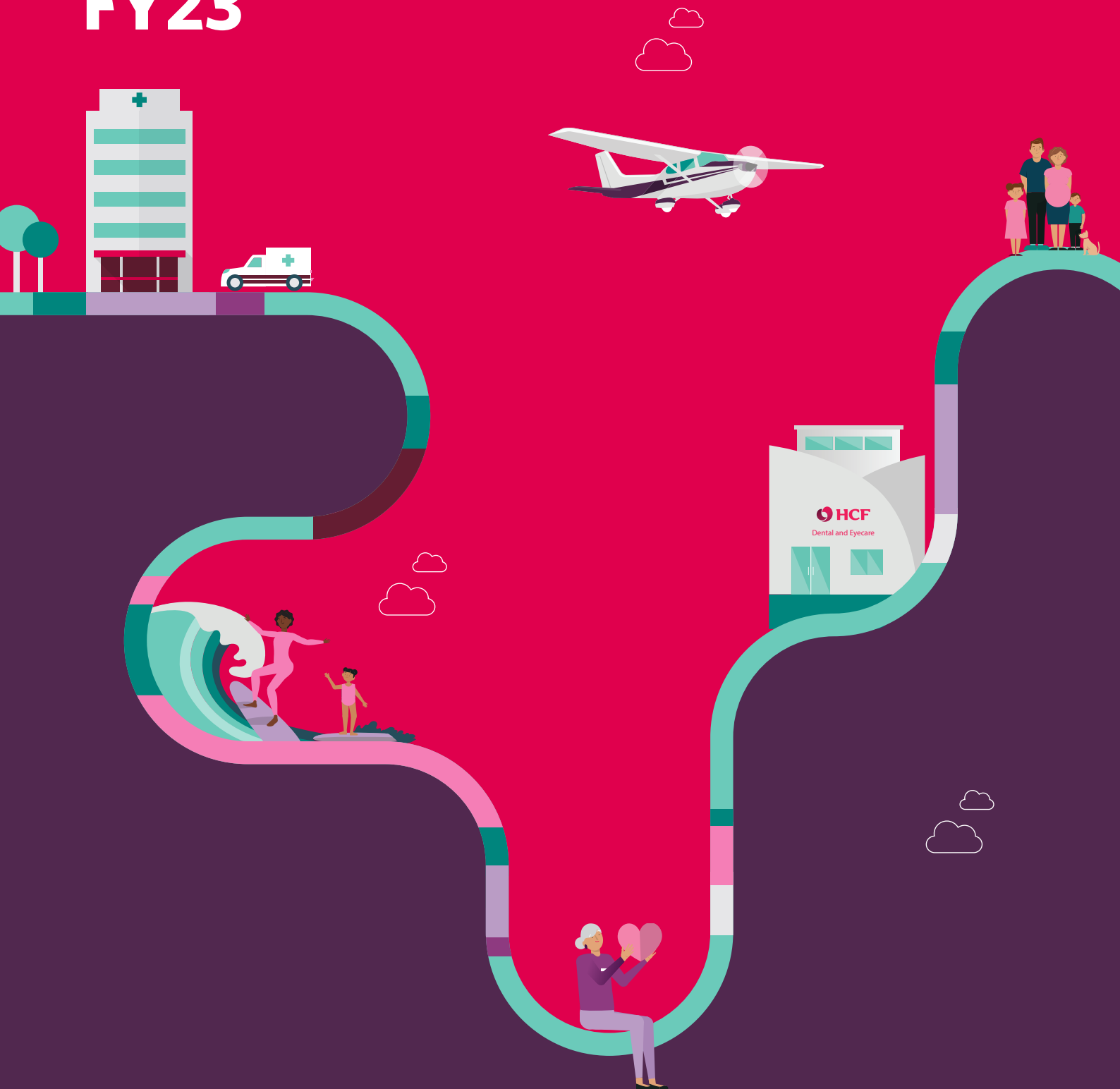


MODERN SLAVERY STATEMENT FY23



PURPOSE STATEMENT

This Modern Slavery Statement (Statement) is made on behalf of The Hospitals Contribution Fund of Australia Ltd ABN 68 000 026 746 of 403 George Street, Sydney NSW 2000 (HCF) pursuant to the Modern Slavery Act 2018 (Cth) (the Act). For the purposes of this Statement, "HCF Group" refers to HCF and each of its subsidiaries.

This Statement provides background information on HCF Group's businesses and sets out the actions taken by HCF Group to identify, assess and address modern slavery risks across our operations and supply chains in the financial year ending 30 June 2023 (FY23).

HCF is a reporting entity for the purposes of the Act and is the only reporting entity within the HCF Group. Consequently, the HCF Board approved this Statement on behalf of the HCF Group at its board meeting on 7 December 2023.



A handwritten signature in black ink, appearing to read 'Sheena Jack'.

Sheena Jack
Chief Executive Officer & Managing Director



ABOUT HCF

Since HCF began in 1932, we've grown to become the nation's largest not-for-profit health fund. Helping to protect the health and wellbeing of nearly 2 million Australians with health, life, travel, and pet insurance, HCF is focused on putting our money where our members are.

For over 90 years HCF has put our members and their health first, guided by our purpose to bring our human touch to healthcare. This is about bringing humanity to every part of the health care system that HCF connects with, in big ways and small.

HCF's 2025 Strategy charts an ambitious course to become a true health partner of choice in the future and builds upon our vision of making healthcare understandable, affordable, high-quality and member centric.

At HCF our values are the way we do things - they show up in how we come together as a team and work alongside our partners and communities to deliver the best possible experience for our members. We 'step forward' to identify and act on the risks associated with modern slavery and are committed to the humane treatment of everyone across our operations and supply chain.

As Australia's largest not-for-profit health fund, we're committed to positively impacting the health of our members, people, community, and the environment. We're focused on delivering real value for our stakeholders through improved health and social outcomes, while reducing our environmental impact.

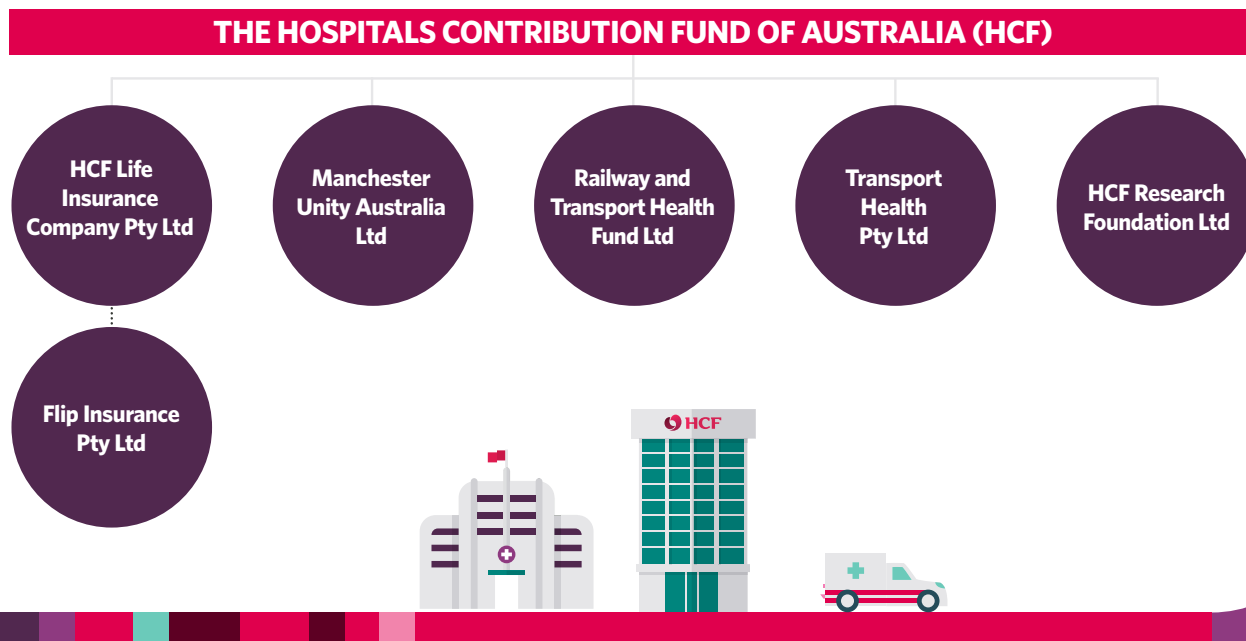
OUR COMMITMENT

HCF Group is committed to the fair and proper treatment of people in its operations and supply chains and we have taken steps to develop policy and processes to ensure we can identify, and address risks associated with modern slavery.



OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

HCF GROUP LEGAL STRUCTURE



HCF is registered as a public company limited by guarantee under the Corporations Act 2001 (Cth). It is also registered under the Private Health Insurance Act 2007 (Cth) and is Australia's largest not-for-profit health insurer.

OTHER HCF GROUP ENTITIES

HCF Life Insurance Company Pty Ltd (HCF Life) is a wholly owned subsidiary of HCF, providing life insurance to HCF members. HCF Life outsources several of its operational services to HCF under an outsourced services agreement. As a result, its operations and supply chain are integrated within HCF, and any actions set out in this Statement are also relevant to HCF Life. **Flip Insurance Pty Ltd (Flip)** is a wholly owned subsidiary and authorised representative of HCF Life. The key business activity of Flip is the sale and service of personal accident insurance products.

Manchester Unity Australia Ltd is a wholly owned subsidiary of HCF, which primarily owns property for use by HCF.

Railway & Transport Health Fund Ltd (RT health) is a registered public company limited by guarantee under the Corporations Act 2001 (Cth), with HCF being its sole member. On 1 November 2021 the RT private health insurance health benefits fund (and all its members) merged with the HCF private health insurance

health benefits fund. It was deregistered as a health fund in December 2022.

Transport Health Pty Ltd (Transport Health) is a wholly owned subsidiary of HCF. Effective from 1 January 2023, Transport Health private health insurance benefits fund (and all its members) merged with the HCF private health insurance benefits fund. The Transport Health private insurance benefits fund will be deregistered as a health fund in early 2023.

HCF Research Foundation Ltd is a public company limited by guarantee, with HCF being its sole member. HCF Research Foundation Ltd acts as the corporate trustee for the HCF Research Foundation (a charitable trust which sits outside HCF Group). The key business activity for the HCF Research Foundation trust is providing grants and support for research projects, for which there is minimal resource and cost to operate.

GOVERNANCE

HCF is committed to maintaining a high standard in its governance practices and seeks to:

- take a leadership role in reform impacting the industries in which it operates (supported by active participation in Government/Regulator relations and contributing to debates on such reforms); and
- integrate best-practice governance standards into its operations.

The governance practices across the HCF Group also comply with prudential standards applicable to HCF, HCF Life, and Transport Health as Australian Prudential Regulation Authority regulated entities. The HCF Board of Directors has overall responsibility for the corporate governance of the HCF Group. The HCF Board guides and monitors the business affairs of the HCF Group.

HCF's policy on corporate governance is to promote a culture, including appropriate values and behaviours, that underpins its everyday activities, that ensures transparency and accountability and that protects stakeholder interests. It includes a commitment to best-practice governance standards, which the HCF Board sees as fundamental to achieving its strategic objectives and the sustainability of HCF's businesses and performance.

1.9+

MILLION MEMBERS

45

BRANCH SITES

16

DENTAL CENTRES

8

EYECARE CENTRES

1,400

EMPLOYEES

95

SUPPLIERS

HCF GROUP OPERATIONS

HCF Group provides health and life insurance products to nearly 2 million members. HCF Group has a team of over 1,400 employees at locations across Australia. This includes its branch network (45 sites), dental centres (16 sites) and eyecare centres (8 sites), along with 3 corporate offices located in Sydney.

HCF Group's core operations are the sale and underwriting of health insurance products and the provision of all health-related services to members, including member claims management through our health provider network. Key products include hospital and extras policies to members in Australia, health insurance to overseas visitors and life insurance policies to existing HCF Group members, which are sold through several channels (including directly and through 3rd parties). In addition, HCF owned Flip provides on-demand health accident insurance products, focused on customers looking for coverage to suit their lifestyle. HCF Group also provides dental and optical services, through its national dental and eyecare operations.

HCF Group's Hospital, Medical and Ancillary Provider network is deemed to be part of HCF Operations for modern slavery reporting purposes. Any provider outside of the HCF Group's Hospital, Medical and Ancillary provider network, where HCF Group simply pays the provider benefits on behalf of its members, are deemed not to be part of HCF Group's operations or its supply chain and are therefore not reported on in this Statement.

HCF GROUP INVESTMENTS

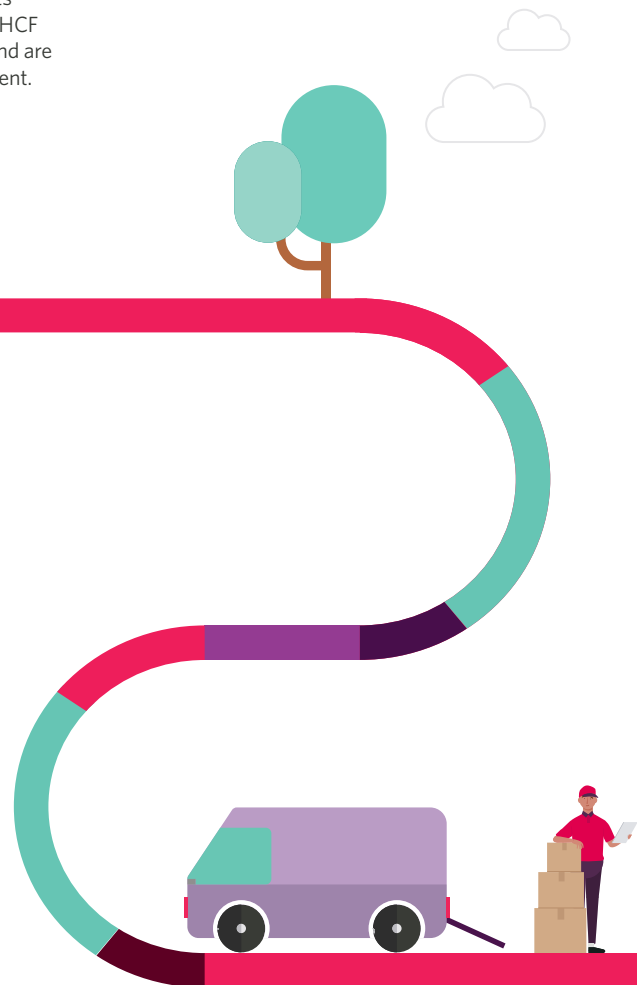
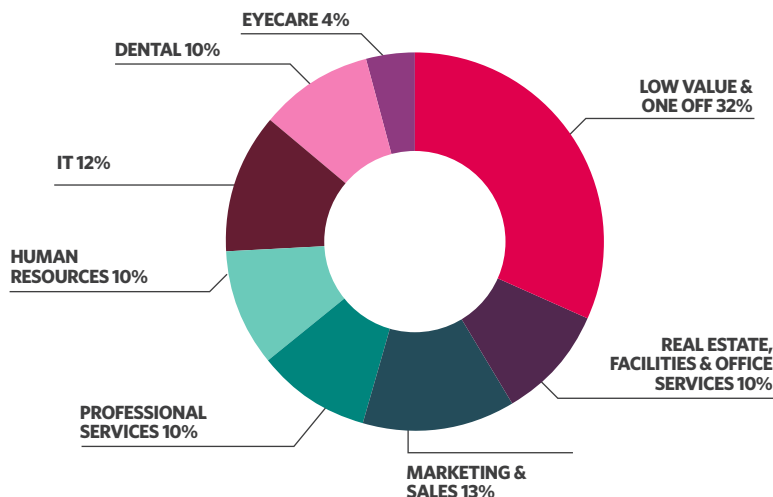
HCF Group investments are managed by an investment management supplier in line with the HCF Investment Policy and Strategy (approved by the HCF Board) which sets out the investment objectives, risk parameters and strategic asset allocation of HCF Group.

HCF GROUP SUPPLY CHAIN

HCF Group's supply chain is made up of ~950 Suppliers comprising of services (~85%) and goods (~15%). The majority of HCF Group's requirements are delivered by large, reputable suppliers with operations based in Australia, along with a moderate number of global suppliers with operations overseas. The majority of HCF Group's business is conducted in Australia including all services and goods received. All procurements are completed in line with HCF Group Procurement Policy and associated frameworks and procedures.



HCF'S VOLUME OF SUPPLIERS SPLIT BY PURCHASING CATEGORY



MODERN SLAVERY RISKS

HCF RISK MANAGEMENT

HCF Group recognises that risk is inherent in all aspects of its business and the ability to effectively identify and manage risks is critical for our members and the success of the company. HCF Group manages risk in line with a Board approved Risk Management Framework, Risk Appetite Statement and Risk Management Strategy.

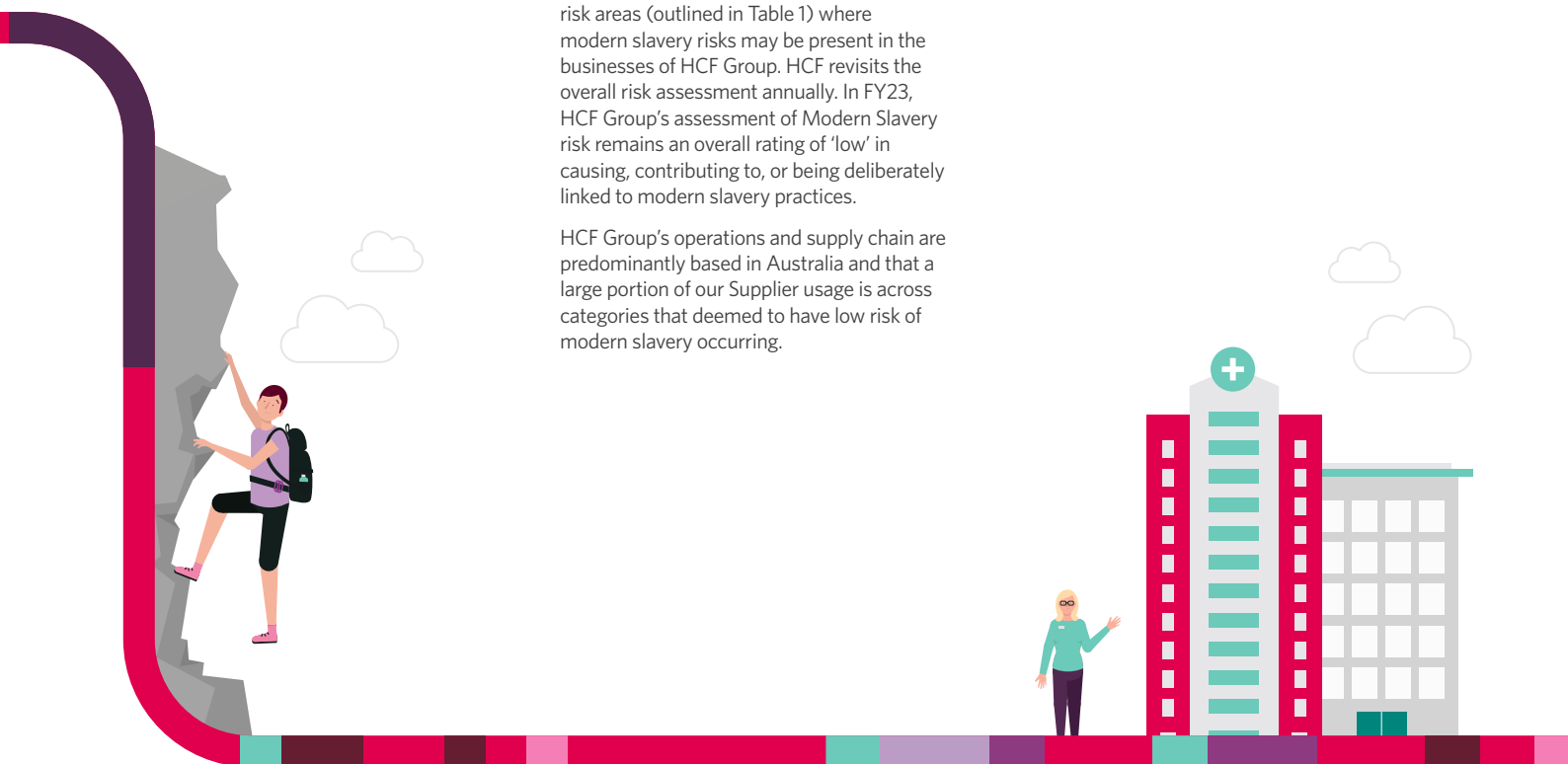
HCF MODERN SLAVERY RISK PROFILE

HCF Group takes a risk-based approach to assessing modern slavery risks. This approach considers our ability to influence and address these risks to ensure we focus resources to make the biggest difference. Our approach to assessing risk considers guidance from external experts, relevant external sources of information and internal and external assessment tools.

HCF Group has identified 5 potential risk areas (outlined in Table 1) where modern slavery risks may be present in the businesses of HCF Group. HCF revisits the overall risk assessment annually. In FY23, HCF Group's assessment of Modern Slavery risk remains an overall rating of 'low' in causing, contributing to, or being deliberately linked to modern slavery practices.

HCF Group's operations and supply chain are predominantly based in Australia and that a large portion of our Supplier usage is across categories that deemed to have low risk of modern slavery occurring.

HCF Group continues to assess our Suppliers rated as a high potential for modern slavery risks through our established supplier assessment process. Our assessment procedure is streamlined with the aid of a technology-driven platform, allowing us to classify our Suppliers based on varying degrees of inherent risk pertaining to modern slavery. HCF have no High risk rated Suppliers and there were no reported incidents of modern slavery within the supplier base in FY23.



RISK AREA	OVERALL RATING	SECTOR & INDUSTRY RISK	PRODUCT AND SERVICE RISK	GEOGRAPHY RISKS	ENTITY RISK
HCF Group Operations	Low	Low	Low	Low	Low
HCF Hospital and Medical Providers (1st tier)	Medium	High	Low	Low	NA
HCF Ancillary Providers	Low	Medium	Low	Low	NA
HCF Supply Chain	Medium	Low-Med	Low-Med	Low	NA
HCF Investments	Medium	Medium	Medium	Medium	NA

MODERN SLAVERY RISKS

The key risks facing HCF are within our suppliers and providers and the products and services they deliver are:

IT PERIPHERALS AND EQUIPMENT

The electronics industry often faces risks of forced labour and exploitation in the extraction of minerals (e.g., conflict minerals like tantalum, tin, tungsten, and gold) used in IT peripherals and equipment production.

Low-Tier Suppliers: Subcontractors and lower-tier suppliers within the IT supply chain may have less oversight and transparency, making them susceptible to labour exploitation.

NATURAL THERAPISTS

Low-Wage Labor: Natural therapist services frequently rely on low-wage and migrant labour, which can be vulnerable to exploitation and poor working conditions.

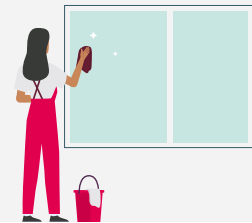
Small-Scale Producers: Many natural therapists source products from small-scale producers and artisanal suppliers, which can be at risk of labour exploitation due to limited oversight and resources.

CLEANING SERVICES (LOW SKILL LABOUR) & JANITORIAL PRODUCTS

Low-Wage Labor: Cleaning services frequently rely on low-wage and migrant labour, which can be vulnerable to exploitation and poor working conditions.

Subcontracting: Subcontracting within the cleaning industry can lead to a lack of visibility into labour practices further down the supply chain.

Use of Cleaning Chemicals: Suppliers of janitorial products may source raw materials that involve forced labour in their production, such as chemicals or palm oil.



DENTAL AND EYECARE PRODUCTS AND CONSUMABLES

Raw Material Sourcing: Dental and eyecare products often contain materials like metals and plastics, which may involve exploitative practices in the extraction of raw materials.

HOSPITAL AND MEDICAL PROVIDERS AND THEIR SUPPLY CHAINS

Low visibility over multi-tiered supply chains in a sector experiencing rapid growth, with dependency on regional, temporary, and migrant workers from Asia and Pacific Islands to fulfill workforce shortages.



ACTIONS COMPLETED TO ASSESS AND ADDRESS RISKS

HCF Group continues to drive actions to assess and address modern slavery risk. Below is an outline of what has been delivered.

POLICY & PROCESS

- The HCF Group Modern Slavery Policy, along with the HCF Group Whistleblower hotline have been in place for over 2 years and includes HCF's approach to managing modern slavery incidents.
- Modern slavery awareness training is mandatory for all HCF Group employees. In FY23, 100% of HCF Group employees completed the training.
- HCF Group has made enhancements to the technology platform service used to support supplier and provider assessments, remediation, monitoring and reporting to drive continuous improvements across the supplier base.
- Modern Slavery Risk forms part of the HCF Group Procurement sourcing framework and ongoing supplier management activities.
- HCF Group has established its overarching Sustainability Strategy, which incorporates modern slavery.

SUPPLY CHAIN

- 100% of HCF Group's Suppliers providing products or services directly to HCF Group have been assessed, where the Supplier has been identified to have a high potential for modern slavery risks, based on their sector and industry, geography or product and service.
- HCF Group has continued to update Supplier agreements where required with modern slavery clauses.

During FY23, HCF Group focused on Suppliers that would benefit with an uplift in their approach to addressing modern slavery risks. We did this through engaging with the relevant suppliers and providing them with guidance and recommendations on steps they could take. 50% of our Suppliers closed out their actions in FY23 and we continue to monitor the remaining Suppliers' progress.

CASE STUDY

HCF's modern slavery risk assessment process was utilised in a recent tender for a new uniform supplier. HCF completed an inherent risk assessment, then following the identification of potential risk, HCF required all shortlisted tender respondents to complete our standard Modern Slavery Questionnaire. The results of the assessment were included in the evaluation process and final selection decision. We have incorporated the appropriate obligations within the supplier contract and once onboarded, the supplier will be subject to regular reviews to ensure that they are delivering on performance and compliance with modern slavery standards.

INVESTMENTS

- HCF works closely with its investment management supplier, who focus their efforts to address modern slavery risks in the selection of its investment managers. HCF's investment management supplier includes a standard question in relation to modern slavery risk as part of their overall ESG due diligence process.
- HCF have implemented international investment restrictions applied to tobacco producers, controversial weapons and companies assessed to be breaching the United Nations Global Compact principles that represent responsible human rights, labour, environmental and anti-corruption practices.

HCF has continued to play an active role in the Private Health Association (PHA) Community of Interest (CoI) to align and develop a consistent approach to addressing modern slavery across the industry. HCF has driven the enhancements in the technology platform that in FY23 enabled Suppliers to demonstrate their improvements in approach to managing modern slavery risks.

OPERATIONS PROVIDERS

- Continued to engage our key Hospital provider groups and review their modern slavery statements to gain an understanding of how modern slavery is being assessed and addressed across the HCF Hospital provider network.
- Continued to insert modern slavery clauses in Hospital and Medical provider agreements.



ASSESSING THE EFFECTIVENESS OF OUR APPROACH

HCF Group recognise the need to continually mature our approach to addressing modern slavery. HCF have continued to make progress against the commitments made and develop plans that ensure as a business we continue to take positive steps in addressing modern slavery risk.

This statement is discussed, reviewed, and approved by the relevant Board Committee and Board which ensures that HCF are applying the appropriate level of governance over our approach to addressing modern slavery risks. There have been zero grievances raised internally and no incidents reported from our operations or supply chain relating to modern slavery.

HCF Group have put substantial effort in to systemising and advancing the assessment, monitoring and remediation of Suppliers. This has enabled HCF Group to accelerate the delivery of key assessments and actions to address modern slavery risk within the supply chain. The HCF Executive Audit, Risk and Compliance Committee has been appointed with overall responsibility to monitor and oversee all activities necessary to mitigate the risk of modern slavery practices in the organisation's operations and supply chains.

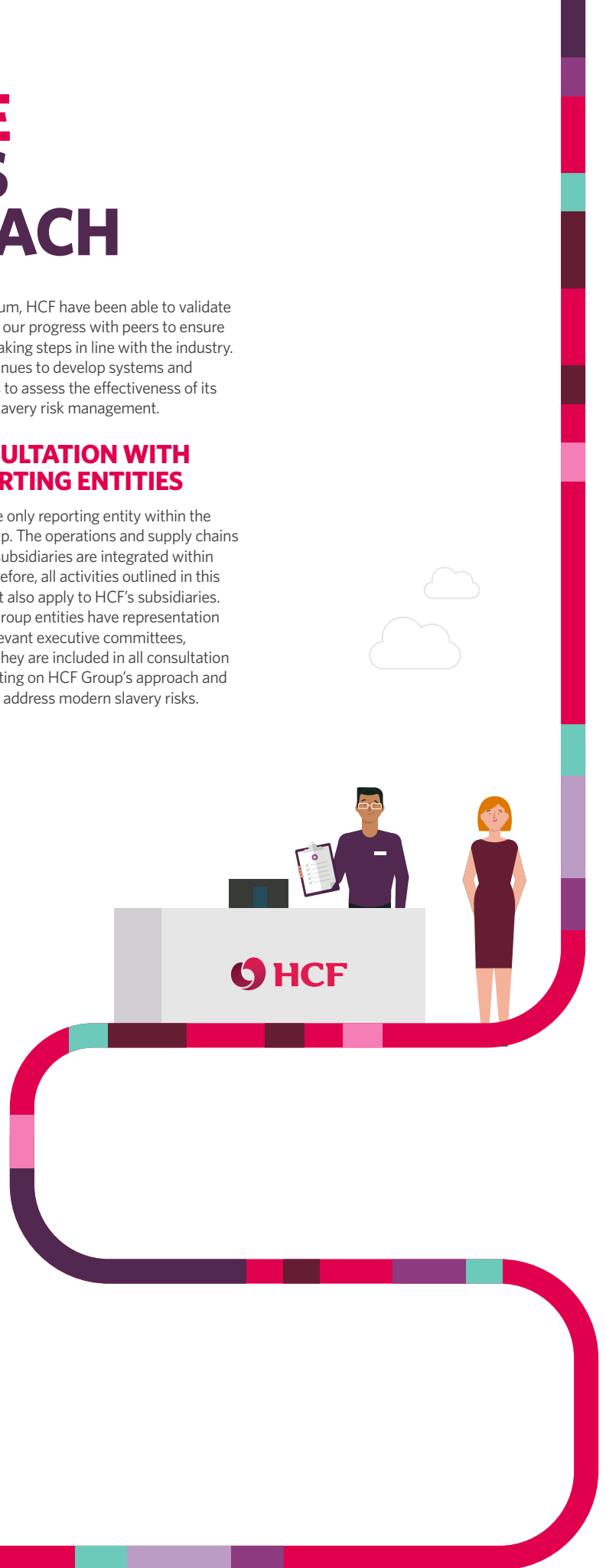
HCF Group track the completion of mandatory compliance training of employees to ensure the effectiveness of raising awareness and education on modern slavery across the business. HCF regularly reviews reporting from the Whistle-blower hotline, to date, no reports of modern slavery or potential risks of modern slavery have been reported.

The PHA Col provides a platform to implement best practices, share learnings and take a collective approach to influencing common suppliers for changes and improvements. As an active member

of this forum, HCF have been able to validate and share our progress with peers to ensure HCF are taking steps in line with the industry. HCF continues to develop systems and processes to assess the effectiveness of its modern slavery risk management.

CONSULTATION WITH REPORTING ENTITIES

HCF is the only reporting entity within the HCF Group. The operations and supply chains of HCF's subsidiaries are integrated within HCF. Therefore, all activities outlined in this Statement also apply to HCF's subsidiaries. All HCF Group entities have representation on the relevant executive committees, ensuring they are included in all consultation and reporting on HCF Group's approach and actions to address modern slavery risks.



LOOKING AHEAD

HCF Group is committed to delivering year on year improvements on its approach to addressing modern slavery risk.

Key priorities for reporting year FY23:

- Enhance employee awareness and knowledge on modern slavery through ongoing training, education, and engagement.
- Review and update HCF Group Modern Slavery Policy and supporting processes.
- Continue support of an ongoing industry-wide effort through the PHA CoI to ensure accountability of the suppliers and providers and alignment on the collective actions and remediations to effectively address modern slavery risks.
- Assess all new Suppliers for modern slavery risks and build strong relationships with Suppliers and maintain ongoing monitoring of their remediation action plans.
- Publish our Supplier Principles and roll out across the supplier base.
- Ongoing engagement with Hospital and Medical providers to foster collaborative efforts to improve transparency and identify areas for further due diligence.
- Develop strategies and planning to improve the effectiveness of HCF's approach to addressing modern slavery risk across Hospital, Medical and Ancillary providers. Continue to monitor progress of the HCF investment management supplier actions to address modern slavery.

DEFINITIONS

Supplier - means any third party that provides Goods and Services to the HCF Group.

Hospital providers - Hospital and Hospital groups providing medical and surgical services to patients, including HCF's members.

Medical providers - Australian-based specialist doctors, primarily surgeons. HCF Group engages and manages these providers as the need arises.

Ancillary providers - Professions including dentists, optometrists, physiotherapists, and chiropractors, as well as natural therapists, Chinese medicine practitioners and remedial massage therapists.

To find out more about our approach to addressing modern slavery, contact:

@ HCF_Purchasement@hcf.com.au



