

Modern Slavery Statement 2024



INTRODUCTION FROM THE CEO

This year marked a significant milestone for Nexus as we celebrated a decade of dedicated service in shaping the healthcare industry. We are proud of our journey and our role in the Australian healthcare sector. From humble beginnings 10 years ago with just one hospital, today we are a national group of 27 facilities with a presence in all states as well as ACT.

In line with our growing maturity as a business, during the 2024 financial year our Board approved Nexus' Sustainability Strategy which outlines our major environmental, social, and governance (ESG) pillars and associated objectives. Modern Slavery sits firmly within this overall sustainability approach and framework, and we acknowledge the important role we play, alongside other healthcare providers, in continuously improving our ability to identify and mitigate Modern Slavery risks within our operations and supply chains.

MANDATORY REPORTING CRITERIA ONE AND TWO:

IDENTIFY THE REPORTING ENTITY AND DESCRIBE ITS STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Reporting Entity for Modern Slavery purposes

The reporting entity to which this Modern Slavery statement relates is Nexus Day Hospitals Holdings Pty Ltd and its wholly owned and controlled entities, together referred to as "Nexus".

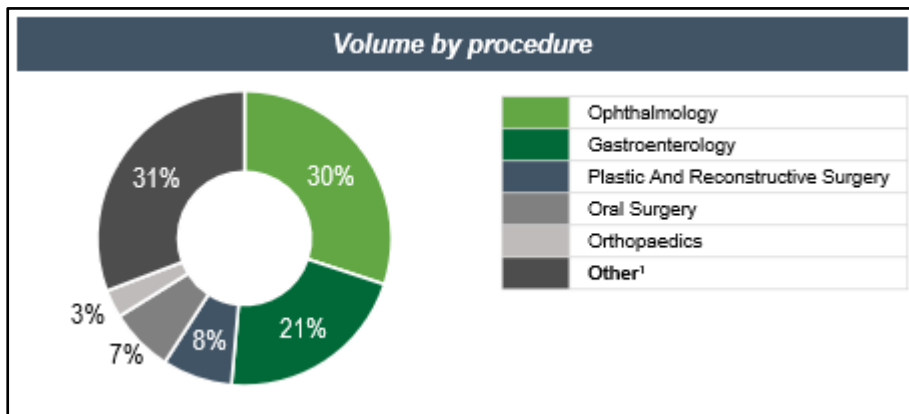
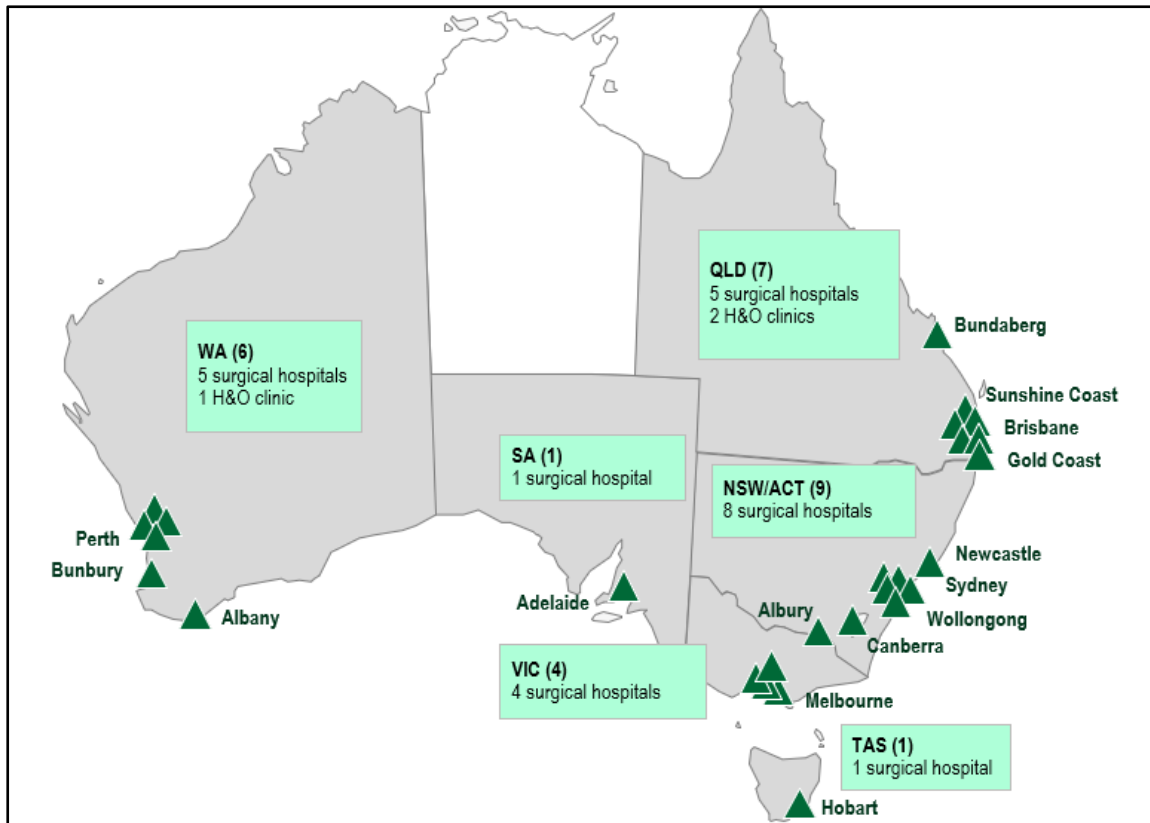
Structure

Nexus Day Hospitals Holdings Pty Ltd is a large, privately owned Australian corporate entity and Nexus is a consolidated corporate group. Nexus owns and operates private hospitals in Australia who are connected with legal entities under the control of Nexus Day Hospitals Holdings Pty Ltd. The only trading entities within the Nexus Day Hospitals Holdings Pty Ltd group are entities which hold the hospital businesses. Appendix A includes the hospital names and legal entities within the group as at 30 June 2024.

Our Operations

Nexus is in the business of providing surgical and medical procedures including ophthalmology, gastroenterology, plastic & reconstructive surgery, orthopaedics, general surgery, oral surgery, haematology and oncology services and other procedures. These procedures are conducted by visiting medical officers (doctors registered in Australia and accredited to perform the services within the particular hospital) across 27 hospitals in most states and territories in Australia.

To support its operations, Nexus employs over 1,500 permanent and casual nursing and administrative employees, as well as contractors and visiting medical officers who are not employed but operate in our facilities. Approximately 85% are women, and average hours are 40 hours per fortnight, demonstrating a large proportion of directly employed part time and casual workers, supplemented by a very small proportion of agency nursing staff when required.



Our Supply Chains

Our supply chains include the products and services (including labour) that support our business of providing surgical and medical procedures. This includes products or service sourced in Australia or overseas. Whilst Nexus only sources products and services from Australian companies, our supply chain extends globally beyond our direct suppliers, to the supply chains of our direct suppliers.

Our products and services are supplied by approximately 1,700 suppliers and wholesalers in the healthcare industry (supplying prostheses, medical and surgical consumables, pharmaceutical supplies and medical equipment) as well as services to support our facilities (cleaning, laundry, IT support, maintenance, uniforms, etc). Whilst this is a large number, and Nexus spends <\$5000 with half of these suppliers, the key suppliers and those which Nexus considers higher risk remain unchanged from year to year.

MANDATORY REPORTING CRITERIA THREE:

DESCRIBE THE RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAINS OF THE REPORTING ENTITY AND ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

As part of our modern slavery review process, we undertake our own risk assessment of our operations and supply chains to consider the risk of Nexus causing, contributing to, or being directly linked to modern slavery through its operations and supply chains. This process is formally repeated on an annual basis to identify areas of vulnerability and inform our areas of focus for the coming year. This section of our Modern Slavery statement describes our findings from this review process and risk assessment.

The areas of highest risk have been identified as:

- Products which are known to be at higher risk of being manufactured using modern slaves, due to their raw materials originating from locations which carry high risk of modern slavery practice;
- Services which may attract unskilled migrant workers who may not know or be in a position to enforce their rights within Australia, such as cleaning, linen services, waste and facilities management and uniform manufacturing.

Risks of modern slavery practices in our Operations (including operations of entities that Nexus owns and controls)

Nexus operates private day and short-stay hospitals within Australia and exclusively employs Australian residents or permanent visa holders. Its operations involve performing medical and surgical procedures and providing the facilities and infrastructure to support these. Nexus does not produce or sell any supplies itself.

All entities within Nexus operate and are legally registered in Australia.

Nexus operates within 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.

From a staffing perspective, Nexus only employs workers with Australian residency or citizenship and does not use unskilled, temporary or seasonal labour. Hiring of staff is overseen by Nexus' Chief People and Culture Officer and Nexus uses reputable corporate employment agencies including for casual staff. All employees are issued with Employment Contracts and an Employee Handbook which include these policies.

The majority of our employees are skilled registered and enrolled nurses, and their qualifications and credentials are checked on employment and kept up to date in accordance with the requirements of the Nursing and Midwifery Board of Australia as well as the Australian College of Nursing; are employed under Modern Awards or Enterprise Agreements; and they are required to show proof of Australian residency as well as any relevant qualifications (eg nursing). Nexus continuously reviews wages to ensure they are in line with Awards and market conditions and employees may be members of a union which also offers protection of workers' rights.

Our doctors are not employees but are required to be credentialled as Visiting Medical Officers by each hospital in which they work.

For these reasons, we consider that our entity risks, or the risks that Nexus might *directly cause* modern slavery practices, are extremely low.

Risks of modern slavery practices in our Supply Chains (including supply chains of entities that Nexus owns and controls)

For Nexus, whilst we are at low risk of directly causing modern slavery practices, our greater risk is that we inadvertently *contribute to* or, through association, be *directly linked* to modern slavery practices. One of the main ways in which this could occur is using suppliers who are themselves at higher risk of having modern slavery within their supply chains. Nexus engages with large suppliers, the majority of which have their own modern slavery reporting obligations and processes which we assess as comprehensive, however some modern slavery risk inevitably remains.

Hospital support service-related risks

Within Nexus' own supply chain, modern slavery risks are relatively higher in some of our indirect services such as cleaning; waste disposal; and uniforms. These service industries may have workers who are victims of modern slavery due to vulnerability of their employment or residency conditions. We ensure these services are provided by reputable Australian registered companies and are continuously seeking to improve our engagement with those companies and thereby improve our visibility over their supply chains in order to identify whether modern slavery may be present in those supply chains.

Product-related risks

Nexus does not purchase goods or services directly from any suppliers located outside Australia. Whilst we deal exclusively with Australian suppliers, many of these suppliers manufacture goods overseas or import goods or components from overseas companies, therefore the risk profile of our supply chain relates largely to the supply chains of our suppliers. Following supply issues during the global pandemic, all hospital groups were forced to secure supplies from unknown suppliers. Since then, we have actively partnered and contracted with reputable medical supply companies including, to the extent possible, those suppliers manufacturing PPE within Australia. This secures supply as well as pricing for Nexus, and reduces the risk that PPE from unknown sources may expose Nexus to modern slavery.

In performing surgical procedures, some products are used which we have identified as having a relatively higher risk of modern slavery. These products are manufactured using raw materials sourced from countries with relatively higher risk of worker exploitation, and their commodity status means that the price pressure they face exacerbates this. Examples are nitrile gloves (made from rubber), other PPE and low value surgical pack components (such as kidney dishes or needle counters). The supply chains for these products are very concentrated in this region so it is difficult for a commercial enterprise such as Nexus to substitute with products manufactured in countries with lower modern slavery risks. Our primary supplier in relation to nitrile/surgical gloves, other PPE and low value surgical packs is a large global supplier and part of the selection criteria was interrogation of their own modern slavery risk management and the extent to which they had clear visibility of their own manufacturing and supply chains.

MANDATORY REPORTING CRITERIA FOUR:

DESCRIBE THE ACTIONS TAKEN BY THE REPORTING ENTITY TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

During this reporting period, we have made significant progress in our actions to assess and address the modern slavery risks within our operations and supply chains. There are a number of specific actions that Nexus has assessed and addressed its modern slavery risks within the reporting period, which are outlined below:

- ✓ Supplier due diligence
- ✓ Shift towards preferred suppliers
- ✓ Supplier-centric review: Using external information sources to identify areas of higher risk
- ✓ Product-centric focus: Categories of products and services with higher modern slavery risk
- ✓ Incorporating our findings through training

Supplier due diligence and Shift towards preferred suppliers

During the reporting period, Nexus has entered into preferred supplier arrangements with a large number of its suppliers. A key purpose of this is to reduce the “long tail” of suppliers and products in order to improve our ability to assess and address modern slavery risks in our supply chain. We track and report on the number of preferred supplier relationships initiated, as well as modern slavery training conducted. As at the date of this report, Nexus has 80 preferred suppliers. In FY25 and beyond, we will focus on moving spend from the “long tail” of small suppliers (more than 800 suppliers have spend <\$5,000) to preferred suppliers to increase this visibility over our supply chain.

For all preferred suppliers, assessment includes a review of their product and the geographies in which those products are manufactured. We review their Modern Slavery statements, and also make additional enquiries as part of our procurement tendering process, to ensure we are partnering with companies which share our commitment to reducing the risks of modern slavery in its supply chains and can demonstrate that they are acting in this regard.

Whilst all suppliers carry some level of modern slavery risk within their supply chains, Nexus believes that a consolidation of spend towards preferred suppliers will significantly improve its ability to investigate those suppliers’ modern slavery policies and risk profiles through regular communication and engagement. Through our increased understanding of our own supply chain, we can now identify the factors which increase or decrease vulnerability to modern slavery risks and this has informed our engagement with certain preferred suppliers.

Engagement and onboarding of all preferred suppliers includes requesting information regarding their modern slavery risk management approach as well as in-person engagement with senior decision-makers in those organisations. By contrast, other supplier relationships may be at arms length or via distribution partners where that transparency and direct relationship is not as easy. We also ensure that negotiations do not focus on price above all else, and that long term partnerships are valued more highly than short term commercial gain. We clearly express our expectations around modern slavery risk processes and that they conduct their business in an ethical manner, and this expectation is formalised within our preferred supplier contracts. In many cases, we have selected preferred suppliers who offer a combination of service and value, rather than the lowest cost provider. As such, we are seeking to minimize the risk that our own conduct might inadvertently contribute to modern slavery practices.

Supplier-Centric Review: Using external information sources to identify areas of higher risk

In FY22, Nexus used an independent external audit tool to review our suppliers and their relative modern slavery risk. This tool is 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, and United Nations Statistics Division. The database overlays a model of how global supply chains generally work with insights on the locations and industries with the highest modern slavery risk to “risk rate” suppliers and allow its users to appropriately and objectively prioritise its modern slavery review efforts.

In FY23, we refined this analysis further by identifying 24 higher risk suppliers who represent approx. 75% of total spend and will form the starting place for further consideration and engagement in this area above and beyond what has been requested of our top 100 suppliers. These higher risk suppliers also fall within the “preferred supplier” group and therefore we mitigate some of this risk with a correspondingly higher level of oversight.

Since the FY24 year end we have also engaged with another external consultancy to support our efforts in identifying relative risk amongst a certain sub-sector of our suppliers. Initially this review is focused on service-related suppliers including cleaning, uniforms, waste management and facilities management. During FY25 we will review the results of these investigations and consider if any mitigating measures are required to be taken in partnership with impacted suppliers.

Nexus has a large majority of our direct suppliers in common with much larger healthcare providers. We also note that most of these suppliers are themselves reporting entities who are required to publish their own Modern Slavery Statements under the Act. In terms of modern slavery risk, Nexus’ engagement with suppliers common to the wider industry provides a level of due diligence assurance over the modern slavery practices of those suppliers, as healthcare providers much larger than ourselves are likely to have committed greater resources to these investigations than we have had the opportunity to do. These suppliers receive a significant amount of common pressure from industry participants seeking to minimise their own modern slavery risks. This year Nexus has reviewed the modern slavery statements of three other private hospital group operators to ensure there are no risks they have flagged that we may have overlooked.

Product-Centric Focus: Categories of products and services with higher modern slavery risk

During the reporting period, Nexus continues to focus on PPE and support services as we consider these are the areas where Nexus is at highest risk of contributing to modern slavery.

- ***Focus on PPE***

Through accessing external information on modern slavery risk areas and applying it to its own supply chains, Nexus has identified that low value, high volume PPE and surgical consumables is an area of high risk from a modern slavery perspective due to the location in which the raw materials are sourced produced, and the importance of a low cost manufacturing process which is therefore often located in countries where modern slavery risk is known to be high.

Our primary supplier in relation to nitrile/surgical gloves, other PPE and low value surgical packs is a large global supplier and part of the selection criteria was interrogation of their own modern slavery risk management and the extent to which they had clear visibility of their own manufacturing and supply chains. The majority of nitrile and surgical gloves and surgical consumables are now covered by this partnership which we believe significantly decreases our risks around this supply chain by enabling a far closer engagement on how this supplier actively manages its own risks.

We also have a small number of preferred suppliers for surgical masks and have included similar levels of rigour in these engagements.

- **Focus on Services**

Another area of relatively higher modern slavery risk for Nexus is in the services which support our operations. In terms of services, we recognise that cleaning and general maintenance services are an area of high risk as they often attract migrant workers who may be victims of modern slavery within Australia.

During the FY24 year we have identified a risk that cleaning companies may use independent contractors and due to pressure to remain commercially competitive, these contractors may not be paid in accordance with the relevant Awards. Identification of this risk has extended our identification of similar risks in similar service industries such as facilities management, waste management, uniform suppliers, laundry and linen services. Accordingly, this is an area we are now targeting with the support of external consultants in order to gain further insights. During FY25 we will review the results and consider if any mitigating measures are required to be taken in partnership with impacted suppliers.

Training and awareness

It is critical that all the actions taken and risks identified during the reporting period are communicated throughout the organisation to raise awareness and that Nexus continuously increases its opportunities to identify additional risks that may otherwise be overlooked. The main way in which this is done is through training and awareness.

Nexus provides regular mandatory in-house Modern Slavery training to its corporate and hospital leadership team as well as those employees responsible for procurement within its hospital network. This training is offered to all leaders (operational and corporate) within the group and covers all entities within the group which are under the control and ownership of the reporting entity, and is also available online on demand. This helps hospitals build capability in identifying any examples of modern slavery risk, current or in the future, that may exist within an individual hospital's operations or supply chains and of which we may otherwise be unaware.

Training covers modern slavery risks in general as well as those of particular risk within our hospitals. Training is regularly modified to reflect new knowledge and insights around modern slavery risks in our industry and also the role that frontline workers can play in identifying potential victims of modern slavery who may enter our hospitals seeking medical attention. Training is conducted in small groups which facilitate open discussion, and empowers and encourages each participant to consider where else modern slavery risks may exist, as well as considering how our culture of consumerism might be contributing to this risk in our personal lives. Feedback from these training sessions indicated that the training had been clear, relevant and informative.

Industry engagement

Nexus is an active member of both main industry bodies: the Australian Private Healthcare Association (APHA) and Day Hospitals Australia (DHA) and utilises these networks to ensure it is aware of any emerging or newly identified risks in the industry. Nexus has two senior executives on the APHA Council and/or Board, and the Commercial Director has extensive networks specific to sustainability and procurement in the healthcare industry, with whom she regularly consults as part of Nexus' strategy to identify modern slavery risks inherent in our supply chains as well as other ESG risks. All this allows the Procurement team to learn from others regarding their experiences and

approaches to modern slavery as well as identify any areas of risk of which it may not otherwise be aware.

Employee Engagement / Whistleblowing

Nexus has a robust corporate governance framework including an independent Board of Directors, external auditors, group Purpose and Values, a grievance policy and a Whistleblower Policy. These all provide a mechanism in place to identify any modern slavery concerns that may exist in the business. In addition, Nexus conducts a regular employee engagement survey and patient satisfaction surveys covering 100% of our patients. Our website invites feedback and queries from the wider community, and we also engage and consult with the community on various matters in accordance with our hospital accreditation requirements. 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.

In addition, the culture of full and transparent reporting that is embedded throughout our organisation through its clinical governance framework as well as our people and culture team encourages feedback from the “eyes and ears” of our hospitals, our people. All employees are encouraged to report any concerns to the leadership team, either directly or in accordance with existing whistleblower policy which provides confidentiality and protection to the whistleblower. Strengthening this culture of accountability and transparency is key to maximising our chances of identifying modern slavery risks at all levels of our organisation and ensuring they are reported to the corporate office for further investigation.

MANDATORY REPORTING CRITERIA FIVE:

DESCRIBE HOW THE REPORTING ENTITY ASSESSES THE EFFECTIVENESS OF ACTIONS BEING TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

During this reporting period, our focus continues to be gaining a better understanding of our modern slavery risks and how such risks may be present in our operations and supply chains. Our procurement processes remain disparate and decentralised which limits the controls we have over supplier onboarding, so at this stage we are not able to adequately assess the effectiveness of measures we have undertaken. A process of centralising this function and implementing controls has commenced alongside the consolidation of supply towards preferred suppliers which will facilitate the review of effectiveness of our actions.

Our actions in Mandatory Reporting Criteria Four outline how our actions are informed from both an objective “supplier centric” perspective and a more subjective “product centric” perspective. Nexus considers that this “top down, bottom up” methodology maximises the chances of identifying modern slavery risks within our operations and supply chains and is therefore an effective approach. Nexus meets regularly with all its preferred suppliers and keeps modern slavery risks as a standing agenda item with a culture of open and transparent dialogue. This reinforces that this is an area that Nexus considers critical to its ongoing relationship with that supplier and also provides a forum for open disclosure of any risk areas.

Nexus has not had cause to respond to a case of modern slavery so it is difficult to assess whether this is due to the effectiveness of our actions taken in this area. In line with our open culture, if faced with this situation we would seek support from law enforcement or other experts in a manner which is appropriate to the particular circumstances.

MANDATORY REPORTING CRITERIA SIX:

DESCRIBE THE PROCESS OF CONSULTATION WITH ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

During the reporting period, we actively engaged and consulted with all hospitals that we own or control in the development of this statement. Those entities and associated hospitals are listed in Appendix A. We discussed details of the Modern Slavery Act 2018’s reporting requirements; information regarding the actions we intend to take to address those requirements and provided them with relevant materials and updates.

All entities within Nexus operate within the same industry, and although their specialty mix may differ, there is significant crossover of suppliers and therefore risks are likely to be largely common. However, in the event that there may be risks specific to an individual entity, Nexus has sought to ensure that any risks or instances of modern slavery at an individual hospital level have been identified through this process of active engagement and consultation.

Consultation has also been achieved through:

- ✓ Engaging employees through policies and communication supported by our People and Culture team
- ✓ Training to strengthen awareness of modern slavery risks within our supply chain and operations
- ✓ Consultation with the Nexus executive team and directors, who are common across all Nexus operating entities, as well as with Nexus’ legal counsel and Board, in order to confirm that no modern slavery risks have been flagged via any channels.

MANDATORY REPORTING CRITERIA SEVEN:

ANY OTHER RELEVANT INFORMATION NOT COVERED BY THE OTHER MANDATORY REPORTING CRITERIA

Nexus considers that the other six mandatory reporting criteria have covered off all relevant information.

Statement

This statement was approved by the Board of Nexus Day Hospitals Holdings Pty Limited in their capacity as principal governing body of Nexus Day Hospitals Holdings Pty Limited.

This statement is signed by Dr Michael Stanford in his capacity as Chairman of Nexus Day Hospitals Holdings Pty Limited on 10 December 2024.

Signed:

Dr Michael Stanford

Chairman

Nexus Day Hospitals Holdings Pty Limited

APPENDIX A:

	Hospitals	Legal entity name	ABN
formerly Nexus Hospitals	Bondi Junction Private Hospital (NSW)	Bondi Newco Pty Ltd	57 604 636 240
	Bundaberg Private Hospital (QLD)	Bundaberg Private Day Hospital Pty Ltd	34 625 771 931
	Canberra Private Hospital (ACT)	Canberra Private Hospital Pty Ltd	51 164 995 402
	Charlestown Private Hospital (NSW)	Charlestown Private Hospital Pty Ltd	53 602 063 267
	Corymbia Day Hospital (VIC)	Corymbia Newco Pty Ltd	88 606 420 857
	Hobart Day Surgery (TAS)	Hobart Day Surgery Pty Ltd	37 065 718 989
	Insight Private Hospital (NSW)	Insight Newco Pty Ltd	78 601 453 892
	Kogarah Private Hospital (NSW)	Kogarah Private Hospital Pty Ltd atf Kogarah Private Hospital	77 114 793 743
	Manningham Private Hospital (VIC)	Manningham Day Procedure Centre Pty Ltd	13 165 901 173
	Pacific Private Day Hospital (QLD)	Surgical Excellence Southport Pty Ltd	48 616 381 269
	Pennant Hills Day Surgery (NSW)	Nexus PHDS Holdings Pty Ltd	23 633 923 716
	Southbank Day Surgery (WA)	NM&IG Day Surgery Pty Ltd	87 107 603 396
	Sundew Day Surgery (WA)	Sundew Day Surgery Pty Ltd	20 619 887 240
	Tennyson Centre Day Hospital (SA)	Ettarre Pty Ltd atf Tennyson Centre Day Hospital	28 128 586 667
	Vermont Private Hospital (VIC)	Vermont Private Hospital Pty Ltd	71 606 820 937
	Windsor Private Hospital (VIC)	Nexus Windsor Private Holdings Pty Ltd	37 631 676 018
formerly Montserrat Hospitals, part of Nexus from 1/5/23	Bunbury Day Hospital (WA)	Bunbury Day Surgery Pty Ltd	64 126 982 581
	North Lakes Day Hospital (QLD)	North Lakes Day Hospital Pty Ltd	77 147 143 075
	Rosemont Endoscopy Centre (NSW)	Felpet Pty Ltd	70 052 500 133
	Samford Road Day Hospital (QLD)	Montserrat Healthcare Pty Ltd	57 162 843 610
	Sunshine Coast Haematology and Oncology (QLD)	Windermere House Pty Ltd	94 074 780 635
	Warringah Day Surgery (Brookvale) (NSW)	Brookvale Day Hospital Pty Ltd	55 639 116 386
	Western Haematology & Oncology Clinics (WA)	Western Haematology and Oncology Clinics Pty Ltd	32 615 067 377
	Westside Haematology & Oncology (QLD)	Montserrat Healthcare Pty Ltd	57 162 843 610
	Westside Private Hospital (QLD)	Montserrat Healthcare Pty Ltd	57 162 843 610
Holding companies	Nexus Day Hospitals Pty Ltd	Nexus intermediate holding company, and contracting entity for the group	32 165 826 808
	Nexus Day Hospitals Holdings Pty Ltd	Nexus ultimate holding company	75 165 809 101

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