



citadel group

# Modern Slavery Statement

FOR THE FY21 REPORTING PERIOD

November 2021



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01.

WHO WE ARE



# Who we are

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A new chapter for Citadel

## Acquisition by funds advised by Pacific Equity Partners

In December 2020, The Citadel Group Limited (ASX:CGL) was acquired by funds advised by Pacific Equity Partners, together with a number of existing Citadel shareholders, and became a private company.

Although a number of new holding companies were introduced into the group as part of the acquisition, Citadel's operations are essentially unchanged from its FY20 Modern Slavery Statement.

Separately, as indicated in our FY20 Modern Slavery statement, for the first time, Citadel is also including information relating to its Wellbeing Software subsidiary in the UK.

A world-class health & enterprise software and technology services company with operations in Australia and the UK

- ~240 Employees in Australia
- ~160 Employees in the UK
- Revenue >A\$100,000,000



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# 02.

## STRUCTURE AND OPERATIONS



# Citadel structure and operations



## Operating companies

- The Citadel Group Pty Limited is the key operating company in the Citadel group. With its registered office in Canberra, it contracts directly with some customers, and is the direct or indirect owner of all Citadel's divisional operating entities. Other than its Canberra head office, the Australian group operates from offices in Melbourne, Brisbane and Sydney, and has warehouses in the ACT, Victoria and South Australia.
- The Wellbeing Software group, headquartered in Mansfield in the UK, serves the group's UK and European Health client base and supports the Australian group's EMEA activities.
- A complete group structure chart is in Appendix 1.

## Statement scope

- This Statement is made on behalf of Pacific Group Topco Limited, and its subsidiary companies set out in Appendix 1. In this report we refer collectively to the group as 'Citadel'.
- This Statement is made for the period 1 July 2020 to 30 June 2021.



# Citadel structure and operations



Citadel is arranged in four business divisions, with one shared services corporate centre



# Citadel Health

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## Health Procurement

- Operationally, Citadel Health (**Health**) is responsible for its own supply chain activities. In respect of goods and services sold, this involves acquiring:
  - computer hardware from Australian vendors for installation at customer premises;
  - telecommunications services from Australian telecommunications service providers;
  - Australian private cloud data centre services;
  - physical security services from local companies;
  - cloud storage services from US parent vendors with operations in Australia; and
  - cloud software services from US parent vendors with local operations.
- In respect of other activities, Health procures:
  - employee education services;
  - marketing services (conferences etc);
  - travel and accommodation services (travel agent, flights, car hire and hotels); and
  - contracts with specialist service providers (fax and sms message services, helpdesk software and development software licences).
- Health also uses Citadel Shared Services.



## Health Operations

- > Health primarily contracts through the Citadel Health Pty Ltd and eQstats Pty Ltd companies.
- > Health is a software owner and developer, and a managed service provider in the health technology field.
- > Health's key software products are CHARM® and Auslab™, including its next generation product Evolution vLab™, and eQstats™. Approximately 76 people work in the Health business, primarily in the Brisbane and Melbourne offices.



# Citadel Enterprise Solutions

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## Enterprise Operations

- > The primary trading entities in Citadel's Enterprise Software division (Enterprise) are Citadel, Gruden Pty Ltd (Gruden) and Kapish Services Pty Ltd (Kapish). Enterprise is primarily a software, SaaS and PaaS business, supported by some professional technology services. It develops and maintains its own software that operates either independently, or as part of other software packages. Good examples of our Enterprise software are the Kapish® Productivity Suite, and goTrimPro™, both of which provide productivity enhancements to a third-party product, Micro Focus Content Manager (Content Manager). Support and maintenance is also provided for its own and third-party licensed products.
- > Kapish also markets Citadel-IX™ – a market-leading secure cloud platform for Content Manager. Kapish can deliver Citadel-IX™ in a number of combinations to suit the customer's needs, but common services include establishing the Citadel-IX™ cloud instance, setup or migration of Content Manager to the Citadel-IX™ cloud, as well as Content Manager training.
- > Gruden has historically specialized in the creation and maintenance of products, like AusTender and GrantConnect. Gruden also contracts with certain government panel members to supply services within the specialities of its related companies, like JBS.
- > Approximately 54 members of the Citadel team work in Enterprise Solutions.



## Enterprise Procurement

- > Operationally, Enterprise is responsible for its own supply chain. This involves the following typical acquisitions:
  - cloud storage services from international vendors;
  - onshore and offshore programming and coding services;
  - software for resale;
  - software components;
  - graphic design services;
  - contract professional services; and
  - uniform and promotional materials.
- > With the consent of Enterprises' clients, some coding services from carefully selected suppliers based in Hong Kong, China and Vietnam are utilised.
- > Cloud services are procured from US vendors or their local subsidiaries, using services located in Australia.
- > Software is primarily licensed from the US and Europe.
- > Enterprise also procures travel and accommodation services (travel agent, flights, car hire and hotels), and uses Citadel Shared Services.

# Professional Services

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## Citadel Technology Procurement

- > Citadel Technology (**Citadel Tech**) is one of two elements of the Professional Services division.
- > Citadel Tech's key trading entity is Citadel Technology Solutions Pty Ltd. Operationally, Citadel Tech is responsible for its own supply chain activities. In respect of goods and services sold, this involves acquiring:
  - software licensing for video and audio conferencing;
  - audio-visual hardware (screens, projectors, speakers, microphones, computing hardware, switchgear etc), from local suppliers, sourced from global manufacturers;
  - cabling, connectors, brackets & other ancillary hardware required for audio-visual equipment;
  - vehicles for delivery of goods and transport of technicians;
  - qualified trades people for project or longer-term engagements;
  - warehousing and storage services; and
  - uniforms and promotional materials.
- Citadel Tech also procures travel and accommodation services (travel agent, flights, car hire and hotels), and uses Citadel Shared Services.



## Citadel Technology Operations

- > Citadel Tech's key business operations are the supply, installation, maintenance and servicing of audio visual and video collaboration technologies across its key verticals of defence, health, government, & higher education.
- > Approximately 68 people work in the Professional Services business, with the Citadel Tech team operating primarily from Melbourne and Adelaide.

# Professional Services

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## Citadel People and Noventus

- > The primary trading entities in Citadel's Professional Services division are The Citadel Group Pty Limited, Jakeman Business Solutions Pty Ltd (**JBS**), Noventus Pty Ltd (**Noventus**) and filosofh-e Pty Ltd (**filosoph-e**).
- > Professional Services provides specialist consulting and personnel services directly or indirectly to Australian government agencies. Citadel also provides certain managed services to government. These services align with Citadel's core business concerning secure information management.
- > The Professional Services teams operate from Melbourne, Brisbane and Canberra.



## Citadel People Procurement

- > Operationally, Professional Services is responsible for its own supply chain. This involves the following typical acquisitions:
  - contract professional services; and
  - uniform and promotional materials.
  - Professional Services also procures travel and accommodation services (travel agent, flights, car hire and hotels), and uses Citadel Shared Services.

# Wellbeing Software

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## Wellbeing Procurement

- > Operationally, Wellbeing Software (**Wellbeing**) is responsible for its own supply chain activities. In respect of goods and services sold, this involves acquiring:
  - computer hardware from UK vendors for installation at customer premises;
  - telecommunications services from UK telecommunications service providers;
  - UK private cloud data centre services;
  - physical security services from local companies;
  - cloud storage services from US parent vendors with operations in Europe; and
  - cloud software services from US parent vendors with local operations.
- > In respect of other activities, Wellbeing procures:
  - employee education services;
  - marketing services (conferences etc);
  - travel and accommodation services (travel agent, flights, car hire and hotels); and
  - contracts with specialist service providers (fax and sms message services, helpdesk software and development software licences).
- > Wellbeing also procures many of the services for local consumption that Citadel Shared Services provides to its Australian affiliates.



## Wellbeing Operations

- > Wellbeing contracts through Healthcare Software Solutions Limited; Euroking Maternity Software Solutions Limited; E-Health Innovations and Apollo Medical Software Solutions Limited.
- > Health is a software owner and developer, and a managed service provider in the health technology field.
- > Health's key software products are CRIS® & CRIS® Connect, Euroking, Stratus and Apollo
- > Approximately 160 people work in the Wellbeing business, primarily in the Mansfield and Sunderland offices.

# Shared Services

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## Shared Services Procurement

- > Citadel's Shared Services division is responsible for procurement on its own behalf, and indirectly for other divisions that use its services. Approximately 48 people work in Shared Services. This involves the following typical acquisitions:
  - employee benefits programme expenses;
  - recruitment services;
  - marketing services (corporate website) and corporate functions;
  - investor management services (including share registry management);
  - travel and accommodation services (travel agent, flights, car hire and hotels);
  - professional services (non-executive director fees, audit, tax, external legal, other consultancy services);
  - enterprise and Enterprise IT specialist cloud software services and security operations;
  - enterprise software licensing;
  - accommodation services (leasehold property) including fitouts;
  - utilities (commercial rates; heating, cooling, data connectivity and voice, water and sewerage; cleaning (although some cleaning is conducted by landlords);
  - postal and courier services;
  - archiving and secure document destruction;
  - security and alarm services;
  - computer hardware (laptops, desktops, mobile devices, printer/copier leases);
  - tea, coffee, catering, (including vending machines); and
  - office supplies.
- > These services are predominantly obtained through Australia-based suppliers, though in the case of certain services, the goods are sourced from overseas manufacturers based in China, Malaysia and Vietnam.

## Shared Services Operations

- > Shared Services describes three parts of Citadel's business.
- > The first is the Office of the CEO and the Board. This element of Shared Services manages the group's relationship with its owners (the shareholders), and the activities of its governing body (the Board of Directors of Pacific Group Topco Limited).
- > The second is the Corporate Centre, which means the shared services that support the other business units. This includes personnel, finance, legal, audit, risk and compliance, security, property management, and corporate IT. In this Statement, we refer to the second category of services as Citadel Shared Services. All of Citadel's employees and direct contractors are employed through Citadel Group Services Australia Pty Ltd.
- > The third part of Citadel Corporate is customer facing. Because of the structure of many government panel and procurement arrangements, The Citadel Group Pty Limited is a contracting party providing services to customers. It does not provide these services itself, but does so through its operating subsidiaries described above.



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# 03.

## PREPARING OUR STATEMENT



# How this statement was prepared

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## Corporate authorisations

- > Under its Constitution and Shareholders Deed, Pacific Group Topco Limited's Board of Directors is ultimately responsible for Citadel's management, and by virtue of its ability to control the boards of each of its subsidiaries, it is able to influence the conduct of activities by the subsidiaries.
- > The Board of Pacific Group Topco Limited and each of its wholly-owned subsidiaries have supported the cooperative engagement by entities covered by this Statement in the processes and activities it describes. There is effectively one management team across each of the UK and Australian businesses, simplifying the group's Modern Slavery activities. In addition, Filosoph-e Pty Ltd's Board has separately consented to the preparation and approval of this Statement, and to participate in the activities it describes.

## Activities

- > The Group Company Secretary, with assistance from area specialists, has managed the process of preparing this Statement.
- > Due diligence activities have included: drawing supply chain data from financial systems; verifying the underlying use and nature of goods; assessing any new or revised publicly-available supplier statements compared to the prior analysis period; analyzing NGO data on key suppliers; issuing and assessing supplier self-assessment questionnaires, meeting with suppliers to discuss modern slavery issues; and engaging consultants to assist in development activities.

# 04.

## MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN





# Modern Slavery risks in our operations & supply chain



## Risk identification

- > Citadel's software development, professional services, consulting and advisory operations are conducted through the personal efforts of our own professional and trade-trained employees and some specialist contractors.
- > For those team-members working on-site, we procure for them office space, communications and technology devices, and associated office-related products and services including cleaning, catering and beverages such as tea and coffee. Some contractors and employees work at client sites, and clients are responsible for some of these services.

- > Modern Slavery risks exist in Citadel's supply chain. These risks can be geographically distant in nature, or very close to home.
- > The most distant, but higher risks arise in the supply chains of the manufacturers of electronic equipment that we purchase for our own operations, or that we procure for our clients directly from manufacturers or from distributors. These are third, fourth or even greater tiers in the supply chain, but cannot be overlooked.
- > The more proximate, but lower risks arise in the cleaning and facilities management businesses that service our leased premises in Australia and the UK. These service providers are primarily second tier suppliers, engaged by landlords, but in some instances, they are engaged directly by group companies.
- > Citadel has identified in Appendix 2 the key risks of Modern Slavery facing the group. Citadel has also identified the key business unit or subsidiary with the most direct connection to these risks, and the "UN Guiding Principles" categorization in terms of causation, contribution and direct linkage.

# Modern Slavery Risks in our supply chain

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## Risk Assessment

### Departmental Guidance

- > In assessing its Modern Slavery risks, Citadel has had reference to Table 6 of the Guidance for Reporting Entities issued by the Australian Department of Home Affairs (**Guidance**), and the Department's supplementary guidance.

### NGOs

- > Citadel has examined the latest reports from key NGOs involved in its higher-risk supply chain areas, specifically the 'Know the Chain' [2020/2021 Benchmark Study of ICT Companies](#) and the specific assessments by KTC of Tier 2 or in some cases Tier 3 technology suppliers to the Citadel group. Citadel has also had reference to labour exploitation analyses from NGOs such as the Walk Free Foundation.

### Supplier self-assessment questionnaires

- > The company issued a number of supplier self-assessment questionnaires, and met with suppliers to discuss modern slavery issues.

### Supplier Modern Slavery Statement

- > The requirement for a number of Citadel's suppliers to provide Modern Slavery Statements has assisted Citadel in assessing the approaches to addressing Modern Slavery of its larger suppliers.

# Modern Slavery Risks in our supply chain

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## Actions taken

### Reinforce awareness

- > Modern slavery awareness training continues as a feature of the group's mandatory annual training. Feedback suggests that, beyond the 'compliance' element, there is good engagement with employees on the subject. In FY21, 74% of Citadel's employees completed the Modern Slavery training within the specified time.

### Supplier rating and engagement

- > Citadel has formally rated the responses it received from eight of its tier 1 suppliers of high risk goods and services in relation to Modern Slavery practices in their supply chain. These suppliers varied from local distributors of technology manufactured by global corporations, through to small clothing suppliers. Some tier 1 supplier responses were disappointing, focusing on the lack of statutory compulsion to report or address these matters. Other larger suppliers simply directed us to their public documents, without addressing the substantive questions which were not addressed in such documents. However, the opportunity was taken with some smaller suppliers to explain the importance and relevance of the exercise with a view to positively raising supplier awareness.

### Implementation of Supplier Code

- > In FY21, Citadel adopted a Supplier Code of Conduct that was incorporated through its Australian Purchase Order Terms and Conditions. Almost 98% of FY21 purchase orders required compliance with the Code.

# Modern Slavery Risks in our supply chain

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## Actions taken

### NGOs

- > Citadel has examined the latest reports from key NGOs involved in its higher-risk supply chain areas, specifically the 'Know the Chain' 2020/2021 Benchmark Study of ICT Companies and the specific assessments of tier 2 or in some cases tier 3 technology suppliers to the Citadel group. Citadel has noted that key suppliers have maintained or improved their scores and substantive assessments, with some being best in class.

### Policies and purpose

- > Citadel finalised its Ethical Sourcing and Modern Slavery Policy that was adopted after the end of the reporting period, and which will underpin its Supplier Code of Conduct. Training on its implementation will be rolled out across the organisation in FY22.

### Strategy

- > During the reporting period, Citadel held a modern slavery workshop to explore the group's current maturity and its objective maturity levels. Management has approved a number of initiatives, including the development of an improved modern slavery risk assessment framework, and the creation of an automated system of supply chain alerts.

# 05.

## REMEDIATION



# Remediation and assessment – FY21

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These were the key metrics identified in our FY20 Modern Slavery Statement and how we performed against them

## Awareness training

- > Citadel’s mandatory Modern Slavery Awareness training was completed by 74% of employees in FY21.
- > Updated training has been developed for FY22.

## Supplier engagement

- > Citadel actively engaged with 8 of its Tier 1 suppliers in the high-risk categories. For FY 22, Citadel will reassess its engagement strategy with a view to simplifying the process and focus more on true high-risk suppliers.

## Purchase orders incorporating the Supplier Code of Conduct

- > 98% of the Australian Group’s purchase order contracts were issued incorporating the group’s Supplier Code of Conduct, through which the group’s suppliers agree to cooperate in identifying, reducing and addressing modern slavery risks in their supply chains.

# Remediation and assessment – FY22

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These are the key metrics we intend to assess for FY22

## Awareness – working group

- > Citadel will establish a working group of key stakeholders to continue the work of the Modern Slavery Strategy workshop and to design and develop a Modern Slavery Risk Framework.

## Development of a centralized Modern Slavery Resource Site

- > The resource site will not only house in a central location any Modern Slavery risk assessments conducted by a business unit, but also be a home for policies, procedures and third-party data concerning Modern Slavery, not only in Citadel's areas of operation, but more broadly in society.

## Supply chain monitoring

- > Citadel will create a risk management tool to provide alerts of negative data regarding high-risk suppliers.

## Risk Assessment

- > Improve and formalize its risk assessment methodology.

# 06.

## APPROVAL





# Approval

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This Statement was approved on 28 October 2021 by the Board of Directors of Pacific Group Topco Limited on its own behalf and on behalf of each of the entities identified in Appendix 1.

**Mark McConnell**

CEO and Director

Pacific Group Topco Limited

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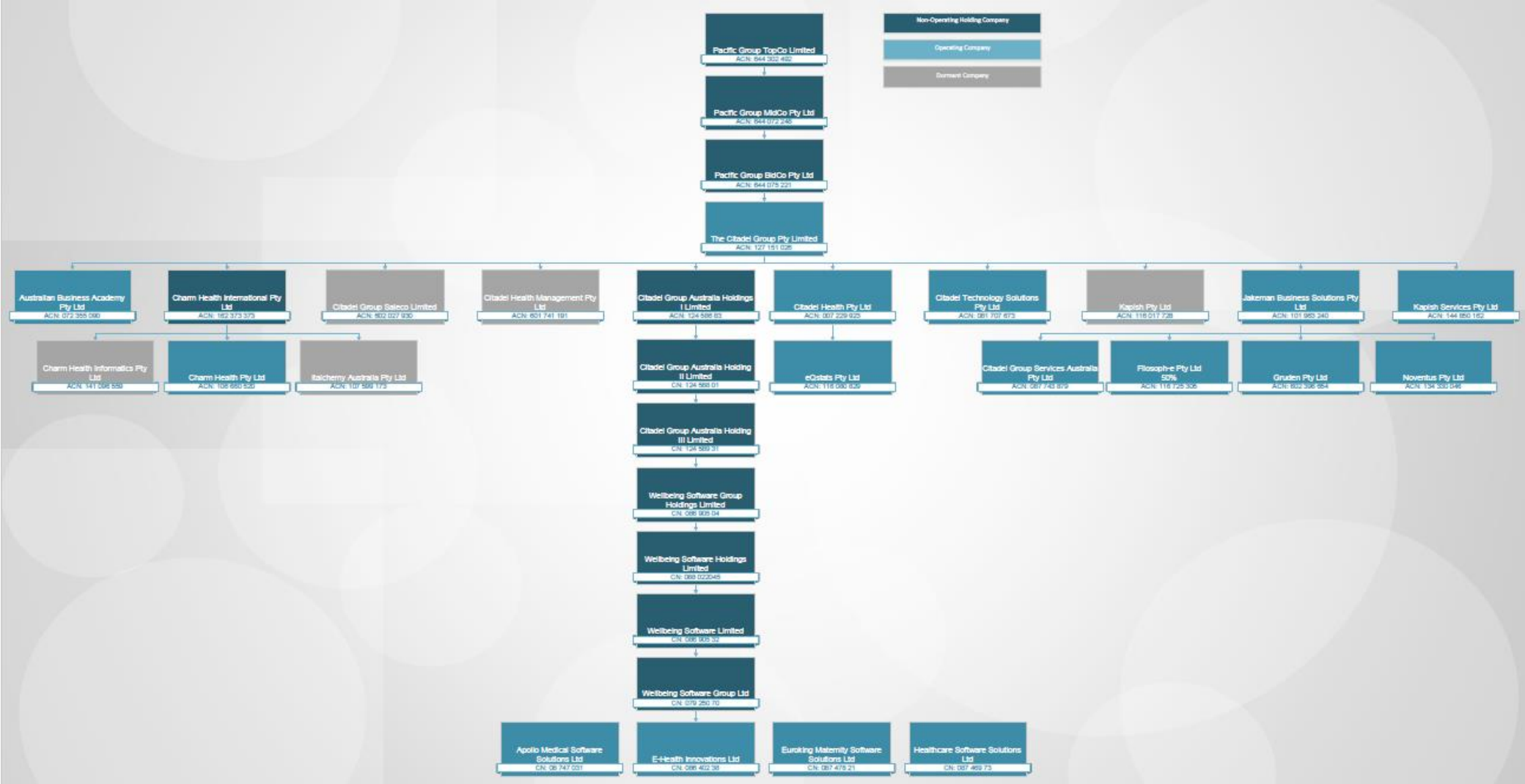
# Appendix 1

CITADEL GROUP STRUCTURE

# Group Structure



Citadel group structure at the end of the reporting period.



# Citadel Brands

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# Appendix 2

CITADEL SUPPLY CHAIN RISKS

# Citadel Key Supply Chain Risks



Risk #	RISK	PROXIMITY	BUSINESS	LINKAGE	DESCRIPTION
1	Extractive industries	Indirect	Citadel Tech Corporate Citadel Health Wellbeing	DL	The: <ul style="list-style-type: none"> <li>• AV technology products Citadel Tech procures for its customers;</li> <li>• computing devices (mobile and static) that Citadel Corporate and Wellbeing procures for its for its own use; and</li> <li>• the computing devices used by the cloud service providers used by Citadel Knowledge and Citadel Health, each rely on extractive industries for key components.</li> </ul>
2	Debt Bondage	Indirect	Citadel Tech Corporate Wellbeing	DL	The products identified above may be sourced from countries such as Malaysia, where there is potential for migrant labourers to be coerced or induced into debt-bondage arrangements in production facilities.
3	Labour Exploitation	Indirect	Citadel Tech Corporate Wellbeing	DL	The products identified above may be manufactured in factories in China where owners make extensive use of unpaid 'interns' under vocational training regimes.
4	Labour Exploitation	Indirect	Citadel Tech Corporate Citadel Health Wellbeing	DL	The goods above and more generally are shipped to Australia and the UK. Although Citadel has no visibility over shipping lines used there is a risk of shipment using ships registered under 'flags of convenience'. These vessels frequently have low labour standards and crew members cannot leave ships in foreign ports without permission or face the risk of immigration detention.
5	Textiles	Indirect	Citadel Tech Enterprise Corporate	DL	Citadel purchases small numbers of articles of clothing for staff use – mainly in promotional situations such as trade shows and while required under customer contracts. These may be sourced from countries such as Bangladesh, India, Pakistan and China, countries which have documented risks of child and forced labour.

# Citadel Key Supply Chain Risks

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<b>Risk #</b>	<b>RISK</b>	<b>PROXIMITY</b>	<b>BUSINESS</b>	<b>LINKAGE</b>	<b>DESCRIPTION</b>
6	Labour exploitation	Indirect	Citadel Tech Corporate Citadel Health Wellbeing	DL	Through its landlords, and in some cases directly, Citadel and Wellbeing consume cleaning and facilities maintenance services, sectors which (notwithstanding clear and strong labour laws in each country), rely in some cases on recent migrants to Australia and the UK, who can be vulnerable to exploitation.