

WORKING TOWARDS A FAIRER WORLD FOR ALL

**TEACHERS
HEALTH** 

We're for teachers

Teachers Health Modern Slavery Statement 2022
Under the Modern Slavery Act 2018 (Cth)

Teachers Federation Health Ltd ABN 86 097 030 414. TFH-MSS-11/22.

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Teachers Health Group respectfully acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

1. Modern Slavery in 2021/22

The latest Global Estimates of Modern Slavery published in September 2022 by the International Labour Organization and Walk Free, in partnership with the International Organization for Migration (Global Estimates Report 2021) , paint a damning picture of the state of modern slavery.

Recent crises such as the COVID-19 pandemic, armed conflicts and climate change have contributed to an increase in modern slavery worldwide, from an estimated 40.3 million people in 2016 to 49.6 million people in 2021. Out of an estimated 27.6 million people in situations of forced labour, over 55% are located in Asia and the Pacific. More than half of all forced labour occurs in either upper-middle-income and high-income countries.

The vast majority of forced labour (86%) occurs in the private sector including services, manufacturing, construction, and agriculture.

This places a particular responsibility on private organisations in Australia to ensure that no forced labour occurs in their operations and supply chains.

While we have strong governance practices in place to protect the human rights of employees and contractors, it can be more challenging to understand and address practices across supply chains.

Reporting requirements

Teachers Federation Health Ltd (ABN 86 097 030 414) (“Teachers Health”) is a reporting entity under the *Modern Slavery Act 2018* (Cth) (the Act) which requires entities based or operating in Australia, with an annual consolidated revenue over \$100 million, to report annually on the risks of modern slavery in their operations and supply chains and take actions to address those risks.

The Act distinguishes modern slavery as including eight types of serious exploitation:



Teachers Health aspires to ensure that we never cause, contribute, or are directly linked to any form of modern slavery in our operations and supply chains.

This Modern Slavery Statement summarises our position and actions taken during the 2021 – 2022 reporting period.

¹International Labour Organization (ILO), Walk Free and the International Organization for Migration (IOM), *Global Estimates of Modern Slavery, September 2022*, available at: https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf

2. Introducing Teachers Health and the Teachers Health Group

Teachers Health is an Australian profit-for-member Public Company registered under the *Corporations Act 2001* (Cth) and a registered Private Health Insurer under the *Private Health Insurance Act 2007* (Cth). Teachers Health is a company limited by guarantee and has no contributed equity.

Teachers Health's principal activities are:

- Underwriting private health insurance; and
- Delivering other health-related services to our members.

As of 30 June 2022, Teachers Health had **182,656** policyholders with **389,028** lives covered.

Teachers Health provides private health insurance under our brands:



For the education community.



For the higher education community.

Teachers Health is the parent company of the Teachers Health Group of companies.

During the reporting period, Teachers Health also operated a registered Private Health Insurer, Nurses & Midwives Health Pty Ltd as a wholly-owned subsidiary. Effective 1 January 2022, the Nurses & Midwives Health fund merged with the Teachers Health fund and became a brand of Teachers Health.



For the nursing and midwifery community.

As of 30 June 2022, the Teachers Health Group comprises two wholly owned subsidiaries:



Teachers Healthcare Services Pty Ltd provides care coordination services to Teachers Health members, including hospital substitute programs and chronic disease management programs.



Teachers Federation Health Foundation Pty Ltd is the trustee of the Teachers Health Foundation. The Teachers Health Foundation provides grants for medical research regarding conditions that affect the health and wellbeing of the teaching community.

Teachers Federation Health Ltd is the only reporting entity under the Act. However, the operations and supply chains of Teachers Federation Health Ltd and our subsidiaries are substantially integrated. As a result, this Statement covers all entities of the Teachers Health Group.

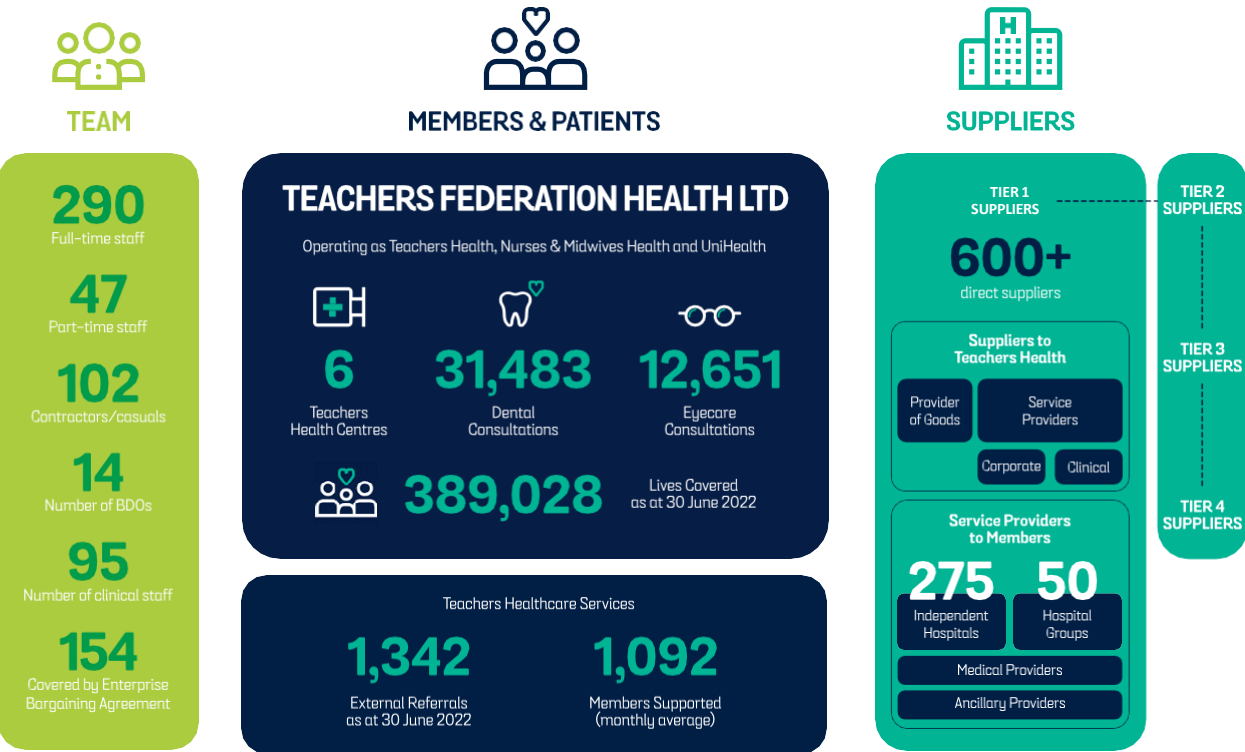
This Statement was developed in consultation with all entities of the Teachers Health Group. This process involved:

- Considering how modern slavery risks vary across the Teachers Health Group and how each entity is impacted;
- Engaging stakeholders from across the Teachers Health Group in a monthly Modern Slavery Working Group;
- Providing updates to the Boards of Teachers Health and for the first half of the reporting period, Nurses & Midwives Health.

The Boards and Executive Leadership of each owned and controlled group entity have participated in the process of reviewing this statement prior to it being finalised by the Teachers Health Board.

Teachers Health is committed to developing, implementing, and maintaining a robust, group-wide response to modern slavery.

Figure 1: Teachers Health Group operations and supply chains



2.1 Operations of Teachers Health Group

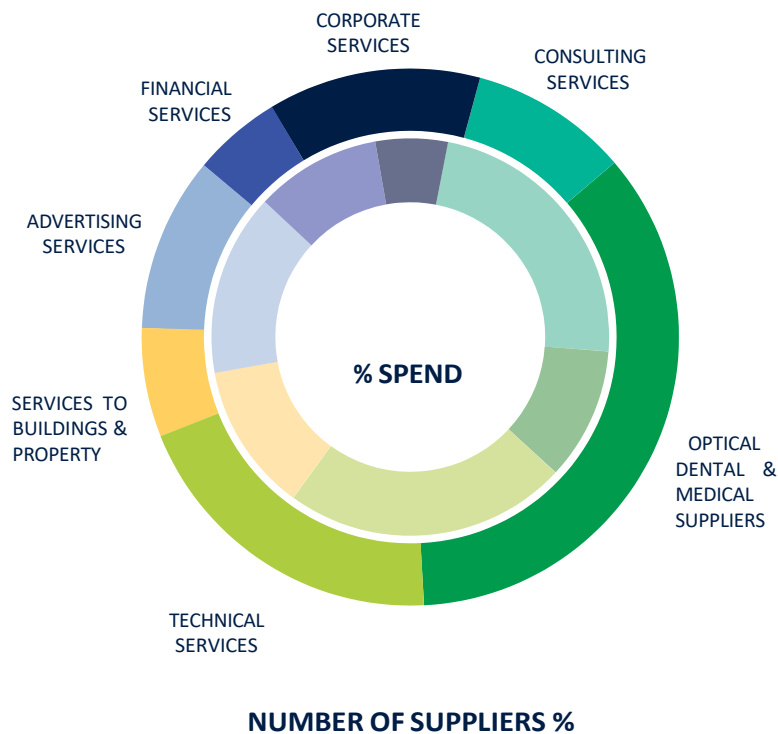
As at 30 June 2022:

- Teachers Health employs over 400 people throughout Australia.
- Our workforce is made up of 290 full-time, 47 part-time, and 44 casual employees as well as 23 fixed-term contractors. In addition, we engage with 35 independent contractors, mainly across our six Teachers Health Centres.
- Employees, independent contractors, and casuals are retained directly by Teachers Health, with limited use of work hire agencies.
- Most Teachers Health employees usually work from our head office in Sydney, followed by teams based at Teachers Health Centres in New South Wales, Victoria, and South Australia. A small number of Business Development Officers work remotely across Australia.
- Teachers Health has a dedicated People & Learning department that partners closely with other internal business units to deliver value added services to management and employees. Their services include recruitment and retention of staff, learning and development, and increasing internal capability. They additionally oversee payroll, remuneration and benefits, employee relations, and Work Health & Safety (WHS).

2.2 Supply Chain of the Teachers Health Group

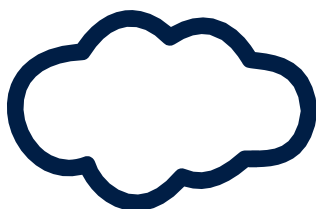
Figure 2:

*Breakdown of the supply chain of Teachers Health Group**



*Analysis based on direct suppliers with spend over \$10,000.00 (over 97% of total spend) and excluding hospital, medical and ancillary providers.

- Teachers Health works with over 400 direct suppliers, the vast majority of which are located in Australia. We engage with a wide range of direct suppliers, from local sole traders to global corporations.
- Over 97% of procurement spend is spread across 171 suppliers. Optical, Dental & Medical suppliers make up the largest supplier group (61), followed by corporate services such as office supplies, training and transport (22), and advertising services (18).
- The majority of spend is Technology services-related (22.7%), followed by Consulting (22.65%) and Advertising (14.4%).
- Our procurement processes are regularly reviewed and refined to promote visibility across our direct suppliers. During the onboarding process, business partners work with the legal and risk functions of Teachers Health to ensure we engage with reputable organisations and our contracts reflect best practice.
- To date, the efforts of Teachers Health have focused on our direct suppliers (tier 1), as this is where we have the most control and are able to make a more direct impact. The majority of our operations and tier 1 suppliers are located in Australia, which is generally considered to be a lower modern slavery risk. However, we acknowledge that most instances of modern slavery in Australia go undetected².
- While the commitment of Teachers Health to combatting modern slavery extends to our entire supply chain, we recognise that visibility reduces for suppliers' suppliers (tier 2), their suppliers (tier 3), and beyond. We believe that improved transparency into deeper supply chain tiers can be most effectively achieved through positive and ongoing direct supplier engagement. In addition, the efficacy of this approach improves when applied on an industry-wide basis, such as the Private Health Insurance Community of Interest on Modern Slavery (PHI Modern Slavery Col), which is a key industry group for collaborative modern slavery response efforts.



²Lyneham S, Dowling C & Bricknell S 2019. Estimating the dark figure of human trafficking and slavery victimisation in Australia. Statistical Bulletin no. 16. Canberra: Australian Institute of Criminology. <https://www.aic.gov.au/publications/sb/sb16>

3. Modern Slavery Risk Assessment

Teachers Health is an Australian-based company purchasing mainly from other Australian-based services companies. As a result, our overall modern slavery risk profile is comparatively low. However, we recognise that it is not possible to exclude the existence of modern slavery in our operations and supply chains. As a result, we are committed to continually developing and reviewing our practices around due diligence and prevention.

3.1 Focus on the operations of Teachers Health

Teachers Health continues to have a robust governance framework and policies to promote ethical behaviour within our operations to counter modern slavery risks.

As an employer, we comply with the *Fair Work Act 2009* (Cth), the *Work Health and Safety Act 2011* (Cth) as well as relevant state-based legislation. Customer service staff are employed under a triennial Enterprise Agreement, approved by the Fair Work Commission. During the reporting period, Teachers Health and Union representatives extended the current Enterprise Agreement for 12 months, with a view to modernising the Agreement for 2023.

All employees have access to a range of workplace protections, including a Grievance Policy with embedded procedures, a Whistleblower Policy and anonymous reporting tool, and an Employee Assistance Program. Employees are expected to comply with the Teachers Health anti-bribery and corruption policy as well as our Corporate Code of Conduct. These measures reflect of our HEART values that are at the core of our corporate culture.

Across 2021/22, the People & Learning department undertook significant work to advance Teachers Health's WHS processes. This included forming a new WHS Committee with representatives from across the Teachers Health Group, advertising WHS Committee meetings internally, and actively encouraging employees to raise questions and concerns.

At Teachers Health, our skilled and qualified workforce, comprehensive employee protections, industry sector characteristics, and the strict regulatory environment in which we operate all combine such that we have a very low risk of modern slavery within our direct operations.

Our risk assessment focused on business areas that procure goods and services that Teachers Health uses to supply goods and services to our members and patients.

Given the majority of suppliers to our head office and Teachers Health Centres are located in Australia, the risk of modern slavery was principally assessed based on contract spend and industry risk.

We have consistently identified that the highest exposure risk to modern slavery in our operations lies in consulting services as well as building maintenance and management.

- Teachers Health uses external consulting services for highly specialised tasks. The assessed risks relating to consulting services are concentrated in considerably more remote tiers than our direct suppliers and are also based on the amount of expenditure in this category. Consulting services, and other professional services, tend to be highly dependent on computer-related hardware and other electronic devices, which have component inputs that are inherently high-risk products/materials. Such products often originate from or are manufactured in countries with high modern slavery risks, such as Malaysia and China.

- The most significant building maintenance expense is our head office, which is sourced through the landlord's building manager, a leading Australian company in that industry sector. As a reporting entity under the Act themselves, the landlord's building manager publishes a Modern Slavery Statement and has a publicly available Modern Slavery Policy. The specific contents of the building manager's most recent Modern Slavery Statement demonstrate a strong awareness and response framework for appropriately addressing operational modern slavery risks relating to key areas of concern, including cleaning and security services. Teachers Health recognises the publication of a Modern Slavery Statement does not guarantee the absence of modern slavery.

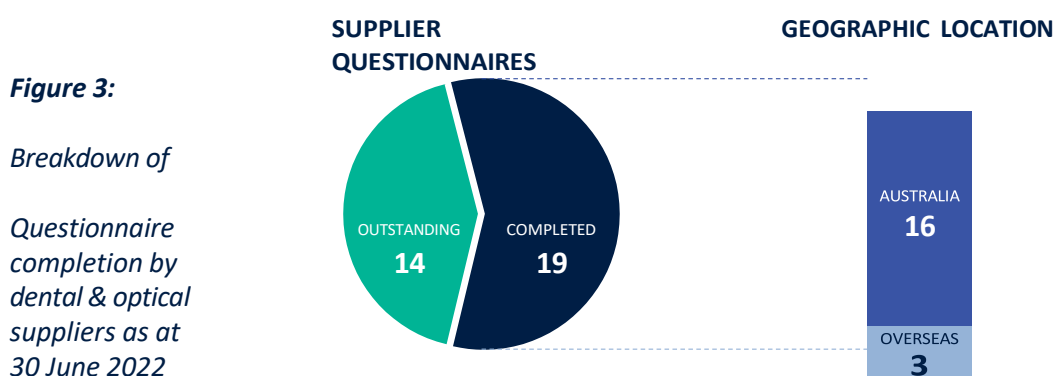
Through Teachers Health Centres, we contract with suppliers of optical frames, lenses, and other supplies used in our dental and eye clinics. These suppliers may potentially be a higher risk from a modern slavery perspective, and we continue to be vigilant when engaging with these suppliers.



Case Study

Teachers Health Centre Suppliers

To date, 33 tier 1 suppliers to our dental and eye clinics have been invited – and 19 have completed – the Private Health Insurance Modern Slavery Self-Assessment Questionnaire (the Questionnaire) distributed via our supplier platform.



Through the supplier platform, we can view suppliers’ industry and country risk for modern slavery and their responses to the Questionnaire. The suppliers’ industry and country risk for modern slavery are generated automatically and provide a high-level view of the suppliers’ modern slavery risk exposure. To get a more detailed understanding, a supplier’s industry and country risk must be supplemented with the supplier’s Questionnaire responses (survey risk).

The initial findings of the high-level assessment of 19 suppliers to Teachers Health Centres indicated:

- Based on the prevalence of modern slavery in a particular industry, the industry risk ranged between low and very high. This finding was consistent with our initial assessment that suppliers to Teachers Health Centres operate in comparatively higher-risk industries. We acknowledge that the industry risk cannot be viewed in isolation and must be reviewed with reference to the country and survey risk.
- The country risk, based on the prevalence of modern slavery in a particular country, was very low to medium for 16 Australian and 1 Italian supplier but, initially, higher for 2 overseas suppliers.

The country risk cannot be viewed in isolation but must be contextualised with the industry and survey risk. The initial indication of a higher risk exposure prompted Teachers Health to investigate and review the Questionnaire responses to better understand the suppliers’ actual modern slavery risk exposure.

Follow up reviews were carried out with a very small portion of respondents where it appeared there may have been misrepresentation or ambiguity with aspects of their responses.

- The remainder of the suppliers’ responses to the Questionnaire were comprehensive and reflected processes to identify, prevent and address modern slavery in their operations and supply chain. The Questionnaire responses established that while the absence of modern slavery cannot be guaranteed, suppliers understand the risks and are committed to identifying and addressing modern slavery in their own supply chains.

While the overall risk profile across industry, country and survey risk, doesn’t raise any immediate concern, Suppliers to THC have been identified as a potentially higher source of modern slavery risk exposure.

As part of our operations, we procure IT equipment and electronic goods from Australian vendors. We recognise that the global IT equipment manufacturing supply chain may have exposures to modern slavery risks. While we aim to procure IT equipment from ethical sources, it is plausible that components could include materials produced using modern slavery.

During the reporting period, we continued a risk-based engagement with suppliers. To identify modern slavery risks across procurement and supply chain, we continue to progressively roll out the Questionnaire to suppliers that have been identified as potentially higher risk and review individual responses.

To support this process, Teachers Health can leverage the benefits of a PHI Modern Slavery CoI, a shared supplier platform, and standardised Questionnaire.

As a result, suppliers can distribute their Questionnaire responses to all private health insurers they supply. This approach encourages an efficient use of resources and promotes consistency across PHI participants.

Following engagement throughout our operations, we consider the modern slavery risk exposure to be low among direct suppliers to our operations.

3.2 Focus on the supply chains of Teachers Health

As we reported in previous Modern Slavery Statements, Teachers Health engaged a legal consulting firm specialising in modern slavery issues, to conduct a high-level risk assessment across the entire supply chain.

The largest industry categories in tier 1 include technology, consulting, and advertising services. The assessment established that Teachers Health has an overall low modern slavery risk profile, with modern slavery improbable in tier 1 and the highest risk prevalence in tier 3 of our supply chain. The assessment reflected the highest country risks for modern slavery in India and China.

Teachers Health's supply chain has not meaningfully changed since the last reporting period. While a high-level approach to our supply chain provides a baseline for measuring modern slavery risk, our due diligence does not end there.

As our modern slavery response continues to develop and we build upon progress from successive reporting periods, at Teachers Health, we continue to refine our risk assessment through an incremental, operations-wide assessment of all suppliers. Engagement with suppliers has been prioritised based on the depth of tiering within the supply chain, spend per supplier, and industry category.

We have continued to roll out our Questionnaire to 155 tier 1 suppliers with spend over \$10,000. This includes 34 direct suppliers who published their own Modern Slavery Statements. These suppliers were included in our due diligence process to ensure we have a thorough understanding of our direct suppliers, and our own modern slavery risk exposure. Since the introduction of the Questionnaire in 2021, we have received and reviewed responses from 56 suppliers.

Teachers Health considers hospital, medical and ancillary providers, who provide services to Teachers Health members, to be tier 1 suppliers. However, our access to hospitals and certain medical and ancillary providers is mediated through members and purchasing groups, such as the Australian Health Service Alliance (AHSA) or the Australian Regional Health Group (ARHG). Therefore, we adapt our approach when there is no direct relationship between Teachers Health and these suppliers.

3.3 Focus on the investments of Teachers Health

Teachers Health invests through a third-party investment advisor who also manages our investment strategy and portfolio.

Our investment advisor incorporates modern slavery risk management assessment in its wider Environmental, Social and Governance (ESG) due diligence process when evaluating investment managers and/or investment strategies. In addition, our investment advisor has appointed an external modern slavery specialist company to assist with a modern slavery risk assessment of its listed equity Trusts, including the Australian SRI Trust and the Global SRI Trust in which Teachers Health is invested. Our investment advisor aims to utilise the outputs from the modern slavery risk analysis to engage with investment managers, by increasing their awareness of the potential modern slavery risk exposures in the supply chains of their investee companies. This engagement aims to ensure that investment managers are considering and assessing the potential modern slavery risks in their portfolio(s) and are taking appropriate steps to mitigate these risks.

Given the due diligence processes implemented by our investment advisor, we consider the modern slavery risk exposure to be low.

3.4 Focus on hospital, medical and ancillary providers

Teachers Health's supply chain includes hospital, medical and ancillary providers who provide services to our members that are paid by Teachers Health.

We have contractual relationships with over 275 independent hospitals and 50 hospital groups. These contracts are largely negotiated by the AHSA, representing 23 private health insurers. We also contract with medical providers through the ARHG and directly with a small number of medical providers through Teachers Healthcare Services (as part of our Broader Health Cover offering).

Hospital and medical providers are governed by a robust legislative framework, including laws regulating employment. Several larger hospital and medical providers are reporting entities under the modern slavery legislation and have published their Modern Slavery Statements.

During the reporting period, Teachers Health identified 26 independent hospitals and hospital groups with Modern Slavery Statements published on the Australian Border Forces' Online Register for Modern Slavery Statements. Nevertheless, we recognise the importance of conducting due diligence on these providers, as their modern slavery risk exposure ultimately contributes to our own.

The AHSA has been identified as a key advocate in progressing the PHI Modern Slavery Col's modern slavery agenda with hospitals. During FY 2021/22, the AHSA reviewed and updated its business partner agreement templates for hospital contracting to include modern slavery clauses. Once available to business partners, we will closely review the agreements to ensure the modern slavery clauses effectively identify, address, and prevent modern slavery.

Ancillary providers are also governed by a robust legislative framework, including laws regulating employment. However, some ancillary providers are small businesses and may not have formal governance structures and policies related to employment. In these cases, providers may not have exposure to modern slavery legislation and Teachers Health recognises there is a need for education on the topic.

The vast majority of spend on ancillary providers by Teachers Health, sits well below the spend threshold of \$10,000. As a result, taking a risk-based approach and excluding those operating through Teachers Health Centres and our preferred provider networks, ancillary providers have not been prioritised. Industry-wide engagement is the most efficient way to engage with ancillary providers. During the

reporting period, the PHI Modern Slavery CoI focused on larger hospital and medical providers rather than ancillary providers.

Teachers Health recognises the risk of modern slavery in the supply chains of hospital, medical and ancillary providers (tier 2), particularly concerning healthcare equipment and supplies. This risk has been heightened during the COVID-19 pandemic. Global shortages in medical supplies (such as personal protective equipment) put pressure on supply chains, increasing the risk of medical supplies being sourced from countries with a high risk of labour exploitation.

While Teachers Health has identified a risk of modern slavery from hospital, medical and ancillary providers, these are mainly located in the higher tiers of the Teachers Health supply chain.



4. Risk assessment

Teachers Health is steadfastly against any form of modern slavery, and we are committed to taking steps to address identified modern slavery risks, both internally and externally.

While there has been no change to our overall modern slavery risk profile between the 2020/21 and the 2021/22 reporting periods, we continue to examine the modern slavery risk in our operations and supply chain.

During the reporting period, we continued and amplified activities commenced in previous reporting periods, including:

1. Continued internal education
2. Internal Governance updates
3. Conducting due diligence and distributing the Questionnaire
4. Considering possible remediation framework
5. Updating contractual arrangements with modern slavery clauses.

4.1 Internal education

We continue to raise awareness of modern slavery and how to identify it through staff training. Employees are required to complete an online training module as part of the onboarding process and every two years thereafter. The module is reviewed biannually to ensure information is current and covers the following topics:

- Compliance and reporting obligations under the Act
- Types of modern slavery and what it entails
- Risk factors increasing the potential for modern slavery
- Corporate responsibilities relating to modern slavery
- The incidence of modern slavery in Australia
- How to identify the existence of modern slavery
- Transparency within supply chains and operations.

During the reporting period and as at 30 June 2022, 332 Teachers Health employees completed the online training module (83% completion rate).

4.2 Policy and internal governance updates

Using a risk-based approach, Teachers Health incorporates provisions addressing modern slavery in direct supplier contracts. This includes an express requirement for suppliers to notify us of reasonably suspected and known instances of modern slavery in their own supply chains and operations.

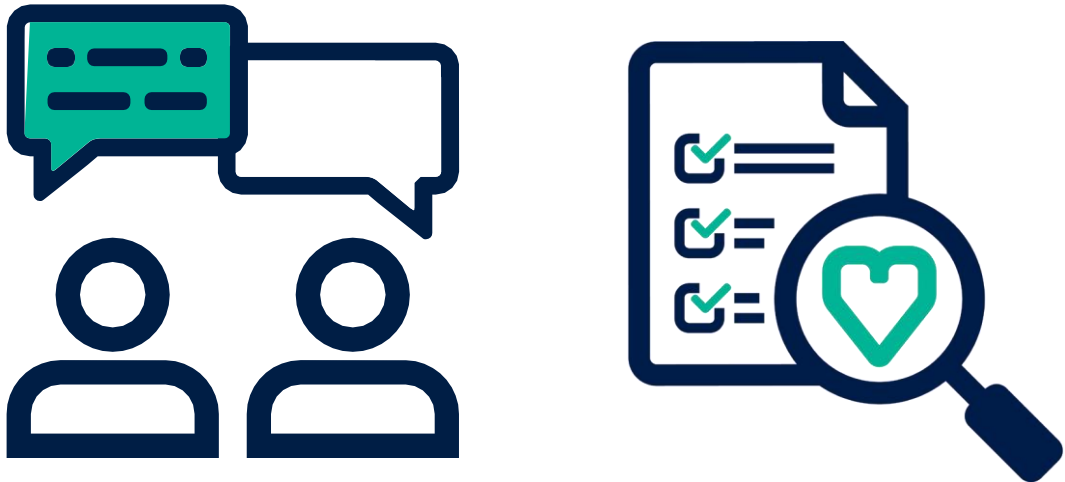
As Teachers Health’s approach to vendor engagement matures, it is progressively refined and sharpened. As part of our current vendor engagement process, we undertake general due diligence on each first-tier supplier prior to onboarding on a risk-based approach. Modern slavery risk exposure is assessed based on supplier location, industry, and contract value.

While identifying modern slavery risk is a shared organisation-wide responsibility, ultimate oversight and ownership of our response to modern slavery resides with the Executive level and Board of Teachers Health. As part of the biannual review of our broader governance framework, we have identified charters and internal policies to be updated in the FY 2022/23 reporting period. By formalising accountability, we are supporting the implementation of a comprehensive response to our modern slavery risk exposure.

4.3 External-focused actions

We recognise the important role of collective action to combat modern slavery, to the extent permitted under ACCC rules. Accordingly, we continue to work with the PHI Modern Slavery Col to address modern slavery across the industry.

As part of our PHI Modern Slavery Col engagement, we supported the development of an industry-specific Modern Slavery Supplier Self-Assessment Questionnaire. This Questionnaire is issued to individual suppliers through a supplier platform, to assess their high-level modern slavery risk exposure.



Case Study

Modern Slavery Self-Assessment Questionnaire

The Questionnaire is an industry-specific survey, which is developed, refined, and maintained by the PHI Modern Slavery Col, considering supplier feedback. The questions were drafted drawing on the PHI Modern Slavery Col's collective procurement experience and tailored to suppliers of the PHI industry.

The Questionnaire contains over 90 questions, requiring suppliers to provide information on their:

- 1. Modern Slavery Understanding and Commitment**
- 2. Education and Training**
- 3. Due Diligence / Remediation Practices**
- 4. Human Rights and Modern Slavery Practices**
- 5. Ethical Recruitment Practices**
- 6. Supply Chain Management**
- 7. Policies and Procedures**
- 8. Supplier Details**

Suppliers are invited to respond to questions in different formats, including multiple choice, yes/no, and free-form text. The results of key questions are weighted to ensure these responses are appropriately reflected in the overall assessment.

In developing the Questionnaire, the PHI Modern Slavery Col was mindful of creating a straight-forward, plain-language, and manageable process so as not to impose an unreasonable burden on suppliers.

Once the Questionnaire is completed, the supplier can view their individual modern slavery risk exposure assessment based on their responses. The supplier platform automatically generates feedback based on the supplier's responses to each section of the Questionnaire, along with recommendations and relevant educational resources to address identified issues. The Questionnaire allows the supplier to comment on their assessment, provide clarifications and commit voluntarily to addressing the concerns identified.

Teachers Health is notified whenever a supplier completes or shares their Questionnaire in the supplier platform, prompting a review of the responses and overall assessment.

In addition to submitting their Questionnaire to the private health insurer that invited them to the supplier platform, suppliers can also use the platform to share their Questionnaire responses with other private health insurers using the platform. All Questionnaire responses, feedback, and supplier comments are available to Teachers Health within this platform.

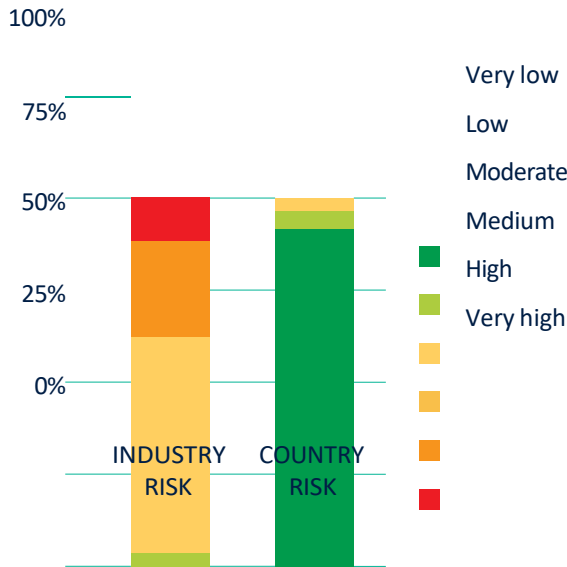
The supplier platform automatically generates an initial high-level risk assessment based on the country and industry risks.

Case Study

Modern Slavery Self-Assessment Questionnaire

Figure 4:

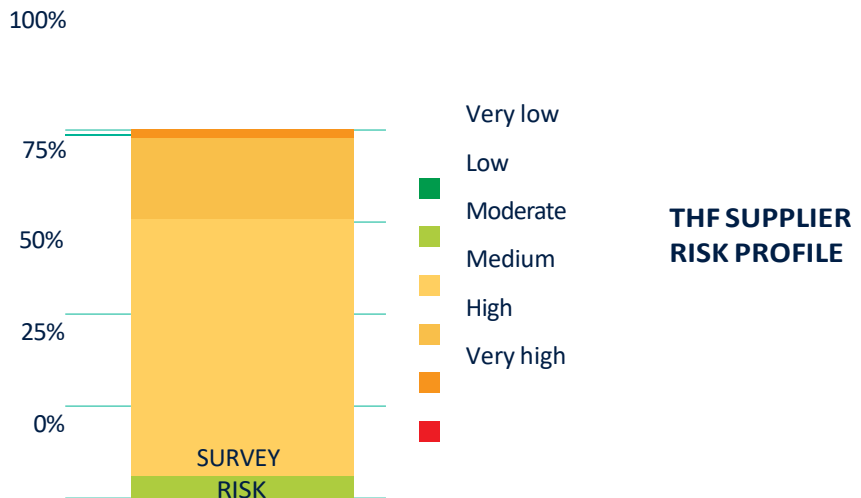
*Breakdown of the modern slavery risk profile of Teachers Health based on country and industry risk**



The industry and country risks cannot be viewed in isolation but are evaluated in the context of suppliers' responses to the Questionnaire. The survey risk provides a more comprehensive assessment of the suppliers' modern slavery risk exposure:

Figure 5:

*Breakdown of the modern slavery risk profile of Teachers Health based on country, industry and survey risk**



**Analysis based on completed Questionnaire as at 30 June 2022 and excluding hospital, medical and ancillary providers.*

The supplier platform dashboard provides Teachers Health with an overview of our overall supply chain modern slavery risk exposure in tier 1 (direct suppliers). The initial high-level assessment through the Questionnaire allows us to triage suppliers and prioritise engagement with suppliers with a high contract spend and elevated modern slavery risk.

Leveraging the supplier platform, we are progressively rolling out the Questionnaire to direct suppliers, taking a risk-based approach that prioritises suppliers based on industry, location and company spend. This approach allows us to focus on direct suppliers identified as higher risk, while managing the workload involved with Questionnaire review and individual supplier engagement.

5. Remediation and measuring effectiveness

Teachers Health aims to follow best practice to prevent modern slavery in our operations and supply chain. The effectiveness of our response to modern slavery should be measured by our capacity to accurately identify the most critical and proximate areas of potential modern slavery risk, and to practically address those risks in a manner that is contextually appropriate to maximise positive impact.

Given the nature of modern slavery, and the characteristics of our operations and supply chain, it can be difficult to determine the effectiveness of our actions. As we continue to assess our exposure to modern slavery, we recognise the need to regularly review the actual impact of any implemented measures to ensure they're working as effectively as possible.

As part of the PHI Modern Slavery CoI, Teachers Health is involved in designing and developing a remediation module available through the supplier platform. The remediation module will allow platform participants to track and record actions taken to address modern slavery risks in their supply chain.

The remediation module will integrate with the Questionnaire and automatically escalate issues requiring remediation based on suppliers' responses based on the likelihood of modern slavery risk exposure. Platform participants will be able to see why a supplier was flagged, the remediation action plan, and which platform participant has taken ownership for resolving the concern. Leveraging the shared supplier platform will create visibility and efficiency, promoting a consistent approach.

Teachers Health continues to use an internally managed modern slavery grievance process, and to date, no incidents of actual or suspected modern slavery have been reported.

We are looking to outsource to a specialised service provider to facilitate a grievance mechanism and training resources. During the reporting period, we met with several providers, with a view to onboarding one during the next reporting period.

During the reporting period, we prepared the Teachers Health Modern Slavery Prevention Guidelines to educate suppliers on the modern slavery legislation, set out the expectations and values guiding Teachers Health, and alert suppliers to the modern slavery grievance mechanism. It is anticipated that these guidelines will become part of the procurement process.

We don't generally use KPIs for broader business functions – such as procurement KPIs focused on cost and delivery times – which could undermine or otherwise be inconsistent with our actions to address modern slavery risks.

Teachers Health continues to retain the service of a legal consulting firm specialising in modern slavery issues to support us with drafting this Modern Slavery Statement and developing a 3-year roadmap to address modern slavery risks in our operations and supply chain. We are designing a roadmap to set realistic expectations for addressing modern slavery, with milestones built on continuous improvement and defining effective measures to track progress.

Our initiatives to address modern slavery risks are driven by a cross-functional working group with broad representation across the business. During the reporting period, the working group met 9 times.

As our approach matures over time, we anticipate that the composition of the internal working group will change to promote knowledge transfer and risk ownership across the business.

Figure 6: Performance measurement framework

	Actions	Measurement	Performance
<i>Governance and collaboration</i>	<ul style="list-style-type: none"> • Board and management oversight • Internal cross-functional working group • PHI Modern Slavery Col. 	<ul style="list-style-type: none"> • Reports to Board, Board Committee, and management • Monthly cross-functional working group meetings • Regular meetings of the PHI Modern Slavery Col 	All completed during reporting period.
<i>Policies, procedures, and employee training</i>	<ul style="list-style-type: none"> • Review and update internal policies and procedures in line with review schedule to include modern slavery • Employee and Board training • Establish an external grievance mechanism. 	<ul style="list-style-type: none"> • Policies, procedures, and practices reviewed in line with review schedule and communicated to employees and suppliers • Percentage of employees and Board members trained • Number of grievances. 	<ul style="list-style-type: none"> • Reviews completed during reporting period. Changes to be made in line with policy review cycle. • 83% of employees and 100% of Board members trained. • Nil grievances reported through disclosure tool on Teachers Health website during reporting period. External grievance mechanism being investigated.
<i>Operations</i>	<ul style="list-style-type: none"> • Review of employment contracts • Review of engagement with sub-contractors and labour hire / recruitment agencies. 	<ul style="list-style-type: none"> • Percentage of employment contracts reviewed. 	<ul style="list-style-type: none"> • Teachers Health employment contracts align with Australian laws and regulations. • Process under review for external labour hire / recruitment agencies.
<i>Due diligence and remediation</i>	<ul style="list-style-type: none"> • Continued risk assessment of modern slavery risk in supply chain • Implement modern slavery risk segmentation as part of general due diligence when onboarding new suppliers • Develop, implement, and communicate remediation plan. 	<ul style="list-style-type: none"> • Initial risk assessments and due diligence performed against Tier 1 suppliers • Number of relevant Teachers Health employees trained in remediation plan • Number of corrective action plans issued and monitored. 	<ul style="list-style-type: none"> • Initial risk assessments and due diligence were performed against Tier 1 suppliers. • Engagement with PHI Modern Slavery Col on developing remediation and corrective action plans are underway.
<i>Supplier engagement</i>	<ul style="list-style-type: none"> • Modern Slavery Supplier Questionnaire • Supplier contracts updated • Develop, implement, and communicate modern slavery-specific guidance for suppliers • Engagement with existing suppliers • Supplier education. 	<ul style="list-style-type: none"> • Number of Questionnaires completed • Supplier contracts updated with modern slavery clauses • Number of suppliers engaged and educated regarding modern slavery. 	<ul style="list-style-type: none"> • 56 Questionnaires completed since launch • Supplier contracts were updated with modern slavery clauses during the reporting period • Modern Slavery webinar for suppliers organised through PHI Modern Slavery Col and to be delivered in October 2022.

6. Other relevant information and impact of COVID-19 pandemic

Teachers Health partners with a legal consulting firm specialising in modern slavery issues that provides relevant internal stakeholders with access to periodic information on current modern slavery issues (such as the impact of the Ukrainian war) and opportunities for training through webinars. In addition, we've considered periodic guidance issued by the Australian Border Forces in respect of modern slavery reporting.

We recognise that during the reporting period, Australia's overall exposure to modern slavery risks may have been increased by the recent passage of the Uyghur Forced Labour Prevention Act in the United States. It is a matter of significant concern that there could be 'dumping' of tainted goods in countries without such importation protections (including Australia).

During FY 2021/22, the impact of COVID-19 and global supply chain disruption continued to put pressure on vulnerable workers. We recognise and are aware of the heightened risk of modern slavery in our operations and supply chain.

COVID-19 has led to an exponential increase in demand for Personal Protective Equipment (PPE), creating an environment conducive to modern slavery. This pressure has impacted the production of rubber gloves, with the exploitation of forced labour migrants in Malaysia. The manufacture of PPE and rubber gloves are particularly pertinent to Teachers Health given our dependence on disposable gloves across the full range of medical services that Teachers Health's members obtain coverage for under their insurance policy.

Throughout the reporting period, we continued with staff training and Modern Slavery Working Group meetings. In addition, regular procurement processes and checks and balances have remained in place throughout the pandemic. Therefore, we consider that our overall modern slavery risk exposure did not increase due to COVID-19.

The impact of COVID-19 continues to affect our suppliers and may have delayed their engagement with modern slavery prevention and their responsiveness to our enquiries. Teachers Health is committed to supporting and educating suppliers on modern slavery to promote the identification, assessment, and control of modern slavery risks in our operations and supply chain.



7. Modern Slavery Act 2018 (Cth) – Statement Annexure

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

Teachers Federation Health Ltd

as defined by the *Modern Slavery Act 2018* (Cth)¹ (“the Act”) on 14 December 2022

Signature of Responsible Member

This modern slavery statement is signed by a responsible member of

Teachers Federation Health Ltd Board

as defined by the Act²:



Maree O’Halloran
Chairperson

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.	4-5
b) Describe the reporting entity’s structure, operations and supply chains.	4-7
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.	8-13
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.	14-17
e) Describe how the reporting entity assesses the effectiveness of these actions.	18-19
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	5
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	20

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.



We're for teachers

Teachers Health Modern Slavery Statement 2022
Under the Modern Slavery Act 2018 (Cth)

Teachers Federation Health Ltd ABN 86 097 030 414. TFH-MSS-11/22.