

Modern Slavery Statement

1 July 2020 to 30 June 2021

Introduction

The *Modern Slavery Act 2018 (Cth)* (the **Act**) was introduced by the Australian Government on 1 January 2019 and requires certain entities to report on the risks of modern slavery in their operations and supply chains and actions taken to mitigate against those risks.

This statement is prepared for the period 1 July 2020 to 30 June 2021 (**Reporting Period**).

Modern Slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. In preparing this Statement, Nexus Hospitals recognises that the nature and extent of modern slavery means that there is a high risk it is present within our supply chains and is committed to continuously improving our understanding of modern slavery, assessing our own risks around modern slavery and reducing these risks over time.

Legal Entity Structure

This Modern Slavery statement relates to Nexus Day Hospitals Holdings Pty Ltd and its wholly owned and controlled entities, together referred to as “Nexus Hospitals”. Nexus Day Hospitals Holdings Pty Ltd is a large, privately owned corporate entity and Nexus Hospitals is a consolidated corporate group.

Nexus Hospitals’ Operations

All entities within Nexus Hospitals are private day and short-stay hospitals which operate within Australia. The principal activities of Nexus Hospitals are the provision of surgical procedures including ophthalmology, endoscopy, plastic surgery, ENT, orthopaedic, general surgery, dental surgery and other procedures. These procedures are conducted by visiting medical officers supported by Nexus nurses and administration staff within our facilities. Nexus Hospitals operates within a highly regulated industry overseen by a number of government agencies and independent statutory authorities including the Department of Health, the Therapeutic Goods Administration, State and Territory Health departments and others. To support its hospital operations, Nexus Hospitals engages over 900 staff, comprising of employees and contractors, as well as visiting medical officers who are not employed but operate in our facilities.

Nexus Hospitals owns and operates a number of private hospitals in Australia:

- Bondi Junction Private Hospital
- Canberra Private Hospital
- Charlestown Private Hospital
- Corymbia Day Hospital

- Crows Nest Day Hospital
- Hobart Day Surgery
- Insight Private Hospital
- Kogarah Private Hospital
- Manningham Private Hospital
- Pennant Hills Day Surgery
- Southbank Day Surgery
- Sundew Day Surgery
- Tennyson Centre Day Hospital
- Vermont Private Hospital
- Windsor Private Hospital

Information about Nexus Hospitals is available on our website www.nexushospitals.com.au.

Reporting Entity for Modern Slavery purposes

The risks of modern slavery are common throughout the group and have therefore been identified and considered on a group basis. Nexus has consulted extensively with its wholly owned and controlled hospitals to ensure that any risks or instances of modern slavery at an individual hospital level have been identified. This consultation has been strengthened through training provided to each hospital leader and key members of their team, so that they could identify any examples of modern slavery risk that we may otherwise overlook.

Accordingly, this Statement covers Nexus Hospitals group, which is a reporting entity for the purposes of the Act, having met the reporting threshold in the Reporting Period.

Nexus Hospitals' Supply Chains

Nexus Hospitals' supply chain consists of over 1000 suppliers and wholesalers in the healthcare industry (prostheses, consumables, medical equipment) as well as services to support our facilities (cleaning, laundry, IT support, maintenance, uniforms, building & construction etc).

Nexus does not purchase goods or services directly from any suppliers located outside Australia, and notes that we have a large majority of our direct suppliers in common with much larger healthcare providers. We also note that most of these suppliers are themselves reporting entities who are required to publish their own Modern Slavery Statements under the Act. Nexus reviews the Modern Slavery statements of its suppliers and makes additional enquiries as part of its procurement tendering process, to ensure it is partnering with companies which share its commitment to reducing the risks of modern slavery in its supply chains.

Risks of Modern Slavery practices in our Supply chains

Whilst we deal exclusively with Australian suppliers, many of these suppliers manufacture goods overseas or import goods or components from overseas companies. Some of these facilities are in countries where modern slavery may be more prevalent, and include some products which have a

higher risk of modern slavery such as nitrile gloves, low value pack components and other PPE. During the global pandemic, the demand for many of these products increased enormously and drove prices up. Nexus recognises that in turn, this inevitably led to new suppliers entering the market when prices were high and may have increased the risk of Nexus and other companies being linked to modern slavery practices through the procurement of some of these covid supplies. We mitigated this by doing background checks wherever possible and only engaging with proven medical supply companies and not the newer companies seeking to capitalise on the opportunity.

Given that these multi-level medical suppliers are shared by some of our much larger competitors, Nexus Hospitals are limited in the leverage we can individually exert over these suppliers, however it also means that these suppliers receive a significant amount of common pressure from industry participants seeking to minimise their own modern slavery risks. Nexus has reviewed the modern slavery statements of other industry participants to ensure there are no risks they have flagged that we have overlooked.

Nexus Hospitals participates in industry-wide organisations as well as procurement-specific networking at an industry level and consults with others as part of its strategies to identify modern slavery risks inherent in its supply chains.

During the reporting period, we have identified a specific modern slavery risk around nitrile gloves, which are commonly manufactured in locations with high modern slavery risks particularly relating to poor working conditions and exploitation of workers. Nexus Hospitals purchases its nitrile gloves through a small number of wholesalers and direct suppliers and has made enquiries of these suppliers to understand their own processes to mitigate these particular risks. Nexus has also reviewed the modern slavery statements published by these suppliers to ensure these risks are appropriately identified and addressed.

In terms of services, we recognise that cleaning and general maintenance services are an area of high risk. Our cleaning services are provided by a small number of corporate entities who specialise in cleaning within the healthcare sector, which is highly regulated in this area. We have recently engaged a facilities management company, ServiceFM, to oversee all aspects of non-clinical maintenance services including cleaning. In assessing ServiceFM's processes and controls associated with conducting background checks, rate reviews and checking insurances and licences, Nexus is satisfied that this gives us an extra layer of reassurance that any instances of modern slavery risk within these types of services would be identified and addressed.

Assessing and addressing Modern Slavery risks

There are a number of ways in which Nexus has assessed and addressed its modern slavery risks within the reporting period, which are outlined below.

1) Supplier Engagement

Nexus strives to engage with reputable suppliers which share its commitment to identifying risks related to modern slavery in its supply chains and considering appropriate mitigation strategies. There are robust internal controls around suppliers including that all credit applications are signed

by members of the Executive Team, purchase invoices are approved under corporate Delegations of Authority and there is separation of responsibilities between the ordering and payment processes.

Relationships with significant suppliers and supplier contracts are managed by the Nexus Commercial Director who gives significant consideration to the reputation, consistency and quality of those suppliers before entering into a commercial arrangement with them. Nexus strives to develop fair, constructive and transparent win-win partnerships with its key suppliers, with collaboration, respect and a commitment to excellence all being part of the Nexus Core Values.

In entering into preferred supplier arrangements (whether contractual or not), Nexus requests information regarding the modern slavery processes and procedures followed by those suppliers and makes it clear that this is of importance in any tender process. We also ensure that negotiations do not focus on price above all else, and that long term partnerships are valued more highly than short term commercial gain. As such, we are seeking to minimise the risk that our own conduct might inadvertently contribute to modern slavery practices.

2) *Employee Engagement*

Nexus has a robust corporate governance framework including group Vision and Values, a grievance policy and a Whistleblower Policy. In addition, Nexus conducts a regular employee engagement survey and patient satisfaction surveys cover 100% of our patients. Our website invites feedback and queries from the wider community and we also engage and consult with the community on various matters in accordance with by our hospital accreditation requirements. These provide a number of channels to encourage employees, suppliers or members of the public to report any risk of modern slavery of which they may be aware. To date, no reports have been received.

Hiring of staff is overseen by Nexus' Chief People and Culture Officer and Nexus uses reputable employment agencies including for casual staff. All employees are issued with Employment Contracts and an Employee Handbook which include these policies. As healthcare workers they are employed under Modern Awards or Enterprise Bargaining Agreements and they are required to show proof of Australian residency as well as any relevant qualifications (eg nursing). Nexus Hospitals continuously reviews wages to ensure they are in line with Awards and market conditions and employees may be members of a union which also offers protection of workers' rights.

3) *Modern Slavery Training*

During the reporting period, Nexus designed and rolled out Modern Slavery training which was attended by its corporate and hospital leadership team as well as those employees responsible for procurement within its hospital network. In total, this represented approximately 40 people and covered all hospitals and the head office team, as well as those in procurement positions within the hospital network. This training covered modern slavery risks and also focused on areas of particular risk within our hospitals. There were many opportunities for discussion which encouraged further awareness and identification of modern slavery risks and the impact that modern consumerism might be having on this. Attendees were encouraged to report any concerns to the leadership team, either directly or in accordance with existing whistleblower policy which provides confidentiality and protection to the whistleblower. This training will be enhanced, repeated and offered to a wider

audience on an ongoing basis, in order to continuously improve knowledge in this area and hence the chances of other risks being uncovered that we may not currently be aware of.

Feedback from these training sessions indicated that the training had been clear, relevant and informative.

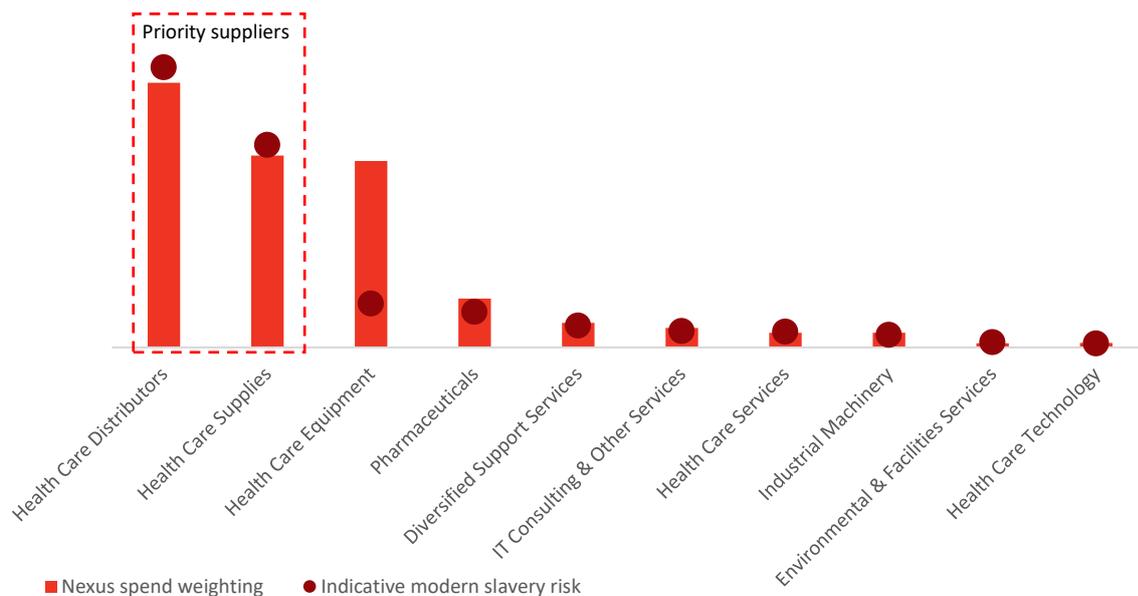
4) **Supplier Audit refresh**

In the previous reporting period, Nexus compiled a database of its top suppliers by turnover and the nature of each supplier’s business. During this reporting period, Nexus added to and refined this information as part of its efforts to continuously improve the assessment of potential modern slavery risks in its operations and supply chains.

Nexus worked with Fair Supply to undertake a baseline measure of exposure to modern slavery. This was performed on approximately 80 suppliers that represented around 80% of total annual spend (noting the remaining 20% of spend contained a long tail of suppliers with immaterial spend and low strategic significance to Nexus). Fair Supply uses a global multi-regional input-output (MRIO) database, which holds information about economic supply chains and draws data from a range of data sets such as the Australian Bureau of Statistics, Eurostat, United Nations Statistics Division. This enables the risk of modern slavery to be estimated to tier ten in the supply chains. These data sets are combined to provide an estimation of modern slavery risk exposure based on industry sub-sector and geography.

Following comparison of the current supplier listing with this exercise, Nexus is satisfied that the results of this review are materially the same as in the previous reporting period. However, it is repeating this analysis for the FY22 reporting period.

Modern slavery risk exposure (Data sourced from Fair Supply)



Assessment of the Effectiveness of our actions to address modern slavery

Nexus Hospital's will continue to review of our supplier onboarding and monitoring processes to ensure that modern slavery risks are included in all cases.

Nexus recognises that we still have work to do to improve the effectiveness of our modern slavery processes and procedures, and obtain more objective information from our suppliers to assess their own processes around this issue.

No instances of modern slavery have been identified during the reporting period.

Statement

This Modern Slavery statement was approved by the Board of Nexus Hospitals on 29 July 2022 .

Signed:



Leanne Rowe
Chairman



Paul DeSouza
Director