

2023

Modern Slavery  
Statement.



This joint statement covers the activities of nib holdings limited (ACN 125 633 856) and its controlled entities (“nib Group”) including the reporting entity, nib health funds limited (ACN 000 124 381), during the year ended 30 June 2023 (FY23). For the purposes of this statement, references to “nib” or “Group” include all these entities.

This joint statement is issued by nib Group and sets out the actions taken to understand the risks of and implement actions to address and mitigate modern slavery and human trafficking across our operations, supply chain and investments.

## Acknowledgement of Indigenous Peoples

nib operates and supports employees, members, travellers and participants from all corners of the world. Our organisation acknowledges and respects the custodianship that Indigenous and First Nations peoples have over their lands and waterways.

nib acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and pays respect to Elders past and present across all the lands on which we operate.

# Message from the Chairman

I'm pleased to present nib's fourth Modern Slavery Statement which details the outcomes of the range of initiatives implemented during the financial year 2023 (FY23) to reduce human rights harm both within our operations and supply chain.

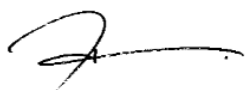
We believe we have a responsibility to protect the human rights of our people; our members, travellers and participants; those in our supply chain; and our wider community. That's why we've set high ethical business standards that not only abide by the law but also human decency.

A great example of this in action during the year is the work of our management teams to respond with a people first approach to reported issues of visa fraud and possible student and worker exploitation in Australia. I'm proud of the dedication of our people to support those that were at potential risk and it's a testament to the strength of the procedures we have in place to identify and address human rights harm (you'll find more information on this in our case study on page 15 of the statement).

Throughout FY23 we've maintained our focus on collaboration to drive change. We continued to work closely with our suppliers to assess and address modern slavery risk within our supply chain, championed industry consortiums to share learnings and create collective impact; and participated in a range of civil society and government events to increase our knowledge and understanding of best practice.

In the year ahead, we'll seek to further mature and embed our modern slavery response throughout our operations, particularly our new nib Thrive business, as well as our supply chain and investments.

This joint statement was approved by the Board of nib holdings limited in its capacity as the principal governing body for nib holdings limited and as the parent company in the nib Group on 21 November 2023.



**David Gordon**  
Chairman

This statement is signed by David Gordon in his role as the Chairman of the Board of nib holdings limited on 21 November 2023.

## Key milestones for FY23

- Enacted nib's Modern Slavery Incident Management Protocol to respond to reported issues of visa fraud and possible student and worker exploitation in Australia.
- Implemented a detailed due diligence process for assessing modern slavery risk in offshore business process outsourcing arrangements as part of our expansion into the NDIS plan management sector under the nib Thrive business.
- On-boarded new nib Thrive suppliers and integrated them into nib's modern slavery risk assessment process, including issuing all such suppliers with supplier assessment questionnaires.
- Maintained leadership of the private health insurance industry (PHI) Modern Slavery Community of Interest.
- Delivered an educational webinar to suppliers on tackling modern slavery in Australia as part of the PHI Modern Slavery Community of Interest.
- Increased automation and frequency of supplier assessment questionnaires and continuous improvement plans.
- Continued to screen our investment portfolio for modern slavery risks.



Leadership &  
Governance



People, Culture &  
Employment

Two of our nib Group sustainability pillars directly relate to our protection of human rights.

Our Leadership & Governance pillar highlights that we understand the risks associated with our business operations and the potential consequences for our stakeholders in failing to manage these risks. We demonstrate leadership by supporting not only our employees but also our suppliers to mitigate human rights risks within their operations.

While our People, Culture & Employment pillar reinforces our belief in the importance of investment in employment, as well as the leadership role we play in encouraging inclusion and equal opportunity.

Our focus aligns with the United Nation's Sustainable Development Goal 8 - Decent Work and Economic Growth.

# Our business<sup>1</sup>

nib Group is a trusted international health partner, empowering our members, participants and travellers to make better decisions and improve health outcomes through greater accessibility to affordable health services and information.

We are the health and medical insurer of choice for 1.6 million Australian and New Zealand residents, as well as more than 200,000 international students and workers in Australia. We also offer life and living insurance in New Zealand.

In addition, we are one of Australia’s largest travel insurers and global distributor of travel insurance through our business, nib Travel, providing financial protection and assurance to travellers wherever they are in the world.

During the year we continued to expand our entry into the Australian National Disability Insurance Scheme (NDIS) and support around 27,000 participants through our NDIS business, nib Thrive. This business has a vision to help people living with disability to overcome their challenges, achieve their goals and improve their quality of life<sup>2</sup>.

Further we support the better health and wellbeing of our members, their families and communities through our partnerships with companies that provide support programs to keep people healthy, get them back to work sooner after injury, and stop them being re-admitted to hospital after a major heart health event.

In addition, nib foundation, partners with charities across Australia and New Zealand that share our aspirations to help people and communities achieve better health and wellbeing. Since its inception, our foundation has committed over \$31.5 million in funding to over 198 partners.

## Our structure

nib holdings limited (the parent company in the nib Group) is an Australian public company listed on the Australian Stock Exchange (ASX: NHF).

This joint statement applies to nib holdings limited and its controlled entities (including nib health funds limited who is required to report under the *Modern Slavery Act 2018* (Cth)). The nib Group is comprised of a number of entities, details can be found on page 122 of nib Group’s 2023 Annual Report.

### Australian residents health insurance (arhi)

Our health insurance business offers personal and corporate health and medical insurance.

### nib New Zealand (nib nz)

Our New Zealand business offers health and medical insurance, life insurance and overseas workers and student insurance.

### International inbound health insurance (iihi)

Our Australian International inbound health insurance offers visa compliant health insurance for overseas student and workers.

### nib Travel

Our travel business offers domestic and international travel cover.

### nib Thrive

nib Thrive is nib’s NDIS business.

## Brands



## Investments

nib’s investment portfolio consists of several different asset classes with the majority held in defensive investments.

## Joint ventures and interests in associates

nib holds strategic investments in other companies to complement the Group’s health insurance business or which use the Group’s knowledge or expertise in health insurance.

1. Information and figures provided as at 30 June 2023.

2. nib’s activities in relation to the NDIS will form part of nib’s operations in future reporting periods.

## Consultation with reporting entities

We have a Group-wide approach to managing modern slavery risk within our business, supply chain and investments.

Our Group governance approach promotes ongoing consultation with each nib Group entity on human rights due diligence, the results of which are reported annually in these statements. These entities are directly accountable to the Group CEO and the nib holdings limited Board.

In the development of this collaborative statement, we've actively engaged our Group entities. This consultation process has been facilitated through:

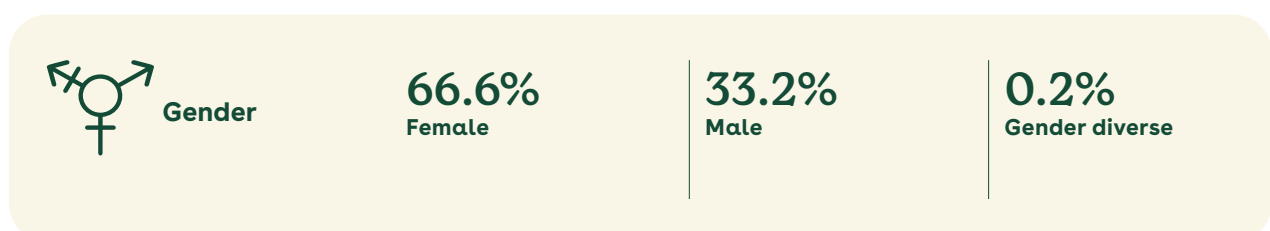
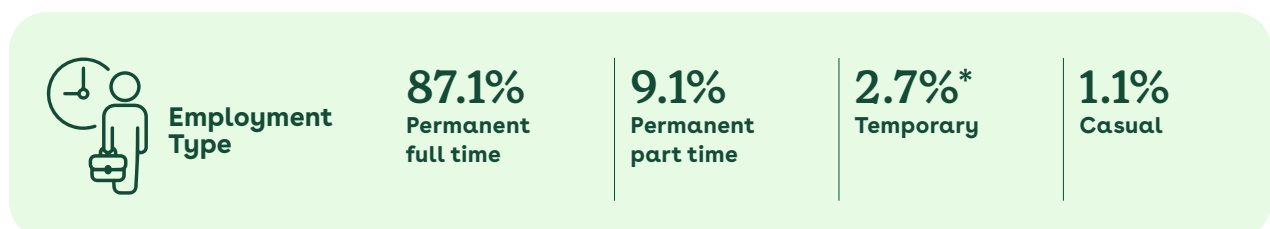
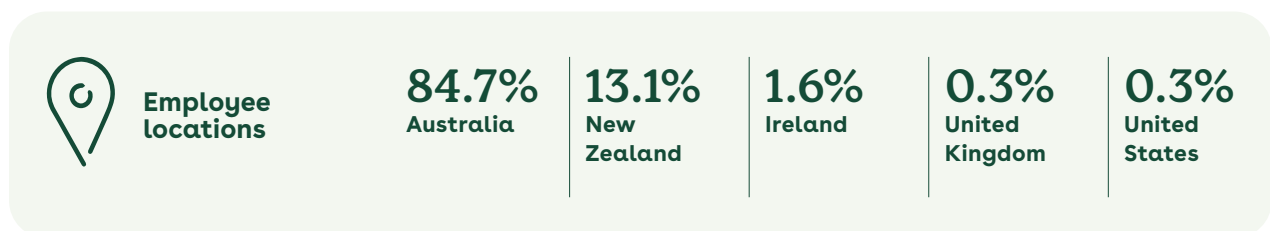
- each entity in the nib Group being provided an opportunity to contribute prior to submission of this joint statement through our group Management Sustainability Committee;
- common Board members sitting on each of the respective entity Boards;
- regular modern slavery working group meetings that include representatives from all entities;
- key business units, such as Strategic Procurement act as a Group function, taking responsibility for our modern slavery response across all entities withing the Group; and
- policies, procedures and practices (including our *Guide to Modern Slavery*), which are applicable to all entities within the nib Group.

## Our workforce

nib's core operations are located in Australia and New Zealand, however, we have operations in five other international locations. We directly employ 1,888 people and have a small percentage of our workforce as contractors via outsourcing arrangements (see below table for further nib employee data).

nib's international student health insurance business engages a small number of contractors in China and India via a third-party labour hire arrangement. We also have several business process outsourcing arrangements. One such arrangement is with Acquire Asia Pacific Inc under which a number of administrative functions in our health insurance and nib Travel businesses are performed in the Philippines. It's worth noting however that our relationship with Acquire Asia Pacific Inc is being wound down and will come to an end during financial year 2024.

nib's entry into the NDIS sector through the acquisition of several plan management businesses also expanded our business process outsourcing arrangements. In February 2023, we completed the acquisition of Peak Plan Management, which had in place a business process outsourcing arrangement with an affiliated organisation in Bangladesh. We are continuing to operate this outsourcing arrangement while we integrate and evaluate the operations of Peak Plan Management and our broader nib Thrive business.



\*Minor adjustment to account for rounding.

## Our supply chain

We work with approximately 4,500<sup>3</sup> suppliers in our direct supply chain with the majority either distributing our products and services or providing our customers with access to world class healthcare.

Due to the long and complex supply chains associated with the insurance and healthcare industries, as well as the types of products manufactured to support these industries, we recognise there is an increased potential risk of modern slavery occurring within our supply chain.

The structure and size of our suppliers vary significantly from large multi-national companies through to family run, local businesses that we may engage on a smaller scale. In addition, the workforce composition of our supply chain is extremely diverse. As a result, our engagement with suppliers reflects the scale of their business and employee base.

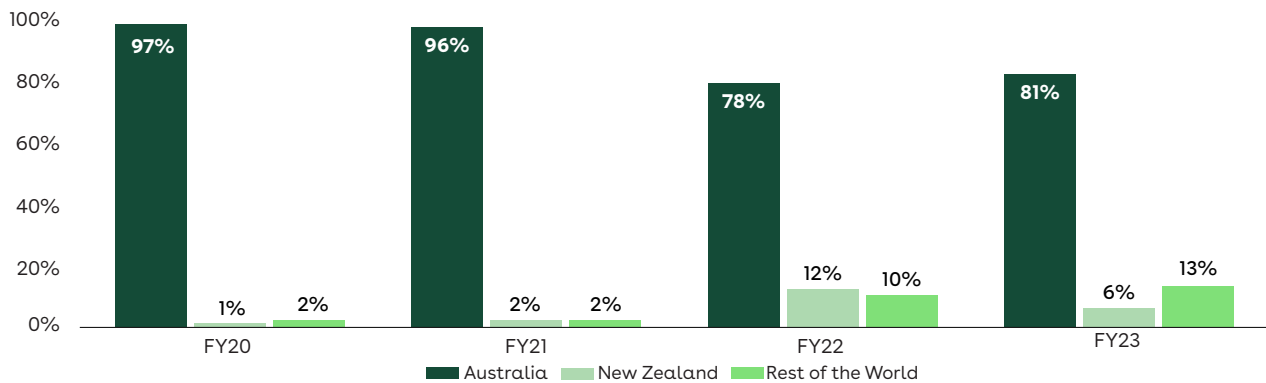
Our current modern slavery response focuses on tier one suppliers who:

- we have a direct, ongoing contractual arrangement with;
- is directly linked to our business operations and is core to our services; and
- we have influence over pricing, services and business practices.

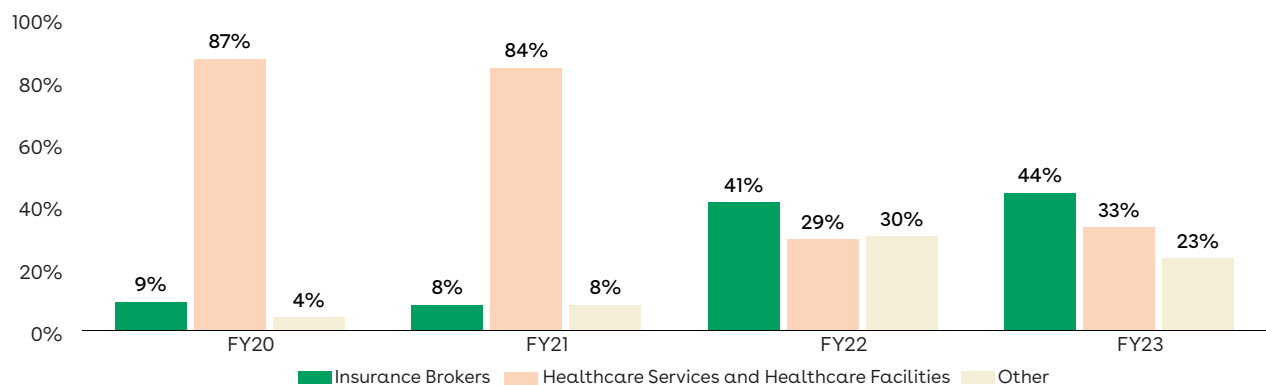
We believe this aligns with the intent of the United Nations Guiding Principles on Business and Human Rights and the *Modern Slavery Act 2018* (Cth).

However, we recognise that there are a large number of suppliers beyond this first tier that support our direct suppliers to deliver upon their contractual commitments or services. In the year ahead we will look to better understand these sub-tier groups so we can begin assessing our modern slavery risks deeper within our supply chain.

## Supplier location<sup>4,5</sup>



## Major category of procurement<sup>3,4,6</sup>



We understand cash flow is important to small businesses and supporting good cash flow reduces the risk of poor labour practices. We comply with the Payment Times Reporting Scheme in Australia, including disclosing our payment terms and times, and confirm that 99% of Australian small business invoices were paid within 30 days of receipt in FY23.

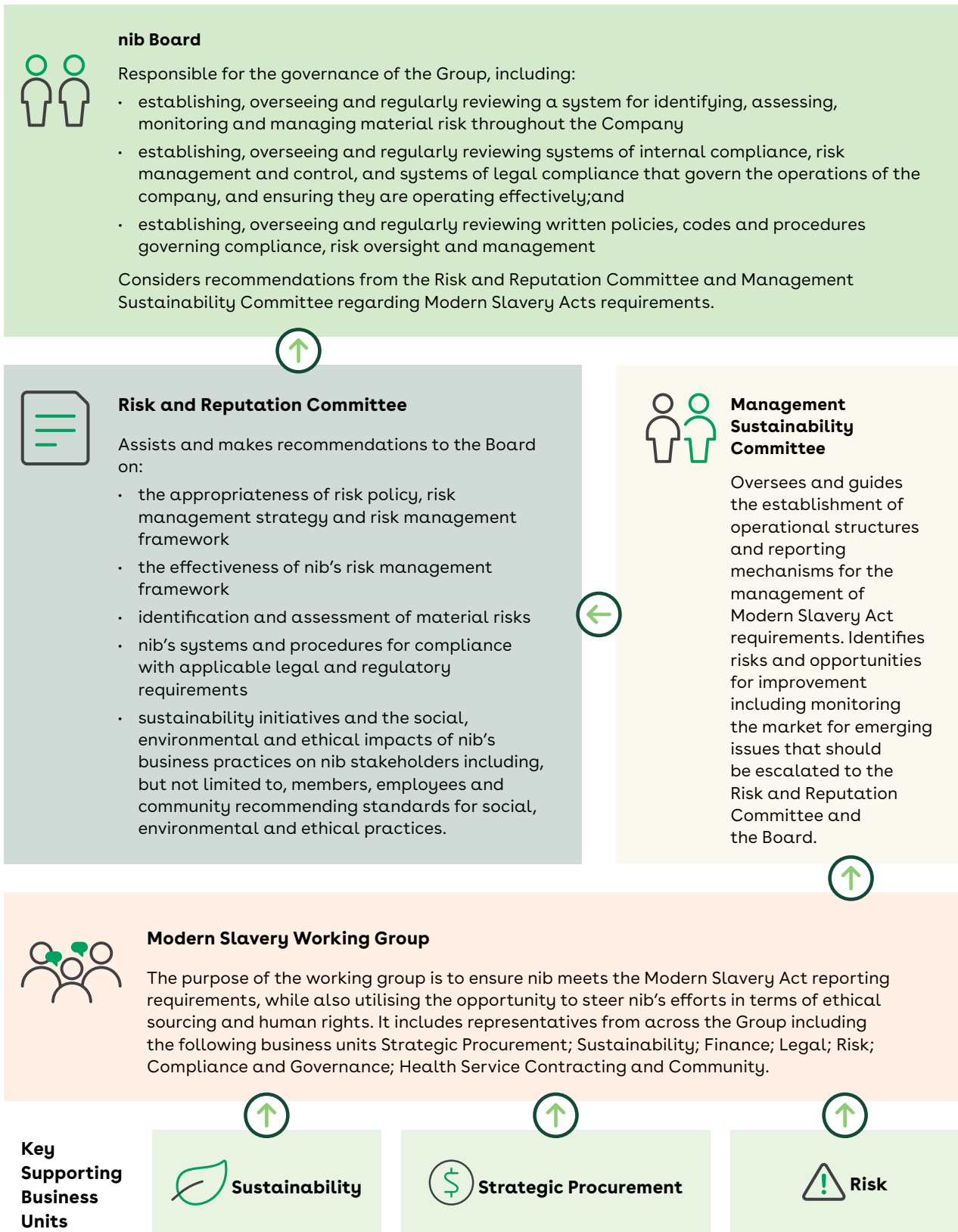
3. The number of suppliers within our direct supply chain has decreased from FY22 due to the removal of suppliers that nib no longer has a relationship with or do not meet our definition of a supplier for modern slavery compliance purposes.

4. In FY22, nib revised our definition of a supplier which resulted in a significant reduction in the number of suppliers within our supply chain (~25,000 suppliers). This has impacted trend data from FY22.

5. Figures based on number of suppliers.

6. Category based on Global Industry Classification Standard (GICS).

# Our human rights governance structure



We recognise there is a relationship between modern slavery, bribery, corruption and other crimes. We are committed to achieving and demonstrating the highest standards of corporate governance and ensuring compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Our corporate governance commitments are outlined on our website.

# Identifying modern slavery risks

Our approach to assessing modern slavery risk in our operations and supply chain is focused on considering risks to people recognising that there are a number of both external and internal factors that will shift our risk profile.

Internal factors include expansion of our business into new products and services, developing new supplier partnerships and changes in location for both our own operations and suppliers. External influences include supply chain disruptions, inflation and cost of living pressures. All of which can increase the likelihood of a variety of modern slavery risks.

During FY23, we continued to improve our modern slavery assessment processes through increased levels of automation and a focus on supplier response improvement.





## UN Guiding Principles on Business and Human Rights

We utilise the United Guiding Principles on Business and Human Rights (UNGPs) to support our understanding and assessment of modern slavery risks within our operations and supply chain.

### Cause

A business may cause modern slavery or other human rights harm where its actions directly result in modern slavery occurring.

We may cause modern slavery harm in limited circumstances. For example, our use of contractors through outsourcing arrangements in international countries.

To protect against this, we have a series of controls in place to ensure fair and consistent working conditions and terms for these contractors.

In addition, through our own assessment of our operations we have determined that our inherent risk of modern slavery to be low, although we remain vigilant in monitoring this risk (see page 9 for further commentary on assessing our operations).

### Contribute

A business may contribute to modern slavery or other human rights harm where its actions or omissions facilitate or incentivise modern slavery.

We may contribute to modern slavery harm through our contractual requirements of suppliers including time and cost pressures.

To mitigate this risk, our procurement governance framework and policy prescribes the use of both qualitative and quantitative methods to assess value.

### Directly linked

A business may be directly linked to modern slavery through its services, products or operations.

This includes situations where modern slavery may occur in the businesses' extended supply chain.

We may be directly linked to modern slavery risk through our supply chain and business partnerships.

For example, a healthcare provider may utilise products in the treatment of our members that were manufactured using forced labour.

Our statement outlines how we assess and mitigate these risks including engaging with suppliers to influence behaviour.

## Risks within our supply chain and operations

We understand that modern slavery risk exists within all organisations' supply chains. However, our assessment of our own operations and supply chain shows that less than 1% of our suppliers have a high inherent risk rating.

### Inherent supplier risk<sup>7,8</sup>

Risk Level	FY20	FY21	FY22	FY23
Very high	0.1%	0.01%	0.0%	0.0%
High	0.1%	0.08%	1.0%	0.5%
Medium	90.6%	90.71%	49.0%	16.5%
Low	2.4%	2.75%	21.0%	83.0%
Very low	7.0%	6.34%	29.0%	0.0%

### Highest inherent risk areas

Our FY23 assessment has identified that suppliers from the following countries and industries (based on Global Industry Classification System) have the highest inherent risk of modern slavery within our supply chain<sup>9</sup>.

Country	Industry	Modern Slavery Risks	Our relationship to the risk
Cambodia	Insurance Brokers	Labour Risks: servitude, bondage and forced labour	Directly linked
Kenya	Insurance Brokers	Labour Risks: servitude, bondage and forced labour	Directly linked
Laos	Insurance Brokers, Education Services	Labour Risks: servitude, bondage and forced labour	Directly linked
Philippines	Insurance Brokers, Education Services, Human Resources & Employment Services, Advertising	Labour Risks: servitude, bondage and forced labour	Cause Directly linked

7. In FY22, nib revised our definition of a supplier which resulted in a significant reduction in the number of suppliers within our supply chain (~25,000 suppliers). This has impacted trend data from FY22.

8. Very low removed as a category for inherent risk rating in FY23 in our initial risk assessment online tool.

9. Countries shown are where more than one nib supplier is located. nib's high inherent risk areas changed during FY23 due to a change in nib's international supply chain which included the exit of a number of supplier relationships in countries identified in our FY22 statement.

## Outsourcing and labour hire arrangements



### Case study

nib engages a small number of contractors in China and India via a third-party labour hire arrangement. We remain cognizant of the inherent risks of labour arrangements in these countries however, we maintain a series of controls to ensure fair and consistent working conditions and terms for these contractors. These controls require any contractors under third party labour hire arrangements be subject to nib employment practices that are consistent with nib Group employment policies and give nib an opportunity to annually review employment contracts. In addition, they must undertake salary and performance reviews in a manner consistent with Group practices and regular team engagement activities and meetings.

Similarly, with respect to our business process outsourcing arrangement with Acquire Asia Pacific Inc in the Philippines, we maintain a very close business relationship with Acquire to ensure working conditions for the relevant employees are fair and free of exploitation.

Prior to acquiring Peak Plan Management in February 2023, nib undertook detailed due diligence on the business, including a separate and focussed exercise with respect to an affiliated outsourced claims processing function that Peak Plan Management had established in Bangladesh. The due diligence on the offshore outsourcing arrangement included appointing a law firm in

Bangladesh to facilitate a detailed review of the outsourced operations, including a review of the working arrangements for employees, and compliance with Bangladeshi employment, work, health & safety and office space requirements.

This showed that working arrangements for employees in Bangladesh met the local statutory requirements, with no evidence of modern slavery or other human rights concerns. This finding was validated by a post-acquisition visit by nib Thrive's Chief Executive to inspect the outsourced operations and meet with employees.

A number of employment and regulatory discrepancies that were identified have since been rectified as part of nib acquiring the Peak Plan Management business. Broadly, the detailed review of the Bangladeshi operations has resulted in an uplift in regulatory compliance for the affiliated outsourced operations in Bangladesh.

We have also continued to expand our nib Thrive business following the FY23 reporting period, including through the acquisition of a plan management business with outsourced back-office functions in the Philippines and India. We followed a similar due diligence process for these operations, with no evidence of modern slavery or human rights concerns identified.

## Our operations

We've also assessed the inherent and residual risk of modern slavery within our own operations, including the outsourcing arrangements of our new business nib Thrive which we acquired during the period.

The assessment showed nib has a low inherent risk rating based on core country and industry sector (Financials GICS code). Further due diligence through the completion of our own supplier assessment questionnaire resulted in a moderate residual risk rating demonstrating our efforts to protect human rights as highlighted in this statement.

For our outsourcing arrangements, their initial risk rating was high however, reduced to medium following additional assessment through our supplier assessment questionnaire.

As a supplier ourselves we were also asked to participate in a number of supplier assessments with our upstream suppliers during the year. We've not received any request for remediation plans or improvements to our human rights efforts as a result of these assessments.

# Risk in investments

We've continued to assess our investment portfolio for modern slavery risk in recognition of our possible contribution to human rights harm through the companies we invest in.

Our Responsible Investment Policy highlights our responsible approach to investing, including our engagement priority of reducing human rights abuses (including modern slavery) and labour rights abuses.

The policy is adopted by each of our appointed investment managers (Mercer in Australia, Nikko AM in New Zealand and Macquarie for nib foundation) who are also working to protect human rights.

Mercer's Sustainable Investment Policy outlines its screening activity, which includes human rights high severity flags against the UN Global Compact principles, while their Investment Approach to Modern Slavery reflects their commitment to assessing and seeking to address modern slavery risk in its investment process. In FY23, there were no high severity modern slavery flags identified.

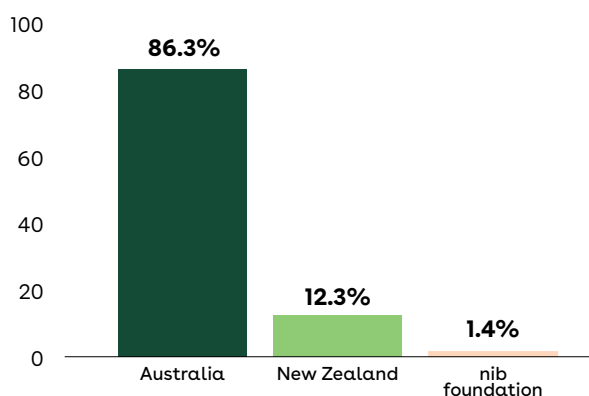
Nikko AM has this year completed multiple training sessions with employees in particular investment teams to build their awareness of modern slavery risk. In addition, their investment team has a policy of enquiring regarding modern slavery policies and supply chain assessments in industries and business they expect have higher modern slavery risk. They also continue to operate their Freedom

Fund, which gives investors the chance to use their dormant capital to help protect people's lives through Tearfund, a charity with an end-to-end response to human trafficking that works with partners in five of the world's poorest nations.

nib foundation's investment managers, Macquarie, outlines its commitment to protecting human rights including modern slavery risk in their 2023 Modern Slavery Act Transparency Statement.

Each of our investment managers also maintained their commitment to the United Nations Principles for Responsible Investment which include guidelines for undertaking human rights due diligence.

## FY23 Invested Funds



# Actions to assess and address risk

Our actions to assess and address the risk of modern slavery and human rights harms continued to mature during the period. At the heart of these efforts, remains collaboration with our suppliers, partners and investment managers.

A key focus was the refinement of our process for issuing supplier assessment questionnaires and continuous improvement plans. All new suppliers are now issued with a supplier assessment questionnaire as part of nib's onboarding process so that details of a supplier's operations as it relates to modern slavery are known early in the supply relationship. This creates better and earlier opportunities for engagement, and allows us to work with the supplier on any items identified in a continuous improvement plan immediately.

We also continued to assess existing suppliers with high and medium inherent risk ratings by issuing supplier assessment questionnaires and continuous improvement plans where issues were identified.

Throughout FY23, nib issued almost 1,300 supplier assessment questionnaires and 100 continuous improvement plans. However, to date we've had

challenges with supplier responses, with only 12% of suppliers issued a supplier assessment questionnaire responding. The response rate for continuous improvement plans is slightly higher at 32%. We acknowledge there are opportunities to improve engagement of our suppliers with our risk assessment process, which is a key focus for the coming year.

We continued to screen our investment portfolio through our investment managers applying nib's Responsible Investment Policy, by excluding investments in gambling, tobacco, controversial weapons and carbon intensive fossil fuels<sup>10</sup>. No breaches of our exclusions and no modern slavery red flags were identified in our annual compliance review against nib's Responsible Investment Policy.

In addition, our employees completed bi-annual modern slavery compliance training to help build their awareness of modern slavery red flags and steps to take. We also maintained quarterly reporting to nib Group committees such as our Management Sustainability Committee and the Board on progress against key modern slavery targets.

10. Gambling and carbon intensive fossil fuel exclusions are subject to revenue thresholds set by individual investment managers.

**FY23 key actions**

<p><b>Governance and collaboration</b></p>	<ul style="list-style-type: none"> <li>✓ Provided quarterly reports on modern slavery to nib’s Management Sustainability Committee and Group Board</li> <li>✓ Met quarterly with representatives across the business through our Modern Slavery Working Group</li> <li>✓ Maintained leadership of PHI Modern Slavery Community of Interest with quarterly meetings focused on driving collective change and shared learnings</li> <li>✓ Continued membership of the United Nations Global Compact Australian Network Modern Slavery Community of Practice</li> <li>✓ Remained an active member of the Insurance Council of Australia’s (ICA) Modern Slavery Working Group</li> <li>✓ Participated in external conferences, webinars and training, including attending the Commonwealth Government’s 2023 Modern Slavery Conference</li> </ul>
<p><b>Policies, procedures and employee training</b></p>	<ul style="list-style-type: none"> <li>✓ Completed annual review of relevant policies and procedures</li> <li>✓ Modern slavery clauses incorporated into majority of supplier contracts</li> <li>✓ Bi-annual modern slavery compliance training completed by all employees</li> </ul>
<p><b>Due diligence and remediation</b></p>	<ul style="list-style-type: none"> <li>✓ Enacted nib’s Modern Slavery Incident Management Protocol to respond to reported issues of visa fraud and possible student and worker exploitation in Australia (see case study on page 15)</li> <li>✓ Implemented a due diligence process to assess the risk of modern slavery in offshore business process outsourcing arrangements as part of nib’s expansion into the NDIS plan management sector</li> <li>✓ On-boarded supplier assessment of nib’s newly acquired businesses in the NDIS sector and issued questionnaires to those suppliers in accordance with nib’s existing processes</li> <li>✓ Screened investment portfolio for modern slavery risk and assessed compliance with Responsible Investment Policy</li> <li>✓ Increased automation and frequency of supplier assessment questionnaires and continuous improvement plans</li> <li>✓ Embedded modern slavery screening including supplier assessment questionnaires as part of on-boarding process</li> <li>✓ Progressed assessment of suppliers with a medium inherent risk rating</li> <li>✓ Consolidated and expanded process for issuing continuous improvement plans to suppliers with multiple risk factors</li> <li>✓ Increased resourcing to improve rate of issuing and review of continuous improvement plans</li> </ul>
<p><b>Supplier engagement</b></p>	<ul style="list-style-type: none"> <li>✓ Delivered a supplier education and engagement webinar as part of the PHI Modern Slavery Community of Interest</li> <li>✓ Used training video in our procurement processes to build supplier awareness of modern slavery and nib’s expectations</li> </ul>

## Supplier assessments

Our assessment of supplier’s modern slavery risk remains two-fold. Inherent risk is determined based on country of operation and industry code, while residual risk is assessed through a more detailed supply assessment questionnaire.

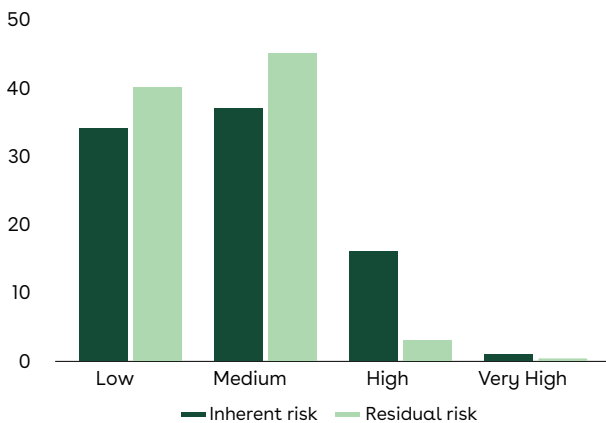
The vast majority of nib’s suppliers hold a low inherent risk level, with a significant lift in this category in FY23 compared to FY22 (see comparison table on page 8).

Taking a risk-based approach, our further due diligence efforts remain focused on suppliers with an inherent high or medium risk rating.

Pleasingly, for most suppliers their residual risk of modern slavery is lower than their inherent risk, reflecting the policies and procedures they have in place to help mitigate human rights harm.

The below graph shows the risk rating of suppliers who have completed our two-step assessment process. This compares initial risk assessments (inherent risk) to supplier risk ratings post completion of our supplier assessment questionnaire (residual risk).

### Supplier Risk Rating



We have recently strengthened our supplier onboarding process to ensure assessment of modern slavery risk is conducted at the point of onboarding. This will allow our screening process to occur much earlier in our relationship with our suppliers and introduce continuous improvement plans that drive change throughout our partnership.

## Supplier continuous improvement planning

During the year we undertook significant work to further automate our continuous improvement plan process which will not only assist nib to issue more frequently but also improve the supplier experience when engaging with us through the process.

Continuous improvement plans outline opportunities for strengthening a supplier’s approach to modern slavery risk including suggestions on how to improve. We monitor progress against each continuous improvement plan and periodically reissue supplier assessment questionnaires to monitor each supplier’s risk status.

During the period we completed 32 continuous improvement plans with suppliers who were identified as having eight or more key areas for improvement in their management of modern slavery risk. Thanks to further automation and process improvements we were able to achieve a significant uplift in the number of continuous improvement plans completed (up from nine in FY22 to 32 this year).

We’ve identified a real need to build the capacity of our suppliers to assess and address modern slavery risk within their operations. Key learnings from development of the continuous improvement plans include:

- Smaller suppliers generally do not have detailed policies and procedures for managing modern slavery risk.
- Many suppliers require additional education about the purpose of supplier assessment questionnaires and continuous improvement plans.
- It’s critical that nib contract owners engage with suppliers to drive continuous improvement plan engagement and understanding of modern slavery risk.

## Policies and procedures

nib has a number of internal and external policies and procedures which support our efforts to minimise human rights harm both within our operations and supply chain through identification, mitigation and where required, remediation. These are reviewed periodically and updated as required.

Title	Description	Oversight	Scope
<b>Anti-Discrimination and Equal Employment Opportunity Policy</b>	Outlines nib's commitment to an inclusive workplace including equal employment opportunity	Board and People and Remuneration Committee	Internal
<b>Code of Conduct</b>	Ensures employees observe high standards of fair dealing, honesty and integrity in business activities	Board	Internal
<b>Continuous Improvement Plan Template</b>	Supports suppliers with high and medium inherent modern slavery to improve their business practices and procedures	Strategic Procurement	External
<b>Contract Clauses</b>	Ensures modern slavery expectations are clearly articulated in supplier contracts	Strategic Procurement	External
<b>Contract Management Policy</b>	Provides guidance on requirements and procedures for managing of supplier contracts	Chief Financial Officer	Internal
<b>Diversity, Equity and Inclusion Policy</b>	Sets out commitment to creating a workplace where diversity is celebrated, inclusion is championed, equity is persistently pursued, and innovation thrives	Board and People and Remuneration Committee	Internal
<b>Ethics Framework</b>	Supports ethical business practices, responsible decision making and good governance throughout our business	Board	Internal
<b>Grievance Resolution Policy and Procedure</b>	Provides basis for resolving employment issues associated with a dispute or grievance that may arise between an employee and nib	Group Chief People Officer	Internal
<b>Guide to Modern Slavery</b>	Summarises the practices, procedures and systems at nib to comply with applicable modern slavery legislation	Management Sustainability Committee and Chief Risk Officer	Internal
<b>Human Rights Statement</b>	Outlines how nib protects human rights, and the standards we set for our business, people and those within our supply chain	Board and Risk and Reputation Committee	External/ Internal
<b>Modern Slavery Incident Management Procedure</b>	Procedure for reporting and managing any modern slavery risks or incidents	Management Sustainability Committee	Internal
<b>Outsourcing Policy</b>	Ensures best practice in outsourcing, including strong oversight of service providers and risk control	Board	Internal
<b>Procurement Policy</b>	Defines our procurement processes and responsibility of employees with respect to procuring goods and services from third party suppliers at the best value	Chief Financial Officer	Internal
<b>Responsible Investment Policy</b>	Documents how nib expects its assets to be managed in alignment with our Sustainability pillars. Also reflects our commitment to thorough risk management and a responsible approach to our investments	Board	External
<b>Supplier Assessment Questionnaire</b>	Supports the assessment of our suppliers for modern slavery risk	Management Sustainability Committee	External
<b>Supplier Code of Conduct</b>	Sets out the commitments and principles we expect of our supply chain partners	Management Sustainability Committee and Chief Risk Officer	External
<b>Sustainability Pillars and Strategy</b>	Outlines our approach to sustainability including our key environmental, social and governance risks and opportunities	Board	External/ Internal
<b>Risk Management Strategy</b>	Supports nib's risk culture, providing guidance on our approach to risk management including risk appetite and tolerance for material risks	Board	Internal
<b>Whistleblower Policy</b>	Ensures concerns can be raised regarding misconduct or improper state of affair or circumstances, without being subject to victimisation, harassment or discrimination	Board	External/ Internal

## Managing incidents of modern slavery

We maintain a Group-wide procedure for reporting any modern slavery risk or incidents in line with our incident management procedure. Upon becoming aware of an incident involving modern slavery within our business or supply chain, we take steps to promptly investigate and undertake remediation actions that are appropriate.

Our procedures include:

- documenting suspected or known modern slavery incidents on our incident management online reporting system so that any incident can be assessed by our Incident Response team quickly (within 24 hours of identification) and be escalated as required.
- knowing the people we need to speak to in the event of a modern slavery incident.
- reviewing the incident and implementing actions to remediate and prevent future modern slavery incidents.

Importantly, nib will prioritise victims' rights in any remediation activity. We will also seek to assess and address the root causes of any incidents.

Furthermore, we have an established Whistleblower Policy and reporting mechanism to ensure concerns can be raised without victimisation, harassment, or discrimination.

During the reporting period, we did not have any grievances raised through our reporting mechanism however we did identify a potential incident of modern slavery within our supply chain. See the case study on page 15 for further information.

## nib's Modern Slavery Incident Management Procedure



### 1. Modern slavery incident reported



### 2. Conduct preliminary assessment

Within 24 hours of identification and including elements such as

- a high level of urgency
- a focus on immediate containment strategies
- Consideration of "serious harm" to any of the individuals
- Ensure actions are in the best interests of the victim/suspected victim
- Assessment required of nib's procurement of services related to the supplier in question.
- Consideration of the scope and extent of the alleged incident or practice, e.g. is it a one-off or systemic issue?
- Verification of any claims
- Reporting to law enforcement (if required)



### 3. Remediation phase and actions



### 4. Communication with stakeholders and the public (as required)



### 5. Review phase



## Safeguarding International Students and Workers: Navigating Modern Slavery Risks in Inbound Health Insurance



### Case study

Through nib's international inbound health insurance business, we support the health insurance needs of around 200,000 students and workers who come to Australia on working or student visas, approved by Australia's Department of Home Affairs. We work with over 4,000 registered migration and education agents to facilitate this process, dispersed both in Australia and across the workers' and students' home countries, including China, India, Nepal, and Southeast Asia.

Integral to nib's modern slavery response is our commitment to working closely with these agents to help them understand and mitigate modern slavery risks. We employ a robust monitoring system that monitors media reports and leverages associations like the Migration Institute Australia to identify incidents of migrant agent malpractice. This vigilance came into sharp focus in October 2022 when nib became aware of troubling allegations.

Several registered, Sydney-based migration and education agents were named in media reports as allegedly dealing in falsified visas which raised a red flag for our team. Our modern slavery incident management protocol was activated, and a cross-sectional working group established to investigate the incident further to ensure a swift and effective response.

The accused agents were immediately suspended as contracted agents of nib. While the allegations were yet to be proven, the challenge of our integrity measures provided grounds for immediate termination which was carried out. The incident was also investigated independently by the Office of the Migration Agents Registration Authority (OMARA) as the authority that oversees Registered Migration Agents.

Simultaneously, we demonstrated our dedication to prioritising the rights of potential victims by collating a report of all referred members and with the assistance of interpreters, personally contacted them to conduct welfare checks. Members were asked if their experiences in Australia met their expectations and were provided with mental health and wellbeing services recourses.

Crucially, nib works in collaboration in identifying risks associated with insurance agents. We rely on the Department of Home Affairs (DHA) to ensure that registered migration agents (RMAs) maintain their registered status with OMARA and that every international student and worker possesses a valid visa granted by DHA. This collaborative approach ensures that the broader regulatory framework aligns with nib's commitment to combat modern slavery.

The incident served as a litmus test for nib's 'always on' risk controls. These controls include registration status with OMARA, sanctions validation, contractual terms including Modern Slavery declarations, regular OMARA surveys, ABN validation, and media monitoring to assess the validity and legitimacy of each agent and the services they provide. The incident demonstrated that these controls are not just theoretical but practical safeguards, allowing for immediate corrective measures.

Beyond our immediate actions in managing identified risks, nib's International Visitors division works closely with migrant agents to help them understand and reduce modern slavery risks. We also collaborate with the health insurance industry, relevant associations, and government departments to ensure a robust and coordinated response to risk identification and management.

To mature our response, we are developing an internal resource that documents our unique and targeted management of this category, underscoring our dedication to learning and innovating our approach.

We continue to emphasise the importance of proactive engagement, immediate action, and a commitment to prioritising the rights and wellbeing of potential victims.

# Measuring our effectiveness

We measure the effectiveness of our modern slavery response during the year through the outcomes we achieved for each of nib's focus areas which are outlined below.

Focus Area	Actions	Measurement	FY23 Result
<b>Governance and collaboration</b>	Board and management oversight	Discussed at meetings of the Board, relevant committees and working groups	Achieved through: <ul style="list-style-type: none"> <li>annual oversight and approval of Modern Slavery Statement by Board</li> <li>quarterly discussion at Management Sustainability Committee</li> <li>quarterly Modern Slavery Working Group meetings</li> </ul>
	Regular reporting	Board and Management Sustainability Committee reporting	Achieved through: <ul style="list-style-type: none"> <li>quarterly report to Board</li> <li>quarterly report to Management Sustainability Committee</li> <li>Board approval of Modern Slavery Statement</li> <li>implementation of monthly management reporting of supplier risk assessment progress</li> </ul>
	Industry collaboration	Chair regular meetings of industry consortium Participation in other industry consortiums/ working groups	Achieved through: <ul style="list-style-type: none"> <li>chairing of quarterly PHI Modern Slavery Community of Interest meetings</li> <li>regular attendance at ICA working group meetings</li> </ul>
	Civil society partnerships	Maintain or enhance partnerships with civil society	Achieved through membership of United Nations Global Compact Australian Network Modern Slavery Community of Practice that was established in FY22
	Legislative reform	Participate in the <i>Modern Slavery Act 2018 (Cth)</i> (MSA) consultation led by the Australian Government	Achieved through: <ul style="list-style-type: none"> <li>input on the Insurance Council of Australia's industry submission to the MSA review</li> <li>participation in a public consultation led by Professor John McMillan AO on the review of the MSA</li> </ul>
<b>Policies, procedures and employee training</b>	Policy and procedure reviews	Policies, procedures and practices reviewed at least bi-annually and communicated with employees and suppliers	Achieved through the review and update of the following policies and procedures <sup>11</sup> : <ul style="list-style-type: none"> <li>nib Code of Conduct</li> <li>Risk Management Strategy</li> <li>Sustainability Pillars and Strategy</li> <li>Whistleblower Policy</li> </ul> nib's Supplier Code of Conduct was last reviewed in FY22 will be reviewed again in FY24

11. nib, together with other private health insurers using the supplier risk assessment platform, Informed365, had anticipated reviewing the modern slavery questionnaire during FY23. However, this was deferred to assess the impact of the review of the *Modern Slavery Act (Cth)* 2018.

Focus Area	Actions	Measurement	FY23 Result
<b>Policies, procedures and employee training</b> <i>continued</i>	Employee training	% of employees trained	100% <sup>12</sup>
	Grievance mechanisms	Number of grievances raised and/or remediated	0 <sup>13</sup>
	Review of grievance mechanisms	Review and strengthen our grievance mechanisms to ensure they specifically consider modern slavery	nib's Whistleblower Policy and Grievance Procedure do not specifically reference modern slavery incidents as triggers, noting that these policies are broad in nature and capture modern slavery or human rights concerns
	Incident Response	Test nib's modern slavery incident response process	nib tested its Modern Slavery Incident Response and Remediation Plan in response to concerns regarding potential worker exploitation (see case study on page 15)
<b>Due diligence and remediation</b>	Initial supplier risk assessments	Maintain processes to ensure that on engagement suppliers are subject to nib's modern slavery risk assessment processes	Achieved for all new suppliers
	Supplier on-boarding	Modern slavery risk assessment conducted as part of contract negotiations/onboarding	Achieved with all strategic suppliers screened for modern slavery risk through supplier assessment questionnaire as part of onboarding process, including suppliers to newly acquired NDIS plan management businesses
	Supplier contracts	Modern slavery clauses included in new supplier contracts	Modern slavery clauses included in all supplier contracts to the greatest extent achievable <sup>14</sup>
	Supplier assessment questionnaire	Undertake supplier assessments on at least 20 Australian Resident Health Insurance suppliers and eight Australian hospital groups	153 supplier assessments were completed during FY23, most of which were suppliers to nib's Australian Resident Health Insurance business, and included 19 by Australian hospital groups
	Supplier continuous improvement plans	Ensure at least 30 suppliers complete a continuous improvement plan.	32 continuous improvements plans were completed by suppliers
	Monthly business unit compliance statements	Number of exceptions from quarterly compliance statements	0 exceptions reported

12. Excludes new employees that completed the modern slavery awareness module in the six months prior to 1 July 2022, and any employee that was on parental or extended leave.

13. Notwithstanding that no grievances were raised through nib's grievance reporting mechanism, it took action with respect to concerns of potential international worker and student exploitation. See case study on page 15 for further information.

14. It is nib's position that contractual requirements regarding modern slavery compliance are to be included in every supplier contract. In a small number of instances, particularly with larger overseas vendors, this has not been commercially attainable. nib, nonetheless, incorporates all new suppliers and those with 'very high', 'high' and 'medium' inherent risk ratings in our risk assessment and remediation processes.

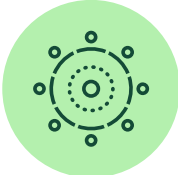
Focus Area	Actions	Measurement	FY23 Result
<b>Due diligence and remediation continued</b>	Supplier risk assessment processes	Consolidate and grow automated supplier assessment feedback and continuous improvement plans.	nib improved its processes for undertaking risk assessments as part of supplier onboarding and issuing continuous improvements plans, which has resulted in more than 1,200 supplier assessment questionnaires <sup>15</sup> issued and an improvement of more than 1,000% in the number of continuous improvement plans issued.
	nib assessment	Reassess our own business using nib's risk assessment methodology	This assessment was not explicitly conducted during FY23. However, nib's core business remains unchanged from the previous financial year. In light of nib's expansion into the NDIS sector during the course of FY23, a reassessment of nib's business will be undertaken in FY24
	Investment portfolio	Conduct annual assessment of investment portfolio for modern slavery.	Assessments undertaken by nib's investment managers (see 'Risk in Investments' section on page 10 for more details)
	nib foundation investment portfolio	Support Macquarie to adopt nib Group's Responsible Investment Policy and assess all investments for compliance against our Responsible Investment Policy.	Macquarie has adopted nib Group's Responsible Investment Policy (see 'Risk in Investments' section on page 10 for more details)
<b>Supplier engagement</b>	Supplier engagement	Supplier training or education provided on modern slavery	Achieved through dedicated modern slavery webinar held for suppliers (see further details on page 19)

Furthermore, we sought advice from external experts on the preparation of this statement.

15. Comparative data for number of questionnaires issued in FY22 not available to due system constraints.

# Stakeholder engagement and collaboration

Recognising the collective effort required to drive change in reducing human rights harms we've continued throughout the year to engage and collaborate with a number of stakeholders.



**PHI Modern Slavery Community of Interest**



**Insurance Council of Australia working group**



**UN Global Compact Network community of interest**



**Commonwealth Government**



**Other reporting entities**



**Suppliers**

During the year, we maintained our industry approach to addressing modern slavery risks across the private health insurance industry through our leadership of the Australian PHI modern slavery community of interest.

The consortium has continued to share learnings and to improve processes to support suppliers in assessing risks and ethical issues. A key aim in this regard is to streamline the supplier risk assessment process, through a technology platform used by most consortium members, such that common suppliers only need to respond to one supplier assessment questionnaire.

## Modern slavery supplier webinar



### Case study

A key initiative of the consortium during the year was the delivery of an education and awareness webinar for their suppliers. It was held as a virtual event, allowing suppliers from across Australia to join, and featured three prominent anti-slavery leaders who provided their top tips for helping businesses in Australia tackle modern slavery.

The event was well attended, with approximately 125 organisations and 130 individuals joining the session. Professor Jennifer Burn, Director at Anti-Slavery Australia (and former NSW Anti-Slavery Commissioner) explored the current state of modern slavery as a global issue and its impact on people and businesses. Nicholas Bernhardt, CEO of Informed 365, and Robin Mellon, CEO of Better Sydney, provided practical insights and strategies for addressing modern slavery risks and issues in the Australian context.

Attendees asked a range of questions, many of which were discussed by the panel during the session, and all questions were responded to in writing and distributed to attendees as a follow up to the webinar.

A recording of the event was promoted to suppliers of the consortium after the event to expand its impact and reach. Attendees also completed a poll at the conclusion of the webinar, with 97% reporting an improved confidence to tackle modern slavery in their businesses.

nib continued its involvement with the Insurance Council of Australia's (ICA) Modern Slavery Working Group through attendance at regular meetings and contributing ideas and experience. The working group, including nib, provided input into and feedback on the ICA's industry submission to the Statutory Review of the *Modern Slavery Act 2018* (Cth), including through several workshops led by KPMG to provide views and commentary that shaped the submission.

nib representatives were also privileged to attend the Commonwealth Government's 2023 Modern Slavery Conference - *Taking Action Together*, both in person and online. The insights from victims of slavery and trafficking and the actions being taken globally to address human rights and modern slavery abuses have helped reinforce the importance of action by all corporates, both in Australia and around the world.

nib also engaged with other reporting entities on an ad hoc basis throughout the year to share learnings and experiences and seek to identify process gaps or improvements.

# The year ahead

As we continue to mature our approach to managing modern slavery risk, we have identified a number of initiatives within our four key focus areas for the year ahead.

## FY24 focus

Governance and collaboration	Policies, procedures and employee training	Due diligence and remediation	Supplier engagement
<ul style="list-style-type: none"> <li>• Maintain regular Board and committee reporting and quarterly Modern Slavery Working Group meetings</li> <li>• Build upon partnerships with civil society to support efforts to combat modern slavery</li> <li>• Strengthen key performance indicators for measuring effectiveness of our modern slavery response</li> <li>• Implement any changes from review of the <i>Modern Slavery Act 2018 (Cth)</i> and monitor international legislative developments (particularly New Zealand)</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct required reviews of policies and procedures including Supplier Code of Conduct</li> <li>• Refresh employee modern slavery compliance training and ensure all new staff undertake modern slavery training as part of onboarding process</li> <li>• Integrate new nib Thrive business into nib Group modern slavery policies and procedures</li> <li>• Enhance our Human Rights Statement</li> <li>• Review and strengthen grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Develop continuous improvement plans for at least 40 Australian Residents Health Insurance suppliers and 20 Australian hospital providers</li> <li>• Review and enhance supplier assessment questionnaire and risk assessment methodology</li> <li>• Develop a targeted modern slavery response for one high-risk category</li> <li>• Reassess our own business using our risk assessment methodology</li> <li>• Conduct annual assessment of investment portfolio for modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>• Update supplier modern slavery training and education material</li> <li>• Better understand sub-tier 1 suppliers to start planning for assessing modern slavery risks deeper in our supply chain.</li> </ul>

# Appendix – Modern Slavery Act Statement Annexure

The below table outlines where throughout this Modern Slavery Statement nib has addressed each of the mandatory reporting criteria in section 16 of the *Modern Slavery Act 2018* (Cth).

<b>Mandatory criteria</b>	<b>Page number/s</b>
a) Identify the reporting entity.	inside page
b) Describe the reporting entity's structure, operations and supply chains.	2-4
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	6-10
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	11-12
e) Describe how the reporting entity assesses the effectiveness of these actions.	16-18
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	3
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	19-20

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## Further information



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