



Modern Slavery Statement

**For the FY20
Reporting Period**

Who We Are

A proudly Australian Tech Business



Citadel is headquartered in Canberra, ACT, with key products and services in:

- > Pathology and Cancer Care
- > Radiology and Maternity Care
- > Secure Records Management
- > Unified Communications
- > Professional Services

Local and global



- > In addition to its Canberra HQ, Citadel operates from offices in Melbourne, Sydney, Brisbane and Adelaide.
- > Citadel's Wellbeing Software subsidiary* in the UK operates from Mansfield, in Nottinghamshire.

Citadel's supply chain



- > People are key to our business, and our people live almost exclusively in Australia and the UK
- > Our key supplier relationships are described later in this Statement, and are organized to align with our four operating units

*This Statement does not include Wellbeing which was not fully integrated in the reporting period.

Citadel Structure & Operations



Citadel is an Australian public company limited by shares. Its securities were listed on the Australian Securities Exchange (ASX) between November 2014 and December 2020 at which point it was acquired by entities advised by Australian private equity firm, Pacific Equity Partners.



Due in part to its growth, but also its historic operations, Citadel is both an operating and a holding company. However, through acquisition and expansion, Citadel also operates through a number of subsidiary companies which, until April 2020 were all located in Australia. In April 2020, Citadel acquired the Wellbeing Software group, based in the UK. Wellbeing was not a reporting entity under the Modern Slavery Act 2015 (UK) (**UK Act**), and Citadel has not completed its modern slavery assessment of Wellbeing prior to the preparation of this Statement.



Citadel wholly-owns all its subsidiaries except one - philosoph-e Pty Ltd (**philosoph-e**). A chart showing the relationship between Citadel and its subsidiaries can be found in Appendix 1 to this Statement, together with the key Citadel group company brands. Each subsidiary is registered at Citadel's head office in Canberra



This Statement is made on behalf of Citadel, each of its wholly-owned subsidiaries, and philosoph-e, for the period 1 July 2019 to 30 June 2020 (**Reporting Period**).

How we prepared our Statement



Under its constitution, Citadel'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 each of Citadel's wholly-owned subsidiaries have directed that those subsidiaries co-operate fully in the preparation and approval of this Statement, and to participate in the activities it describes. Citadel's Board has separately consented to the preparation and approval of this Statement, and to participate in the activities it describes.



Citadel's Company Secretary, with assistance from outside counsel, has managed the process of preparing this Statement, and has in doing so:

- > drawn information from the finance function to identify all current suppliers for the Period;
- > interviewed the leaders of each business unit to:
 - o identify (or confirm) the products and services procured from each supplier; and
 - o ascertain the supply chain and origin of those goods or services;
- > identified which of Citadel's key suppliers have made modern slavery statements pursuant to the UK Act, and also identified that a number of such suppliers have made disclosures under the California Transparency in Supply Chains Act of 2010;
- > assessed, through desk-top review, the adequacy of the modern slavery statements prepared by Citadel's key suppliers pursuant to the UK Act; and
- > conducted a desk-top review of the Responsible Business Alliance, a non-profit entity the membership of which includes many of Citadel's key suppliers of electronics equipment, and the members of which are committed to continual improvement in the social, environmental and ethical responsibility of their supply chains.



Citadel Operating Units





Health

Health Operations

- > Citadel Health (**Health**) primarily contracts through the Citadel Health Pty Ltd and Charm Health Pty Ltd companies.
- > Health is a software owner and developer, and a managed service provider in the health technology field. Its key software products are CHARM® and Auslab™, including its next generation product Auslab Evolution™. Approximately 53 people work in the Health business, primarily spread across its Brisbane and Melbourne offices.

Health Procurement

- > Operationally, 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 Corporate Services.



Technology

Tech Operations

- > Citadel Technology's (**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 74 people work in the Citadel Tech business, operating primarily from Melbourne and Adelaide.

Tech Procurement

- > 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 Corporate Services.



Enterprise

Enterprise Software 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 unique 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.

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 Corporate Services.



Professional Services

Professional Services Operations and procurement

- > The primary trading entities in Citadel's Professional Services division are Citadel, Jakeman Business Solutions Pty Ltd (**JBS**), Noventus Pty Ltd (**Noventus**) and filosofh-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 values of keeping people and information safe.
- > 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 Corporate Services.

Corporate

Corporate Operations

- > 'Citadel Corporate' describes three parts of Citadel's business.
- > The first is the Office of the CEO and the Board. This element of Citadel Corporate manages Citadel's relationship with its owners (the shareholders), and the activities of its governing body (the Board of Directors and its Committees).
- > 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 Corporate 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 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.

Corporate Procurement

- > The Office of the CEO and Board, and Citadel Corporate are responsible for their own supply chain. 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 Corporate Centre specialist cloud software services;
 - 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.



The Risks of Modern Slavery in Citadel's Supply Chain

Risk Identification

- > Citadel's professional services, consulting and advisory operations are primarily conducted through the personal efforts of our employees and 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 both our operations and our supply chains, but we consider that the key risks are in our supply chains, particularly 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.
- > Citadel has identified in Appendix 2 the key risks of Modern Slavery facing Citadel.
- > Citadel has also identified the key business unit or subsidiary with the most direct connection to these risks, and the categorisation.

Risk Assessment

- > 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 has drawn upon published literature from non-government organisations relating to specific risk areas, such as electronics. In particular, Citadel has reviewed reports and benchmarks prepared by KnowTheChain, a not for profit organisation that has significant expertise in addressing forced labour worldwide, including the following:
 - Eradicating Forced Labor in Electronics: What do company statements under the UK Modern Slavery Act tell us? (March 2018);
 - 2018 Information and Communications Technology Benchmark Findings Report; and
 - Three Sectors, Three Years Later: Progress and Gaps in the Fight Against Forced Labor (April 2019).
- > Citadel notes that KnowTheChain publishes sector-specific benchmarks every two years. Companies are assessed using a methodology which is based on the UN Guiding Principles on Business and Human Rights and which covers themes such as recruitment and worker voice. Citadel will continue to review such benchmarking reports in order to assess the progress of its key suppliers in addressing modern slavery risks in their supply chain.



The Risks of Modern Slavery in Citadel's Supply Chain

Actions Taken

- > During the Period, the Company has implemented a number of due diligence elements to its operations.
- > The primary due diligence objective has been awareness raising amongst Citadel staff of the risks of modern slavery in the Company's supply chain, the Company's assessment of the treatment of those risks and the objectives of the Company in remediating those risks. Citadel has also given its employees access to the underlying due diligence materials used in preparing this Statement, so that there is transparency of information at all levels of the company.
- > The secondary due diligence objective has been to introduce a modern slavery assessment in its supply chain activities. Being a relatively small company, Citadel has not had a centralised procurement policy or supplier management policy. Citadel is part-way through implementing these projects and anticipates completing those in the next reporting period. Both will contain an obligation to identify and manage modern slavery risk, and to report on those risks. A process has been established to progressively conduct a supplier risk assessment for each current supplier, as well as for each prospective new supplier.
- > The final piece of the due diligence process will be to establish a reporting process so each business unit can report each 6 months on the results of its due diligence for incorporation into the next statement.



Remediation Priorities

Actions Taken

- > As a technology company specialising in the delivery of (relatively) large quantities of electronic equipment, Citadel has focussed on Risks 1-3 in its analysis of its deep electronics supply chain. Citadel has identified equipment vendors and their own public statements regarding modern slavery risks in their operations. Citadel considers that the statements made by those vendors are, on the whole, comprehensive and demonstrate a serious attempt to address the risks of modern slavery in both the suppliers' own operations and their respective supply chains. Large global electronic equipment manufacturers, and other large technology companies such as Microsoft, through their own efforts and through groups such as the Responsible Business Alliance, have demonstrated goodwill and concrete actions in relation to modern slavery risks.
- > Citadel recognises that it has a choice in selecting its own IT equipment, and that it can and should weigh the value to company of selecting a vendor who demonstrates progress toward addressing the issues of modern slavery in their own operations.
- > Where Citadel is purchasing equipment on behalf of clients, it recognises that it can assist those organisations with their own modern slavery compliance by including in its quotes and tenders, reference to its views on the modern slavery practices of different equipment manufacturers. Citadel is pleased to note that a number of Citadel Technology's clients are already undertaking their own modern slavery journey, and that Citadel has a part to play in that journey.
- > During the Period, Citadel has also:
 - delivered mandatory modern slavery awareness training to all staff;
 - introduced a Supplier Code of Conduct, including requirements focused on modern slavery compliance; and
 - amended its purchase order terms and conditions to include modern slavery compliance requirements.

Assessment and consultation

Remediation Assessment

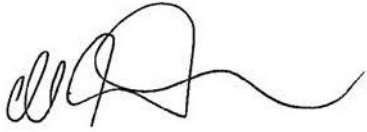
- > Citadel will assess the following indicators in order to assess the efficacy of its actions:
- > training and awareness-raising programs - % completion by staff;
- > the number of supply contracts that include modern slavery clauses and/or apply the Supplier Code;
- > the number of actions (including questionnaire responses) taken to work with suppliers to improve their capacity to respond to modern slavery risks.

Consultation

- > As described at the beginning of this Statement, under its constitution, Citadel'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 each of Citadel's wholly-owned subsidiaries have directed that those subsidiaries co-operate fully in the preparation and approval of this Statement, and to participate in the activities it describes. Philosoph-e's Board has separately consented to the preparation and approval of this Statement, and to participate in the activities it describes.

Approval

This statement was reviewed and approved by the Board of Directors on 22 January 2021.



Mark McConnell

CEO & Managing Director

The Citadel Group Limited

Appendix

1

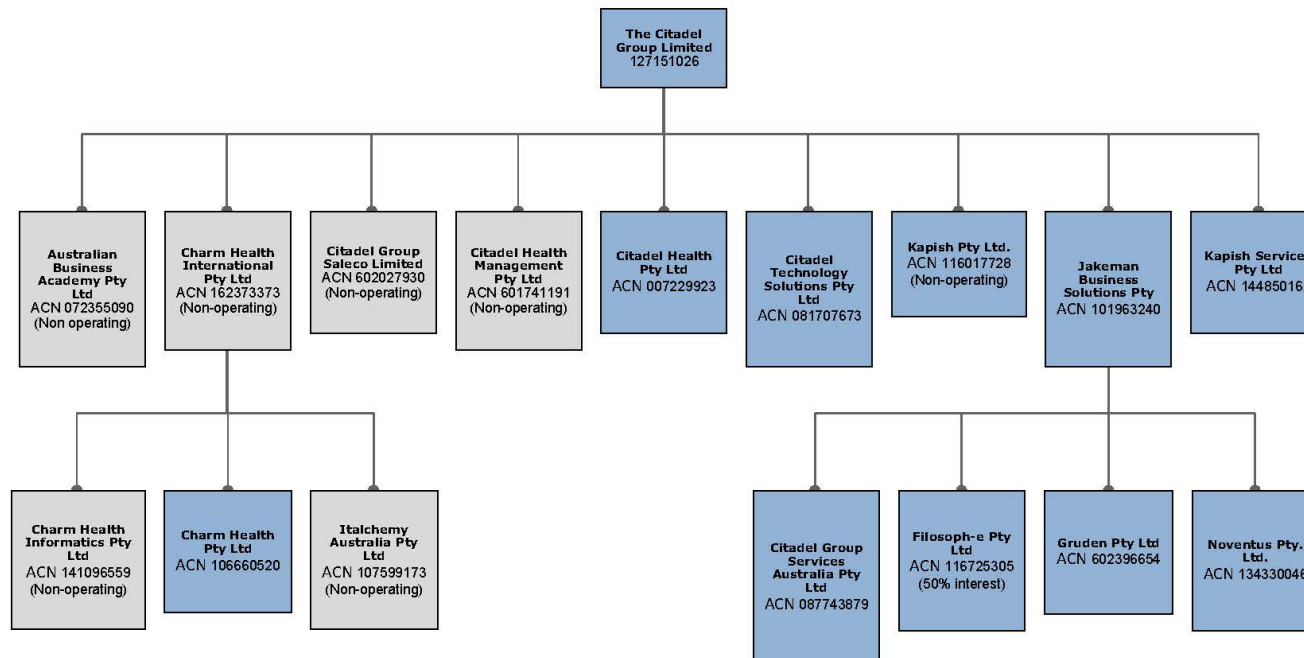




Citadel structure

- > The Citadel Group Limited's registered office is Citadel House, Level 1, 11-13 Faulding Street, Symonston ACT 2609.
- > The Citadel Group Limited Company Structure and Subsidiaries (excluding Wellbeing Software Group Holdings Limited) at the end of the Reporting Period is set out below.

The Citadel Group Limited Organisation Chart
(all interests 100% unless shown otherwise)



Citadel Brands

> The Citadel Group Limited Company Structure and Subsidiaries (excluding Wellbeing Software Group Holdings Limited at the end of the Reporting Period).



Appendix

2





Citadel Key Supply Chain Risks

Risk #	RISK	PROXIMITY	BUSINESS	LINKAGE	DESCRIPTION
1	Extractive industries	Indirect	Citadel Tech Corporate Citadel Health	DL	The: <ul style="list-style-type: none"> • AV technology products Citadel Tech procures for its customers; • computing devices (mobile and static) that Citadel Corporate procures for its for its own use; and • the computing devices used by the cloud service providers used by Citadel Knowledge and Citadel Health, each rely on extractive industries for key components.
2	Debt Bondage	Indirect	Citadel Tech Corporate	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	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	DL	The goods above and more generally are shipped to Australia. 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

Risk #	RISK	PROXIMITY	BUSINESS	LINKAGE	DESCRIPTION
6	Cleaning	Indirect	Corporate	DL	Citadel has an indirect relationship with its cleaning contractors, the majority of whom are employed by its landlords. There have been documented instances of restricted visa migrants being required to work without pay or excessive hours with the threat of visa breach reporting.
7	Coffee	Indirect	All Citadel entities	DL	Citadel provides refreshments including coffee for its employees and guests. Main coffee exporting countries such as Brazil has a documented risk of child labour, and in addition, Columbia has a documented risk of forced labour.*
8	Catering	Indirect	All Citadel Entities	DL	Citadel acquires food and occasionally, food services for events and meetings. There are recorded instances of restricted visa migrants being required to work without pay or excessive hours with the threat of visa breach reporting.

* Other countries such as Cote d'Ivoire, Costa Rica, Guatemala, Guinea, Honduras also have issues that require monitoring