

4Cyte Pathology Pty Ltd (ABN12 619 244 852)

Year 1 Modern Slavery Statement

1 July 2020 and 30 June 2021

14 January 2022

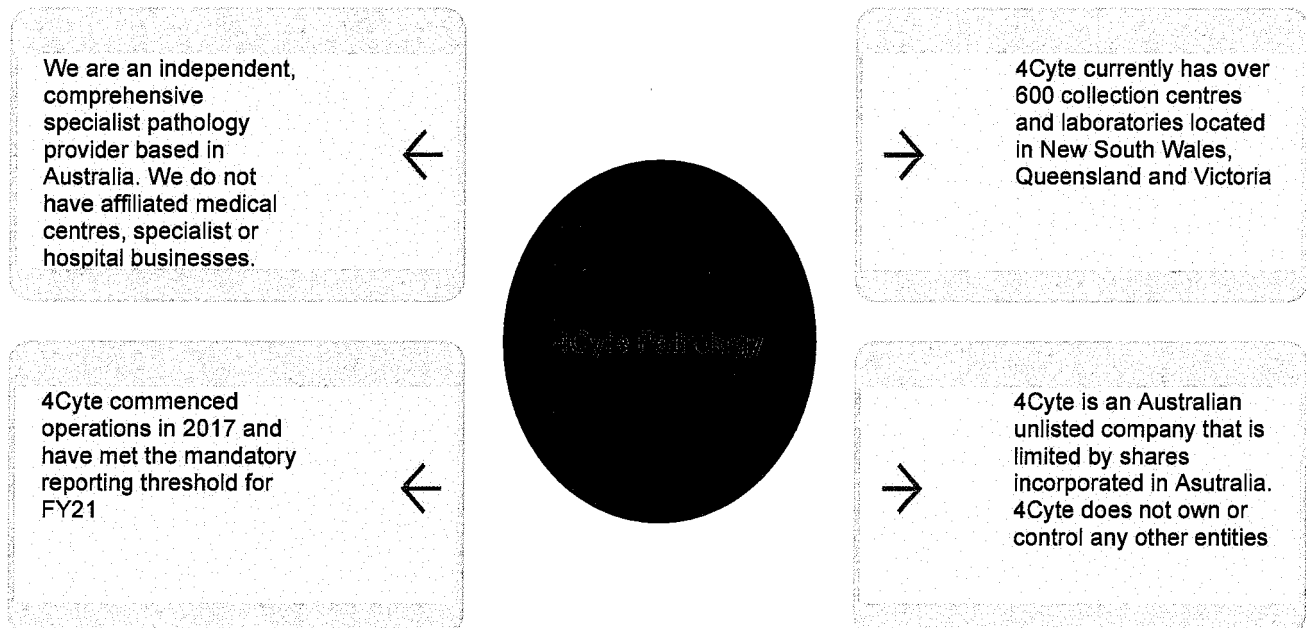
1. Criterion 1: Identify the reporting entity

- The reporting entity is 4Cyte Pathology Pty Ltd ABN 12 619 244 852 (referred to as **we, us, our** in this Statement).
- 4Cyte is a reporting entity under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) and this modern slavery statement (**Statement**) covers the financial year ending 30 June 2021.
- As this is the first year we are required to report under the Modern Slavery Act, we used the Commonwealth Modern Slavery Act Guidance for Reporting Entities (**Government Guidance**) and the Australian Border Force Modern Slavery Act Supplementary Guidance (**Supplementary Guidance**) available on the Australian Border Force to help us prepare this Statement.

2. Criterion 2: Describe the reporting entity's structure, operations and supply chains

2.1 Our Structure

4Cyte currently has over 600 collection centres and laboratories located in New South Wales, Queensland and Victoria. To support its operations, 4Cyte engages approximately 1,300 FTE employees based in its labs and clinics in Australia. We employ staff directly and/or via accredited employment agencies. All staff are paid in accordance with statutory requirements.

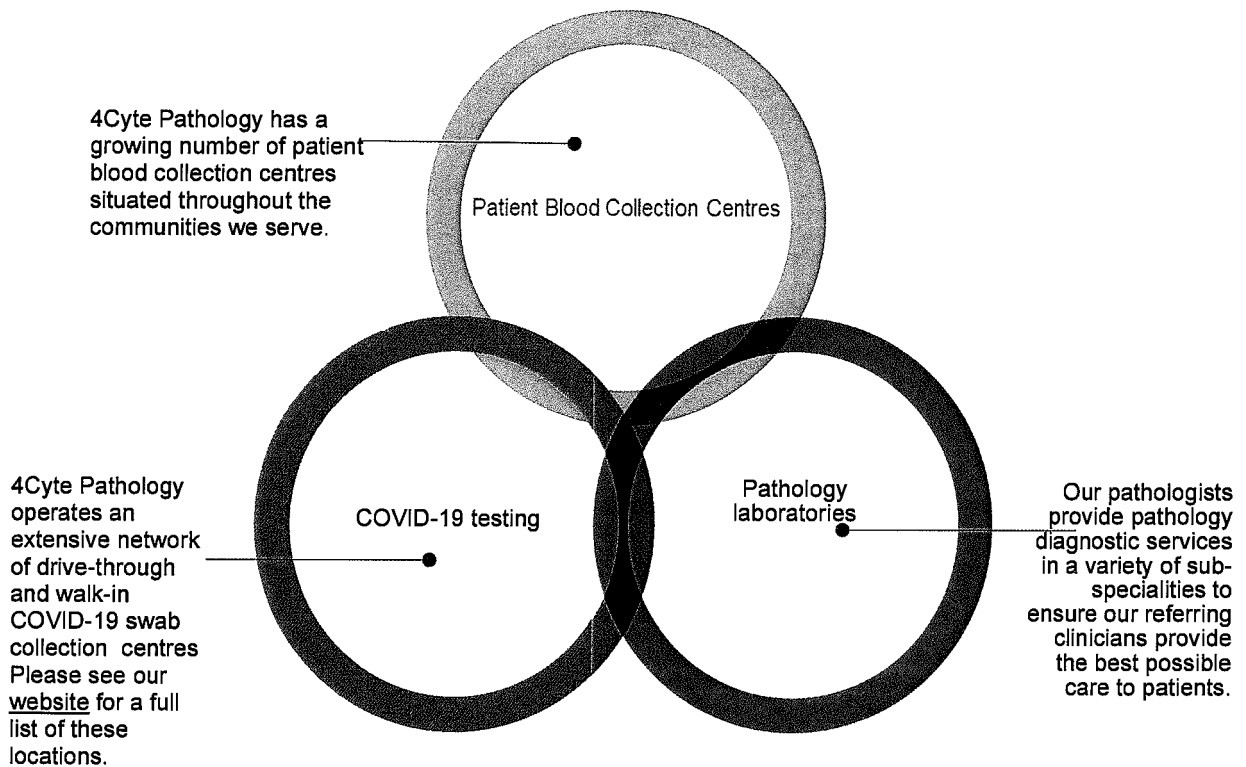


2.2 Our Operations

4Cyte provides a comprehensive range of services including:

- chemical pathology;
- cytology;
- haematology;
- histopathology;
- immunology;
- serology;
- microbiology; and
- molecular diagnostics.

Our key operations involve:



2.3 Our Supply Chains

- 2.3.1 4Cyte's supply chain comprises more than 1,000 suppliers, however, we procure approximately 90% of goods/services from our top 70 suppliers.
- 2.3.2 The majority of these suppliers are Australian companies that partner with and source from reputable international suppliers and brands. However, we also procure goods/services from companies with headquarters in the USA, Germany, UK, Canada and China.
- 2.3.3 We procure goods and services in the following **key categories**:

Operations	Supply Chains
Information technology	Information technology equipment and services and software
Medical Products and Services	Specialised laboratory equipment Medical consumables Medical equipment Pharmaceuticals Independent services including all pathology professionals
Professional Services	Legal and financial advisory Recruitment and admin
Facilities management and Transport	Logistics Travel and transport Medical and non-medical waste management

3. Criterion 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity.

- 3.1.1 In this section we identify the 'risks of modern slavery practices', meaning the potential for 4Cyte to cause, contribute to, or be directly linked to modern slavery through our operations and supply chains.
- 3.1.2 During this reporting period we have not been made aware of any specific incidents of modern slavery.
- 3.1.3 As this is our first reporting period, 4Cyte has conducted a high-level thematic review based on the Government Guidance, of our key suppliers in order to identify the possible risks of modern slavery in our operations and supply chain. In conducting this review we have also looked at:
 - The Australian Council of Superannuation Investors 'Modern Slavery Risks, Rights and Responsibilities Report' (**ACSI Report**); and
 - The Global Slavery Index 2018 of the Minderoo Foundation (**Global Slavery Index**)

3.2 Identified Risks

- 3.2.1 4Cyte acknowledges that specific industries and products carry more risks than others and that the geographical locations of some suppliers as well as that of their supply chains and operations can increase the modern slavery risks involved.
- 3.2.2 We have identified the following **key risks**:

Sector and industry risks	Product and services risks
<p>4Cyte engages with suppliers in industries that are considered 'high risk' by The Commonwealth Guidance for Reporting Entities. These include:</p> <ul style="list-style-type: none"> • Cleaning: The cleaning sector is considered high risk because it tends to rely on the use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible because the work is undertaken at night-time or in remote locations • Life Science Sector: the independent ACSI report identifies the broader life sciences sector faces significant human rights challenges in pharmaceuticals, medical device manufacturing, as well as bio-technology. These include workers' exposure to toxic materials, unfair wages, failure to obtain proper consent in clinical trials and forced labour in production of raw materials for medical devices 	<p>According to the ACSI report, the health sector faces its highest modern slavery risks in the procurement of medical goods, including:</p> <ul style="list-style-type: none"> • electronics; • Personal Protective Equipment including: <ul style="list-style-type: none"> - gloves - gowns - glasses - face shields • surgical equipment; and • medical supplies <p>Of particular note is the glove manufacturing industry: Suppliers in the glove manufacturing industry have reportedly violated labour rights by pressuring workers with severe production targets, withdrawal of wages, recruitment fees worth the same as three months of pay, sub-standard working conditions and confiscation of identification documents.</p>

Entity risks

We understand that modern slavery risks can be entity based. However, 4Cyte engages with large scale, reputable suppliers and upon conducting a review of our top suppliers, have learned that many of these are reporting entities themselves for the purposes of the Modern Slavery Act.

Many of our suppliers have their own ethical sourcing strategies. However, we acknowledge that this is an area in which we are able to take a more detailed approach to risk assessment in years to come. This may involve the circulation of supplier surveys in order to assess any entity-based risks in more detail.

Geographic risks

We know that suppliers from certain countries have higher risks of modern slavery.

We have, identified companies in our supply chain that have manufacturing sites in Costa Rica, the Dominican Republic, Puerto Rico, Singapore, China, Scotland, Hungary, Belgium, Italy, Ireland, Germany, UK, Bosnia, Israel, Spain, and France.

The Global Slavery Index ranks countries based on the government response to modern slavery. The Index identifies 10 countries that are taking the least action against modern slavery risks – 4Cyte has not identified that any of its suppliers operate in those countries.

However, some of our suppliers have manufacturing plants in countries that are considered high risk in terms of modern slavery such as China and the Dominican Republic.

We also note that whilst the majority of our suppliers are based in Australia, according to the [ACSI report](#), many Australian health care companies source their workers and goods from Asia, where low-cost labour is widespread.

Nevertheless, many of the countries that our suppliers operate in are considered to be taking considerable action against modern slavery (e.g. United States, France, Spain and Belgium and the United Kingdom).

In accordance with the Government Guidance, we aim to take a prioritised, risk-based approach. Accordingly, we will be focusing our attention on the higher risk areas including:

- Personal Protective Equipment with a particular focus on gloves; and
- Suppliers with manufacturing sites in high risk areas.

4. Criterion 4: Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes

4.1 As this is 4Cyte's first reporting period under the Modern Slavery Act, we have taken some initial steps to address risks in our operations and supply chain. Now that we have done initial high level mapping of our risks, we are better able to target our actions in future years towards addressing these risks in a prioritised, risk-based approach.

4.2 In this reporting period, and prior to submitting this statement, we have focussed on:



Internal Assessment: Undertaking a high-level review of our procurement and supply chains to identify areas of higher risk and target them as part of our roadmap for FY22 (see Section 0 for the output of this work).



Contractual Measures: Implementing contractual provisions in our standard supply and services agreements to ensure that suppliers *do not (and will use reasonable endeavours to ensure that its personnel do not), engage in conduct which contravene laws relating to modern slavery, bribery and corruption.*



Training and education: Improving our awareness about modern slavery within 4Cyte. This included our legal team receiving one-to-one training and education from modern slavery compliance, including advice around how we should structure our modern slavery compliance roadmap having regard to the Government Guidance.



Policy: commenced drafting an Anti-Slavery and Anti-Human Trafficking Policy. We understand from the Government Guidance that we are able to respond more effectively if we have a pre-agreed process or policy in place to guide our actions. This Policy sets out our commitment to addressing modern slavery risks and makes clear how staff can raise an issue or concern.

5. Criterion 5: Describe how the reporting entity assesses the effectiveness of these actions

5.1 4Cyte understands the importance of being able to objectively assess the effectiveness of the actions we take to assess and address modern slavery risks.

5.1.1 In our first reporting period, we have focussed on identifying the risks of modern slavery in our operations and supply chains and assessing our current policies and processes. 4Cyte currently has a risk management framework to review and monitor risks in our business operations, however we plan to have more advanced mechanisms in place to specifically address the risk of modern slavery as our compliance strategy develops and matures.

5.1.2 We will continue to conduct internal assessments of our existing policies and procedures in order to ensure we are able to identify and respond to modern slavery risk. We ensure that our engagement with our top suppliers is ongoing, active and secure. This will allow us to circulate supplier surveys that will give us a more granular understanding of the potential risks in our supply chains.

5.1.3 4Cyte understands that key performance indicators (KPIs) are an effective way to measure how effective we have been in identifying and mitigating modern slavery risks in our business or supply chain. Our KPI's for FY22 and FY23 include the following:

- (a) Deliver training to key staff involved in procurement;
- (b) Review our contractual clauses: we are aware that the government has released material in relation to such clauses and we intend to review and consider this in light of our existing clauses;
- (c) Implement a supplier code of conduct;
- (d) Ensure all employees have read and understood the Anti Anti-Slavery and Anti-Trafficking Policy and follow up with further internal communication; and
- (e) Draft a supplier survey which includes a number of questions specifically targeting potential modern slavery indicators that can be circulated to our key suppliers.

6. Criterion 6: Describe the process of consultation with any entities the reporting entity own or controls

4Cyte does not own or control any other entities and is not making a joint Statement. Accordingly, we were not required to consult with any other entities in giving this Statement.

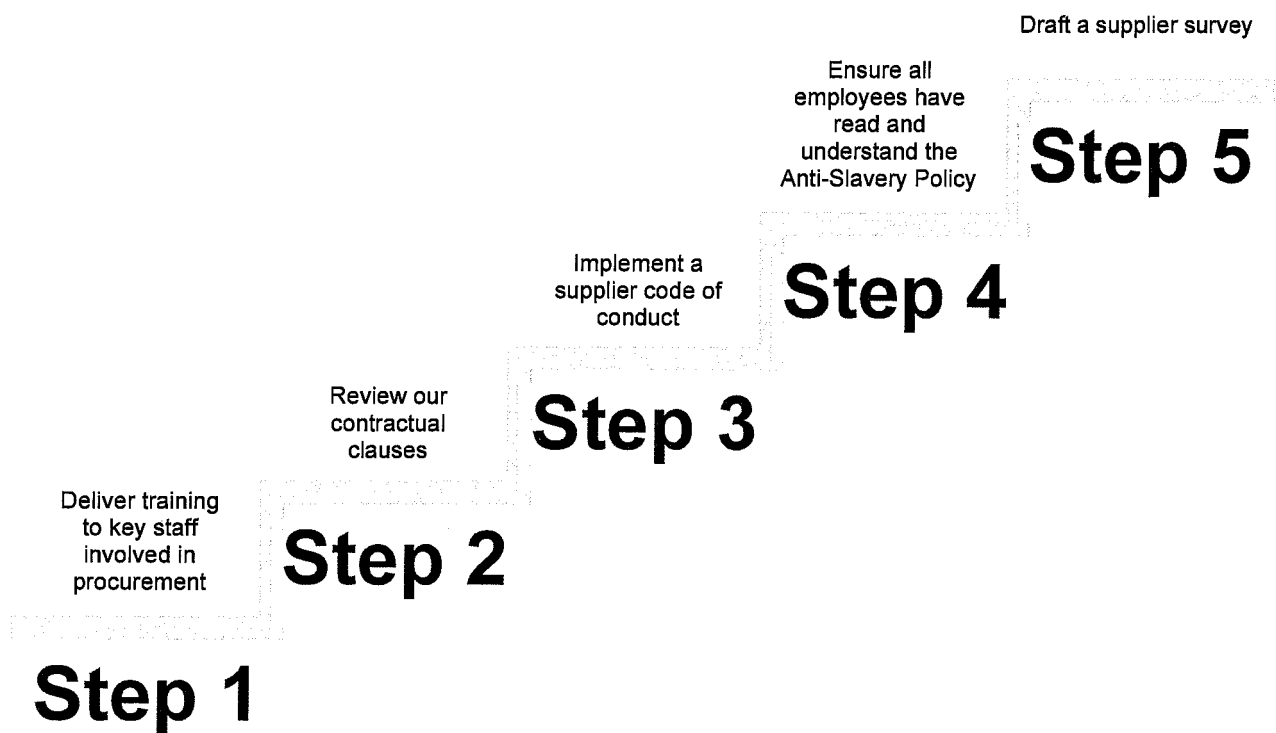
7. Criterion 7: Provide any other relevant information

7.1 The Impacts of Covid-19

- 7.1.1 The impact of the COVID-19 pandemic on all sectors and organisations has been significant. However, the impact of the COVID-19 pandemic for those in the medical sector, including 4Cyte, has been particularly acute.
- 7.1.2 Given the exponential increase in the need for COVID-19 testing as well as the increased risk to our employees that came with it, we have needed to dedicate considerable time and resources to deal with immediate consequences of COVID-19 on our business, employees and patients. This has resulted in less time and resources available in this reporting period to address modern slavery risks.
- 7.1.3 4Cyte also recognises that the impacts of the ongoing COVID-19 pandemic have the potential to increase the vulnerability of workers in global supply chains to modern slavery, including workers in Australia. We hope to increase our understanding of the risks caused by the pandemic and otherwise as part of our ongoing modern slavery compliance strategy.
- 7.1.4 As outlined by the Commonwealth Government in their own modern slavery statement, 4Cyte also recognises that circumstances like COVID-19 can exacerbate pressures some on suppliers and manufacturers to produce and deliver large quantities of goods such as PPE in short timeframes, increasing the vulnerability of workers in supply chains to labour exploitation modern slavery.

7.2 Looking Ahead:

- 7.2.1 In our first reporting period we gained a solid understanding of the types of risks that may exist in our operations and supply chains.
- 7.2.2 For the next 2 reporting periods (FY22 and FY23) we hope to report on the progress of our KPI's (see 5.1.3) for more detail.



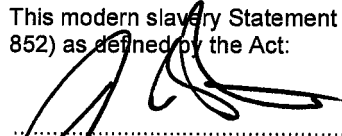
MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery Statement was approved by the *principal governing body* of 4Cyte Pty Ltd (ABN 2 619 244 852) as defined by the Modern Slavery Act 2018 (Cth) on 14 January 2022.

Signature of Responsible Member

This modern slavery Statement is signed by a *responsible member* of 4Cyte Pty Ltd (ABN 2 619 244 852) as defined by the Act:


.....
Edmund James Carwardine Bateman
Managing Director, 4Cyte Pty Ltd

Mandatory Criteria

Please indicate the page number/s of your Statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory Criteria	Page number/s
a) Identify the reporting entity.	2
b) Describe the reporting entity's structure, operations and supply chains.	2-4
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	5-6
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	7
e) Describe how the reporting entity assesses the effectiveness of these actions	8
f) Describe the process of consultation on the development of the Statement with any entities the reporting entity owns or controls	8
g) Any other information that the reporting entity, or the entity giving the Statement, considers relevant. **	9-10