

# **Health Partners Limited**

## **Modern Slavery Statement 2023**

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## Purpose of Statement

This Modern Slavery Statement (“**Statement**”) is made by Health Partners Limited (ACN 128 282 904) (“**Health Partners**”) pursuant to the Modern Slavery Act 2018 (Cth) (the “**Act**”). This Statement sets out the actions taken by Health Partners to identify, assess, and address modern slavery risks across our operations and supply chains for 2022-2023 financial year reporting period.

Health Partners Limited is a reporting entity for the purposes of the Act as it is a company that conducts business in Australia with a consolidated revenue of over \$A100 million, during the reporting period.

## Summary of Our Work in this Reporting Period

In this reporting period for the financial year ended 30 June 2023 we have:

- Continued to update our service agreements to include modern slavery clauses.
- Continued to conduct initial supplier risk assessments on new suppliers.
- Sent supplier risk assessment questionnaires in accordance with our timetable using a risk based approach. 48 of our direct suppliers have completed supplier risk assessment questionnaires, and a further 76 sent.
- Compared the results of completed supplier risk assessment questionnaires to initial risk assessments.
- Continued to actively participate as a member of the Australian health funds’ modern slavery consortium together with other Australian health funds to address modern slavery risks across the industry.
- Developed strategies and processes for the rectification of issues identified following completion of the supplier risk assessment questionnaire.
- Met with different areas of the business to update the suppliers to be assessed by our online questionnaire process.
- Provided quarterly progress updates in Executive Committee meetings.

## Our Commitment

Slavery, servitude, forced labour and human trafficking (collectively referred to as “**Modern Slavery**”) is a complex and an increasing global challenge for governments and business.

As a business, Health Partners supports the goals and intent of the Act and undertakes to identify and address risks and any impacts of modern slavery in our operations and supply chains. We recognise our role in respecting and promoting the fundamental human rights of our people, suppliers and customers.

We look forward to continuing to work with our employees, contractors and suppliers over the next reporting period to further enhance our systems and controls to effectively identify and manage modern slavery risks within our own organisation and supply chains.

## Overview of Health Partners Structure and Operations

Health Partners is one of South Australia’s largest open health insurance funds, having served its members for over 80 years.

We are a mutual not-for-profit entity and operate solely for the benefit of our members. Our profits are invested back into the health fund to help provide quality, value-for-money health insurance to our members.

At Health Partners, we are focused on the health and wellbeing of our members. Our purpose is to do the right thing for our members when it comes to their health protection and care. We are led by our core values of genuine care of our members by providing quality and affordable private health insurance throughout their life. We provide cover to over 90,000 individuals and employ over 300 people. Our head office is located in Adelaide, South Australia.

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The principal business activities of Health Partners are to:

- Operate a registered private health insurance fund.
- Operate dental centers and provider partnerships for members.
- Operate optical centers and provider partnerships for members.
- Enhance disease management and prevention benefits for members.

We offer hospital and extras policies to customers in Australia. We issue our private health insurance policies through a variety of channels including direct sales (in store, over the phone and online), and through arrangements with corporate partners.

As part of our provision of health insurance, we contract with private hospitals and other healthcare service providers to help manage the cost and quality of patient care.

In addition to the private health insurance business, we own and operate four private dental practices (trading as Health Partners Dental) and five optical stores (trading as Health Partners Optical) located in South Australia.

Our network of allied health service providers includes 55 participating pharmacies and 60 participating physiotherapy practices in South Australia.

100% of our business operations are based in Australia.

During the period, we acquired 100% of Your Health Navigator (“YHN”), a registered healthcare organisation based in South Australia. YHN provide hospital substitute treatment and chronic disease management programs.

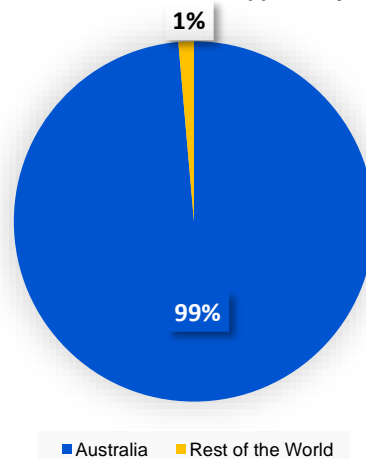
## Overview of Health Partners Supply Chains

Health Partners procures a range of goods and services every year to carry out our business functions. We identified 423 direct suppliers. The majority of our suppliers are located in Australia.

The goods and services are mainly procured from Australia and in limited cases various overseas markets. These goods and services include, for example, optical and dental equipment, information and communications technology (ICT); facilities and property management services; consulting and other professional services; marketing; print and promotional goods and services; office supplies; corporate clothing and financial services (including banks, insurers and investment managers). Each of these goods and services involve varying types and degrees of modern slavery risks.

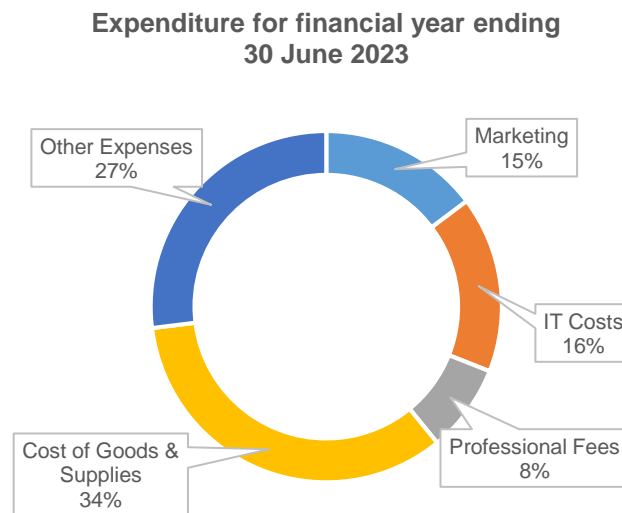
The following graphics provide some further statistics on Health Partners procurement contracts:

Geographic distribution of direct suppliers by location



99% of our supply chain is based in Australia with the remaining suppliers based across other countries: Denmark, Germany, Slovakia, United Kingdom, United States, Canada and Hong Kong.

The figure below provides a breakdown of total expenditure for the financial year ending 30 June 2023:



Our greatest expenditure is in sales and supplies of health related business products and services, and thereafter our supply chain is predominantly related to expenditure that provides the infrastructure, facilities and other support required to enable the delivery of our services: information management services and technology, professional services, marketing and other expenses.

### Policy Framework

Health Partners has a framework for responsible and sustainable governance. In order to be responsible in all aspects of our operations and activities, Health Partners has developed a series of policies to guide the Board, management and staff in achieving this expectation.

Our policy framework ensures that Health Partners operates in an ethical and responsible manner to detect and reduce the risk of modern slavery in our business operations and supply chains. Key policies include the:

- Framework for Responsible and Sustainable Governance.
- Risk Management Strategy (describing our risk management framework).
- Code of Conduct.
- Whistleblower Program.

Health Partners continues to review and improve our processes in relation to all aspects of supply chain governance.

### Risks of Modern Slavery in Business Operations and Supply Chain

As an organisation with a professional workforce, Health Partners considers its overall risk of modern slavery within its direct business operations to be low. However, Health Partners recognises that through its supply chain and other third-party relationships it can be indirectly exposed to the risk of modern slavery.

Following our first reporting year where we conducted an initial modern slavery risk assessment of our supply chain, we have continued to use our modern slavery risk assessment methodology which includes evaluation of several indicators including geographical location, industry risk and entity risk to identify potential areas where Health Partners could be exposed to modern slavery. The methodology was implemented within an automated digital technology solution to assist with assessing the risks of modern slavery within our supply chain. The digital technology solution also facilitates the supplier risk assessment questionnaires, reassessment of supplier risks based on questionnaire responses and will assist with agreeing rectification action plans.

The majority of our suppliers are established Australian based entities and as such are considered to have a low-medium level of inherent modern slavery risk at an organisational level. However, Health Partners acknowledges that the procurement of some services within Australia, such as cleaning and security, have been identified as potentially carrying a relatively higher risk of modern slavery due to the frequency of using subcontracting agencies and migrant labour and have been associated with worker exploitation.

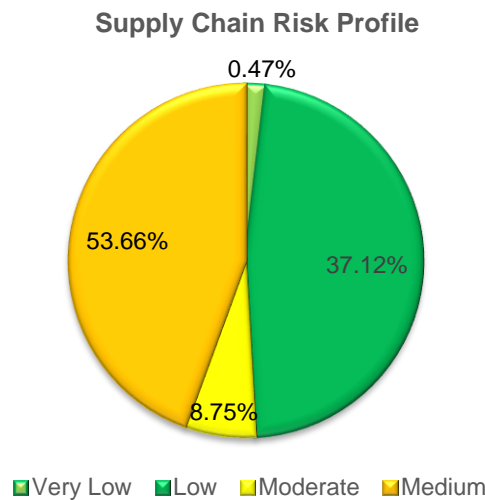
Through our risk assessment, Health Partners is aware that there are also higher modern slavery risks in its supply chain associated with a small number of overseas suppliers. These suppliers provide Health Partners with dental, optical and information technology products.

Health Partners also acknowledges that, like many businesses, we currently have relatively limited insight into our supply chains beyond our direct suppliers. For example, some of our optical and dental products are provided by an Australian entity but they have been manufactured overseas. We do not currently have insight over the suppliers that provide the materials and goods that comprise the products but future plans will consider actions to gain this insight into these potential risks.

During this reporting period, Health Partners continued to engage with suppliers to complete their supplier risk assessment questionnaires. The focus of this being to first engage with higher risk suppliers, renewals and any new partnerships.

Health Partners has reviewed and compared the risk profile of all completed supplier risk assessment questionnaires. In most cases this has led to a reduction in the risk profile of the supplier as further information is gathered on modern slavery risks.

The current supply chain risk profile is as follows:



The figure above shows that 53.66% of our suppliers have been assessed as a medium risk of modern slavery, 8.75% a moderate risk, 37.12% a low risk, and 0.47% have a very low risk.

Currently none of the suppliers have been assessed as high risk. The table below summarises the supplier risk profile by business:

Business	Risk Assessment				
	Very Low	Low	Moderate	Medium	High
Private Health Insurance	2	51	7	48	0
Optical	0	3	13	40	0
Dental	0	15	6	66	0
Corporate	0	88	11	73	0
<b>Total</b>	<b>2</b>	<b>157</b>	<b>37</b>	<b>227</b>	<b>0</b>
	<b>0.47%</b>	<b>37.12%</b>	<b>8.75%</b>	<b>53.66%</b>	<b>0.00%</b>

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In future reporting periods, Health Partners will continue focus on those higher risk suppliers and will conduct additional due diligence to understand and address any gaps in our supplier modern slavery practices.

## How Health Partners has Acted to Reduce Modern Slavery Risks

Following the completion of our initial supply chain risk assessments, we are focused on the following areas to mitigate the risks of modern slavery in our supply chain:

### Vendor and Supplier Engagement Contractual Controls

Health Partners has incorporated modern slavery clauses in its services agreements for all new engagements, renewals and variations.

### Supplier Due Diligence and Risk Assessment

During this reporting period Health Partners has continued to actively participate as a member of the Australian health insurance funds' modern slavery working group to develop a modern slavery supplier questionnaire and initial risk assessment methodology to assist with the due diligence process.

This questionnaire is being sent to our key suppliers via an online industry platform which will make it easier for the suppliers to provide the key information required. The platform also provides a set of frequently asked questions and links to valuable resources regarding modern slavery. The platform has been further developed to deal with the management of rectification action plans following responses to the supplier risk assessment questionnaire.

To further understand and address our entire supply chain risks, we intend to extend this assessment beyond these key suppliers and mapping higher risk supply chains beyond tier one level in the subsequent reporting periods.

### Strengthening Policy Framework

In this reporting period Health Partners had reviewed its approach to the Supplier Code of Conduct (the "Code") with the aim to improve the documentation of policy and procedures around selecting and contracting with suppliers.

The Code will apply to all supply chain partners of Health Partners, including business partners and suppliers and their sub-contractors and suppliers within their own supply chain, regardless of the value of the goods or services provided.

### E-learning Employee Training

In this reporting period, Health Partners continued to release mandatory employee training on modern slavery, implemented through our E-Learning modules. The goal of the training is to increase employees' awareness of modern slavery risks in Health Partners' operations and supply chains. Completion of this training is monitored.

## Assessment of Effectiveness

Health Partners will continue to develop systems and processes to assess the effectiveness of its modern slavery risk management.

Effectiveness will also be measured through the number of key supplier contracts that have been updated with appropriate modern slavery clauses and training attendance records in future reporting periods. Health Partners has a number of suppliers that must also lodge their own modern slavery statements and Health Partners will monitor these annually.

In the next reporting period, we aim to develop a better understanding of our initiatives through defining measurable targets.

Health Partners is also reviewing existing policies to better acknowledge and respond to modern slavery risks. Building on this over time by closer engagement with our higher-risk suppliers on their modern slavery risk management and controls and, where appropriate, develop unique modern slavery related remediation actions for key suppliers.

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## Next Steps

In the next reporting period for the financial year ended 30 June 2024, Health Partners will focus on:

- Continuing to actively participate as a member of the Australian Health Insurance Funds Modern Slavery working group.
- Continue to monitor the ongoing modern slavery risks with further due diligence on higher risk suppliers via our supplier risk assessment questionnaire.
- Continue to embed modern slavery within the risk management framework and associated policies, including further development of modern slavery reporting and measures within the organisation.
- Continuing efforts in documenting policy and procedures and the Supplier Code of Conduct (the “Code”).
- Continue to meet with each area of the business that have suppliers to ensure all relevant suppliers are captured and assessed for modern slavery risks.
- Continue to uplift reporting on the progress of modern slavery efforts in Executive Committee meetings.
- Consult and integrate YHN into our modern slavery framework.

This Statement was approved by the Health Partners Board, being the principal governing body for Health Partners, on 12 December 2023. The information is correct as at the date of publication.



**Erma Ranieri**  
Chairperson

12 December 2023

