



medibank

Modern Slavery Statement 2022

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This is a joint modern slavery statement under section 14 of the *Modern Slavery Act 2018* (Cth) (**the Act**) made in respect of each of Medibank Private Limited (ACN 080 890 259), its wholly owned subsidiary Medibank Health Solutions Pty Limited (**MHS**) (ACN 078 934 791) and Medibank Health Solutions Telehealth Pty Limited (**MHST**) (ACN 069 396 792), a subsidiary of MHS.

It is submitted by Medibank Private Limited on behalf of itself and each of these other reporting entities in respect of the period 1 July 2021 to 30 June 2022 (FY22).

For the purpose of this statement, the "Group" or "Medibank" refers to all three reporting entities and those further entities which they own or control.

The Board of Directors of Medibank Private Limited has approved this statement on behalf of itself and the other reporting entities covered by the statement and has authorised it to be signed by CEO David Koczkar.



David Koczkar
CEO

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Introduction

We're a health company working to create **Better Health for Better Lives** by providing the best health and wellbeing experience for people across Australia.

This is our third annual modern slavery statement, published in accordance with the Act. It details key activities in our FY22 program of work specific to the prevention of modern slavery in our business operations and supply chain. This statement has been developed in consultation with the senior executives of the Group. We're committed to ensuring Medibank is a

responsible and sustainable business and support the United Nations Sustainable Development Goals (SDGs) most relevant to the work we do. Our work to prevent modern slavery in our business operations and supply chain aligns to SDGs including 5 (gender equality), 8 (decent work and economic growth) and 10 (reduced inequalities).



Summary of FY22 achievements

Governance

Published **Human Rights Policy**



Developed **human rights terms and conditions provisions** for existing and future third party contracts



Education and awareness

33 key employees trained in **sustainable buying** (including modern slavery)



Published **Supplier Guide: Human Rights and Modern Slavery**



Due diligence

Completed tier 1 **supplier risk assessments** to identify medium and high ratings and commenced secondary reviews



Conducted **responsible sourcing assessments** for strategic events



Development commenced **Modern Slavery Risk Management Policy**



Promoted **grievance mechanisms** via our Supplier Guide



Hospital review underway with pilot group to understand tier 2 and beyond



Review complete and due diligence plans underway for **Overseas Student Health Care (OSHC) strategic partners**



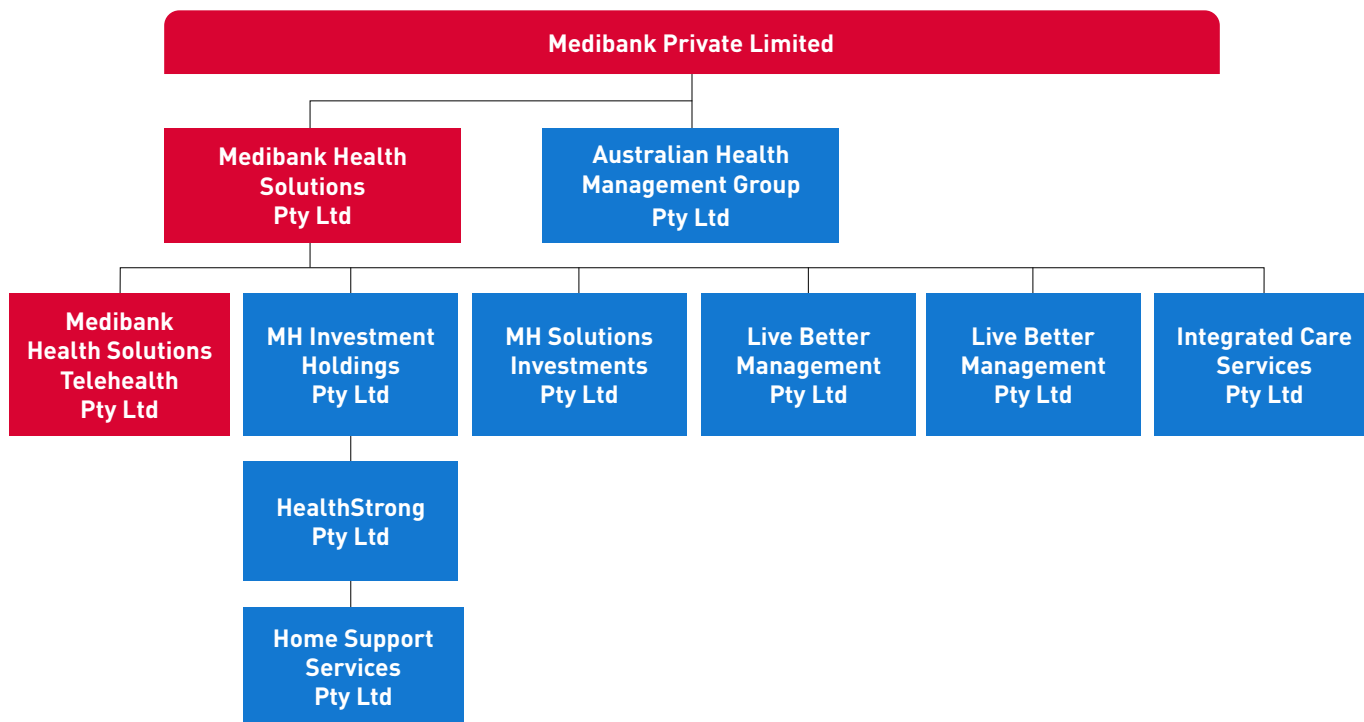
Note: In this statement, 'tier 1' refers to suppliers we directly conduct business with, while 'tier 2' suppliers are those who supply goods and/or services to our tier 1 suppliers.

About us

(Criterion 1 – Identify the reporting entities)

This statement is provided on behalf of the three reporting entities Medibank Private Limited (MPL), its wholly owned subsidiary, Medibank Health Solutions Pty Limited (MHS) and the MHS wholly owned subsidiary Medibank Health Solutions Telehealth Pty Limited (MHST) and covers these three entities and those entities which they own or control.

Group structure



The diagram only presents subsidiaries which are wholly owned or controlled.

Our operations and supply chain

(Criterion 2 – Describe the structure, operations and supply chains of the reporting entities)

The business functions of People, Culture & Sustainability, External Affairs, Risk, Legal, Governance & Compliance, Technology & Operations, Finance, and Health & Safety are centralised, thereby operating across all entities in the Group.



100%
of our operations
are based in Australia

Operations

Reporting entity	Overview
Medibank Private Limited (MPL)	The core business of Medibank Private Limited (MPL) is the underwriting and distribution of private health insurance through two brands, Medibank and ahm. We offer hospital and extras policies to customers in Australia as well as health insurance to overseas visitors, students and workers. As part of our provision of health insurance, we contract with private hospitals and allied health providers. We issue our private health insurance policies through a variety of channels including direct sales via aggregators, and through arrangements with corporate partners and educational providers. MPL also distributes diversified insurance products, including home, motor, travel, life and pet insurance products, on behalf of other insurers.
Medibank Health Solutions Pty Limited (MHS)	MHS has a number of operations that deliver telehealth, allied health services, hospital in the home, chronic disease management and integrated care coordination. To deliver these services, we have a network of health practitioners that we directly employ or contract through agencies.
Medibank Health Solutions Telehealth Pty Limited (MHST)	MHST provides a range of telephone and web-based health support services on behalf of government, business and not-for-profit clients. These services include nurse triage, mental health counselling and health support services all of which are delivered by a large network of Medibank work-from-home employees.

Supply chain

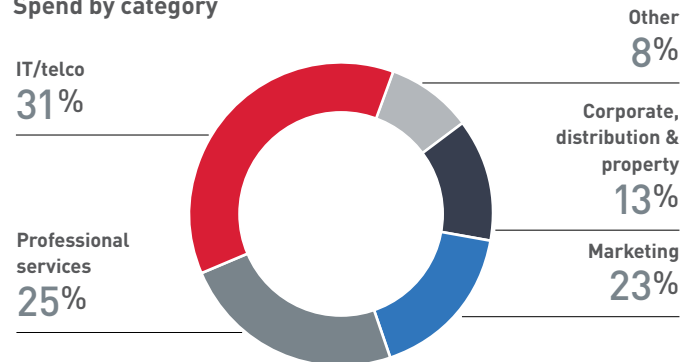
Our Procurement team are enablers for the ethical and sustainable buying of goods and services for supply to Medibank's operations across all reporting entities. Metrics recorded in this statement with respect to supply are representative of consolidated spend across the Group.

The total spend recorded across our supply chain in FY22 was more than \$300 million, with 1,555 active suppliers identified as at 30 June 2022.

Nature of our supply chain

As we are primarily a service-based operation, 98% of our supply spend is for the engagement of service providers.

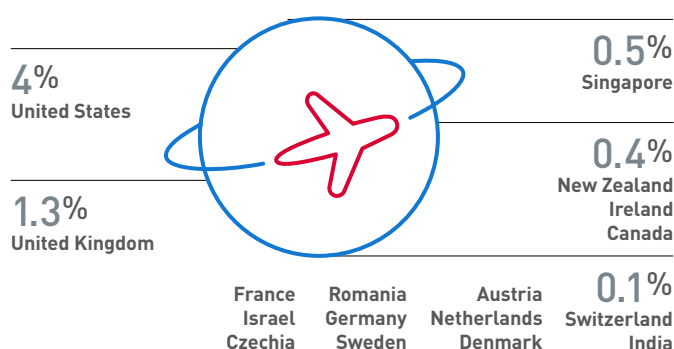
Spend by category



98% of our supply spend is for engaging service providers

Geographic distribution (by percentage of our total supply base)

91.9%
of our tier 1 suppliers
are based in Australia,
with the remaining
based across 17
other countries



Our modern slavery risk

(Criterion 3 – Describe the risk of modern slavery practices in the operations and supply chains of the reporting entities)

We seek to foster respect for human rights across all aspects of our Group and we are committed to responsible and sustainable business practices. We recognise the United Nations Guiding Principles on Business and Human Rights, and understand how a company may cause, contribute or be directly linked to modern slavery activities either through action or inaction.

The consideration of human rights within our business demonstrates our respect for the basic rights and freedoms, dignity, equality and inclusion expected for all people. We appreciate the higher risk exposure for vulnerable peoples such as women and girls, children, refugees, ethnic minority groups, Indigenous peoples, migrant workers, people with disability, elderly persons, and LGBTIQ+ persons. We intend to help vulnerable peoples realise societal equality through awareness and vigilance in terms of managing risk exposures, and opportunistically in terms of inclusive engagement and social value trade.

People experiencing modern slavery have their basic freedoms and human rights limited or removed. To determine our potential exposure to modern slavery risk in our supply chain and operations, we utilise a number of external resources and tools such as the Global Slavery Index to help identify the countries, sectors and commodities with a high inherent risk of modern slavery.

Operations






During the reporting period we progressed the identification and assessment of risk within our operations. Consistent with FY20 and FY21, our operations were based entirely in Australia in FY22. Our strict adherence to Australia's labour laws across the Group and a review of our workforce management practices indicated a low inherent risk of modern slavery. In FY23, we will broaden our review to incorporate the contingent labour engaged to support our healthcare operations.

In previous years, we extended the assessment of our operations to include two key areas related to private health insurance. We initially reviewed private hospitals and other healthcare providers that deliver services to our customers through their private health insurance. Due to the strong standards within our provider contracts and the types of services they provide to customers, this first tier assessment (for example, the hospital or healthcare provider) is deemed low risk. However, we are aware that some providers' sub-tier supply chains have inherent high risks due to the equipment and services they use.

We completed a due diligence assessment for a pilot group of hospital partners to understand potential modern slavery risks within their supply chain or operations. In reviewing their submissions, we found all three pilot partners had good awareness of, and plans in place to manage, the modern slavery risk in tier 2 supply chains. For example, one organisation completed a desktop audit of its top 50 suppliers based on spend, another has a Modern Slavery Strategic Roadmap to manage its supply chain risk, while the other provider is developing a comprehensive modern slavery compliance framework.

In FY23, in collaboration with the pilot group, we will further develop our understanding of risks and identify opportunities to introduce additional effective controls, such as provisions added by variation to supply agreements, and communicating modern slavery awareness education to our partners.

Highest risks identified in our supply chain and operations

Supply chain	Potential of modern slavery risk	Operations	Potential of modern slavery risk
Computer and digital equipment 	<p>We procure computer and digital equipment such as laptops and mobile phones to support our operations. These goods are known to be manufactured in high-risk countries with exploitative labour practices (including forced labour and child labour) and using conflict minerals in earlier stages of their supply chains.</p>	Partners with overseas locations 	<p>To provide health insurance products to temporary visa holders, we have a number of agents to distribute cover on our behalf. The agents we engage offshore are based in China and Mongolia, which are both listed as having high risk on the Global Slavery Index with issues in each country ranging across multiple forms of modern slavery.</p>
Medical equipment and supplies 	<p>We purchase medical consumables and equipment such as surgical gloves, PPE and surgical instruments for our medical practitioners. These products have a high risk of forced labour, both in their production of raw materials and in their manufacture. The high demand for these products during COVID (particularly for PPE) is known to have led to severe production targets, withdrawal of wages and sub-standard working conditions.</p>	Hospitals 	<p>Hospitals are regarded as high-risk settings due to the range of services provided (e.g. cleaning, administration, facility maintenance and specialist medical) and the global supply chain of many of the goods they procure. Hospital supply chains therefore have potential risk exposure across all countries listed in the Global Slavery Index.</p>
Sales and marketing merchandise 	<p>We procure branded products and promotional merchandise (such as clothing, stationery, novelty goods and small electronics), which are sourced indirectly via resellers from overseas suppliers. Some of these suppliers are located in countries listed as high risk on the Global Slavery Index (including in relation to forced labour and child labour).</p>		

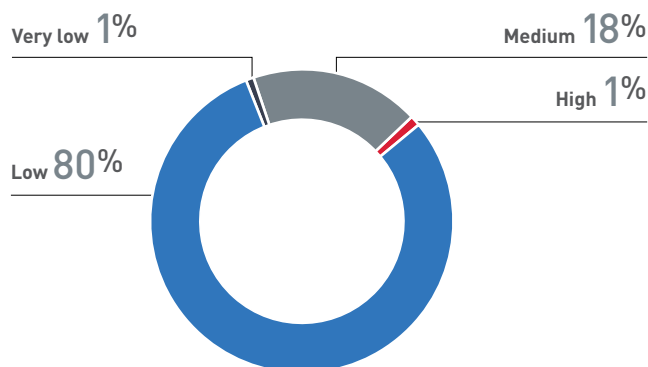
As indicated in the table above, COVID's impact on modern slavery risk for Medibank's supply chain during FY22 was largely limited to medical equipment supplies. We did not identify any change in supply chain modern slavery risk due to climate change, geopolitical unrest and war, or other macro impact

Supply chain

Throughout the year we continued to assess inherent risk in our supply base to identify medium to high-risk areas. The high-risk categories identified were research & consulting, IT equipment and services, healthcare services and supplies, employment services, property services, and education services. We undertook due diligence of these areas during the year through the actions outlined next.

We are utilising a continuous improvement approach to illuminating and managing modern slavery risk in our supply chain whereby year-on-year maturity is achieved through an annual program of activities with set milestones.

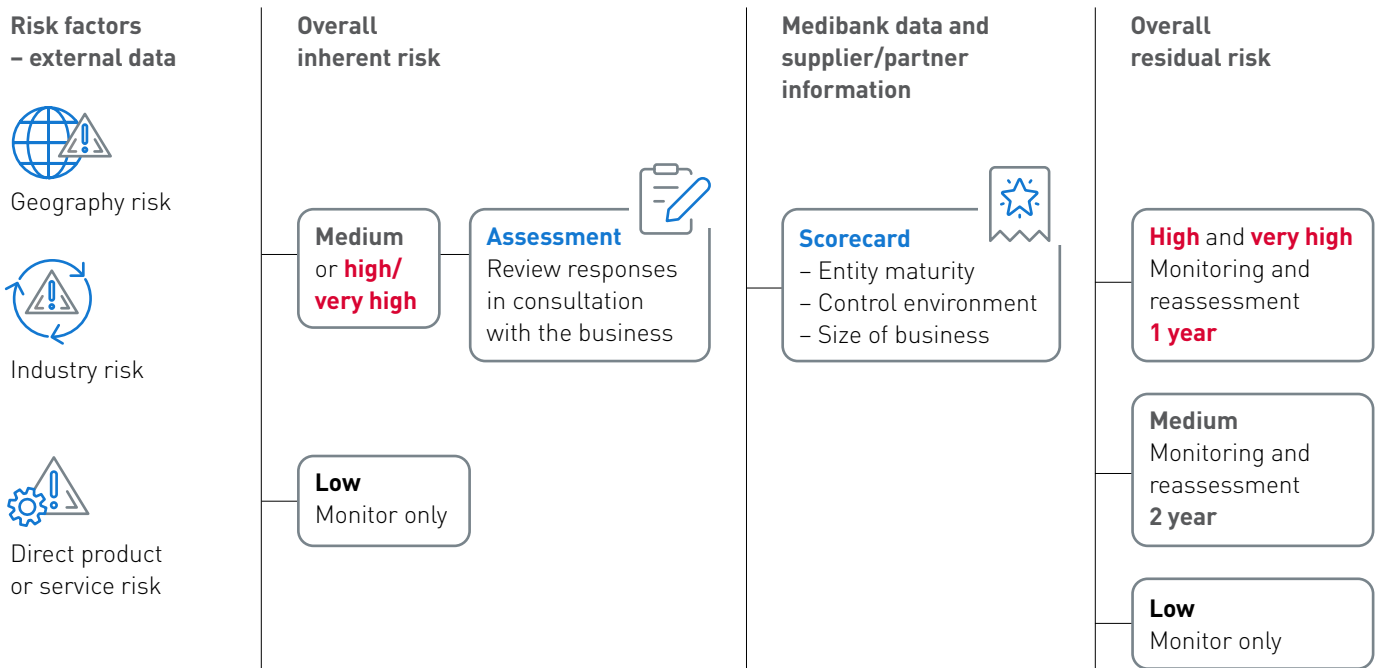
Supply-based modern slavery risk assessment



Our actions to assess the risk

(Criterion 4 – Describe the actions taken by the reporting entity to assess and address modern slavery risks)

We've continued to strengthen our risk assessment methodology by further developing our process beyond identifying our inherent risk. We took a conservative approach and performed due diligence on suppliers and partners that are inherently medium to high risk based on external and internal data.



In FY22 we developed a Modern Slavery Risk Management Policy to guide us on how to best manage modern slavery risk in relation to the lifecycle of supply arrangements as well as their operations. We will publish and promote this across the Group in FY23 to support a consistent enterprise-wide approach to identifying and managing modern slavery risk, as well as to track our performance.

We issue medium to high-risk suppliers and overseas partners with a questionnaire to understand their internal controls against modern slavery risk in the following areas:

- Human rights understanding and commitment
- Internal policies and procedures
- Supply chain knowledge and management
- Human resources management related to understanding the nature of their workforce, recruitment and workforce management practices
- Remediation practices and processes in place to address or remediate any risk or incident

We then evaluate their questionnaire responses and perform follow-up consultation directly with suppliers and partners where we require further clarification of controls.

A residual risk rating is determined based on the information provided and consideration of the size of the business, its maturity and whether there is potential for risk within its direct operations or supply chain. With this information, we are able to plan risk reduction activities in consultation with the supplier and set mechanisms for managing and monitoring the residual risk.

Our due diligence assessment in FY22 resulted in no suppliers being flagged as having had a record of previous adverse association to modern slavery. Through these supplier interactions, we have found that awareness and governance for modern slavery appears to be generally improving across our suppliers, however awareness of the Act and its associated requirements is low in some small to medium enterprises.

Case study



Ongoing industry collaboration

We continue to collaborate on modern slavery risk with a consortium of private health insurers. In FY22, the consortium focused on improvements to a modern slavery risk assessment platform, including the addition of a continuous improvement plan (CIP) process. This addition allows consortium members to assess initial supplier assurance questionnaires and set specific risk reduction actions for the supplier where required. For suppliers, their responses to the CIP can help to reduce their risk profile across all consortium members who are linked to the supplier.

We have also been a member of the Private Healthcare Australia (PHA) Modern Slavery Act Community of Interest

group since 2019. The PHA is the Australian private health insurance industry's peak representative body. This group provides another avenue for shared learning, benchmarking and capacity building around modern slavery and human rights within the industry, which will continue to be a focus in FY23.

One joint activity on the PHA Community of Interest schedule in FY23 is to plan and implement a Modern Slavery Webinar for suppliers. This event will include a panel of experts speaking on key topics to help suppliers understand the Modern Slavery Act and promote the need for the business community to work together in order to optimise ethical practice in supply chains.

How we're addressing risks

(Criterion 4 – Describe the actions taken by the reporting entity to assess and address modern slavery risks)

Corporate governance

In FY22 we developed and published our [Human Rights Policy](#), which is accessible via Medibank's internet and intranet sites. The policy brings together in one document the many requirements already contained in existing Group-wide policies, procedures and commitments. Promotion of the policy to the Group utilised internal social media communications. The policy demonstrates our continued commitment to respecting human rights and ensuring respect and equality for our people, customers, community and business partners.

To meet our responsibilities and obligations to our shareholders, stakeholders and employees, the Board has instigated a framework of corporate governance policies and practices, internal controls and risk and compliance management processes. These are designed to promote responsible management and ethical conduct in a range of areas, including sustainable supply chains. Our corporate governance practices for the year ended 30 June 2022 are outlined in our [Corporate Governance Statement](#) (extracted from Medibank Annual Report 2022).

Our risk management framework is designed to effectively identify, assess, manage, monitor and report risks, including those related to modern slavery. Overall responsibility is held by the Board, which sets the risk appetite across the Group. We use a three lines of defence approach to define risk management roles, responsibilities and accountability.

The [Medibank Code of Conduct](#) sets out the way our employees, including directors and executives, work and the practical principles and minimum standards of expected behaviour. Each year all our employees undertake mandatory compliance training in areas including risk, anti-bribery and corruption, privacy, and bullying and harassment.

Whistleblower Policy

We encourage a speak up culture where it is safe for employees to raise concerns if something doesn't look right and for them to be protected if they do in accordance with our [Whistleblower Policy](#). In the past year, Medibank received four contacts to Medibank Alert, which is an independently monitored reporting service operated by Deloitte. None of these contacts related to modern slavery issues in our operations or supply chain. We acknowledge that this doesn't necessarily mean that modern slavery issues don't exist in our business and will continue to assess the effectiveness of our mechanisms for raising concerns.

Training

We rolled out a training program on sustainable buying in FY21 to help our employees make conscious choices in their purchasing decisions, both for Medibank and in their personal lives. The program includes a module that raises awareness of modern slavery, instances of where it can occur, and the types of vulnerable people it impacts. Modern slavery training was prioritised for our operational teams covering higher risk categories during FY22.

Supplier due diligence

To support supplier awareness, in FY22 we developed a new Supplier Guide: Human Rights and Modern Slavery, which is accessible via our Sustainable Procurement internet site.

Medibank's purchase order terms and conditions require suppliers to comply with our [Supplier Code of Conduct](#) which includes specific business ethics clauses. This process drives both awareness and compliance.

In FY22, we updated our terms and conditions to include the cascade of business ethics responsibility beyond that of the tier 1 supplier. Agreement to the terms and conditions therefore obligates suppliers to participate in requests for information and to notify Medibank if modern slavery is detected in their supply chains or operations. In FY23, we will factor the updated terms and conditions into new sourcing activities as well as agreement variations for existing supply arrangements.

We believe in partnering with our suppliers and operational partners to collectively influence the improvement of human rights practices. If an aspect of the supply chain is misaligned to our expectations and remedial action does not bring the supply arrangement into alignment, our intent would be to implement a transition plan to move away from that supplier.

Dedicated modern slavery resources

We have dedicated resources within the business to manage modern slavery risks, including an employee whose responsibility is to drive continuous improvement in our modern slavery program. We prioritise activities with high potential for reducing modern slavery risk, as well as those that optimise ethical and sustainable operational and supply chain outcomes.

Assessing our effectiveness

(Criterion 5 - Describe how the reporting entity/entities assesses the effectiveness of these actions)

We are committed to measuring and monitoring our performance to improve the effectiveness of our modern slavery program, and in turn our position on human rights.

In previous years, we established the reporting mechanisms and cadence for enterprise-wide leadership and Board reporting that covers our modern slavery risk and the progress of actions. In FY22, this approach helped to keep modern slavery awareness at the fore across the Group. It also supported the program's maturity and helped identify opportunities for improvement.

We continue to benchmark our progress against industry peers and other businesses by seeking advice from external experts, industry consortium members and other stakeholders.

Outcomes from this approach include:

- Elevation of our risk assessment methodology to identify, assess and monitor our modern slavery, with supporting processes to be streamlined in FY23
- An increasingly consistent and collective approach across industry, with each platform upgrade supporting the maturity of all members
- Better understanding suppliers' awareness of modern slavery and their governance maturity, enabling us to tailor SMART (specific, measurable, attainable, relevant, time bound) risk reduction actions with them to lift their maturity

As we progress our continuous improvement program of work into FY23, we will mature our metrics in the areas of governance, due diligence and remediation, and education to track the effectiveness of our actions.

Consultation

(Criterion 6 - Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls)

Our Sustainable Procurement Working Group meets every month to review modern slavery initiatives and identify opportunities for continued improvement in the way we operate and procure.

Our legislative compliance actions are substantiated by a Modern Slavery Working Group comprising representatives from Legal, Sustainability, Compliance and External Affairs. We engaged the Working Group for the development of this FY22 Statement to cover modern slavery risk across the Group.

We will continue to consult with senior executives of each reporting entity to support a consistent approach to how we review our operations and actions.

Case study



Working with overseas sales agents

We partner with sales agents to distribute our products such as visa compliant health cover to overseas students and temporary resident customers. With some of these agents based in countries listed as high risk on the Global Slavery Index, in FY21 we set out to assess the process in place to understand and manage this risk.

In FY22, we finalised our review of overseas agents and commenced development of improvement plans for medium to high-risk agents so we can work with them on maturing their risk management profiles.

We identified the opportunity to update their agreements and include provisions specific to modern slavery and human rights. We also provided training to the Overseas Student Health Cover (OSHC) leadership team to enhance their understanding of modern slavery risks.

Next steps

In FY23 we will focus on three key areas to enable us to progress and positively influence the prevention and eradication of modern slavery in our supply chain and operations. These pillars and focus areas are:

Pillars	Focus areas
Governance	<ul style="list-style-type: none">• Staged roll-out for the inclusion of human rights provisions into existing contracts via variation agreements, prioritising strategic procurements• Publish and promote our Modern Slavery Risk Management Policy• Review and strengthen our Supplier Code of Conduct
Due diligence and remediation	<ul style="list-style-type: none">• Continue risk assessment of our operations and supply chain including reviewing risk beyond tier 1 suppliers• Improve resilient and ethical supply chain outcomes by streamlining our responsible sourcing approach• Review processes to identify opportunities for improvement in terms of lifecycle supplier risk management• Include modern slavery risk metrics in business unit communications regarding supply chain risk and resiliency
Education and awareness	<ul style="list-style-type: none">• Uplift employee and supplier awareness of modern slavery and human rights• Facilitate regular business communications for ongoing awareness of modern slavery and human rights• Promote the Medibank Alert grievance reporting service• Develop, promote and launch a modern slavery webinar for our suppliers in collaboration with the Private Health Insurance Consortium

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Medibank Private Limited

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