



MODERN SLAVERY STATEMENT

2024

TUH Modern Slavery Act Annual Statement for the period ending 30 June 2024

The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.



Our Business

This statement is submitted on behalf of the reporting entity **Queensland Teachers' Union Health Fund Limited (TUH)** ACN 085 150 376, registered office Fortitude Valley, Queensland and all entities within the TUH group.

TUH is a not-for-profit entity operating a Private Health Insurance benefit fund under the provisions of the *Private Health Insurance Act 2007*. TUH provides private health insurance under the brands 'TUH' and 'Union Health'.

TUH was founded in 1972 as the Queensland Teachers' Union Health Society.

TUH also provides health related services at the Health Hub in Fortitude Valley, QLD, including dental and optical screening, testing and dispensary. Affiliated services offered at the Health Hub include, physiotherapy, remedial massage, podiatry and audiology.

A wholly owned subsidiary entity, TUH Health Care Services Pty Ltd, provides care coordination services for individuals suffering from chronic disease.

As an entity with consolidated revenue more than \$100m TUH was required to submit a modern slavery statement for the first time in 2020. This is our fifth annual reporting statement.



Structure

There has been no change to TUH structure as reported to date and remains as detailed below. The TUH group includes two wholly owned subsidiary entities:

- Union Health Pty Ltd (non-operating); and
- TUH Health Care Services Pty Ltd.

TUH issues private health insurance policies directly (including via online sales) and through brokers or arrangements with various unions.

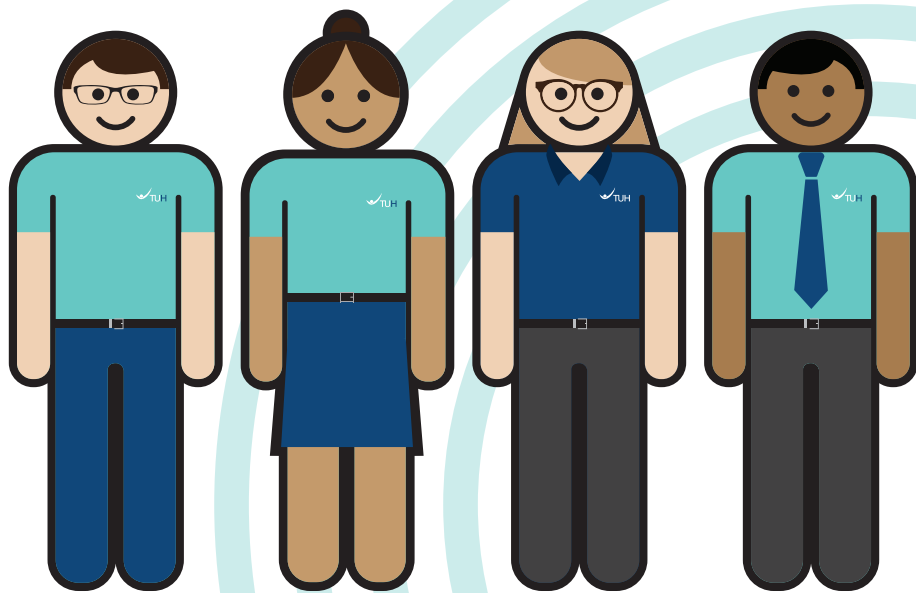
TUH directly employs all workers within the TUH group, including those that support our wholly owned subsidiary entities. The process of identification and management of modern slavery risks is centralised and consistent across all entities within the TUH group. TUH employs approximately 160 people, providing services to approximately 80,000 insured individuals across Australia. Our largest membership base is in our home-state of Queensland.

With TUH currently in discussions regarding a potential merger with another health fund, modern slavery will be an important component of our integration planning framework, ensuring that modern slavery risks are thoroughly addressed as part of the governance and operational alignment between the entities.

Operations

Activities undertaken by TUH to pursue our business objectives and strategy include:

- Direct employment of workers;
- Provision of private health insurance services (marketing, sales, membership administration, claims administration, contact centre, product design and pricing);
- Associated support services within our business, delivered to internal 'customers' such as claims auditing, finance support, information technology, human resources, risk and compliance, and facilities maintenance;
- Direct health care services – care coordination, dental and optometry services;
- Indirect health care services via co-located external providers – physiotherapy, audiology, podiatry and remedial massage;
- Referral to travel and pet insurance on behalf of other insurers;
- Property leasing (as an owner of leased commercial premises); and
- Sponsorship activities.



Supply Chains

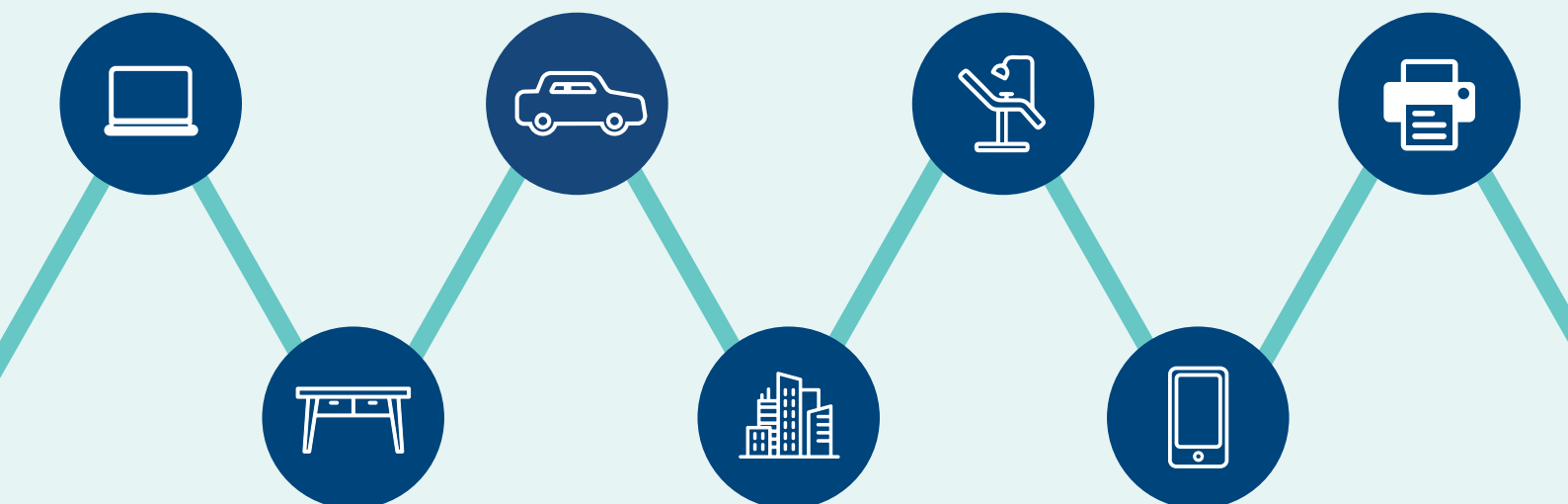
The products and services that contribute directly to TUH's operations include:

Services

- Mail house and postage
- Banking
- Data processing
- Professional services such as legal and taxation advice, actuarial services and internal and external audit
- Recruitment
- Health insurance sales brokerage
- Training and development
- Accreditation
- Archiving and off-site back-up/disaster recovery
- Marketing creative
- Website development
- Data analytics
- Hardware maintenance
- Consultancy services
- Generalised facilities management
- Software, including development and support
- Provider contracting – allied health/hospital/medical
- Financial investment via funds management
- Insurance brokerage and underwriting
- Employee assistance program
- Industry representation and advocacy
- Office and grounds cleaning and maintenance.
- Architecture and office fit-out
- Waste disposal
- Office security

Products

- Utilities – power, water, telecommunications
- Office supplies and consumables – stationery, cleaning supplies etc
- Office fit-out – furniture, kitchen appliances, air conditioners etc
- Technology – PCs, laptops, phones, printers etc
- Promotional/marketing collateral
- Uniforms
- Membership cards
- Catering
- Gift cards
- Medical disposables and consumables
- Medical equipment
- Dental and Optical retail products
- Subscriptions



TUH has a mix of stable longer-term relationships and short-term fee for service engagements with our suppliers. All services subject to contracted terms are managed within the TUH Risk and Compliance Management System. Other supply lines are managed via business unit procurement management and a centralised account payable function.

Most of our services suppliers and direct product distributors are based in Australia.

Product country of origin and secondary suppliers (providing goods/services to entities we directly contract with) is varied and in most cases, not immediately transparent. TUH recognises this as our most significant exposure point to modern slavery risks. With TUH's principal activity being the provision of Private Health Insurance, the extent of physical goods supply, where the risk is higher, is limited. TUH's highest risk rests within the supply chain associated with our Health Hub operation which involves procurement of medical supplies and consumables.

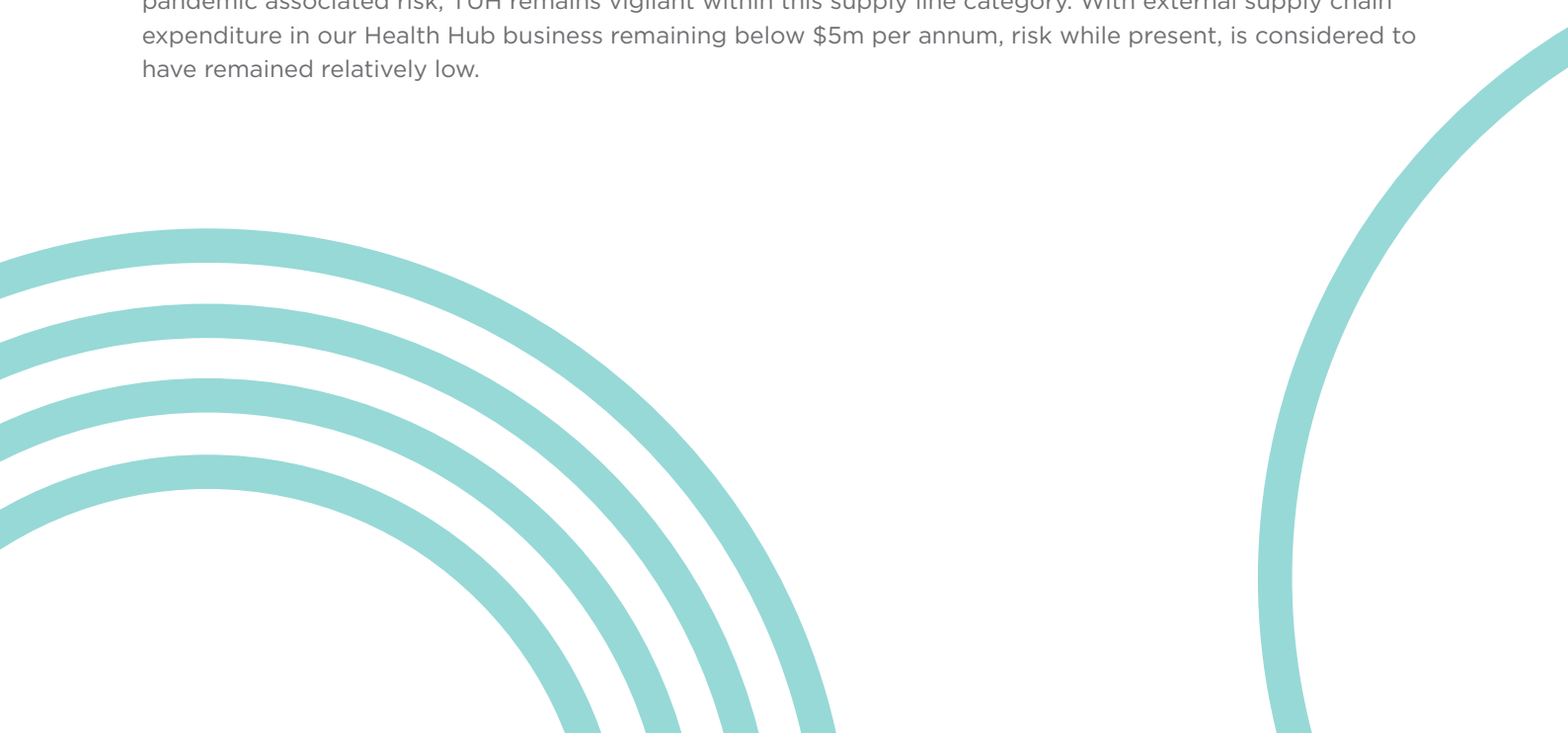
Modern Slavery Risks

TUH considers that there is a very low risk that our operations may directly result in modern slavery practices – this assessment is based on the nature of the service that we provide and the governance frameworks we have in place, for example, TUH operates under an approved enterprise agreement, has well defined values and codes of conduct, and maintains a strong grievance / whistleblowing procedure.

TUH have assessed the risks that our operations or actions in our supply chains may contribute to modern slavery. This is also considered to be a low risk. TUH has strong procurement practices that consider a range of factors in assessing prospective suppliers. Request for tender assessment mechanisms are not driven solely by cost minimisation but also consider factors such as competency and experience, reputation, strategic alignment and whether any conflict of interest may arise.

TUH considers that there is a risk that our operations, products or services may be connected to modern slavery through the activities or supply chains of our direct suppliers. In the context of procured services, the most significant risk areas are those where supply chains utilise lower-qualified workers such as cleaning/landscaping labour. Within procured product supply chains, the most significant risks for TUH are in the use of Tier-2 or lower component manufacturers in recognised high-risk industries such as manufacturing of garments, electronic goods, disposables, consumables and retail goods where minimising production costs may be a business priority. Suppliers to our optical products range being, in the main, major global entities some of which operate in countries classified as high risk, may also have exposure to modern slavery risk.

As a consumer of health-related goods and in particular, personal protective equipment TUH sources goods through Australian suppliers. While there has been some normalisation of supply and the de-escalation of pandemic associated risk, TUH remains vigilant within this supply line category. With external supply chain expenditure in our Health Hub business remaining below \$5m per annum, risk while present, is considered to have remained relatively low.



Assessing and addressing actual/potential modern slavery risks

In the period 1 July 2023 to 30 June 2024:

Due diligence activities

TUH continues to build on the recommendations from the internal audit conducted by Grant Thornton in 2022. All accepted recommendations are now integrated into our everyday processes.

During the 2023-2024 period, TUH has focused on integrating modern slavery risk management into everyday operations. Specific actions include:

- **Policy and Procedure Integration:** Our Responsible Purchasing Policy, Responsible Purchasing Procedure, and Modern Slavery Risk Assessment Procedure actively guide our procurement and supplier management activities.
- **Embedding in ESG Strategy:** Modern slavery management is embedded within our Environmental, Social, and Governance (ESG) Strategy, becoming part of routine operations.
- **Enhanced Due Diligence:** In the past year, we have implemented enhanced due diligence processes for supplier onboarding to minimise modern slavery risks.
- **Ongoing Risk Reassessment:** We continuously reassess modern slavery risks for all contracted providers to confirm that the risks remain low.
- **Supplier Communication:** We maintain ongoing communication with suppliers to convey TUH's expectations, including issuing our Supplier Guidelines.
- **Whistleblowing Policy Promotion:** The TUH Whistleblowing Policy is actively promoted as a confidential grievance mechanism for reporting any concerns related to modern slavery.
- **Staff Training:** We have developed and commenced training modules for staff with procurement responsibilities to further minimise risks during supplier engagement.

Remediation activities

In the upcoming year, TUH is committed to further strengthening our modern slavery risk management processes. Our planned initiatives focus on enhancing compliance, staff training, risk assessment, and supplier engagement to ensure that our procurement practices remain aligned with our ethical standards.

Key activities include:

- **Merger Integration:** With TUH currently in discussions regarding a potential merger with another health fund, modern slavery will be carefully considered as part of our integration planning framework.
- **Streamlined Responsible Purchasing:** We are developing and rolling out a technology-driven, user-friendly process for employees to submit responsible purchasing assessments. This initiative will simplify the process, ensuring procurement activities align with our risk management standards and enhance compliance.
- **Training and Awareness Programs:** We will monitor and enhance our existing training and awareness programs for staff involved in procurement, ensuring modern slavery risks are well understood and that proactive risk management practices are applied consistently across the organisation.
- **Internal Audit Review:** KPMG will review our modern slavery risk management processes as part of our broader Procurement Governance audit in 2025. This audit will assess the effectiveness of our procurement practices to identify areas for improvement in managing modern slavery risks.
- **Ongoing Dental Supplier Review:** We are continuing a comprehensive review of our dental suppliers to ensure their modern slavery risk assessments are current. This includes reassessing supplier risk profiles and engaging with suppliers to confirm ongoing compliance.
- **Non-Contracted Supplier Management:** We continue to work towards extending the modern slavery risk management framework to non-contracted suppliers, ensuring a broader risk coverage across all supply lines.

Assessing the effectiveness of our actions

TUH assess the effectiveness of our actions in relation to identifying, assessing and addressing the risks of modern slavery in the same way that we would assess the effectiveness of any other risk management activities under our Risk Appetite Statement and Risk Management Strategy. This framework includes:

- Residual risk assessments (likelihood and consequence as well as risk velocity) completed by risk owners on a regular basis.
- Operation of the 'three lines of responsibility (defence)' model of risk management
 - Control self-assessment undertaken by risk owners (first-line).
 - Control testing undertaken by the Risk and Compliance team (second-line)
 - Annual review of the risk management framework by Internal Audit (third-line).
- Quarterly and by exception risk reporting to our Board Risk Committee. Monitoring of key risk indicators, such as employee training completion rates, which remained at 100% during the 2023-2024 period.
- The proportion of total suppliers rated high-risk remains low, with only 1 high-risk supplier engaged during the 2023-2024 period, reflecting our commitment to minimising exposure to high-risk suppliers where possible.
- TUH has a designated Modern Slavery Risk register embedded within our Enterprise Risk Management system which serves to operationalise the management of Modern Slavery risk.

Consultation process

This Modern Slavery Statement has been prepared and submitted on behalf of the TUH group. The process of consultation involved engagement with all entities owned or controlled by TUH.

The statement was reviewed and authorised by the respective Board of each group entity after consultation and approval by the TUH Executive Management Team and the TUH Risk Committee of the Board. These consultations ensured that all relevant entities were aligned on the assessment and management of modern slavery risks, and that their operations and supply chains were thoroughly reviewed in accordance with the reporting requirements.

Looking ahead

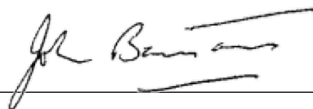
While TUH has successfully strengthened its modern slavery risk framework and management processes, capturing both new supplier onboarding and contract renewals through detailed assessments, TUH's current policies, values, and expectations continue to emphasise the importance of modern slavery compliance and ongoing risk assessment across all supply arrangements. TUH has maintained, and will continue to maintain, a low modern slavery risk exposure as we progress and enhance our assurance framework.



Rob Seljak

Chief Executive Officer Queensland Teachers' Union Health Fund Limited

Date:



John Battams

Chair Queensland Teachers' Union Health Fund Limited

Date:



Sarah Morris

Director TUH Health Care Services Pty Ltd
and Union health Pty Ltd

Date: