



modern slavery  
statement  
FY21



This joint statement covers the activities of nib holdings limited (ACN 125 633 856) and its controlled entities (“nib Group”) including the reporting entities – nib health funds Limited (ACN 000 124 381) and Grand United Corporate Health Limited (ACN 002 985 033) – during the year ended 30 June 2021 (FY21).

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 and supply chains.

## message from the chairman

During the financial year 2021 (FY21) we've remained steadfast in our commitment to protecting the human rights of our members and travellers, our people, those in our supply chain and wider community, as articulated in the Universal Declaration of Human Rights.

We've made some significant strides in our modern slavery journey including building greater understanding of the residual risk of modern slavery within our supply chain through supplier assessments; providing education and training to our suppliers and employees; as well as building a modern slavery incident response and remediation framework.

Our approach is reflective of our company values and our support of more sustainable communities including being mindful of the potential downstream effects of our supply chain through ethical procurement practices.

Through nib Group's second annual Modern Slavery Statement we've highlighted the progress we've made during FY21 including the steps we've taken to identify, assess and mitigate modern slavery risks within our operations and supply chain.

We recognise however, that protecting human rights will be an ongoing collective effort by the public and private industry together with civil society, to make a real difference across the board and in turn support those who are most vulnerable in our communities. We look forward to continuing to play our role in driving change.

This joint statement was approved by the Board of nib holdings limited in their capacity as the principal governing body for nib holdings limited and as the parent company in the nib Group on 19 November 2021.



This statement is signed by David Gordon in his role as the Chairman of nib holdings limited on 19 November 2021.

### Key milestones for FY21

- Completed assessments on our Tier 1 suppliers with high modern slavery risk through supplier questionnaires and begun assessing those with medium risk ratings.
- Applied screenings for modern slavery risks to our investment portfolios.
- Launched a Guide to Modern Slavery for employees and suppliers summarising the practices, procedures and systems at nib to comply with applicable modern slavery legislation.
- Created a modern slavery incident response and remediation framework outlining the steps we'll take if a modern slavery incident is known or suspected.
- Developed a [short infographic video](#) to build understanding and awareness of modern slavery with our suppliers.
- Implemented mandatory annual compliance training for our employees as well as targeted Board level training for Directors.
- Uplifted current supplier contracts to include modern slavery related clauses where possible.
- Introduced modern slavery risk screening as part of the RFP and onboarding process for new suppliers.
- Submitted our inaugural Modern Slavery Statement.



leadership & governance



Creating a more sustainable supply chain and ensuring ethical procurement practices is a core element of the leadership and governance pillar of nib Group's sustainability principles. Our focus in this space also aligns with United Nation's Sustainable Development Goal 8 – Decent Work and Economic Growth.

# our business

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

We are the health insurer of choice for 1.4 million Australian and New Zealand residents as well as over 200,000 international students and workers in Australia.

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

Our charitable organisation, nib foundation was created in 2008 with the purpose of advancing health. By providing grants and other support to our partners we help deliver innovative programs that make positive and lasting improvements to people's health and wellbeing.

## 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 and Grand United Corporate Health Limited who are required to report under the Modern Slavery Act). The nib Group is comprised of a number of entities, details can be found on pages 103-104 of nib Group's [2021 Annual Report](#).

## Consultation with reporting entities

We undertake a Group-wide approach to managing modern slavery risk within our business and supply chain which means that all reporting entities are embedded within our program of work.

Our Group governance approach promotes ongoing consultation with reporting entities on human rights due diligence and the outcomes are reported annually in this Statement. These reporting entities are directly accountable to the Group CEO and nib holdings limited Board.

This joint statement is developed in consultation with both the nib Group's reporting entities and the entities they own and control. This joint statement is issued on their behalf by the nib holdings limited Board.

This consultation was achieved through;

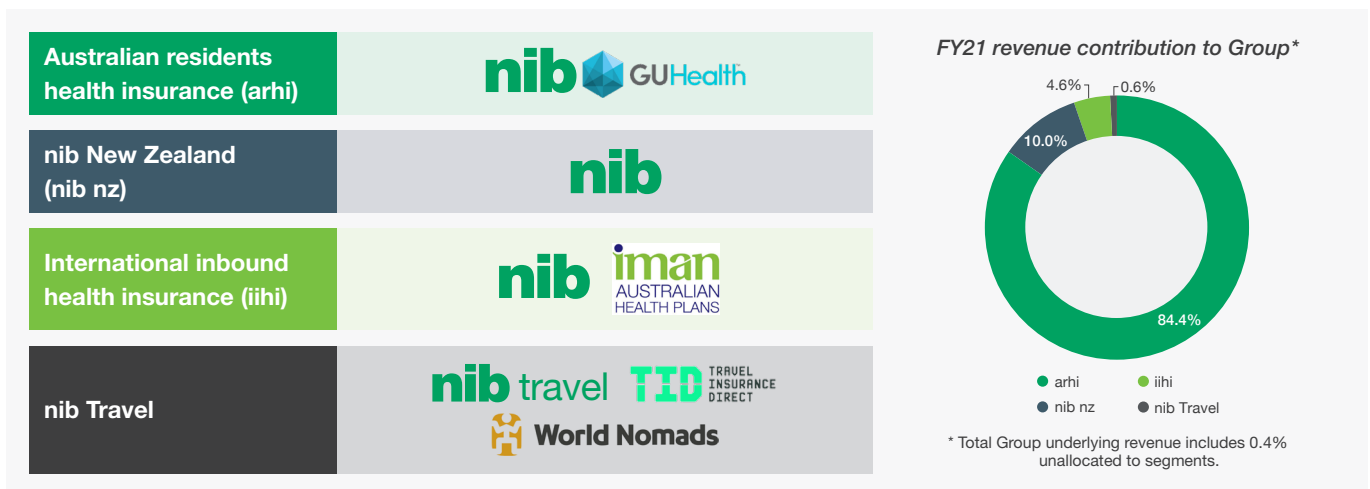
- common Board members sitting on each of the respective reporting entity Boards;
- regular modern slavery working group meetings that include representatives from all reporting entities;
- business units (such as procurement) are nib Group functions and have responsibility for the modern slavery response for all reporting entities in the nib Group; and
- policies, procedures and practices (including our 'Guide to Modern Slavery') apply to all reporting entities in the nib Group.

## Our operations

Our purpose is *Your Better Health*. We are a trusted partner in helping our members and travellers make more informed healthcare decisions, transact with healthcare systems and generally live healthier lives.

While nib Group's core operations are located in Australia and New Zealand, our international presence means that we have operations in five countries. We directly employ almost 1,200 people and also engage a small percentage of our workforce as contractors via outsourcing arrangements.

nib Group operates the following business divisions:



nib foundation is consolidated into the nib Group.

### 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 utilise the Group's knowledge or expertise in health insurance.

### Our locations

nib operations and employee locations across the world.

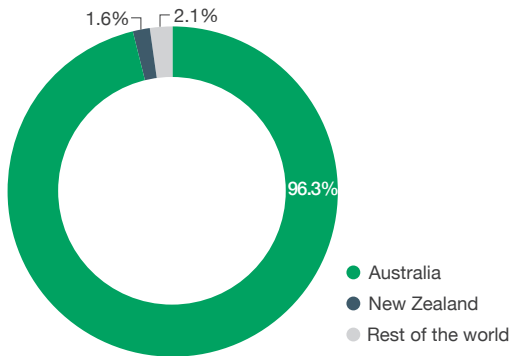


### Our supply chain

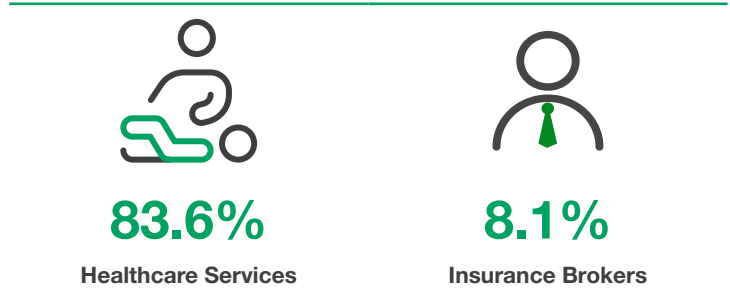
We work with almost 30,000 direct suppliers across the world to provide our members and travellers with access to and a choice of world class healthcare and financial protection. However, the majority (96%) of our suppliers are located in Australia.

Almost 97% of our third party goods and services procurement spend is contracted with nib Group’s suppliers ranging from small family businesses through to global multi-nationals, with varying levels of complexity within our supply chain.

Percentage of suppliers by location



Our two major categories of procurement by Global Industry Classification Standard (GICS) are:



Healthcare service providers comprise the vast majority of our supply chain. These suppliers include hospital groups, medical specialists and ancillary providers (such as dentists and physiotherapists).

This is reflective of our core business, health insurance, where we pay claims on behalf of our members for medical treatment they may require. While nib has contracts in place with 86% of hospital providers, we have a smaller contracted network of ancillary providers and medical specialists. Currently, these networks represent 48% of medical specialists, 32% of optical and 29% of dental providers. In addition, our members can choose to visit their own medical specialist or ancillary provider that we do not have a contractual arrangement with.

**Our human rights governance structure**



**nib board**

Responsible for the governance of the Group, including:

- establishing, overseeing and regularly reviewing a system for identifying, assessing, monitoring and managing material risk throughout the Company
- establishing, overseeing and regularly reviewing systems of internal compliance, risk management and control, and systems of legal compliance that govern the operations of the company, and ensuring they are operating effectively; and
- establishing, overseeing and regularly reviewing written policies, codes and procedures governing compliance, risk oversight and management

Considers recommendations from the Risk and Reputation Committee and Management Sustainability Committee regarding Modern Slavery Acts requirements.



**risk and reputation committee**

Assists and makes recommendations to the Board on:

- the appropriateness of risk policy, risk management strategy and risk management framework
- the effectiveness of nib's risk management framework
- identification and assessment of material risks
- nib's systems and procedures for compliance with applicable legal and regulatory requirements
- sustainability initiatives and the social, environmental and ethical impacts of nib's business practices on nib stakeholders including, but not limited to, members, employees and community recommending standards for social, environmental and ethical practices.



**management sustainability committee**

Oversees and guides the establishment of operational structures and reporting mechanisms for the management of Modern Slavery Act requirements. Identifies risks and opportunities for improvement including monitoring the market for emerging issues that should be escalated to the Risk and Reputation Committee and the Board.



**modern slavery working group**

The purpose of the working group is to ensure nib meets the Modern Slavery Act reporting requirements, while also utilising the opportunity to steer nib's efforts in terms of ethical sourcing and human rights. It includes representatives from across the Group including the following business units Strategic Procurement; Sustainability; Finance; Legal; Risk; Compliance and Governance; People and Culture; Health Service Contracting and Community.



**business unit**



**Sustainability**



**Strategic Procurement**



**Risk**

# Identifying modern slavery risks

We've continued our efforts to gain a better understanding of our potential exposure to modern slavery risk within our business and in particular our supply chain during the year.

This has been achieved through the ongoing application of our risk assessment methodology which aligns with our nib Group risk management framework.

## Risk Assessment Methodology

We apply a scorecard methodology to our risk assessment which includes evaluation of several indicators of modern slavery risk such as the type of product and service, sector and industry, geographical location and specific entity risk.

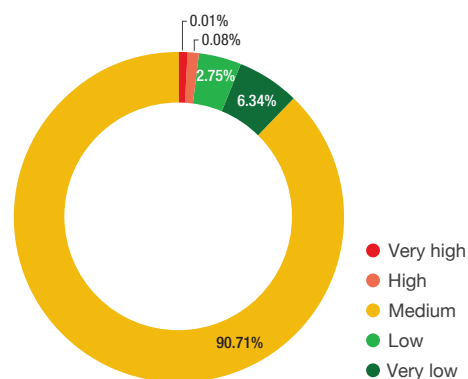
The overall initial risk rating for each supplier is informed by tools and resources such as the Global Slavery Index, Responsible Sourcing Tool, Social Hotspot Database and local non-government organisation reports.

This methodology is automated through a technology platform helping us to map our entire Tier 1 supply chain from very low to very high inherent risk of modern slavery.

## Risks within our operations and supply chain

We recognise that modern slavery may occur in our organisation and supply chain however our assessment of the nib Group's supply chain shows that less than 1% of our suppliers have a high inherent risk of modern slavery.

### Inherent supply chain risk



nib Group's core business relates to financing healthcare treatment and as such our supply chain heavily features healthcare-related suppliers (83.6% of our Tier 1 suppliers), such as private hospitals and ancillary providers. We recognise these suppliers have long and often complex supply chains which increases the potential risk of modern slavery.

In addition, while our direct supply chain is predominantly located in Australia which has a lower level of modern slavery risk, nib Group's operations and suppliers in international countries, particularly Asia, have an elevated risk of modern slavery.

Our FY21 assessment has identified that suppliers from the following countries and industries (based on Global Industry Classification System (GICS)) have the most salient risk of modern slavery within our supply chain. This assessment remains consistent with our inaugural FY20 Modern Slavery Statement.

Country	Industry
Philippines	Human Resource & Employment Services
	Research & Consulting Services
USA	Application Software
China	Diversified Support Services
	Human Resource & Employment Services
India	Diversified Support Services
	Human Resource & Employment Services
	Real Estate Services

It's also important that we apply the same risk methodology assessment on nib's operations to assess the inherent and residual risk of modern slavery within our own business practices. This showed that nib has a very low inherent risk rating based on core country and industry sector (Financials GICS code).

We also completed our supplier questionnaire on nib's operations to demonstrate further due diligence which resulted in a moderate residual risk rating. This is reflective of the work done to date to protect human rights and encourage ethical business practices within our operations as outlined in this statement.

As a supplier ourselves, nib has also participated in a number of supplier assessments with our upstream suppliers. To date, there has been no request for remediation plans or improvements to our human rights efforts.

### Risk in investments

We also recognise that through nib Group's investment portfolio we may contribute to modern slavery risks and as such during the year we applied screenings for modern slavery risks to our investment portfolios.

Our commitment to thorough risk management and a responsible approach to our investments is reflected in our new [Responsible Investment Policy](#) which also outlines our engagement priority of reducing human rights abuses (including modern slavery) and labour rights abuses.

Our appointed investment managers (Mercer in Australia and Nikko AM in New Zealand) also share our belief in protecting human rights.

[Mercer's Sustainable Investment Policy](#) outlines its screening activity which includes breaches of human rights, while their [Investment Approach to Modern Slavery](#) reflects their commitment to assessing and addressing modern slavery risk in their investment process.

Similarly, Nikko AM are committed to upholding the highest standards of business ethics and conduct and recognise that modern slavery issues may arise in their operations or supply chain as outlined in their 2020 Modern Slavery Statement.

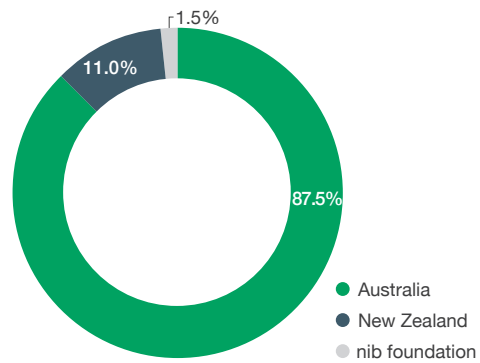
### nib foundation

Our charitable arm, nib foundation, has an Investment Policy Statement that sets out investment restrictions and guidelines for its corpus and includes an ethical screen overlay.

nib foundation's investment managers, Macquarie undertake an annual review of ESG ratings of companies we hold and advise on any significant rating declines for consideration for exclusion.

Macquarie has also publicly committed to identifying and mitigating the risk of modern slavery and human trafficking occurring in their business operations and supply chain via their [2021 Modern Slavery Act Transparency Statement](#).

FY21 Invested funds





## actions to assess and address risk

Assessing and addressing the risk of modern slavery within our business is an ongoing program of work and we remain committed to working in partnership with suppliers to influence change.

We recognise that influencing change in our supply chains can be challenging. Not only do our members have the choice to visit their own medical specialist or ancillary provider, but these specialists and providers have complete autonomy in their clinical decision making.

As such, our actions focus on those suppliers where we have the ability to influence change. We are also finding more ways to increase our leverage, including through engaging with various industry, business, government and community stakeholders.

In line with this approach during FY21 we undertook a number of new actions with a focus on uplifting our supplier contracts to include modern slavery clauses, the assessment of our Tier 1 suppliers with high inherent risks of modern slavery, establishing an incident response and remediation plan, as well as introducing screenings on our investment portfolio.

We've also continued to improve our human rights policies and procedures, introduced mandatory annual modern slavery compliance training for our employees and maintained governance oversight through regular reporting to nib Group committees and the Board.

### FY21 key actions

Governance and collaboration	Policies, procedures and employee training	Due diligence and remediation	Supplier engagement
<ul style="list-style-type: none"> <li>✓ Quarterly Modern Slavery Working Group meetings</li> <li>✓ Regular reporting on modern slavery to nib Group committees and Board</li> <li>✓ Continued to lead industry consortium with quarterly meetings and focus on remediation approach as well as shared learnings</li> <li>✓ Engaged with various industry, business, government and community stakeholders</li> <li>✓ Participated in external conferences, webinars and training</li> <li>✓ Inaugural Modern Slavery Statement published</li> </ul>	<ul style="list-style-type: none"> <li>✓ Annual policies and procedures reviews</li> <li>✓ Updated Human Rights Statement and Supplier Code of Conduct</li> <li>✓ Uplift of current supplier contracts to include modern slavery standard clauses</li> <li>✓ Modern slavery screening incorporated into Request for Proposal and onboarding process</li> <li>✓ Guide to Modern Slavery developed summarising nib's practice, procedures and systems for compliance with legislation</li> <li>✓ Annual compliance training introduced for employees</li> <li>✓ Dedicated Board training on modern slavery delivered</li> <li>✓ Regular communication with employees via internal channels to increase awareness</li> </ul>	<ul style="list-style-type: none"> <li>✓ Modern slavery risk screening applied to investment portfolios</li> <li>✓ Due diligence framework established</li> <li>✓ Completed supplier questionnaire assessments on Tier 1 high risk suppliers and began assessing medium risk suppliers</li> <li>✓ Modern Slavery incident response and remediation framework developed</li> <li>✓ Participated in upstream supplier assessments on nib Group</li> </ul>	<ul style="list-style-type: none"> <li>✓ Short infographic video created and distributed to build supplier awareness of modern slavery</li> <li>✓ Ongoing education of suppliers regarding Modern Slavery Act requirements</li> </ul>

## Supplier assessments

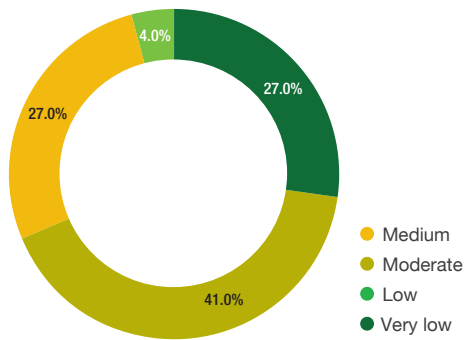
While initial risk assessments of our suppliers based on country of operation and industry code are a good way to determine the inherent risk of modern slavery within their business, it's equally important to recognise that many suppliers will have strong processes in place to mitigate those risks.

As such, we are undertaking further due diligence on our suppliers through a supplier questionnaire. The questionnaire is completed online by the supplier themselves and provides greater insight into their actual policies and practices.

Taking a risk-based approach, we have focused our assessment efforts during FY21 on our high-risk suppliers. To date, a total of 47 assessments have been completed.

Through this process we've seen the overall residual risk of all assessed suppliers reduced as shown below.

### Residual supply chain risk (assessed suppliers)



We have also begun assessing our medium risk suppliers (the majority of which are healthcare services) with an annual spend of more than \$1 million.

It has been a challenge to facilitate further due diligence on our suppliers through supplier questionnaire as many require substantial education and assistance around what modern slavery is and why we are asking questions about their practices. This has resulted in a slower than expected completion rate as well as additional effort from our teams to ensure these assessments are effective. We will continue to review and enhance the assessment process in the year ahead.

## Supplier continuous improvement planning

As a result of supplier assessment challenges, we have also experienced delays in our remediation efforts as we required further information prior to undertaking gap analysis in our suppliers' ethical business procedures.

We are working with our industry consortium to develop an automated system for remediation with our suppliers in the year ahead. This will see us able to quickly identify and remediate red flags of modern slavery risk, as well as creating annual continuous improvement plans with suppliers. Further, it will support an important feedback loop with suppliers to provide them with general suggestions for enhancing their human rights efforts in a sustainable manner.

## 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 supply chains, we take steps to promptly investigate and undertake remediation actions that are appropriate.

Our procedures include:

- We document all 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 following (within 24 hours of identification), and escalated as required.
- We know the people we need to speak to in the event of a modern slavery incident.
- We take steps to review the incident and take action 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.

Our Whistleblower Policy has also been put in place to ensure Disclosers can raise concerns regarding any modern slavery risks or incidents without being subject to victimisation, harassment, or discrimination.

## 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

## measuring our effectiveness

Creating credible effectiveness indicators for how our actions are addressing modern slavery risk remains challenging. However, we've monitored our progress across four key focus areas as outlined below.

In FY22, we will see to mature our effectiveness measures and look to establish targets.

Focus Area	Actions	Measurement	FY21 Result
Governance and collaboration	Board and management oversight	Discussed at meetings of relevant committees and working group	Achieved
	Regular reporting	Monthly Board and Management Sustainability Committee reporting	Achieved
	Industry collaboration	Regular meetings of industry consortium	Achieved – held quarterly
Policies, procedures and employee training	Policy and procedure reviews	Policies, procedures and practices reviewed in line with plans and communicated with employees and suppliers	Achieved
	Supplier contracts	Modern slavery clauses included in all new supplier contracts	Achieved
	Employee and Board training	% of employees and Board members trained	100%
	Grievance mechanisms	Number of grievances raised and/or remediated	0
Due diligence and remediation	Initial supplier risk assessments	Risk assessments conducted on all new suppliers	Achieved
	Supplier questionnaire assessments	Number of supplier questionnaire assessments completed	47
	Monthly business unit compliance statements	Number of exceptions from monthly compliance statements	0
Supplier engagement	Supplier engagement	Supplier training or education provided on modern slavery	Achieved

## stakeholder engagement and collaboration



We recognise that tackling modern slavery is not something that can be achieved by one organisation in isolation, it takes an army of stakeholders working collectively and collaboratively to drive change.

During the year we continued to work with a range of stakeholders to help inform our approach to managing modern slavery risk including business partners, industry bodies and peers, other reporting entities, the Department of Home Affairs, the investment community, human rights and sustainability experts as well as non-government organisations.

nib's management team also participated in a number of presentations (including with Australian Border Force), webinars and even media articles to promote the importance of protecting human rights and taking a best practice approach to our modern slavery program of work.

### Private health insurance industry consortium

We've maintained our industry approach to addressing modern slavery risks across the private health insurance industry through our consortium with Australian health funds.

The consortium has continued to come together for shared learnings and to establish processes to support suppliers who work with funds to understand modern slavery and assess their ethical business practices.

Our online industry platform supports supplier assessments across multiple health funds meaning suppliers only need to respond to one supplier questionnaire and can then choose who else they provide the response to.

We are also developing a shared remediation approach via the online tool to provide timely feedback to suppliers and also establish continuous improvement plans.

# the year ahead

While we are proud of the work done to date to identify and assess the risk of modern slavery within our operations and supply chain, we recognise there is more to be done to mitigate and remedy these risks.

We will continue to monitor progress against our FY21 commitments and have identified priorities for FY22.

## FY22 focus

Governance and collaboration	Policies, procedures and employee training	Due diligence and remediation	Supplier engagement
<ul style="list-style-type: none"> <li>• Mature key performance indicators to monitor effectiveness of our actions</li> <li>• Establish partnerships with civil society to support modern slavery act efforts</li> <li>• Increase engagement with industry and other key stakeholders</li> <li>• Maintain regular Board and committee reporting including quarterly modern slavery working group</li> </ul>	<ul style="list-style-type: none"> <li>• Review and mature our grievance mechanisms specific to modern slavery</li> <li>• Ensure all supplier and partnership contracts contain modern slavery clauses</li> <li>• Annual review of policies and procedures</li> <li>• Review Supplier Code of Conduct</li> <li>• Achieve 100% completion rate on employee modern slavery compliance training</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake supplier assessments and detailed due diligence on at least 20 arhi suppliers</li> <li>• Ensure new supplier onboarding across the Group includes modern slavery assessment and provisions</li> <li>• Introduce an automated supplier assessment feedback and continuous improvement plans</li> <li>• Annual assessment of modern slavery screening on investment portfolios</li> </ul>	<ul style="list-style-type: none"> <li>• Develop additional supplier training resources</li> <li>• Continue to provide education to suppliers on modern slavery during onboarding and assessment</li> </ul>

### Company directory

nib holdings limited  
ACN: 125 633 856

Registered office:  
22 Honeysuckle Drive  
Newcastle NSW 2300

### Further information



[nib.com.au/shareholders/company-profile/corporate-governance](https://nib.com.au/shareholders/company-profile/corporate-governance)



Email: [corporate.affairs@nib.com.au](mailto:corporate.affairs@nib.com.au)

## 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).

Mandatory criteria	Page
a. Identify the reporting entity.	2
b. Describe the reporting entity's structure, operations and supply chains.	2
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.	5
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.	7
e. Describe how the reporting entity assesses the effectiveness of these actions.	9
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).	2
g. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	9 & 10

