



2022-23
**Joint Modern
Slavery Statement**

for

**CBHS HEALTH FUND LIMITED
ABN 87 087 648 717**

and

**CBHS CORPORATE HEALTH PTY LTD
ABN 85 609 980 896**



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1 INTRODUCTION

1.1 Purpose

This document is the joint modern slavery statement (**Joint MSS**) of CBHS Health Fund Limited (**CBHS Health**) and CBHS Corporate Health Pty Ltd (**CBHS Corporate**). Both entities are referred to in this Joint MSS as the **CBHS Group** or **Group**.

The Joint MSS covers the period 1 July 2022 to 30 June 2023.

Each Group entity is a reporting entity within the meaning of section 5 of the Commonwealth Government's Modern Slavery Act 2018 (**Act**).

The document provides updates on the activities carried out as well as planned for the next reporting period under the MS Risk Management Strategy set out in previous Joint MSS.

2 STRUCTURE & OPERATIONS OF CBHS HEALTH

2.1 Legal Structure

CBHS Health is a public company limited by guarantee within the meaning of the Corporations Act 2001.

2.2 Organisational Structure

2.2.1 Board of directors

CBHS Health has a Board whose composition, powers and functions are governed by relevant requirements in the Corporations Act 2001, prudential standards of the Australian Prudential Regulation Authority (**APRA**) and CBHS Health's Constitution.

2.2.2 Group Chief Executive Officer

The day-to-day affairs of CBHS Health are managed by the Group Chief Executive Officer (**Group CEO**) under a delegated authority from the Board. The Group CEO also serves as an executive director on the Board.

2.2.3 Business Units & Functional Areas

Direct reports of the Group CEO are members of the Executive Leadership Team (ELT) and are responsible for a business unit or functional area. Post 30 June 2023, there were a number of functional changes introduced to the organisational structure.

The current business units or functional areas are:

- (a) Legal & Company Secretariat;
- (b) Member Solutions (which includes Product Strategy and Proposition, International, Sales and Partnerships);
- (c) Finance & Accounting (which includes Actuarial, Business Insights Group and Strategy);
- (d) Member Delivery (which includes Member Services, Performance and Planning, Benefits and Provider Relations, Experience and Transformation, Process Delivery and Remediation);
- (e) People & Culture (which includes Organisational Development, Operations, Employee Experience and Internal Communications);
- (f) Information Services (which include IT Security, Operations, System Development, Business Services, Digital Product and Experience, Project Management Office and Project Director);
- (g) Risk Management and Compliance; and
- (h) Internal Audit.

2.3 Business

CBHS Health is a registered restricted access private health insurer under the Private Health Insurance (Prudential Supervision) Act 2015.

2.4 Operations

The core operations of CBHS Health are:

- (a) Developing private health insurance and health-related products and services;
- (b) Marketing and promoting its products and services;
- (c) Selling its products and services;
- (d) Establishing and maintaining accounts for its policy holders (**Members**);
- (e) Entering and maintaining arrangements with hospitals and other healthcare providers for Members;
- (f) Assessing and paying the Members' claims;
- (g) Data and information security operations;
- (h) Finance and accounting operations;
- (i) Risk Management and Compliance (including legislative and regulatory change); and
- (j) Recruiting and managing employees.

2.5 Employees

Employees of CBHS Health fall under the following categories:

- (a) Permanent;
- (b) Part-time;
- (c) Casual; and
- (d) Fixed term.

All employees are ordinarily resident in Australia.

3 STRUCTURE & OPERATIONS OF CBHS CORPORATE

3.1 Legal Structure

CBHS Corporate is a proprietary company within the meaning of the Corporations Act 2001. It is 100%-owned subsidiary of CBHS Health.

3.2 Organisational Structure

3.2.1 Board of directors

CBHS Corporate has a Board whose composition, powers and functions are governed by relevant requirements in the Corporations Act 2001, prudential standards of the Australian Prudential Regulation Authority (**APRA**) and CBHS Corporate's Constitution.

3.2.2 Chief Executive Officer

The day-to-day affairs of CBHS Corporate are managed by the Group CEO under a delegated authority from the Board. Also, the GCEO also serves as an executive director on the Board.

3.2.3 Business units & functional areas

CBHS Corporate has a Master Services Agreement with CBHS Health under which CBHS Corporate's operations are carried out by the business units and functional areas identified for CBHS Health in Section 2.2.3 above.

3.3 Business

CBHS Corporate is a registered open-access private health insurer under the Private Health Insurance (Prudential Supervision) Act 2015. It also offers health related benefits to international students and visitors that are required to maintain private health insurance as a condition of their specific visa type.

3.4 Operations

The core operations of CBHS Corporate are:

- (a) Developing private health insurance and health-related products and services;
- (b) Marketing and promoting its products and services;
- (c) Selling its products and services;
- (d) Establishing and maintaining accounts for Members;
- (e) Assessing and paying the claims of Members; and
- (f) Carrying out legislative and regulatory reporting.

3.5 Employees

CBHS Corporate has no employees. Its operations are carried out CBHS Health’s employees identified in Section 2.5 above.

4 GROUP SUPPLY CHAINS

4.1 Tier 1 Suppliers as Primary Focus

The Group’s supply chains are divided into two main categories, namely:

- (a) Third parties with whom the Group has a direct contractual arrangement and who invoice the Group directly for the goods or services provided to the Group (**Tier 1 Suppliers**); and
- (b) Third parties who supply goods or services to Tier 1 Suppliers (**Tier 2 Suppliers**).

The Group best manages the MS Risks in its supply chains by focussing on, and risk rating, Tier 1 Suppliers. The Group is positioned to leverage the relationship with Tier 1 Suppliers to drive MS Risk management outcomes in their underlying supplier operations.

4.2 Industry Sectors of Tier 1 Suppliers

The following table provides details of the industry sectors and geographical locations of Tier 1 Suppliers.

| Reference | Supply chains industry sectors | Location of main operations |
|-----------|---|-----------------------------|
| 1. | Financial Auditing and Actuarial | Australia |
| 2. | Insurance and Banking | Australia |
| 3. | Investment Management | Australia |
| 4. | Legal Advisers and Consultants | Australia |
| 5. | Hospital Contracting and Regulatory Reporting | Australia |

| Reference | Supply chains industry sectors | Location of main operations |
|-----------|---|-----------------------------|
| 6. | Information, Communication and Technology (including hardware, software, and internet services suppliers) | Australia & Overseas |
| 7. | Landlord and Property Management | Australia |
| 8. | Recruitment and Human Resources Consultants | Australia |
| 9. | Marketing and Advertising | Australia |
| 10. | Printing and Mailing Services | Australia |
| 11. | Clinical and Health Services (including hospitals, general practitioners, optometrists, dentists, and ancillary health service providers) | Australia |

5 RISKS OF MODERN SLAVERY PRACTICES

5.1 Relevant MS Risks

We determined that the Group and its supply chains may reasonably face the following MS Risks in their operations. The risks are linked to the modern slavery offences in the Act.

| Reference | Modern slavery offence | Risks |
|-----------|------------------------|--|
| 1. | Slavery | The risk that the Group or its supply chains may exercise powers of ownership over another person, including the power to make the person an object of purchase and use their labour in an unrestricted way. |

| | | |
|----|---|---|
| 2. | Servitude | The risk that the Group or its supply chains may significantly restrict the personal freedom of a person to the extent that the person is not free to stop working or leave their place of work. |
| 3. | Forced labour | The risk that the Group or its supply chains may prevent a person from stopping to work or exercise the freedom to leave their place of work. |
| 4. | Debt bondage | The risk that the Group or its supply chains may pledge the services of a person for a debt that is manifestly excessive or may not apply the person's services to liquidate the debt, or the length and nature of the services may not be limited and defined. |
| 5. | Child labour | The risk that the Group or its supply chains may exploit a child through slavery or similar practices or engage the child in hazardous work which may harm the child's health, safety, or morals. |
| 6. | Deceptive recruiting for labour or services | The risk that Group or its supply chains may deceive a person about whether they will be exploited through a type of modern slavery. |

6 MANAGING MODERN SLAVERY RISKS – GENERAL

6.1 Introduction

As detailed in our previous Joint MSSs the Group has in place an overarching Modern Slavery Act Compliance Program whose critical elements are:

- (a) Anti-modern Slavery Policy;
- (b) Supporting MS Risk management policies and procedures;
- (c) Enterprise Risk and Compliance management system (Protect) which contain MS obligation modules and sets MS related management attestations;
- (d) LexisNexis obligations alerts and new MS obligation feeds through Protect; and
- (e) ELT accountabilities for MS identification and management.

6.2 Group Compliance

During the financial year, the Group complied with its Anti-MS Policy in relation to the Group's own operations (see Section 8 for details).

The Anti-MS Policy continues to be communicated to all our Tier 1 Suppliers using a risk based approach. Section 7 below provides information on the extent to which we communicated the Policy to our Tier 1 Suppliers.

6.3 Assessing Effectiveness of Anti-MS Policy

The Group has assessed its Anti-MS Policy as an effective step in the Groups MS Risks management as it lays the foundation for a systematic approach to MS Risk management in the operations of the Group and its supply chains.

6.4 Progress Report on Planned Activities - 2022-2023

Regular review of the Anti-MS Policy was undertaken taking into consideration several matters including:

- (a) Any identified strengths and weaknesses during the first-three years of Policy's operation - no changes have been identified throughout the year;
- (b) Organisational changes that had impacts on the policy and its administration - whilst there have been organisational changes as reflected above, these have not had material changes to the policy or administration;
- (c) Developments in the domestic, overseas, and international MS risk management literature and case studies - we have noted the recent highly publicised cases regarding sex trafficking and overseas worker exploitation. CBHS Corporate (International) continues to increase MS awareness including rights and reporting channels for their overseas workers and students (Members);
- (d) Lessons learnt from the experiences of other Australian reporting entities and domestic, overseas, and international organisations involved in the detection or prevention of MS practices refer to (c)above; and
- (e) Ongoing monitoring of potential health claims for international members that might indicate involvement in potential sex trafficking.

7 MANAGING MODERN SLAVERY RISKS IN SUPPLY CHAINS

7.1 Supplier Obligations

During the financial year, we continued to distribute our Service Provider Obligations to all Tier 1 Suppliers.

We are currently revising our existing Supplier Obligations to revise into a Code of Conduct which will be, communicated to our Tier 1 Suppliers using a risk based approach.

7.2 Update of Service Provider Management Clauses and Supplier Agreements

MS Risk management clauses for Tier 1 Suppliers in renegotiated and new agreements are reviewed by Legal to ensure the necessary MS Risk clauses are contained within.

7.3 Assessment of Effectiveness of Supply Chains MS Risk Management

We consider that the revision of our Supplier Code of Conduct (**Code**) to be a high priority, with the renewed Code to be communicated to identified risk-rated Tier 1 Suppliers, for the following reasons:

- (a) Our modern slavery risk management expectations of our Tier 1 Suppliers will supplement our existing Service Provider Obligations;
- (b) Our risk-based approach to the management of MS Risks practices in our supply chains will allow us to apply resources to where the risks of these practices are highest;
- (c) The Service Provider Obligations imposed on our Tier 1 Suppliers provides the foundation for the uplift of our modern slavery expectation within the revised Code. The Code will be extended as a result of CPS230 to provide a more holistic risk management approach including MS, CPS234 and other regulatory requirements.

7.4 Planned Activities For 2023-2024

In the next financial year, we will aim carry out the following activities:

- (a) Revising our existing Supplier Code of Conduct (align with CPS 230) which will be issued to our Tier 1 Suppliers;
- (b) Continue to include MS Risk management clauses in new third-party agreements and in any third-party agreement as they fall due for review or renewal;
- (c) Provide further training to relevant ELT members and other third-party relationship managers on how to identify and assess MS Risks of Tier 1 Suppliers and on how to conduct modern slavery due diligence of suppliers.
- (d) CBHS Corporate (International) will continue to increase MS awareness including rights and reporting channels for their overseas workers and students;
- (e) Annual MS risk assessment of current Tier 1 Suppliers; and
Consideration of an uplift in monitoring and reporting of claims relating to MS risk identifiers.

8 MANAGING MS RISKS IN GROUP OPERATIONS

8.1 Continued Application of Beneficial Employee Policies

Our previous MSSs provided details about our policies that delivered MS Risk management outcomes for employees.

The Group continued to follow those policies. The following are some of the actions the Group took under those policies:

- (a) All employees were sourced from Australia following internal and external advertisements of vacant positions;
- (b) All employees were given written employment contracts prior to commencing work for the Group;
- (c) Advice was obtained on current employment legislation, applicable awards and collective agreements and their requirements applied to the terms and conditions employees' employment where necessary;
- (d) A Remuneration Policy was implemented to provide clarity regarding the basis and components of employees' remuneration;
- (e) The Group Code of Conduct (previously Group Ethics Policy) has been improved to cover MS risks and requires an attestation that the employees agree to be bound by the Code prior to employment with the CBHS Group;
- (f) The Group's Fair Workplace Policy is being reviewed again in light of heightened MSS requirements and will be communicated to all new and existing employees;
- (g) The Group's Workplace Health and Safety Policy review has been completed and will be communicated to all new and existing employees (as a refresher course);
- (h) The Group's Whistleblower Protection Policy has recently been reviewed and will be communicated to all new and existing employees; and
- (i) Senior management report regularly to the Board's People and Remuneration Committee as appropriate on the above actions.

8.2 Assessment of Effectiveness of Controls

We considered the above risk-based actions were effective in managing the risks of modern slavery practices in the Group's operations. There is a structured controls testing program in place, with independent assurance of the outcomes by the second line of defence.

We did not receive any reports under our Whistleblower Protection Policy during the financial year that would have indicated weaknesses in the existence and application of our beneficial employee policies.

9 PROCESS OF CONSULTATION WITH GROUP ENTITIES

As mentioned in Section 3, CBHS Corporate is a 100%-owned subsidiary of CBHS Health and relies on the latter's business units, executive leadership team (ELT) and employees to carry out its operations.


MS Risk management accountabilities and responsibilities of the ELT were exercised in relations to the operations of both Group entities.

The Board considered and approved the Joint MSS.

The Board accepted management’s recommendation that the Chair of CBHS Health Board be authorised to sign this Joint MSS on behalf of the CBHS Group.

10 SIGNING

This MSS was approved by the Boards of CBHS Health Fund Limited and CBHS Corporate Health Pty Ltd.

| Name | Position | Signature | Date |
|------------------------|---------------------------------|---|------------------|
| Peter MacCuspie | Chair, CBHS Health Fund Limited |  | 23 November 2023 |