

Modern Slavery Statement 2023



MANDATORY REPORTING CRITERIA ONE AND TWO:

IDENTIFY THE REPORTING ENTITY AND DESCRIBE ITS STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Reporting Entity for Modern Slavery purposes

The reporting entity to which this Modern Slavery statement relates is Nexus Day Hospitals Holdings Pty Ltd and its wholly owned and controlled entities, together referred to as “Nexus”.

Structure

Nexus Day Hospitals Holdings Pty Ltd is a large, privately owned Australian corporate entity and Nexus is a consolidated corporate group. Nexus owns and operates a number of private hospitals in Australia who are connected with legal entities under the control of Nexus Day Hospitals Holdings Pty Ltd.

The only trading entities within the Nexus Day Hospitals Holdings Pty Ltd group are entities which hold the hospital businesses. Appendix A includes the hospital names and legal entities within the group as at 30 June 2023. To support its operations, Nexus employs over 1500 permanent and casual nursing and administrative employees, as well as contractors and visiting medical officers who are not employed but operate in our facilities.

Acquisition of Montserrat

During the reporting period, Nexus acquired Montserrat Day Hospitals Pty Ltd (“Montserrat”) which has been fully integrated into the Nexus group and therefore included within the reporting entity as at our financial year end 30 June 2023.

As Montserrat operated within the same industry with similar policies and processes to Nexus prior to acquisition, and suppliers which are highly aligned, the risks of modern slavery are considered to be common throughout the group and have therefore been identified and considered on a group basis as at the date of this statement.

Our Operations

Nexus is in the business of providing surgical and medical procedures including ophthalmology, endoscopy, plastic surgery, ENT, orthopaedic, general surgery, dental surgery, haematology and oncology services and other procedures. These procedures are conducted by visiting medical officers (doctors registered in Australia and accredited to perform the services within the particular hospital) and supported by nursing and administration staff. Most of our nursing and administration staff members are directly employed, either on a permanent or casual basis, and supplemented by agency nursing staff when required.

Our Supply Chains

Our supply chains include the products and services (including labour) that support our business of providing surgical and medical procedures. This includes products or service sourced in Australia or overseas. Whilst Nexus only sources products and services from Australian companies, our supply chain extends globally beyond our direct suppliers.

Our products and services are supplied by over 1,000 suppliers and wholesalers in the healthcare industry (supplying prostheses, medical and surgical consumables, pharmaceutical supplies and medical equipment) as well as services to support our facilities (cleaning, laundry, IT support, maintenance, uniforms, etc).

MANDATORY REPORTING CRITERIA THREE:

DESCRIBE THE RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAINS OF THE REPORTING ENTITY AND ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

As part of our modern slavery review process, we undertake our own risk assessment of our operations and supply chains to consider the risk of Nexus causing, contributing to, or being directly linked to modern slavery through its operations and supply chains. This process is formally repeated on an annual basis to identify areas of vulnerability and inform our areas of focus for the coming year. This section of our Modern Slavery statement describes our findings from this review process and risk assessment.

The areas of highest risk have been identified as:

- Geographies where certain products are manufactured or associated raw materials originate and which carry high risk of modern slavery practices;
- Products which are known to be at high risk of being manufactured using modern slaves;
- Services which may attract migrant workers.

Risks of modern slavery practices in our Operations (including operations of entities that Nexus owns and controls)

Nexus operates private day and short-stay hospitals within Australia and exclusively employs Australian residents or permanent visa holders. Its operations involve performing medical and surgical procedures and Nexus does not produce any supplies itself.

All entities within Nexus operate and are legally registered in Australia.

Nexus 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.

Employment-related risks in our Operations (including operations of entities that Nexus owns and controls)

Nexus only employs workers with Australian residency or citizenship and does not use unskilled, temporary or seasonal labour. The majority of our employees are skilled registered and enrolled nurses, and their qualifications and credentials are checked on employment and kept up to date in accordance with the requirements of the Nursing and Midwifery Board of Australia as well as the Australian College of Nursing. Our doctors are not employees but are required to be credentialled as Visiting Medical Officers by each hospital in which they work.

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 Agreements and they are required to show proof of Australian residency as well as any relevant qualifications (eg nursing). Nexus 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.

For these reasons, we consider that our entity risks, or the risks that Nexus might *directly cause* modern slavery practices is extremely low.

Geographic risks within our supply chains

For Nexus, whilst we are at low risk of directly causing modern slavery practices, our greater risk is that we inadvertently *contribute to* or, through association, be *directly linked* to modern slavery

practices. One of the main ways in which this could occur is using suppliers who are themselves at higher risk of having modern slavery within their supply chains, either due to the geographies in which they operate or in which their own supply chains operate.

Nexus does not purchase goods or services directly from any suppliers located outside Australia. Whilst we deal exclusively with Australian suppliers, many of these suppliers manufacture goods overseas or import goods or components from overseas companies, therefore the geographical risk profile of our supply chain relates largely to the supply chains of our suppliers.

In performing surgical procedures, Nexus uses some products such as PPE in countries where modern slavery is more prevalent, particularly South-East Asia (including China). The supply chains for these products are very concentrated in this region so it is difficult for a commercial enterprise such as Nexus to substitute with products manufactured in countries with lower modern slavery risks.

Product and Service-related risks within our supply chains

In performing surgical procedures, some products are used which we have identified as having a relatively higher risk of modern slavery. Examples are nitrile gloves, other PPE and low value surgical pack components (such as kidney dishes or needle counters). During the global pandemic, the demand for many of these products increased enormously and this volatility drove prices up. Our usual suppliers could not keep up with global demand so we were forced to source them elsewhere. This situation led to new suppliers entering the market when prices were high and likely increased the risk of Nexus and other healthcare providers being linked to modern slavery practices through the procurement of some of these “covid supplies”.

Now that the pandemic demand has subsided, we are revisiting our suppliers in these areas and are re-engaging with proven medical supply companies and not the newer companies seeking to capitalise on the opportunity.

Within Nexus’ own supply chain, modern slavery risks are relatively higher in some of our indirect services such as cleaning; waste disposal; and admin uniforms. We ensure these services are provided by reputable Australian registered companies and are continuously seeking to improve our engagement with those companies and thereby improve our visibility over their supply chains in order to identify whether modern slavery may be present in those supply chains.

Nexus continues to focus on PPE and support services as we consider these are the areas where Nexus is at highest risk of contributing to modern slavery.

MANDATORY REPORTING CRITERIA FOUR:

DESCRIBE THE ACTIONS TAKEN BY THE REPORTING ENTITY TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

During this reporting period, we have made significant progress in our actions to assess and address the modern slavery risks within our operations and supply chains. There are a number of specific actions that Nexus has assessed and addressed its modern slavery risks within the reporting period, which are outlined below:

- ✓ Supplier due diligence
- ✓ Shift towards preferred suppliers
- ✓ Supplier-centric review: Using external information sources to identify areas of higher risk
- ✓ Product-centric focus: Categories of products and services with higher modern slavery risk
- ✓ Incorporating our findings through training

Supplier due diligence

In terms of the actions that Nexus takes directly, we review the Modern Slavery statements of suppliers before contracting with them, and also make additional enquiries as part of our procurement tendering process, to ensure we are partnering with companies which share our commitment to reducing the risks of modern slavery in its supply chains and can demonstrate that they are acting in this regard.

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 most recent reporting period, Nexus wrote to all its top 100 suppliers to request insights into their modern slavery policies and processes and is starting to work through the review of these statements in order to ask "next level down" questions. This allows Nexus to continuously improve the assessment of potential modern slavery risks in its operations and supply chains.

Nexus has 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. In terms of modern slavery risk, Nexus' engagement with suppliers common to the wider industry provides a level of due diligence assurance over the modern slavery practices of those suppliers, as healthcare providers much larger than ourselves are likely to have committed greater resources to these investigations than we have had the opportunity to do. 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 may have overlooked.

Shift towards Preferred Suppliers

During the reporting period Nexus has expanded its procurement function and associated focus and accelerated its shift towards formalising preferred supplier relationships.

Whilst all suppliers carry some level of modern slavery risk within their supply chains, Nexus believes that a consolidation of spend towards preferred suppliers will significantly improve its ability to investigate those suppliers' modern slavery policies and risk profiles through regular communication and engagement. Through our increased understanding of our own supply chain, we can now identify the factors which increase or decrease vulnerability to modern slavery risks and this has informed our engagement with certain preferred suppliers.

Engagement and onboarding of all preferred suppliers includes requesting information regarding their modern slavery risk management approach as well as in-person engagement with senior decision-makers in those organisations. By contrast, other supplier relationships may be at arms length or via distribution partners where that transparency and direct relationship is not as easy. 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. We clearly express our expectations around modern slavery risk processes and that they conduct their business in an ethical manner, and this expectation is formalised within our preferred supplier contracts. In many cases, we have selected preferred suppliers who offer a combination of service and value, rather than the lowest cost provider. As such, we are seeking to minimize the risk that our own conduct might inadvertently contribute to modern slavery practices.

Supplier-Centric Review: Using external information sources to identify areas of higher risk

In FY20, Nexus used an independent external audit tool to review our suppliers and their relative modern slavery risk. This tool is 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, and United Nations Statistics Division. The database overlays a model of how global supply chains generally work with insights on the locations and industries with the highest modern slavery risk to “risk rate” suppliers and allow its users to appropriately and objectively prioritise its modern slavery review efforts.

This exercise was repeated in FY22 to identify whether there had been any material change in that baseline measure of Nexus’ exposure to modern slavery and, in FY23, we refined this analysis further by identifying 24 higher risk suppliers who represent approx. 75% of total spend and will form the starting place for further consideration and engagement in this area in FY24 above and beyond what has been requested of our top 100 suppliers.

We will continue to refresh this analysis to understand any changing trends of which we need to remain abreast.

Product-Centric Focus: Categories of products and services with higher modern slavery risk

During the reporting period, Nexus continues to focus on PPE and support services as we consider these are the areas where Nexus is at highest risk of contributing to modern slavery.

- ***Focus on PPE***

Through accessing external information on modern slavery risk areas and applying it to its own supply chains, Nexus has identified that low value, high volume PPE is an area of high risk from a modern slavery perspective due to the location in which the raw materials are sourced produced, and the importance of a low cost manufacturing process which is therefore often located in countries where modern slavery risk is known to be high.

During the last reporting period Nexus focused on managing its risks around nitrile gloves, and we now have a strong alliance with Medline Industries in this regard. The vast majority of our nitrile gloves are now covered by this partnership which we believe significantly decreases our risks around this supply chain by enabling a far closer engagement on how Medline actively manages its own risks.

Following this, we have now turned our focus to consolidating our surgical gloves suppliers and have identified four key preferred suppliers in this area, all of whom have provided extensive detail to satisfy our questions around modern slavery risks in their supply chain.

As at the date of this report, we are close to engaging with a preferred supplier for surgical masks and have included similar levels of rigour in this engagement.

- **Focus on Services**

Another area of relatively higher modern slavery risk for Nexus is in the services which support our operations. In terms of services, we recognise that cleaning and general maintenance services are an area of high risk as they often attract migrant workers who may be victims of modern slavery within Australia.

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. During the reporting period, Nexus has actively encouraged the shift to corporate and national cleaning providers away from local businesses who may not have such a strong understanding of or focus on modern slavery risks and where risks around migrant workers may therefore be higher. These organisations are themselves reporting entities from a modern slavery perspective and their processes are also covered by ISO and other accreditation and quality standards.

Nexus utilises a facilities management company to oversee all aspects of non-clinical maintenance services including cleaning. In assessing the company'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.

Similarly, we are increasing our engagement with large corporate groups for provision of other services such as laundry services, waste management and biomedical services.

Training and awareness

It is critical that all the actions taken and risks identified during the reporting period are communicated throughout the organisation to raise awareness and that Nexus continuously increases its opportunities to identify additional risks that may otherwise be overlooked. The main way in which this is done is through training and awareness.

Nexus provides annual in-house Modern Slavery training to its corporate and hospital leadership team as well as those employees responsible for procurement within its hospital network. During the reporting period, this training was extended to all leaders (operational and corporate) within Montserrat Day Hospitals for the first time and covers all entities within the group which are under the control and ownership of the reporting entity. Training is provided to each hospital leader and key members of their team, so that those hospitals have the ability to identify any examples of modern slavery risk, current or in the future, that may exist within an individual hospital's operations or supply chains and that we may otherwise overlook.

This training covers modern slavery risks in general as well as those of particular risk within our hospitals. Training was modified this year to reflect new knowledge and insights around modern slavery risks in our industry and also the role that frontline workers can play in identifying potential victims of modern slavery who may enter our hospitals seeking medical attention. Training is conducted in small groups which facilitate open discussion, and empowers and encourages each participant to consider where else modern slavery risks may exist, as well as considering how our culture of consumerism might be contributing to this risk in our personal lives.

All employees are 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 continue to 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.

Nexus' Commercial Director and other members of the senior management team participate in industry-wide associations as well as conducting procurement-specific networking at an industry level, and consult regularly with those networks as part of Nexus' strategy to identify modern slavery risks inherent in our supply chains. During the reporting period, the Nexus expanded its industry networks through appointment of a representative to the APHA Council as well as attending a number of conferences on sustainability and procurement which allowed the Procurement team to learn from others regarding their experiences and approaches to modern slavery as well as identify any areas of risk of which it may not otherwise be aware.

Employee Engagement / Whistleblowing

Nexus has a robust corporate governance framework including an independent Board of Directors, external auditors, group Purpose and Values, a grievance policy and a Whistleblower Policy. These all provide a mechanism in place to identify any modern slavery concerns that may exist in the business. In addition, Nexus conducts a regular employee engagement survey and patient satisfaction surveys covering 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 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.

In addition, the culture of full and transparent reporting that is embedded throughout our organisation through its clinical governance framework as well as our people and culture team encourages feedback from the "eyes and ears" of our hospitals, our people. Strengthening this culture of accountability and transparency is key to maximising our chances of identifying modern slavery risks at all levels of our organisation and ensuring they are reported to the corporate office for further investigation.

MANDATORY REPORTING CRITERIA FIVE:

DESCRIBE HOW THE REPORTING ENTITY ASSESSES THE EFFECTIVENESS OF ACTIONS BEING TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

During this reporting period, our focus was to gain a better understanding of our modern slavery risks and how such risks may be present in our operations and supply chains. Our procurement processes remain disparate and decentralised which limits the controls we have over supplier onboarding, so at this stage we are not able to adequately assess the effectiveness of measures we have undertaken. A process of centralising this function and implementing controls is already underway as is the consolidation of supply towards preferred suppliers which will facilitate the review of effectiveness of our actions.

Our actions in Mandatory Reporting Criteria Four outline how our actions are informed from both an objective “supplier centric” perspective and a more subjective “product centric” perspective. Nexus considers that this “top down, bottom up” methodology maximises the chances of identifying modern slavery risks within our operations and supply chains and is therefore an effective approach. Nexus meets regularly with all its preferred suppliers and keeps modern slavery risks as a standing agenda item with a culture of open and transparent dialogue. This reinforces that this is an area that Nexus considers critical to its ongoing relationship with that supplier and also provides a forum for open disclosure of any risk areas.

We track and report on the number of preferred supplier relationships initiated, as well as modern slavery training conducted.

Nexus has not had cause to respond to a case of modern slavery so it is difficult to assess whether this is due to the effectiveness of our actions taken in this area. In line with our open culture, if faced with this situation we would seek support from law enforcement or other experts in a manner which is appropriate to the particular circumstances.

MANDATORY REPORTING CRITERIA SIX:

DESCRIBE THE PROCESS OF CONSULTATION WITH ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

During the reporting period, we actively engaged and consulted with all hospitals that we own or control in the development of this statement. Those entities and associated hospitals are listed in Appendix A. We discussed details of the Modern Slavery Act 2018’s reporting requirements; information regarding the actions we intend to take to address those requirements and provided them with relevant materials and updates.

All entities within Nexus operate within the same industry, and although their specialty mix may differ, there is significant crossover of suppliers and therefore risks are likely to be largely common. However, in the event that there may be risks specific to an individual entity, Nexus has sought to ensure that any risks or instances of modern slavery at an individual hospital level have been identified through this process of active engagement and consultation.

Consultation has also been achieved through:

- ✓ Engaging employees through policies and communication supported by our People and Culture team
- ✓ Training to strengthen awareness of modern slavery risks within our supply chain and operations

MANDATORY REPORTING CRITERIA SEVEN:

ANY OTHER RELEVANT INFORMATION NOT COVERED BY THE OTHER MANDATORY REPORTING CRITERIA

Nexus considers that the other six mandatory reporting criteria have covered off all relevant information.

Statement

This statement was approved by the Board of Nexus Day Hospitals Holdings Pty Limited in their capacity as principal governing body of Nexus Day Hospitals Holdings Pty Limited.

This statement is signed by Dr Michael Stanford in his capacity as Chairman of Nexus Day Hospitals Holdings Pty Limited on 10 November 2023.

Signed:

A handwritten signature in black ink, appearing to read 'M Stanford', with a long horizontal line extending to the right.

Dr Michael Stanford

Chairman

Nexus Day Hospitals Holdings Pty Limited

10 November 2023

APPENDIX A:

	Hospitals	Legal entity name	ABN
formerly Nexus Hospitals	Bondi Junction Private Hospital (NSW)	Bondi Newco Pty Ltd	57 604 636 240
	Bundaberg Private Hospital (QLD)	Bundaberg Private Day Hospital Pty Ltd	34 625 771 931
	Canberra Private Hospital (ACT)	Canberra Private Hospital Pty Ltd	51 164 995 402
	Charlestown Private Hospital (NSW)	Charlestown Private Hospital Pty Ltd	53 602 063 267
	Corymbia Day Hospital (VIC)	Corymbia Newco Pty Ltd	88 606 420 857
	Crows Nest Day Hospital (NSW)	Crows Nest Day Surgery Pty Ltd	19 169 125 437
	Hobart Day Surgery (TAS)	Hobart Day Surgery Pty Ltd	37 065 718 989
	Insight Private Hospital (NSW)	Insight Newco Pty Ltd	78 601 453 892
	Kogarah Private Hospital (NSW)	Kogarah Private Hospital Pty Ltd	77 114 793 743
	Manningham Private Hospital (VIC)	Manningham Day Procedure Centre Pty Ltd	13 165 901 173
	Pacific Private Day Hospital (QLD)	Surgical Excellence Southport Pty Ltd	48 616 381 269
	Pennant Hills Day Surgery (NSW)	Nexus PHDS Holdings Pty Ltd	23 633 923 716
	Southbank Day Surgery (WA)	NM&IG Day Surgery Pty Ltd	87 107 603 396
	Sundew Day Surgery (WA)	Sundew Day Surgery Pty Ltd	20 619 887 240
	Tennyson Centre Day Hospital (SA)	Ettarre Pty Ltd	28 128 586 667
	Vermont Private Hospital (VIC)	Vermont Private Hospital Pty Ltd	70 606 820 937
	Windsor Private Hospital (VIC)	Nexus Windsor Private Holdings Pty Ltd	37 631 676 018
formerly Montserrat Hospitals, part of Nexus from 1/5/23	Albany Day Hospital (WA)	Albany Day Hospital Pty Ltd	19 618 239 231
	Bunbury Day Hospital (WA)	Bunbury Day Surgery Pty Ltd	64 126 982 581
	North Lakes Day Hospital (QLD)	North Lakes Day Hospital Pty Ltd	77 147 143 075
	Oxford Day Surgery (WA)	Oxford Medical Pty Ltd, the Trustee of the Oxf	37 404 392 761
	Rosemont Endoscopy Centre (NSW)	Felpet Pty Ltd	70 052 500 133
	Samford Road Day Hospital (QLD)	Montserrat Healthcare Pty Ltd	57 162 843 610
	Sunshine Coast Haematology and Oncology (Q	Windermere House Pty Ltd	94 074 780 635
	Warringah Day Surgery (Brookvale) (NSW)	Brookvale Day Hospital Pty Ltd	55 639 116 386
	Western Haematology & Oncology Clinics (WA	Western Haematology and Oncology Clinics Pt	32 615 067 377
	Westside Haematology & Oncology (QLD)	Montserrat Healthcare Pty Ltd	57 162 843 610
	Westside Private Hospital (QLD)	Montserrat Healthcare Pty Ltd	57 162 843 610
	Nexus intermediate holding company, and contracting entity for the group	32 165 826 808	

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