Domus 8.7, Mercy Health can help people affected by modern slavery achieve meaningful outcomes.

Our partnership with Domus 8.7 complements the remediation obligations and expectations in our new contract templates for high-value contracts.

Mercy Health has funded an E-Learning 'Remedy Pathways' module that will be available to staff and other stakeholders in 2021.

Impact of COVID-19

COVID-19 has been challenging for the Australian community as a whole, including our employees and the people we serve. The effects of the pandemic

were worst felt in Victoria, where most of our health, aged and community care operations are based.

Led by an incident response team, Mercy Health provided hospital care to patients infected with COVID-19. Meantime, we continued to care for people in our aged care homes and those living independently within significant regulatory restrictions to care.

COVID-19 posed a particular challenge for our procurement team, which was engaged in sourcing and deploying essential personal protective equipment in a difficult procurement environment.

While COVID-19 has not prevented us from developing our response to modern slavery, it has delayed our implementation and engagement with suppliers.

We look forward to pursuing our implementation and engagement with suppliers in what we hope will be a more settled environment in 2021.

Effectiveness assessment

The Modern Slavery and Ethical Purchasing Working Group meets quarterly and will review the effectiveness of the actions Mercy Health is taking in addressing the risk of modern slavery in our operations and supply chain.

The Working Group will establish a plan for action in 2021.

*Linette and baby
Marcella at Mercy
Hospital for Women*



Approval

Mercy Health Australia Ltd is in a position to influence or control Mercy Hospitals Victoria Ltd and Mercy Aged and Community Care Ltd, and approves this statement as the 'higher entity' as permitted by section 14(2)(d)(ii) of the *Modern Slavery Act*.

This modern slavery joint statement for Mercy Health Australia Ltd, Mercy Hospitals Victoria Ltd and Mercy Aged and Community Care Ltd was approved by the Board of Mercy Health Australia Ltd at its meeting on 2 March 2021.



Signed in accordance with section 14(2)(e)(ii)
of the *Modern Slavery Act*
Virginia Bourke
Chair, Mercy Health Australia Ltd



Left: Werribee Mercy Hospital Special Care Nursery midwives Jenny (L) and Claire (R) with mum Danielle and baby Flynn

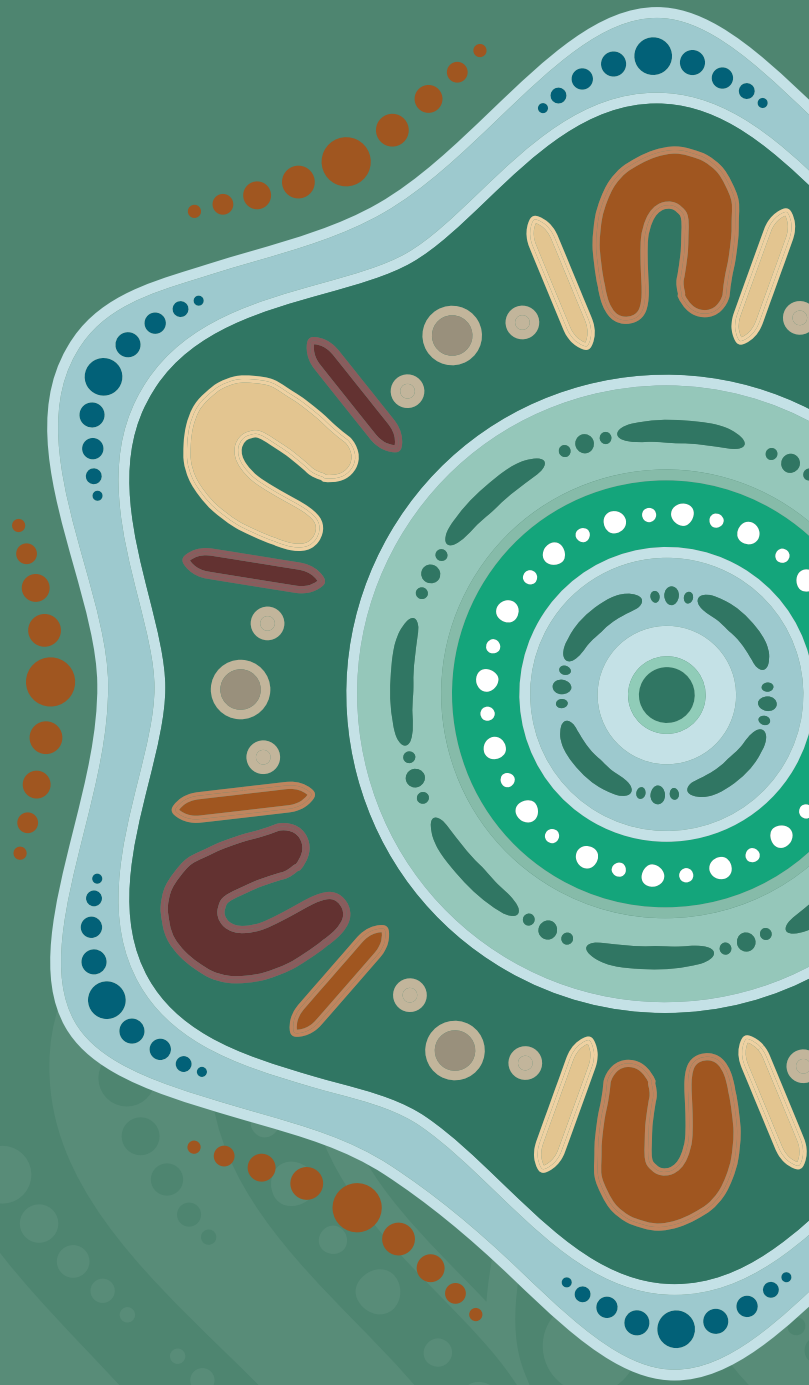
Opposite: Mercy Place Mandurah staff and residents





Mercy Health

Care first



Mercy Health acknowledges Aboriginal and Torres Strait Islander Peoples as the First Australians. We acknowledge the diversity of Indigenous Australia. We respectfully recognise Elders past, present and emerging. This report was produced on Wurundjeri Country.