

Modern Slavery Statement

1 July 2019 to 30 June 2020

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 is Nexus Hospitals' first statement, and is prepared for the period 1 July 2019 to 30 June 2020 (**Reporting Period**).

Modern Slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.

Identity of the Reporting Entity

This Modern Slavery statement relates to Nexus Day Hospitals Holdings Pty Ltd (the "Company") and its wholly owned and controlled entities ("group"), together referred to as "Nexus Hospitals".

Nexus Hospitals is a reporting entity for the purposes of the Act, having met the reporting threshold in the Reporting Period.

The principal activities of entities within the group were the provision of day surgical procedures including ophthalmology, endoscopy, plastic surgery, ENT, orthopaedic, general surgery, dental surgery and other procedures.

Information about Nexus Hospitals is available on our website www.nexushospitals.com.au.

Structure, Operations and Supply Chain

Nexus Hospitals operates a number of private hospitals in Australia, including:

- 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

To support its hospital operations, Nexus Hospitals engages over 800 staff, comprising an employed and contracted workforce, and its 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, uniforms, building & construction etc).

Risks of Modern Slavery practices in Nexus Hospitals' supply chains

Nexus Hospitals operates in 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.

The risks of modern slavery for Nexus arise through its supply chains particularly extending beyond direct suppliers (most of which are Australian legal entities based in Australia). The majority of medical equipment and products including PPE, surgical instruments, etc are sourced from overseas or include components sourced from overseas.

Our direct suppliers are located in Australia, but many import products from overseas, including from countries where modern slavery may be more prevalent. We note that the vast majority of our suppliers are large corporates who are themselves bound by the requirement to produce a Modern Slavery statement and provide ongoing assurance as to the ways they are managing this risk. All goods used in healthcare are subject to prior approval by the Therapeutics Goods Administration (TGA). Nexus Hospitals' suppliers are common to a large number of healthcare organisations which would also place them under significant scrutiny as the healthcare industry as a whole strives to reduce the risks around modern slavery.

Actions taken to assess and address the above risks (including due diligence and remediation processes)

1) Suppliers

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 between the ordering and payment processes.

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 constructive and transparent partnerships with its key suppliers, with collaboration, respect and a commitment to excellence all being part of the Nexus Core Values.

2) Employees

Nexus has a robust corporate governance framework including group Vision and Values, a grievance policy and a Whistleblower Policy. In addition, Nexus conducts an employee engagement survey twice a year and patient satisfaction surveys which aim to cover 100% of our patients. 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.

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 Bargaining 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 market conditions and employees may also be members of a union which also offers protection of workers' rights.

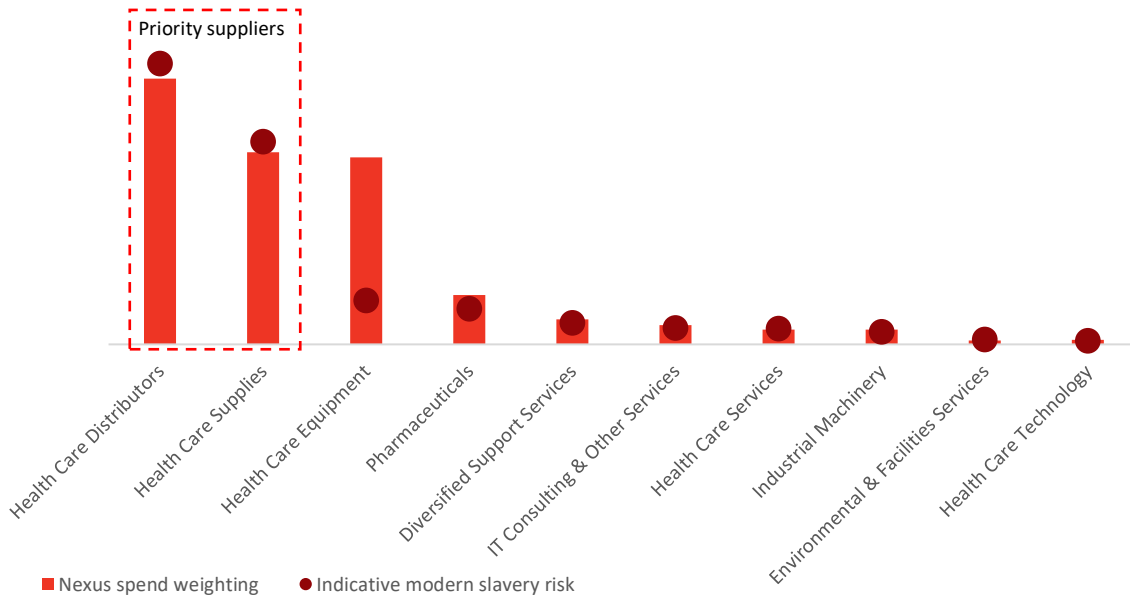
How the reporting entity assesses the effectiveness of such actions

Nexus compiled a database of its top suppliers by turnover and the nature of each supplier's business. Nexus intends to progressively add to this database information regarding the country of manufacture of each supplier's products, in order to assess the potential modern slavery risks in its operations and supply chains, with emphasis on high risk geographical locations.

In order to quantitatively assess risk within the supply chain, Nexus worked with Fair Supply to undertake a baseline measure of exposure to modern slavery. This was performed on approximately 80 suppliers that represented around 80% of total annual spend (noting the remaining 20% 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.

The Fair Supply analysis indicated that across the category of spend, two areas are highlighted to have greater indicative risk of modern slavery. The suppliers within the categories of Health Care Distributors and Health Care Supplies will be prioritised for greater engagement in the first instance, and suppliers in the Health Care Equipment category targeted thereafter.

Modern slavery risk exposure (Data sourced from Fair Supply)



During the Reporting Period, Nexus commenced its preparatory work to establish a framework to mitigate modern slavery risks. As part of its commitment to ensuring that risks of modern slavery in our supply chains are understood and remedial action is taken, Nexus intends to undertake a review of our supplier onboarding and monitoring processes to ensure we implement ongoing due diligence of modern slavery risks, and consult with our major suppliers to understand what actions they are taking to manage the risks within their own supply chains.

Statement

This Modern Slavery statement was approved by the Board of Nexus Hospitals on 23 March 2021.

Signed:



Leanne Rowe
Chairman



Paul DeSouza
Director