

WORKING TOWARDS A FAIRER WORLD FOR ALL

Teachers Health Modern Slavery Statement 2023
Under the Modern Slavery Act 2018 (Cth)

**TEACHERS
HEALTH** 

We're for teachers

Teachers Federation Health Ltd ABN 86 097 030 414. TFH-MSS-11/23.



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Teachers Health respectfully acknowledges the Traditional Custodians of this land. We also recognise that Aboriginal and Torres Strait Islander peoples were the first educators and healers and have held the knowledge of this land for many thousands of years. We pay respect to Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples and celebrate their enduring connections to and knowledge of the land, waterways and sky.

1. Modern Slavery in 2022/23

Modern slavery is a global problem that, despite increasing awareness, is continuing to grow worldwide. According to the 2023 Global Slavery Index published by Walk Free, an estimated 50 million people were living in modern slavery on any given day in 2021¹. This represents an increase of 10 million people since 2016. Factors such as climate degradation, gender inequality, COVID-19, and conflict have contributed to this worldwide increase in modern slavery.

Australia isn't immune to modern slavery and its impacts. An estimated 41,000 people were living in modern slavery in Australia on any given day in 2021. This equates to a prevalence of 1.6 people in modern slavery for every thousand people in the country².

In the financial year ended 30 June 2022, authorities received 294 modern slavery reports. While this represents the highest number of annual reports ever received, it suggests that modern slavery remains underreported in Australia given the estimated prevalence rate of modern slavery³.

As one of the world's largest economies, Australia is also exposed to the risk of modern slavery through the products it imports. Nearly two-thirds of all forced labour cases are linked to global supply chains.

This places a particular responsibility on private organisations in Australia to endeavour to ensure that no forced labour occurs in their operations and supply chains. While Teachers Health has strong governance practices in place to protect the human rights of employees and contractors, the most significant challenge is in addressing the risks at every stage of the supply chain⁴.

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 Statement).

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.

To date, Teachers Health has published three (3) Statements to the Federal Attorney-General's Online Register for Modern Slavery Statements. This Statement will focus on what's changed at Teachers Health and the progress we have made during the 2022/23 reporting period.

¹ Walk Free, Global Slavery Index, available at <https://www.walkfree.org/global-slavery-index> [16/10/2023]

² Walk Free, Global Slavery Index / Country Study, Modern Slavery in Australia, available at <https://www.walkfree.org/global-slavery-index/country-studies/australia/>. [27/09/2023].

³ Australian Federal Police 2022, 'Reports of Human Trafficking and Slavery to AFP reach new high', 30 July 2022, available at <https://www.afp.gov.au/news-media/media-releases/reports-human-trafficking-and-slavery-afp-reach-new-high>. [15 August 2022].

⁴ Walk Free, Global Slavery Index / Country Study, Modern Slavery in Australia, available at <https://www.walkfree.org/global-slavery-index/country-studies/australia/>. [16/10/2023].

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 restricted access 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 2023, Teachers Health had **187,944** policyholders with **406,678** lives covered. Teachers Health provides private health insurance under our brands:



For the education community.



For the nursing and midwifery community.



For the higher education community.

Teachers Health is the parent company of the Teachers Health Group of companies. As of 30 June 2023, the Teachers Health Group also 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, nursing and midwifery communities

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; and
- Providing updates from all owned and controlled group entities to the Board of Teachers Federation Health Ltd.

The Board and Executive Leadership of Teachers Health participated in reviewing this Statement prior to it being finalised by the Teachers Federation Health Ltd Board. Teachers Health is committed to developing, implementing, and maintaining a robust, group-wide response to modern slavery.

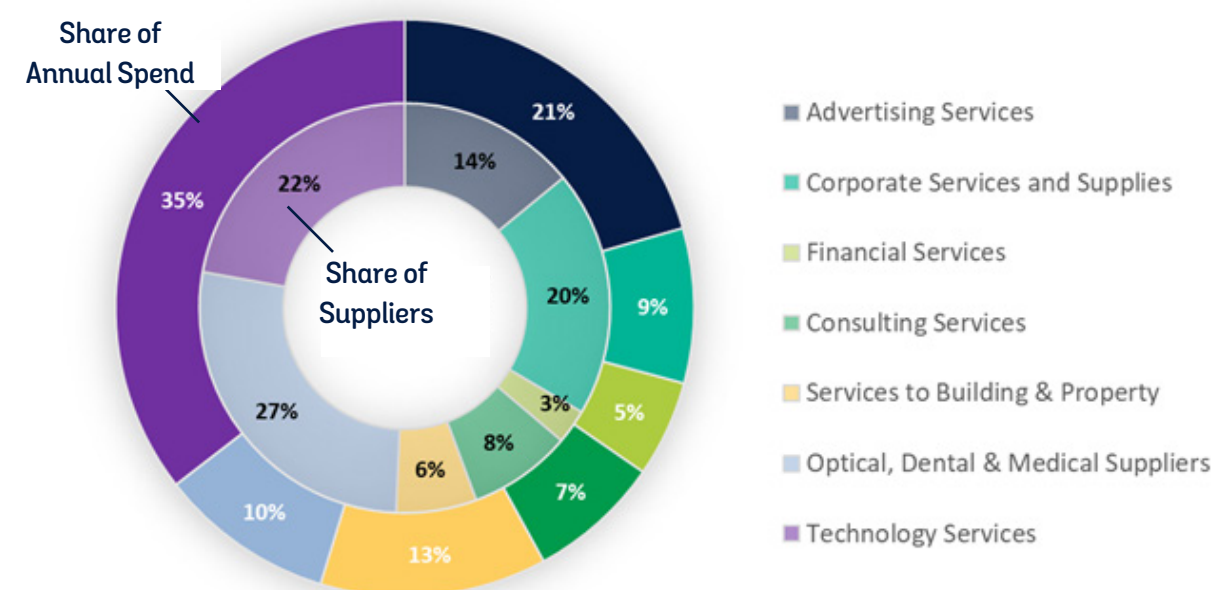
2.1 Operations of the Teachers Health Group

As at 30 June 2023:

- Teachers Health employs over 420 people throughout Australia.
- Our workforce is made up of 306 full-time, 59 part-time, and 31 casual employees as well as 24 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 staff capability. They additionally oversee payroll, remuneration and benefits, employee relations, and Work Health & Safety (WH&S).

2.2 Supply Chain of the Teachers Health Group

Figure 2: Breakdown of the supply chain of Teachers Health Group (inner ring is annual dollar spend and outer ring is share of suppliers)*



*Analysis based on direct suppliers with spend over \$10,000.00 (over 98.3% of total spend) and excluding hospital, medical and ancillary providers.

- Teachers Health works with over 600 direct suppliers (including direct suppliers below \$10,000 spend threshold⁶), 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.

- As at 30 June 2023:

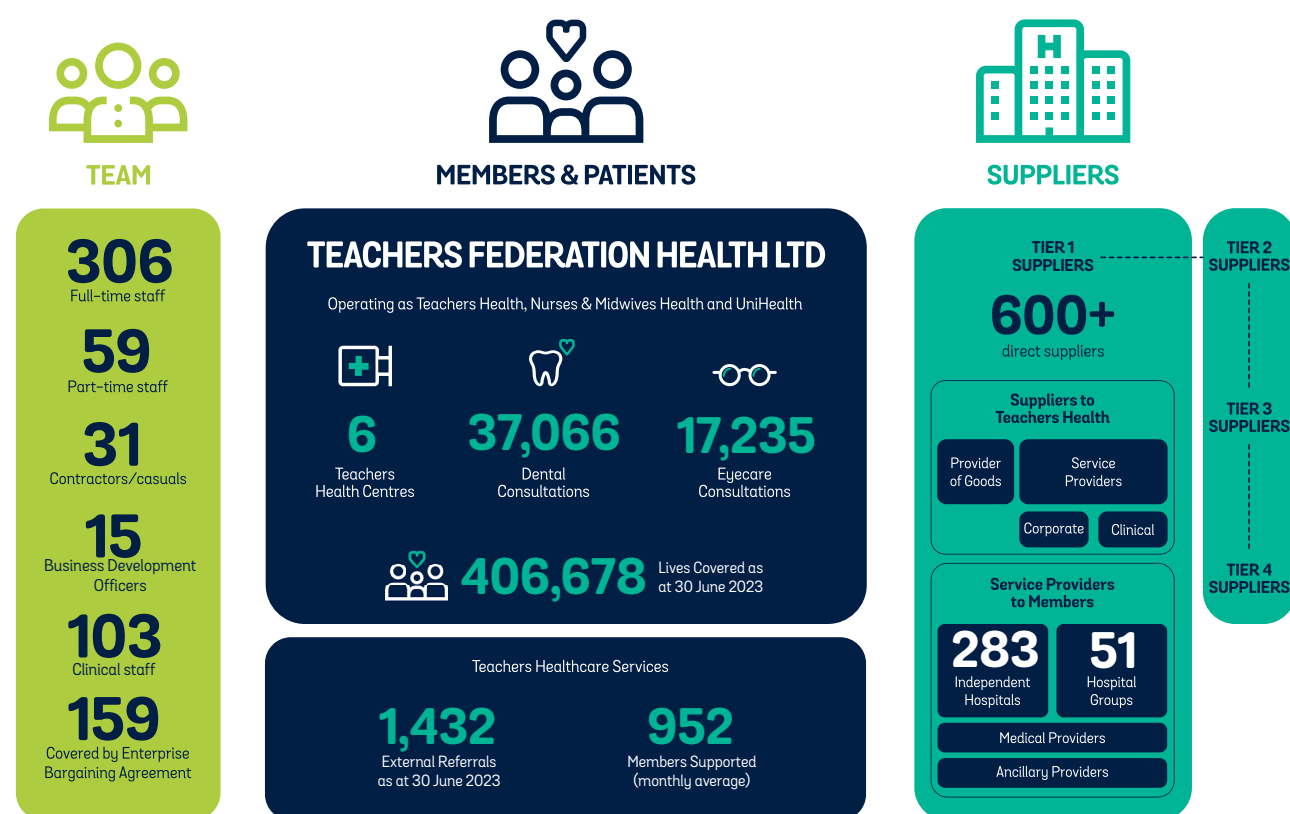
Over 98.3% of our procurement spend is spread across 223 suppliers. Optical, dental & medical suppliers make up the largest supplier group (60), followed by technology services (49) and corporate services such as office supplies, training and transport (43).	Most of our procurement spend is technology services-related (35%), followed by advertising (21%) and services to building and property (13%).
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- Our procurement processes are regularly reviewed and refined to promote engagement with our direct suppliers. At Teachers Health, procurement is decentralised and driven from within business units. During the onboarding process, business partners work closely with the legal and risk functions of Teachers Health to ensure 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 influence 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 undetected⁵.
- While the commitment of Teachers Health to combatting modern slavery extends to our entire supply chain, we recognise our 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 CoI), which is a key industry group for collaborative modern slavery response efforts.

⁵ Lyneham 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>

⁶ Taking a risk-based approach, a spend threshold of \$10,000 was introduced to prioritise the review of suppliers

Figure 1: Teachers Health Group operations and supply chains



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 remain committed to continually developing and reviewing our practices around due diligence and prevention.

3.1 Focus on Teachers Health's operations

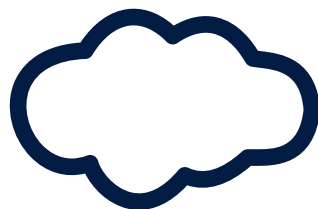
Teachers Health continues to have a robust governance framework and policies to promote ethical behaviour within our operations to counter modern slavery risks.

As an employer, we comply with the Fair Work Act 2009 (Cth), the Work Health and Safety Act 2011 (Cth) as well as relevant federal and 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 worked together to modernise contractual terms and renew our Enterprise Agreement which was approved by the Fair Work Commission and will be in force until 2026.

All employees have access to a range of workplace protections, including but not limited to a Grievance Policy with embedded procedures and an Employee Assistance Program.

Following a comprehensive selection process, Teachers Health has engaged a specialised service provider to provide new Whistleblowing and Modern Slavery reporting tools replacing our current internally managed reporting system. The new supplier offers new reporting pathways including online phone, email and post as well as expert advisory services. The deployment of new reporting tools as well as training for all stakeholder groups is scheduled to take place during the next reporting period. As part of a general uplift, the Teachers Health Whistleblower Policy will be externally reviewed to ensure it continues to reflect best practice.



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 our HEART values that are at the core of our corporate culture.



During the reporting period, the WH&S Committee met bi-monthly, with each meeting actively promoted through internal communication channels and within business units, to encourage WH&S matters to be raised from across the organisation. The WH&S Committee is a forum for employee representatives from across the Teachers Health Group, to facilitate cooperation between departments to identify, address and resolve health and safety concerns from within the workplace. Within its scope of authority, the WH&S Committee makes recommendations for corrective actions to help reduce hazards, and develop plans or procedures to resolve identified WH&S issues. The WH&S Committee assists the Teachers Health Group in developing health and safety standards, rules and processes to protect workers in the workplace.

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 internal risk assessment processes are highly focused on assisting our business units to procure goods and services from reputable suppliers 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.

Consistent with previous assessments, we consider that the highest risk exposure to modern slavery within our operations lies in consulting services as well as building maintenance and management. While the risk exposure in these areas is potentially higher, it remains low in absolute terms and confined to remote tiers.



Case Study

Deep Dive Assessment

During the 2022/23 reporting period, our Risk & Compliance Team conducted a 'deep dive' review of one of our Tier 1 suppliers. For the pilot assessment, we selected our Head Office Building Manager who is a direct supplier and service provider of Teachers Health's landlord. Our Head Office Building Manager was selected because of the industry's generally higher risk profile and Teachers Health's overall spend.

The deep dive assessment is a new process introduced during the 2023/23 reporting period. The deep dive assessment is conducted using a purpose-designed risk assessment framework. The assessment is completed gathering information from the supplier's Modern Slavery Self-Assessment Questionnaire (the Questionnaire) and otherwise, publicly available information. The deep dive assessment aims to go beyond face value representations and interrogate publicly available information about the supplier in terms of:

1. Compliance with the Act,
2. Risk identification in its own operations and its supply chains,
3. Governance framework for managing modern slavery risk exposures,
4. Actions taken in day-to-day operations and managing supply chain risks including monitoring and measuring, and
5. Incident management, i.e. identification and resolution.

Reviewing the above areas allows Teachers Health to form a view on whether the supplier adequately manages modern slavery risks in relation to the services supplied to Teachers Health. Any issues for further investigation which arise during the assessment are shared with the relationship manager for discussion with the supplier.

The Head Office Building Manager was assessed in relation to services provided to Teachers Health, including how modern slavery risks are identified and monitored as well as how incidents are being addressed.

The outcome of the deep dive assessment of our Head Office Building Manager was satisfactory. Teachers Health is satisfied that modern slavery risks of the organization are adequately and appropriately managed. While further information on some aspects of the Head Office Building Manager's modern slavery risk assessments will be sought, no significant Modern Slavery issues have been identified and they will be retained as a supplier.

Teachers Health recognises the limitations inherent in a desktop assessment to identify modern slavery risk. However, given the modern slavery risk exposure in Teachers Health's operations is highest in the most remote tiers, conducting a more hands-on modern slavery risk assessments such as random supplier site inspections or supplier worker interviews, would be unlikely to advance modern slavery risk management and not be appropriate at this stage.

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.

During the reporting period, Teachers Health commenced several large-scale IT infrastructure projects. As a result, we have onboarded a range of new IT equipment and service suppliers. We procure IT equipment, electronic goods and services from Australian vendors.

- Global electronics sector supply chains are highly exposed to modern slavery risk. Instances of modern slavery such as at the raw material sourcing stage, are regularly reported through media but often far removed from Australian vendors. While we aim to procure IT equipment from ethical sources, it is plausible that components include materials produced using modern slavery.
- Similarly, the offshore outsourcing of IT services to countries with higher modern slavery risk, has been identified as a hidden driver of modern slavery risk exposure. To better understand our potential exposure to modern slavery, we systematically require contracting partners to disclose whether the provision of services involves sub-contractors and their respective locations. Given the highly regulated operating environment, Teachers Health's standard form contracts include standard modern slavery clause. Our standard modern slavery clauses were reviewed and updated during the reporting period to enhance their effectiveness. However, these contractual obligations are only enforceable against contracting partners.

Compared to the previous reporting period, Teachers Health has an increased number of technology suppliers, equipment, and services (from 34 to 49), resulting in increased spend (from 23% of overall spend to 35%). However, we have determined via our Questionnaire and assessments, that the increase of technology suppliers has not substantially changed our modern slavery risk exposure within our operations.

To identify modern slavery risks across our procurement and supply chains, Teachers Health continues its risk-based engagement with existing and new suppliers. We progressively distribute the Questionnaire to existing suppliers which have been identified as higher risk. For new suppliers, the Questionnaire is issued to relevant suppliers as part of our third-party vendor onboarding process.

In conjunction with participating members of the PHI Modern Slavery Col (Platform Participants), we leverage the Supplier Platform to distribute the Questionnaire as well as manage supplier responses and remediation plans. This approach encourages an efficient use of resources and promotes consistency across Platform Participants.

Following engagement with our suppliers throughout our operations, we consider our modern slavery risk exposure to be low and confined to remote supplier tiers, among direct suppliers to our operations.

3.2 Focus on Teachers Health's supply chains

As reported in previous Modern Slavery Statements, Teachers Health engaged a legal consulting firm specialising in modern slavery, 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 at Tier 1 and the highest 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. The high-level risk assessment across the entire supply chain is scheduled to be updated during the next 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.



Case Study Supplier Education

During the reporting period, Teachers Health continued to be active in the PHI Modern Slavery Col, a key industry group for collaborative modern slavery response efforts.

Since the introduction of the Modern Slavery reporting requirements, the PHI Modern Slavery Col including Teachers Health, have openly discussed the ongoing challenges of engaging Small to Medium Enterprise (SME) suppliers and the absence of educational resources for organisations that are not themselves disclosing entities. There is a general lack of awareness of the existence and pervasiveness of modern slavery even in Australia.

In October 2022, Teachers Health was involved in organising a webinar to educate suppliers and PHI representatives on modern slavery risks and exposures of Australian-based businesses. The webinar which featured an expert panel with representatives from business and the community, aimed at making modern slavery risk exposures tangible to Australian-based businesses and provide practical guidance on tackling modern slavery risk exposures within operations and supply chains.

The webinar was attended by 260 participants. This included :

- 73 attendees from the organising PHIs, with Teachers Health having the second highest number of attendees;
- 16 of our 160 main corporate suppliers as well as representatives of several larger hospital groups and some individual hospitals that we deal with; and
- 10 attendees from an ancillary provider certifying association.

Feedback for the webinar was positive with over 96% of survey respondents finding the webinar improved their confidence in tackling modern slavery.

Teachers Health has obtained a webinar recording for inclusion in our Modern Slavery tool kit, currently being developed, for internal and external stakeholders.

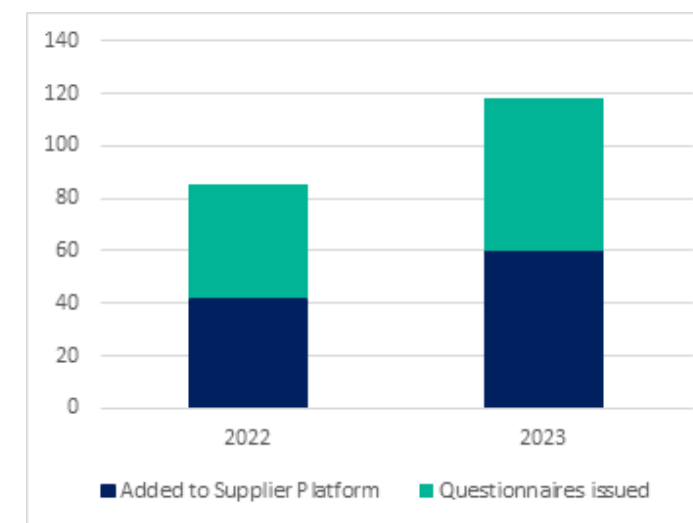
Modern Slavery is a complex global problem. Training and education are key to identifying, preventing and addressing modern slavery in our operations and supply chain.



As our modern slavery response continues to become more sophisticated 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. This approach ensures that efforts are focused on where we can have the most impact and achieve tangible outcomes.

The Questionnaire has now been rolled out to 58 Tier 1 suppliers with spend over \$10,000 with a further 60 Tier 1 suppliers added to the Supplier Platform. Of the 118 Tier 1 suppliers registered on the Supplier Platform, 44 direct suppliers publish 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 66 suppliers.

Figure 3: Progress on Supplier Platform*



*Analysis based on direct suppliers with spend over \$10,000 (over 98.3% of total spend) and excluding hospital, medical and ancillary providers.

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 Teachers Health's investments

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 283 independent hospitals and 51 hospital groups. These contracts are largely negotiated by the AHSA, representing 24 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).

- Out of the 39 Questionnaires issued to independent hospitals to date, 14 completed Questionnaires have been received which includes 4 Questionnaires received during the 2022/23 reporting period. During the 2022/23 reporting period, the Questionnaire was newly issued to 2 hospitals and 5 hospitals were requested to update previously completed Questionnaires. An additional 4 independent hospitals are now above the spend threshold and have been added to the Supplier Platform.
- Out of the 25 Questionnaires issued to hospital groups to date, 10 completed Questionnaires have been received. During the 2022/23 reporting period, the Questionnaire was newly issued to 2 hospitals groups and 2 hospital groups were requested to update previously completed Questionnaires.

Hospital and medical providers are governed by a robust legislative framework, including employment laws and WH&S regulations. 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 3 independent hospitals and 26 hospital groups with Modern Slavery Statements published on the Federal Attorney General's 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 hospital providers. During the 2022/23 reporting period, the AHSA introduced a new business partner agreement template for hospital contracting featuring a modern slavery clause. Among other, the AHSA's modern slavery clause requires hospitals to:

- Carry out due diligence in their operations and supply chains to understand and address modern slavery risk;
- Train employees and contractors to increase awareness of and ability to identify and respond to modern slavery risk; and
- Carry out annual audits of their compliance with modern slavery laws.

Importantly, the AHSA's modern slavery clause requires hospital providers to notify the AHSA of any actual or suspected modern slavery concerns within their operations or supply chain. We believe that the AHSA's modern slavery clause improves transparency and ultimately, visibility of modern slavery across hospital provider supply chains.

Ancillary providers are 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 the spend on ancillary providers by Teachers Health sits well below the spend threshold of \$10,000. In taking a risk-based approach and excluding those operating through Teachers Health Centres and our preferred provider networks, ancillary providers below the spend threshold have not been prioritised.

Due to the sheer number of ancillary providers, it has been determined that industry-wide engagement is the most efficient way to engage with ancillary providers. During the reporting period, the PHI Modern Slavery Col formed a sub-group to develop engagement strategies for Tier 2 suppliers and identify provider groups (such as natural therapy or massage providers) for prioritisation.

It was noted that several representatives of an ancillary provider certifying association attended the Supplier Education event in October 2022. Teachers Health believes that through education and by raising awareness of modern slavery risk exposures, we will be able to create engagement with ancillary providers who are otherwise not impacted by the modern slavery reporting regime.

Teachers Health recognises the risk of modern slavery in the supply chains of hospital, medical and ancillary providers, particularly concerning healthcare equipment and supplies. This risk remains heightened since the beginning of the COVID-19 pandemic in 2020. Global shortages in medical supplies (such as personal protective equipment) continue to 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, it is mainly located in the remote tiers of the Teachers Health supply chain.

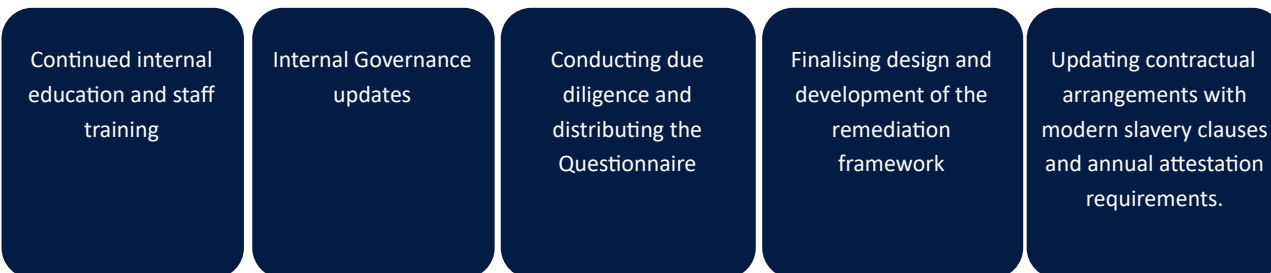


4. Risk assessment

Teachers Health is resolute in its opposition to 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 compared to previous reporting periods, we continue to monitor and examine modern slavery risks in our operations and supply chain.

During the 2022/23 reporting period, we have continued and amplified activities commenced in previous reporting periods, including:



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 their induction process with refresher training every two years thereafter. The module is reviewed bi-annually to ensure information is current and broadly 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 regarding modern slavery
- The incidence of modern slavery in Australia
- How to identify the existence of modern slavery
- Transparency within supply chains and operations.

As at 31 May 2023, 401 current and former Teachers Health employees completed the online training module (94.6% completion rate)⁷.



⁷In June 2023, Teachers Health transferred to a new staff training platform and due to system limitations, the data for completed staff training in June 2023 was not captured.

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. The Teachers Health modern slavery clauses were reviewed and enhanced during the reporting period to ensure they reflect best practice.

During the reporting period, Teachers Health developed an internal self-service platform for vendor management. In addition to containing our standard contracts, the platform features general and Modern Slavery specific resources.

Based on the Modern Slavery Prevention Guidelines, a Modern Slavery Supplier Engagement Guide (the Guide) was created. The purpose of the Guide is to educate and support relationship managers in discussing modern slavery and the Questionnaire with vendors. The Guide includes scripting which coaches relationship managers through frequently asked questions, topics and scenarios to raise with vendors. The Guide also directs relationship managers to external resources available to vendors.

For the next reporting period, Teachers Health is integrating the Guide as well as the webinar recording in a Modern Slavery tool kit. The tool kit will feature practical guidance to support business partners and suppliers.

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.

Teachers Health believes in bringing its HEART values to life through good corporate citizenship. Modern slavery cannot be viewed in isolation, but forms part of a broader approach to sustainable business and minimising negative impacts on community, society, the environment, and the economy. This is why we are in the process of incorporating our modern slavery risk management initiatives into our broader ESG strategy.

For FY2023/24 the Teachers Health Group business plan specifically articulates the following initiatives to address Modern Slavery:

1. Embed the Modern Slavery tool kit in our third-party provider onboarding and ongoing management processes, and
2. Continue working with the PHI Modern Slavery Col to:
 - review and improve the effectiveness of activities undertaken to address modern slavery risks, and
 - undertake assessments or deep dive reviews of industry-wide suppliers (such as hospitals).

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 participate in industry advocacy initiatives through the PHI Modern Slavery Col to address modern slavery and focus on improving supply chain transparency across the industry.

As part of our ongoing engagement with the PHI Modern Slavery Col, we promote the development and refinement of the Questionnaire and the Supplier Platform to assess high-level modern slavery risk exposure. In fully leveraging the benefits and tools available on the Supplier Platform, Teachers Health is able to build a fuller picture of our risk exposure within our operations and supply chain and develop effective risk controls for identified higher risk suppliers. During the reporting period, the remediation module within the Supplier Platform was operationalised and a remediation process involving corrective action plans to facilitate broader transparency, was formalised.

The remediation module allows Platform Participants to track and record actions taken to address modern slavery risks in their supply chain. It integrates with the Questionnaire and automatically escalates issues requiring further action based on suppliers' responses based on the likelihood of modern slavery risk exposure.

Once a supplier's responses to the Questionnaire have been reviewed and evaluated, the supplier is progressed to the remediation module within the Supplier Platform. Based on the supplier's responses, there are three pathways:

1. Questionnaire responses are satisfactory, suggesting a low modern slavery risk profile but opportunities for improvement have been identified. At this level, the remediation module will present the supplier with pre-loaded recommendations for consideration at their discretion.
2. Questionnaire responses indicate a potentially heightened modern slavery risk profile, due to factors such as policy frameworks, staff training and awareness, and access to grievance mechanisms. At this level, the remediation module will present the supplier with pre-loaded recommendations based on the specific responses and request the supplier to respond with further information or commitments to implement the recommendations.
3. Questionnaire responses indicate potential modern slavery issues that require immediate action. At this level, the remediation module will flag the high-risk responses and present the supplier with pre-loaded recommendations and a request for response, remediation, or clarification. A risk assessment is then conducted based on the supplier's response.

As at 30 June 2023, 41 suppliers are engaged at various stages of the remediation process, including reviewing commitments, preparing actions and implementing actions. This includes suppliers engaged through Platform Participants other than Teachers Health.

The purpose of the remediation module is to close the feedback loop initiated by the Questionnaire. Suppliers who are engaged in the remediation process are flagged in the Supplier Platform. All Platform Participants are able to see why a supplier was flagged, the remediation action plan, and which Platform Participant has taken ownership for supporting the remediation process. Leveraging the Supplier Platform creates visibility and efficiency, promoting a consistent approach.

During the reporting period, Teachers Health took the lead on five (5) suppliers who are progressing through the remediation module within the Supplier Platform. We will be reporting on outcomes of the remediation process in the next reporting period.

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.

Teachers Health is currently operationalising the remediation process integrated with the Supplier Platform's remediation module. Once the remediation process has concluded, we will be in a position to evaluate the effectiveness of the overall process and identify areas for improvement.

During the reporting period, Teachers Health relied on an internally managed modern slavery grievance process, and to date, no incidents of actual or suspected modern slavery have been reported. A new specialised service provider has been engaged to facilitate the grievance mechanism and training resources. During the next reporting period, the new grievance mechanism will be launched and as part of the implementation, tailored training will be provided with a particular focus on staff involved in the procurement process.

Teachers Health has adopted a 3-Year Action Plan to address modern slavery risks across our operations and supply chain (Modern Slavery Roadmap).

Our Modern Slavery Roadmap was developed with the support of a legal consulting firm specialising in modern slavery issues. We aim to build a comprehensive and transparent picture of our operations and oversight of our supply chain through a multi-period "building blocks" approach. For each reporting period, our Modern Slavery Roadmap identifies four categories (tasks, actions to accomplish tasks, consequences for risk assessment and stakeholder outcomes) that will inform the objectives for the following reporting period. By using a flexible "building blocks" approach, we will be able to effectively track our progress and adjust objectives to ensure they remain achievable. Eventually, the Modern Slavery Roadmap will be integrated into Teachers Health's broader ESG strategy.

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 on 10 separate occasions.



Figure 4: Performance measurement framework

	Actions	Measurement	Performance
Governance and collaboration	<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. 	<ul style="list-style-type: none"> All completed during reporting period.
Policies, procedures, and employee training	<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 and changes to be made in line with policy review cycle; 94.6% of employees and 100% of Board members trained; Nil grievances reported through disclosure tool on Teachers Health website during reporting period.
Operations	<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. Due to low impact the review of external labour hire / recruitment agencies was not prioritised during the reporting period.
Due diligence and remediation	<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 an incremental number of Tier 1 suppliers; Number of relevant Teachers Health employees trained in remediation process; Number of corrective action plans issued and monitored. 	<ul style="list-style-type: none"> Initial risk assessments and due diligence were performed against an incremental number of Tier 1 suppliers. Operationalisation of Supplier Platform's remediation process with five (5) Teachers Health Group suppliers. Deep dive assessment developed and implemented with one (1) key supplier reviewed.
Supplier engagement	<ul style="list-style-type: none"> Modern Slavery Self-Assessment 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"> 66 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 delivered in October 2022.

6. 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 **13 December 2023**

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
b) Describe the reporting entity's structure, operations and supply chains.	5-7
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.	8-15
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.	16-18
e) Describe how the reporting entity assesses the effectiveness of these actions.	19-20
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.**	N/A

* 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.

1. 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.

2. 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 2023

Teachers Federation Health Ltd ABN 86 097 030 414. TFH-MSS-11/23.