



Navy Health

Modern Slavery Statement 2021

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This Modern Slavery Statement (Statement) is made on behalf of Navy Health Ltd ABN 61 092 229 000 of 601 Canterbury Road, Surrey Hills VIC 3127 (Navy Health) pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) (the Act).

This Statement provides background information on Navy Health's business operations and sets out the actions taken by Navy Health to identify, assess and address modern slavery risks across our operations and supply chains in the financial year ending 30 June 2021 (FY21).

Navy Health is a reporting entity for the purposes of the Act. This Statement has been prepared in consultation with senior executives and industry experts external to Navy Health.

This Statement was approved by the Board of Navy Health at its Board meeting on 8 December 2021.



Adam Grunsell AM CSC
Chairman of the Board

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Introduction

At Navy Health, our purpose is **to open the door to better health and wellbeing**. Our vision is to be the natural choice in health insurance for the Defence family.

We pride ourselves on providing expert knowledge, compassionate service and understanding for our members. As a purpose-led organisation, we aim to embed sustainable and responsible business practices.

We strive to work with suppliers that are aligned with our values and principles and have appropriate policies and procedures in place to mitigate against the modern slavery risk in our operations and supply chain.

In this context, Navy Health are publishing our first annual modern slavery statement in accordance with the Act. It outlines what we have done during the FY21 to mitigate against modern slavery risk in our business operations and supply chain.

About us

Navy Health was established in 1955 for the family members of the Royal Australian Navy. We now operate as an independent non-for-profit restricted private health insurer, whilst still maintaining our close links to the Australian Defence Force by providing cover to the wider Navy, Army and Air Force communities.

Navy Health provides claim processing services for the ADF Family Health program. Navy Health is also an agent for life insurance products.



^Modern Slavery Act 2018 (Cth) s4

Governance

Navy Health is committed to adopting sound corporate governance to meet its obligations and responsibilities as a responsible corporate citizen.

The governance practices at Navy Health comply with APRA's prudential standards as an Australian Prudential Regulation Authority regulated entity. The Board of Directors of Navy Health has overall responsibility for the corporate governance.

Underpinning Navy Health's decision-making is doing the right thing for our members, employees and community. Navy Health has established an approach supported by internal controls, risk management processes and governance practices designed to promote ethical conduct.

Modern slavery risk

Modern slavery refers to a range of serious human rights violations, which includes trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services[^].

The financial services sector's exposure to modern slavery risk arises in part due to its links, via credit and other relationships, to industries across the globe. Areas in financial services where modern slavery risks commonly arise are products and services, corporate operations and corporate supply chain. Navy Health's modern slavery risk exposure comes from corporate supply chain.

Structure, Operation and Supply Chain

Structure and Operation

Navy Health is a single entity and a public company limited by guarantee under the *Corporations Act 2001* (Cth) and governed by a Board of Directors elected by members of the company. It is also registered under the *Private Health Insurance Act 2007* (Cth).

Navy Health provides health insurance products to almost 25,000 members, and employs approximately 45 employees at our Head Office in Melbourne location.

Navy Health's core business is the sales and underwriting of private health insurance, and includes claims management of the ADF Family Health Program. We offer Hospital and extras health insurance policies to members in Australia. Navy Health also distributes life insurance products on behalf of a life insurer.

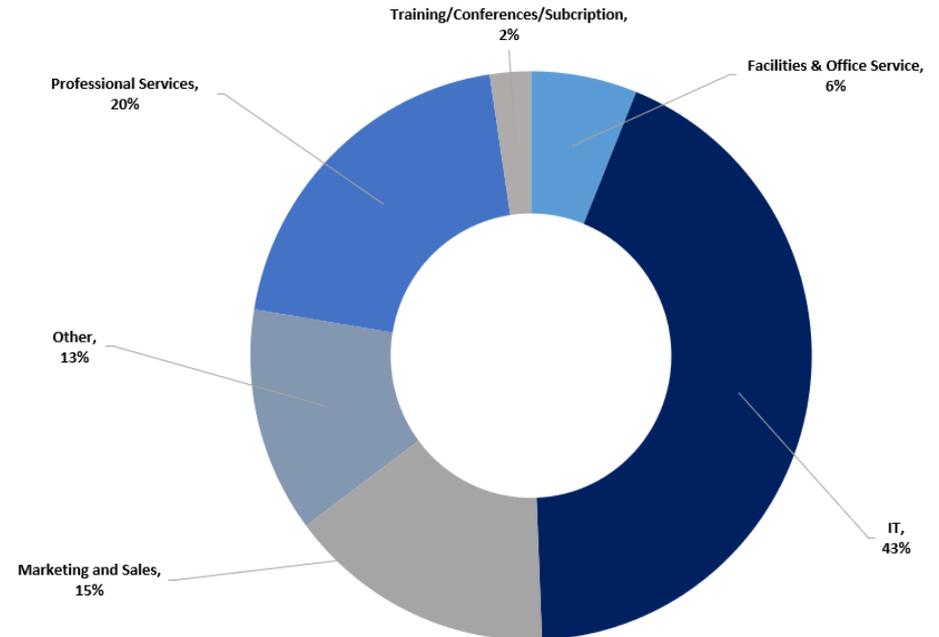
All of Navy Health's employees and operations are located in Australia, and is subject to Australia's workplace laws and requirements.

**100% of our operations
are based in Australia**



Supply chain

In our review of suppliers for FY21, Navy Health has identified 120 direct suppliers providing services (86%) and goods (14%). Spend is apportioned across key categories (see chart below).



All of Navy Health's suppliers are reputable suppliers, with the majority based in Australia. All procurements of suppliers are conducted in line with our Procurement Policy and associated business procedures.

Modern Slavery Risk

Assessment

In 2021, Navy Health undertook a risk assessment to identify the potential risk of modern slavery in our business operations and supply chains for the FY21.

Navy Health's risk assessment process involved looking at our operations and supply chains and adopting a risk based approach in identifying potential areas of modern slavery risk. The risk assessment methodology is based on considerations of industry practices and several key principles including the UN Guiding Principles on Business and Human Rights. The risk rating approach is consistent with Navy Health's Risk Management Strategy.

In assessing modern slavery risk within our supply chain, we analysed the risks associated with the geographical locations of suppliers, their sectors and industries and nature of products and services.

Findings

Navy Health's assessment identified no high risk or previous adverse association with modern slavery within its suppliers. There is a very small portion of our supply chain with a medium rated risk relating to the supply of computer and digital equipment. During FY21, there was no purchase of marketing and sales merchandise that would be otherwise assessed as medium risk of modern slavery exposure.

Our approach to risk management

The focus for FY21 was to understand and assess the modern slavery risks within Navy Health's operation and supply chain. Our risk management strategy is to adopt a multi-layer approach comprising:

- Governance (monitor and reporting)
- Policy and process
- Supply chain management
- Training and awareness

Navy Health have internal training and awareness program to support our efforts in managing modern slavery risk. Our Investment Policy includes Socially Responsible Investing principles. In addition, we have included modern slavery requirements in agreements with key suppliers.

Assessing our approach

In the first reporting year, Navy Health took a pragmatic approach to addressing modern slavery risk across our operations and suppliers. Navy Health will continue to enhance systems and processes to assess the effectiveness of its modern slavery risk management framework.

Next steps

Consistent with our ongoing strategy assessment of modern slavery risks in our supply chain, Navy Health will continue to improve its risk assessments, with a key focus on potential higher risk suppliers. In addition, we look to further enhance our ongoing monitoring and control environment for this risk. This includes adopting a risk based approach to undertaking supplier due diligence.

To find out more about Navy Health's approach to addressing modern slavery, contact: query@navyhealth.com.au



navyhealth.com.au

