

Modern Slavery Statement

1 July 2021 to 30 June 2022

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 2021 to 30 June 2022 (**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 1000 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, which at 30 June 2022 comprised:

- 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.

In order to prepare this joint statement, we engaged with each of the reporting entities covered by this statement and consulted the entities we own and control. Through this engagement and consultation, Nexus has sought 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, current or in the future, 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 seek to address this risk 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, 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.

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. 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.

Focus on Nitrile Examination gloves

Unacceptable modern slavery practices connected with the production of nitrile exam gloves have long been identified as a key risk for the Healthcare industry. During and since the reporting period, these risks were once again highlighted through a number of high profile cases taken by former migrant workers in Malaysia. The workers claim that the well-known brand "knowingly profiteered" from alleged forced labour in the factory which manufactured the gloves, and the claim outlines both their trafficking to Malaysia and their unacceptable working conditions once they arrived. In December 2021, Brightway became the fifth Malaysian glove maker to have imports banned by the US Customs and Border Protection due to their modern slavery practices.

In considering how best to mitigate its own risks in this area, Nexus has entered into a preferred supplier agreement with Medline Industries to provide all its examination gloves. Medline aims to meet recognised international human rights standards, including the United Nations Guiding Principles on Business and Human Rights ("UNGPs") and issues its own Modern Slavery and

transparency statements. Medline's actions in and commitment to this area were key to our selection of Medline as a preferred supplier, including:

- Medline's suppliers are expected to comply with their Supplier Code of Conduct, which prohibits them from engaging in forced labour, child labour and other related inhumane practices within Medline's supply chain, and subsequently audits compliance against this;
- Medline has an Ethical Sourcing Committee that protects and improves the wellbeing of workers in their product supply chain. Their Ethical Sourcing Program has been benchmarked against the UNGPs and International best practices, and is overseen by its Ethical Sourcing Committee which includes representatives from all disciplines including their most senior management;
- Medline's exam gloves are predominantly manufactured in Malaysia where Medline is a founding member of the Responsible Glove Alliance (RGA). The RGA protects the rights and dignity of workers vulnerable to forced labour in global supply chains and promotes responsible recruitment and employment practices.
- Medline are taking active steps in WRAP certification of all its partnering suppliers. Over 90% of Medline's global volume of exam gloves are sourced from WRAP-certified factories, with a goal of 100% compliance in the coming year. WRAP is an independent, objective, non-profit team of global social compliance experts dedicated to promoting safe, lawful, humane and ethical manufacturing through certification and education. WRAP is a globally recognised certification focused on compliance with the 11 International Labor Organisation standards;
- Medline employs local human resources representatives at all Medline-owned factories, distribution centres and sales offices around the world;
- Medline engages independent third party consultants to conduct due diligence on suppliers and performs subsequent regular risk assessments to ensure this work remains current.

This engagement is a positive step forward in Nexus' exam glove purchasing practices.

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. Nexus has recently implemented a single general ledger system and associated processes across all its hospitals, which will significantly improve oversight over its suppliers and allow us to reduce the number of suppliers we engage with over time.

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 Purpose 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 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 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

Nexus continues to provide in-house Modern Slavery training to its corporate and hospital leadership team as well as those employees responsible for procurement within its hospital network. This training covers modern slavery risks and also focused on areas of particular risk within our hospitals. There are 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. 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 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

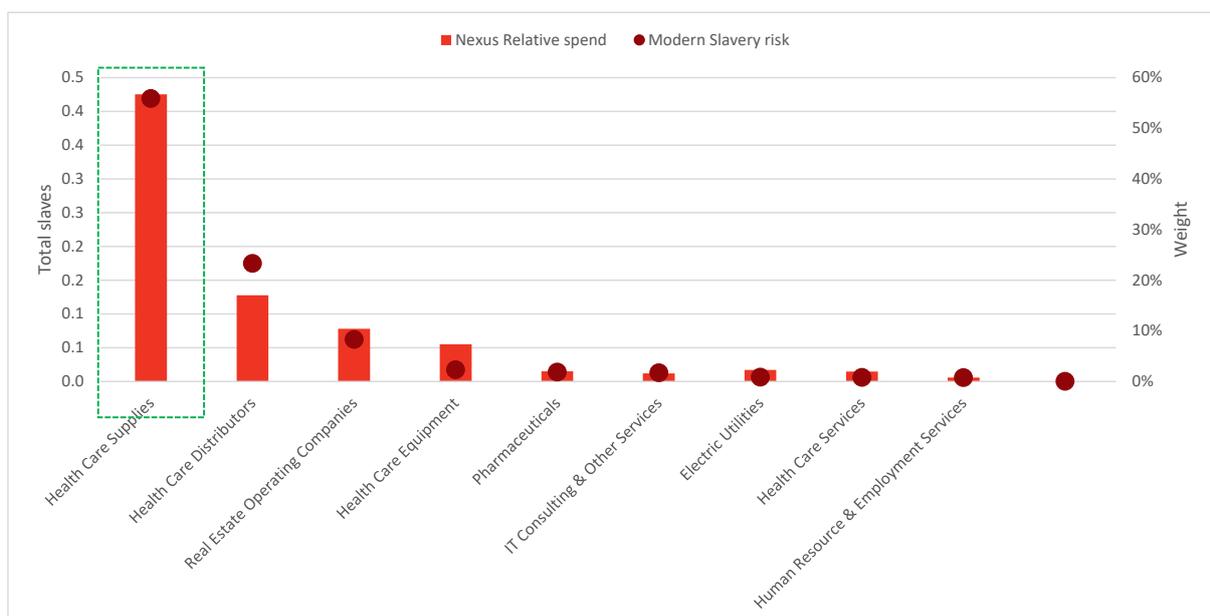
In the previous reporting period, Nexus compiled a database of its top suppliers by turnover and the nature of each supplier’s business. During this reporting period, Nexus added to and refined this information as part of its efforts to continuously improve the assessment of potential modern slavery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

During FY22, Nexus refreshed the exercise it completed in FY20 with Fair Supply to identify whether there had been any material change in that baseline measure of Nexus’ exposure to modern slavery.

This analysis was performed on our top 50 suppliers that represented around 50% of total annual spend (noting the remaining 50% 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, and confirm that Nexus is focusing its efforts in the best way possible, being on health care supplies. This sub-industry has the highest risk profile for Nexus and also represents the largest proportion of our spend compared to other sub-industries. Compared to the prior analysis, health care distributors are considered lower risk. We will continue to refresh this analysis to understand any changing trends of which we need to remain abreast.

Modern slavery risk exposure (Data sourced from Fair Supply)



Assessment of the Effectiveness of our actions to address modern slavery

Nexus Hospitals will continue to review 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 14 December 2022.

Signed:



Leanne Rowe
Chairman



Paul DeSouza
Director