



Bupa Australia Group Modern Slavery Statement FY20



Statement on modern slavery

Bupa's purpose is to help people live *longer, healthier, happier lives and making a better world*.

Our business was founded upon, and is centred today, around supporting the health and wellbeing of our people, our residents, our customers and the communities in which we live and operate. We are a people-led business, and we strive for our purpose and our values to guide our decision making and help us make a positive difference in our communities and environment.

Bupa is committed to assessing and addressing human rights risks across our organisation and suppliers in accordance with the Modern Slavery Act 2018 (Commonwealth) (the **Act**).

This is Bupa ANZ's first modern slavery statement in response to the Act, which reflects on the actions we have taken to identify and address modern slavery risks in our Australian operations and supply chain during 2020, and outlines opportunities where we can improve in the future.

We recognise the responsibility we all share to eradicate modern slavery around the world and are deeply committed to working alongside the Australian government, businesses and the wider community for the benefit of current and future generations.



Hisham El-Ansary
Chief Executive Officer

This statement has been approved by the Board of Directors for Bupa ANZ Healthcare Holdings Pty Ltd ACN 126 737 308 and Bupa ANZ Insurance Pty Ltd ACN 098 309 025 on 26 May 2021 and Hisham El-Ansary is authorised to sign this statement as the CEO of those entities.

Contents

| | |
|--|-----------|
| Statement on modern slavery | 2 |
| Reporting entity | 4 |
| Reporting entity’s structure, operations, and supply chains | 5 |
| Our structure | 5 |
| Our operations | 6 |
| Our supply chain | 7 |
| Risks of modern slavery practices in the operations and supply chains | 9 |
| Our approach to modern slavery risk | 11 |
| Assessing effectiveness | 12 |
| Consultation process | 12 |

Reporting entity



Criteria **1**

This is a joint modern slavery statement made by Bupa ANZ Healthcare Holdings Pty Ltd ACN 126 737 308 and Bupa ANZ Insurance Pty Ltd ACN 098 309 025 (collectively referred to as **Bupa ANZ**), being members of the Bupa Group of Companies under the immediate parent company Bupa Investments Overseas Ltd.

For this reporting period, we have focussed on the modern slavery risks in our Australian operations and supply chain. This statement covers the reporting period starting from 1 January to 31 December 2020.

Definitions

| | |
|-------------------------------|---|
| Bupa Parent | The British United Provident Association Limited. |
| Bupa ANZ | Refers to the Australian operations of Bupa ANZ Healthcare Holdings Pty Ltd and Bupa ANZ Insurance Pty Ltd , which are the subjects of this statement. References to “we”, “us” and “our” are to Bupa ANZ. |
| Bupa Group¹ | Refers to Bupa Parent’s wholly owned and controlled companies. |

¹ References to Bupa Group do not necessarily refer to each of the entities respectively but to the group as a global organisation. Bupa Parent and certain other Bupa Group companies are reporting entities under the UK Modern Slavery Act 2015.

Reporting entity's structure, operations, and supply chains

Criteria **2**

Our structure

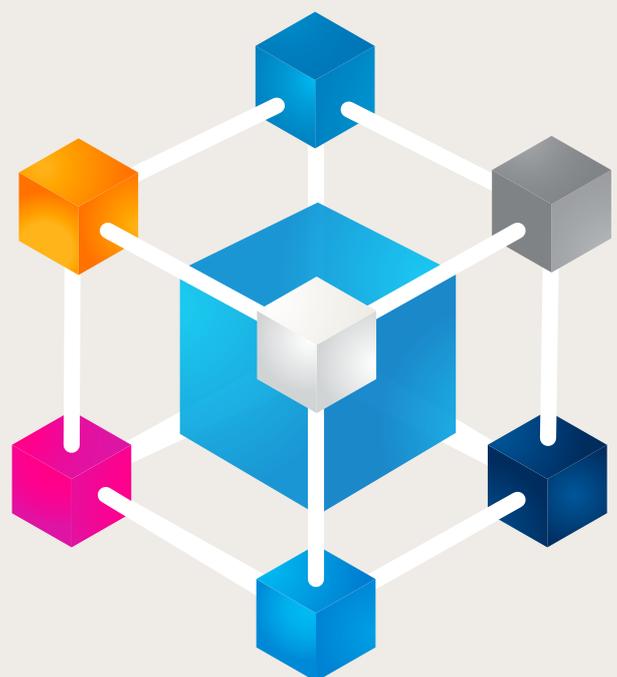


The Bupa Group was founded in the United Kingdom in 1947, with an ambition to 'prevent, relieve and cure sickness and ill-health of every kind'. It continues this focus today through our current purpose to help people live *longer, healthier, happier lives and making a better world*.

The Bupa Group entered the Australian market in 2002 and today Bupa ANZ employs more than 18,000 people across Australia and New Zealand within a diverse range of health and care businesses.

The Bupa ANZ Board of Directors is committed to maintaining high standards of service and effective governance across all affiliated entities set out below:

- Bupa HI Pty Ltd (ACN 000 057 590)
- Bupa Aged Care Australia Pty Ltd (ACN 082 931 575)
- Bupa Health Services Pty Ltd (ACN 003 098 655)
- Bupa Innovations (ANZ) Pty Ltd (ACN 614 905 967)
- Bupa Wellness Pty Ltd (ACN 145 612 951)



Our operations



In Australia, Bupa ANZ provides a broad range of health and care services, including aged care and retirement villages, dental and optical care, health insurance, some general insurance products, medical assessment services, integrated healthcare to serving defence force personnel and community wellbeing initiatives. Our health insurance business provides quality, affordable health insurance providing cover to more than three and a half million Australians through our digital and online services, 71 retail stores and our customer call centre.

During the reporting period, our villages and aged care homes business operated 68 homes across Australia, providing residential aged care, respite and specialised dementia care services. We are a leading aged care provider, with the largest network of residential aged care homes in Australia. Our dedicated teams are passionate about supporting the needs of our residents and ensuring we have a positive impact on their wellbeing.

We operate 198 dental clinics across Australia, including more than 145 Bupa Members First clinics, where our professionals provide a full range of dental services including routine check-ups, professional cleaning and oral hygiene advice to our customers.

Bupa ANZ also operates 47 optical stores across the country with the purpose of delivering quality eye care advice and information for our Bupa members and retail customers, alongside an extensive range of quality frames and lenses.

Bupa Health Services Pty Ltd is responsible for the provision of migration medical services to visa applicants in Australia for the Department of Home Affairs. It also provides an integrated health care system to the Australian Defence Force (**ADF**). This system provides end-to-end health care to approximately 85,000 ADF personnel, delivering services both on-base and through a network of off-base providers. We also provide medical and advisory services, to the Department of Veterans' Affairs for the benefit of veterans and their families.



Our supply chain



Bupa ANZ relies on a global supply chain to help support its various businesses. For the FY20 period, we have identified over 40,000 healthcare providers (including private hospitals) and direct suppliers (collectively referred to as our **suppliers** in this statement) within our supply chain from across 31 countries that are providing goods and services to our Australian operations. More than 99% of Bupa ANZ's direct suppliers that we contract with are located within Australia and New Zealand.

To assess the risk of modern slavery practices in our supply chain, in the section to follow, we have sought to identify risks based on the geographical locations of the suppliers and specific industry risk factors. Furthermore, to better understand the opportunities Bupa ANZ has to support improved practices with our key suppliers in the future, we considered our level of spend across different procurement categories and identified that Bupa ANZ's top five highest procurement spend categories to be:

- 1. Commercial & Retail:** A broad range of commercial and retail purchases to support our business operations. In our risk assessment, this commercial category includes services with higher reported rates of modern slavery or slavery like practices in areas such as commercial cleaning or catering.
- 2. Financial Services:** A range of banking and specialist financial advisory services that help support the financial stability and profitability of our business.
- 3. Government regulators and healthcare:** This category considers our supplier or business relationships that are closely affiliated with government regulators (including payments to federal and state government bodies, membership-based industry groups and regulated medical practitioners) and recipients of insurance payment benefits we make on behalf of our members.
- 4. Insurance:** Our outsourced insurance operations and professional insurance plan and pension funding, except compulsory superannuation payments.
- 5. Professional Services:** Services that range from strategic advice to administration including advisory, consulting, legal, recruiting and real estate services.

Bupa ANZ also assessed other categories of spend in this risk assessment including, but not limited to, construction, communication, utilities, electronics and machinery, agriculture goods, clothing, textiles, and motor vehicles.

Hospitals and healthcare providers in Bupa ANZ's Supply Chain

Given the nature of our private health insurance business, Bupa ANZ has a significant number of contracts in place with private hospitals and other healthcare providers. Hospitals and other healthcare providers do not provide services directly to Bupa ANZ, rather they provide services to Bupa HI Pty Ltd health insurance business members, and Bupa HI Pty Ltd pays benefits on behalf of its members directly to hospitals or the healthcare providers. In FY20, there has been limited assessment of modern slavery practices in this spend category and we will continue to improve our risk identification and management processes in the year ahead.

As noted above, we are aware of the significant modern slavery risks associated with the healthcare industry, particularly in respect of the manufacture of healthcare equipment and supplies.

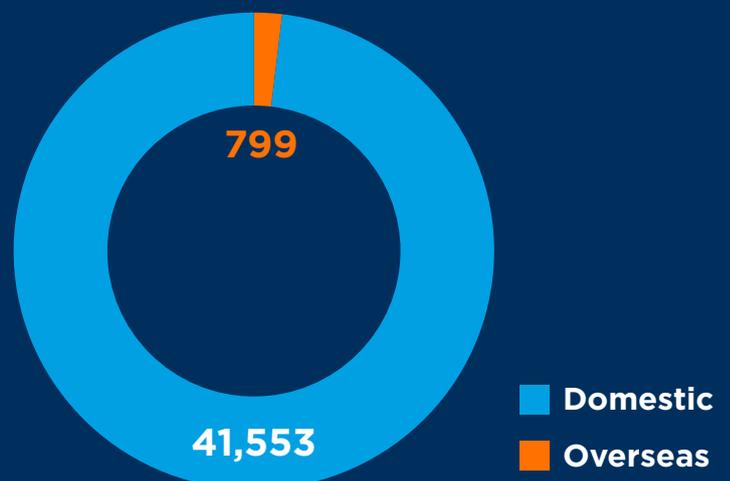
Ten largest countries for procurement spend by Bupa ANZ's supplier origin

(representing more than 99% of Bupa ANZ's suppliers)



Origin of suppliers

Location of Bupa ANZ's direct suppliers



Risks of modern slavery practices in the operations and supply chains



Criteria **3**

Bupa ANZ recognises there is a risk of modern slavery in our supply chain and our initial risk assessment indicates less than 0.01% of our suppliers are high risk but we continue to identify, assess, and address broader human rights concerns within our operations and supply chain.

Operations risk

We assessed the risks of modern slavery practices in our operations and although we did not identify any instances of modern slavery, we recognise that our aged care operations, like many in this sector, use a contingent workforce of professional nurses and casual workers. We know that some members of this workforce category can be living and working in Australia under visa. Visas are a pathway for talented individuals to come to Australia and provide vital services in the healthcare sector and economy more broadly. However, we are also aware that the Visa process can be used for adverse purposes, including modern slavery.

As part of our planned response to modern slavery risk, we will be increasing our engagement with our recruitment firms and business partners to discuss their anti-modern slavery strategy, and to identify opportunities for collaboration to help eliminate the risk of modern slavery throughout the visa and recruitment processes.

Furthermore, we are committed to continuing to raise awareness and strengthening our modern slavery risk management processes with our people, suppliers and partners.

Supply chain risk

We have conducted a high-level risk assessment on our direct suppliers. The risk levels were informed by the Global Slavery Index and reports of modern slavery activity based on geographical region and industry sector. As outlined below, most direct suppliers to Bupa ANZ fall in the medium risk category with only a small number of high-risk suppliers.

Table 1: Bupa ANZ's direct suppliers categorised by risk score

| Risk Category | Number of Suppliers |
|---------------|---------------------|
| Low Risk | (0.58%) |
| Medium Risk | (99.41%) |
| High Risk | (0.01%) |

Based on this initial risk assessment, Bupa ANZ has conducted additional research into the specific risk profiles for key medium and high-risk categories through independent desktop research of publicly available information published by news media, specialist non-government organisations and human rights groups, along with data published by the United Nations and other government agencies.

The key industry sectors that pose a potential modern slavery risk and their relevance to Bupa ANZ's business operations and supply chain are summarised on the following page.. While we have not identified specific instances of modern slavery relating to Bupa ANZ's procurement of goods and services, we remain committed to identifying, monitoring and managing modern slavery risks both now and in the future.

Table 2: Bupa ANZ’s supplier categories of interest in modern slavery response

| Industry Sector | Relevance to Bupa ANZ |
|--|---|
| Cleaning Services | Bupa contracts professional cleaners to maintain our hygiene standards across our corporate offices, aged care homes, dental clinics, and retail store fronts. |
| Construction | Bupa contracts construction services to conduct property fit out arrangements for our retail and corporate premises. |
| Electronics | Bupa procures an extensive range of electronic equipment across our corporate, aged care and health services operations. |
| Medical Equipment | Bupa procures a broad range of specialist equipment in our healthcare and age care businesses, including medical, dental, and optical testing and diagnostic equipment. |
| Personal Protective Equipment (PPE) | Bupa procures PPE including masks, gloves, and goggles to protect employees and lower the chances of infection. |

Bupa ANZ requires suppliers to comply with its Supplier Code of Conduct which makes clear our expectation that suppliers, subcontractors and their respective supply chains comply with all domestic legislation, all applicable International Labour Organisation (ILO) conventions and protocols, and the United Nations Universal Declaration of Human Rights.

We also conduct due diligence on potential suppliers and will continue to refine and improve our process in this respect as it relates to modern slavery.

We acknowledge that COVID 19 may have increased modern slavery risks in certain industry sectors relevant to Bupa ANZ’s businesses. We will continue to work with our direct suppliers to identify and address modern slavery risks relevant to our supply chain. COVID 19 has also impacted our ability to fully assess modern slavery risks in our operations over 2020 due to mandated restrictions across Australia.

Our approach to modern slavery risk



Criteria **4**

In response to the Act, Bupa ANZ has undertaken activity to scope and develop our strategy in a manner that is appropriate for our business and which results in a recognisable impact in the fight against modern slavery. We will continue to strengthen our efforts in this respect.

Our current framework includes robust reporting mechanisms to monitor, detect and respond to ethical and criminal conduct. Our Speak Up policy encourages our people to report criminal or unethical behaviour to our in-house representatives and we maintain the Speak Up website where our own workforce, and those of our suppliers, can and submit reports of misconduct or concerning behaviour. This hotline is managed by an external partner and the service is provided in multiple languages.

In addition to our Supplier Code of Conduct and Speak Up policy, Bupa Group also has a number of policies and codes that are relevant to tackling modern slavery in relation to its operations and suppliers:

- **People Policy** sets out Bupa's aim to promote a workplace environment that is fair, open and respectful, and one that protects the rights and dignity of all employees. The Bupa Group operates people practices, contracts of employment and collective agreements that are lawful and aligned to the Bupa Code and values.
- **Bupa Code** applies to all of Bupa's people and requires that everyone is treated with respect and dignity. It makes it clear that Bupa people follow all applicable laws, regulations, policies, and standards, and that people are enabled and expected to speak up; and
- **A Responsible Supply Chain statement**, which sets the minimum standards of business conduct Bupa expects from its direct suppliers and which need to be applied through our supply chain, including standards relating to the prevention of modern slavery.

We have completed an internal assessment of our modern slavery awareness and readiness to respond to the Act. This involved a series of workshops with senior leaders across our business to introduce the new requirements and identify existing controls and areas of improvement.

We also engaged external expert consultants to assist us in preparing this statement; the consultants conducted an independent assessment of Bupa's current controls and modern slavery risks and reviewed the findings of Bupa ANZ's internal assessment.

Other activities included:

- A risk assessment of Bupa ANZ's direct suppliers based on the geographical region and industry sector.
- A gap analysis of existing policies and procedures against the UN Guiding Principles on business and human rights; and
- Identifying opportunities for us to continue to monitor progress on our modern slavery response.

Based on the findings and recommendations of this assessment, our priorities for the next reporting period are to:

1. Embed modern slavery governance and reporting, with responsibility for implementation sitting with our executive/senior-level Environmental Social and Governance (ESG) Committee.
2. Build awareness and understanding of modern slavery across the business through training to help our people understand potential areas of higher risk and identify potential issues.
3. Review and update our relevant policies to improve our response to modern slavery risks; and
4. Continue to review and improve transparency and accountability within our procurement practices in relation to modern slavery risk in our supply chain.

Assessing effectiveness

Criteria 5



Bupa ANZ will update and review existing policies to better acknowledge and respond to modern slavery risks; these reviews will include a series of performance metrics to track implementation and will be monitored by both the policy owner and the ESG Committee. We will build on this over time by closer engagement with our higher-risk suppliers on their modern slavery risk management and controls and, where appropriate, develop unique modern slavery related performance targets for key suppliers.

Consultation process

Criteria 6



To promote a coordinated response across the business, we have established an ESG Committee to provide senior level oversight and accountability for our ongoing response to modern slavery and to monitor the enterprise wide implementation. In addition, we will continue our Modern Slavery Working Group to build our understanding, share lessons learned about due diligence and supplier engagement and to embed continuous learning across the business. The working group composes representatives from Corporate Affairs, Legal, People, Procurement, and Risk advisers for each business.

Bupa ANZ has worked closely with Bupa Group regarding their response to the UK Modern Slavery Act 2015. We will maintain this dialogue, continuing to share learnings to help address modern slavery.