

# Modern Slavery Statement

## FY 2021



## 1. INTRODUCTION

This statement is made in accordance with the *Modern Slavery Act 2018* (Cth) (the **Act**) jointly on behalf of Celsus Holding Pty Ltd (as trustee of the Celsus Holding Trust) (**Celsus Holding**) and its wholly owned subsidiary, Celsus Pty Ltd (as trustee of the Celsus Trust) (**Celsus**), which are collectively referred to as the **Group** for the purpose of this statement.

The Act defines modern slavery to include slavery, human trafficking, child labour and forced labour. The Group does not tolerate any form of modern slavery. This is the Group's second modern slavery statement and demonstrates a continued commitment towards achieving the highest standards of modern ethics. This statement further refines the Group's approach to managing risks associated with modern slavery and provides an honest account of recent progress. The Group's focus during the FY2021 reporting period was to increase awareness, improve reporting and encourage accountability throughout the supply chain.

The Group's structure, operations and supply chains remain materially unchanged from the FY2020 modern slavery statement. To satisfy mandatory reporting criteria, information which has not changed has been restated in this statement.

## 2. OVERVIEW OF CELSUS GROUP

The business undertaken by the Group is in respect of the **Project**, being the design, financing, construction commissioning, operation and maintenance of the Royal Adelaide Hospital. The Hospital opened in 2017 and is managed by Celsus as the Group operating entity under a Public Private Partnership (PPP) framework with the South Australian Government. Celsus will manage and maintain the world-leading Hospital under a 30-year contract until 2046. We operate wholly within Australia.

The Group is made up of companies and trusts, being the Project Holding Entities and the entities wholly owned by either or both of the Project Holding Entities.

The Project Holdings Entities are:

- Celsus Holding Pty Ltd, and
- Celsus Holding Trust.

The entities wholly owned by either or both of the Project Holding Entities are:

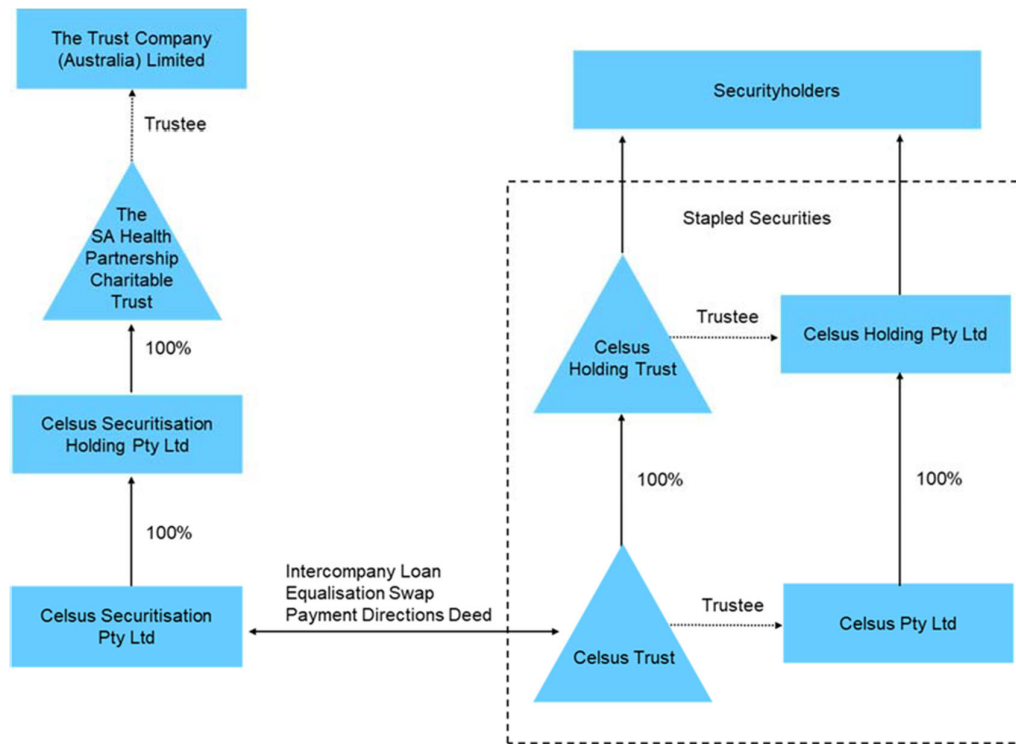
- Celsus Pty Ltd, and
- Celsus Trust.

Other entities which are not part of the Group and which do not meet the threshold for reporting, but which are Project entities are:

- the Borrower, being Celsus Securitisation Pty Ltd, and
- the Borrower HoldCo, being Celsus Securitisation Holding Pty Ltd.

Celsus Securitisation Pty Ltd is the Borrower under the Project Documents and does not have any employees nor does it carry on any business. Celsus Securitisation Pty Ltd is wholly owned by Celsus Securitisation Holding Pty Ltd, who in turn does not have any employees nor does it carry on business.

Below is a diagram of the Group members and their relationship to one another.



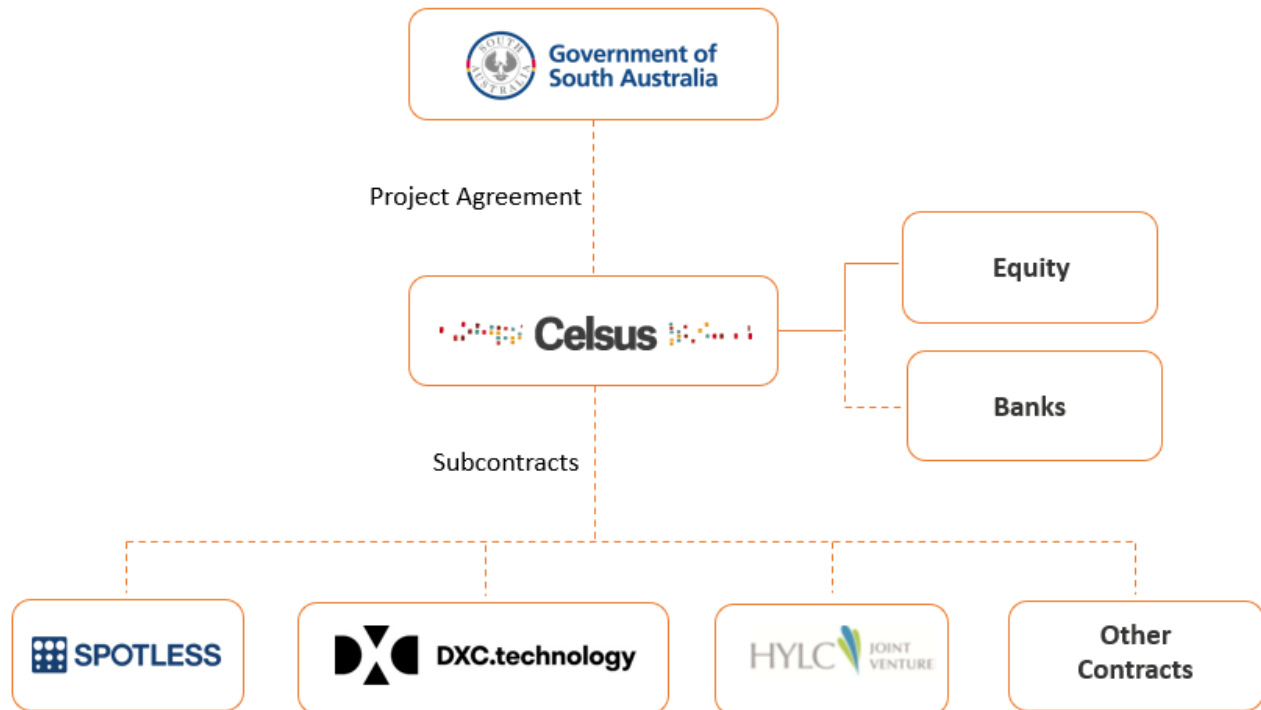
### 3. BUSINESS ACTIVITIES

#### The Project

The agreed business activities of the Group are defined by reference to the **Project Agreement** entered into by Celsus and the South Australian Government and the downstream agreements Celsus has entered into with its subcontractors, together referred to as the **Project Documents**.

Celsus has subcontracted the delivery of the Services to a Facilities Management (FM) Subcontractor and an ICT Services Subcontractor. The diagram below shows this structure. The agreements entered into with these Subcontractors include expectations of best industry practice and the prevention of forced labour and human trafficking, in addition to compliance with all laws. The main supply of goods and services to the Group is by the Subcontractors pursuant to these Project Documents.

From time to time Celsus engages a variety of consultants. In these circumstances, the engagement includes an ongoing obligation that they comply with all applicable laws, including modern slavery legislation.



Over the past reporting period Celsus has requested and received confirmation from its Subcontractors and consultants that their entity complies with the *Modern Slavery Act 2018* (Cth) and that they will cooperate with the Celsus Group to take steps to prevent modern slavery in our business and supply chains. Celsus’ approach to managing modern slavery and human trafficking is based on a risk assessment of Celsus’ key Subcontractors and suppliers. During the reporting period, the majority of supplier spend was associated with the Subcontracts with Spotless and DXC Technology.

**Celsus employees**

Celsus employs a small number of employees who manage daily operations and performance of Celsus’ Subcontractors. All Celsus employees undergo an induction and provide annual confirmation that they have read and understand various policies, including the Modern Slavery Policy, the Anti-Bribery and Corruption Policy and the Code of Conduct. Other policies which protect the rights of Celsus personnel and assist in the prevention of modern slavery within Celsus’ operations include the Celsus Whistleblower Policy, Celsus Grievance Policy and Anti-Discrimination and Equal Employment Opportunity Policy. Celsus employees participate in internal presentations throughout the year which offer updates on relevant modern slavery and human rights issues, changes to procedures and progress on Celsus’ annual modern slavery statement.

## 4. RISKS AND ACTIONS

### Risks

Celsus identifies, manages, and mitigates risk via a key risk matrix. During the reporting period, risks relating to modern slavery practices were assessed, updated, and actively monitored. Given the nature of Celsus' business, recruitment and administrative day-to-day operations is a low-risk area. Celsus hires a small number of suitably qualified personnel for key roles through highly regarded recruitment agencies. Their expertise and the induction processes in place reduce the risk of modern slavery incidences. These risks are further mitigated by ongoing training.

The material risks of modern slavery within Celsus' operations relate to services provided by its Subcontractors, notably the delivery of the FM Services by Spotless and ICT Services by DXC Technology. Both Spotless and DXC Technology are large entities who report under the Act. The risks predominantly relate to the procurement of materials and supply of labour to enable the delivery of the FM Services and ICT Services. Celsus is cognisant of the risk further along the supply chain and consequently sought further details to gain better transparency of its Subcontractors' and consultants' supply chains and how they manage their own modern slavery prevention.

Spotless (which is part of the Downer group) notes in its 2020 Modern Slavery statement that the majority of its payments are made to goods and services suppliers and subcontractors in Australia and New Zealand. However, Spotless does recognise that there is risk in its lower-spend subcategories or products sourced from higher-risk countries such as China and South Africa. Spotless has developed a due diligence standard to conduct periodic risk assessments or conduct investigations should modern slavery be suspected.

DXC Technology also takes a risk-based approach to managing modern slavery and human trafficking its supply chain. DXC Technology has incorporated specific questions on modern slavery and human trafficking into its initial screening survey for suppliers, and its corporate responsibility screening survey for our largest direct suppliers by spend.

Following information received from Celsus' Subcontractors, it is clear that Covid-19 had a severe impact on the downstream supply chain. Subcontractors struggled with sourcing goods from usual suppliers and in some cases were forced to utilise lesser-known overseas companies. Sourcing supplies from alternative companies has the potential to carry a far higher modern slavery risk in urgent circumstances, where the appropriate vetting may not be possible. To mitigate, prequalification and on-boarding questionnaires were adopted.

### Actions

Since the last reporting period, Celsus' focus has been on improving the quality of information it receives from its downstream supply chain. Celsus has written to its Subcontractors and consultants requesting details regarding modern slavery policies, awareness, training and procedures, codes of conduct or other standards, tender and engagement procedures and the identification and remediation of any modern slavery incidences. In this reporting period a comprehensive review and ranking of suppliers was conducted to assess areas that may pose a significant modern slavery risk.

Concentrating on a smaller number of key suppliers allowed Celsus to tailor information requests to those key suppliers which pose the highest risk to the supply chain. Information requests considered what material (if any) suppliers had provided in the previous reporting period and specifically called for more detail on supply chain mapping as well as any modern slavery incidents and their remediation.

Celsus continues to rely upon contractual provisions to prevent modern slavery risks which appear in all the Project Documents and consulting agreements to ensure all suppliers share our commitment to modern slavery prevention. Celsus and all its Subcontractors must observe reasonable standards of ethical behaviour and comply with all laws, health policies and quality standards relevant to the Project for which this Group was created.

Key actions taken in the reporting period to assess and address risks relating to modern slavery include:

- Comprehensive review of Celsus' Subcontractors and suppliers and the development of a key suppliers list;
- Establishment of an active register of key Subcontractors and consultants to track satisfaction of expectations relating to provision of information regarding modern slavery;
- Development of a new suppliers' policy to ensure new suppliers are aware of their obligations and are committed to the prevention of modern slavery;
- Review and amendment of the Celsus Modern Slavery Policy and other relevant Celsus Policies;
- Awareness training and presentations for Celsus employees on modern slavery risks; and
- Ongoing engagement with Celsus' Subcontractors and consultants, including communication of Celsus' expectations of compliance with the Act and mandatory modern slavery reporting.

#### Assessment

Celsus has found no evidence of modern slavery practices in its supply chain during the reporting period. However, Celsus recognises that the elimination of modern slavery is an ongoing pursuit that requires regular evaluation of prevention plans and processes. Any instances of modern slavery or human trafficking or matters raising any concern will be investigated.

Celsus' approach to modern slavery risk management is reviewed by the Audit and Risk Committee and the Board. We assess the effectiveness of our actions through the following activities:

- Regular reviews of the Celsus key risk matrix;
- Risk management workshops with Celsus management and the Group Boards;
- Assessment of Subcontractors' modern slavery statements to ensure compliance with the mandatory criteria of the Act;
- Risk reporting in operational reports; and
- External audit results analysis.

Celsus will continue to assess the actions necessary to manage modern slavery risks and ensure the policies and processes are adequate to manage and mitigate those risks effectively.

## 5. RECOMMENDATIONS AND FUTURE COMMITMENTS

In assessing performance during this reporting period and in preparing this statement, Celsus has established the following actions to support Celsus' ongoing commitment to ethical conduct and human rights:

- Refine register of key Subcontractors and consultants to track satisfaction of expectations relating to provision of information regarding modern slavery.
- Expand the due diligence questionnaire and incident remediation practices in line with reporting criteria.
- Better align internal processes with modern slavery objectives to broaden information sources and streamline collation as well as boosting employee awareness of potential modern slavery issues.

- Continue ongoing engagement with key Subcontractors to assess how the key Subcontractors comply with the Act and provide feedback on key areas of the operations.
- Assemble and utilise data collected from Subcontractors and internal procedures to better evaluate the effectiveness of our risk mitigation actions.

## 6. Consultation and Approval

This Statement was prepared by the Celsus management team.

This Statement has been approved by the Boards of Celsus Holding Pty Ltd and Celsus Pty Ltd on 16 November 2021.

This Statement is signed by Mark Balnaves, a Director of Celsus Pty Ltd and Celsus Holding Pty Ltd.



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**Mark Balnaves, Director**