



modern slavery statement

FY20

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 2020 (FY20).

This joint statement is issued by nib holdings limited on behalf of the 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

At the nib Group we recognise that how we go about our business, including the examples we set, directly and indirectly impacts the communities in which we operate and their sustainability.

We strongly believe we have a responsibility to protect 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.

These beliefs as well as our company values of “making the world a better place” and “everyone deserves to be treated with respect” have driven our approach to human rights during financial year 2020.

Our efforts centred on improving the visibility and understanding of our supply chain and ethical procurement practices as we focus on creating a more sustainable supply chain.

Through this, our inaugural Modern Slavery Statement for the nib Group, we outline the steps we have taken to identify, assess and mitigate modern slavery risks within our operations and supply chain.

While we are proud of the significant progress that has been made in our first reporting year, we know more needs to be done. We are also cognisant that eradicating modern slavery will require ongoing focus in collaboration with industry, the community and other stakeholders.

nib Group is extremely supportive of Australia’s Modern Slavery Act and our commitment to supporting human rights goes beyond compliance with the new legislation. The prism through which we conduct our business is not ‘can we’, but ‘should we’ and we firmly believe we should play our part in driving real change to protect human rights.

This Statement was approved by the Board of nib holdings limited.



Steve Crane
Chairman

27 November 2020

Key milestones for FY20

- Working group established to drive implementation of human rights approach and review our own operations, supply chain and financial investments.
- Introduced a [Supplier Code of Conduct](#), which sets out the commitments and principles we expect of all our supply chain partners.
- Reviewed and updated relevant Group policies and procedures to address modern slavery risks including publishing a [Human Rights Statement](#).
- Established a private health insurance consortium featuring the majority of Australian health funds that are working together to address modern slavery risks across the industry.
- Conducted an initial modern slavery risk assessment across our Tier 1 supply chain.
- Started engaging with our suppliers to support them on the journey to compliance including strengthening supplier contracts with modern slavery provisions.
- Began training our people to encourage identification of any potential modern slavery red flags.



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.

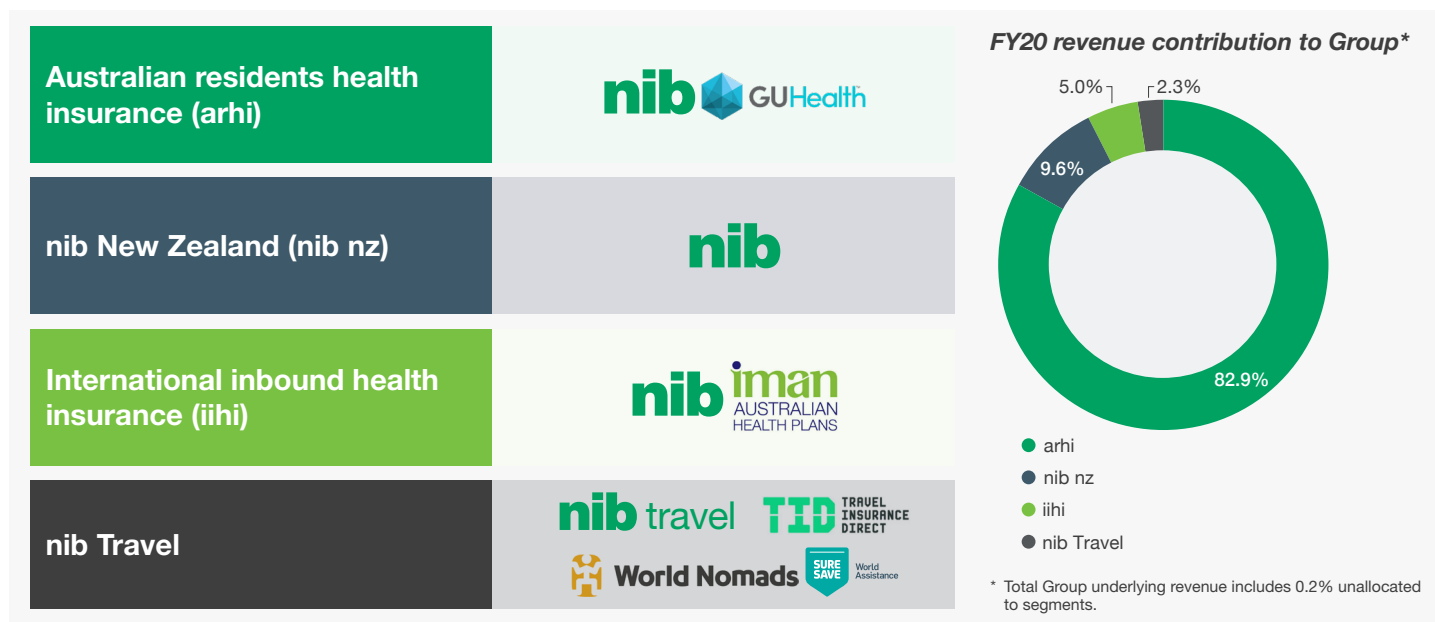
Our charitable organisation, nib foundation, was created in 2008 with the purpose of advancing health. By providing grants and other support to our partners we help deliver innovative programs that make positive and lasting improvements to people's health and wellbeing.

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 105-106 of nib Group's [2020 Annual Report](#).

nib Group operates the following business divisions:



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. This joint statement is also issued on behalf of nib Group's reporting entities by the nib holdings limited Board.

In addition:

- Business units with carriage of modern slavery response are group functions
- Policies, procedures and practices apply to the entire nib Group
- Internal working group includes representatives from all nib Group entities
- Contracts with suppliers were strengthened across all entities to include modern slavery clauses
- nib holdings limited Board members are also on the respective reporting entity boards

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 11 countries. We directly employ over 1,400 people across five countries and also engage a small percentage of our workforce as contractors via outsourcing arrangements.



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.



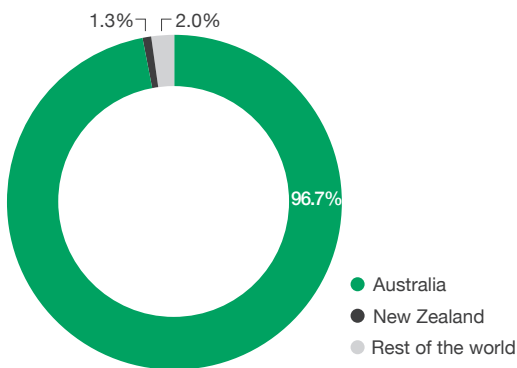
Our supply chain

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 (97%) of our suppliers are located in Australia.

More than 90% of our 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.

Our FY20 Statement focuses on our direct or Tier 1 suppliers as we seek to gain better visibility of our supply chain and their ethical procurement practices.

Percentage of suppliers by location



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



87%

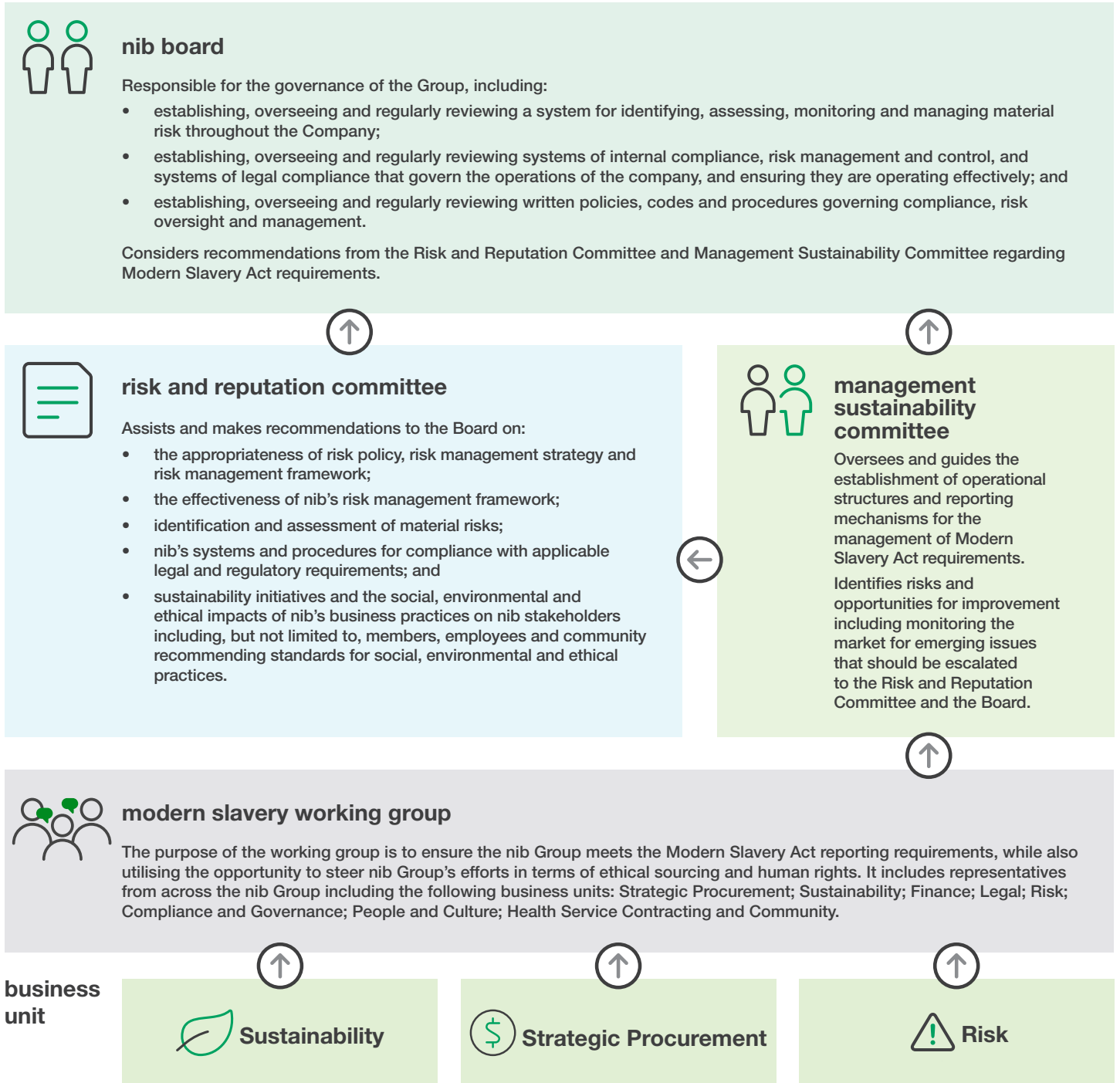
Healthcare Services



9%

Insurance Brokers

Our human rights governance structure



identifying modern slavery risks

We're working hard to continue to strengthen our ethical business practices, no matter where we operate in the world. We also take seriously our partnership with suppliers to ensure ethical business conduct and the protection of human rights throughout our supply chain.

In line with these efforts, during FY20 we developed a risk assessment methodology for identifying potential risks of modern slavery in line with our nib Group risk management framework.

An initial risk assessment of our supply chain was then conducted to help us gain a better understanding of our potential exposure to modern slavery risk.

Risk assessment methodology

nib Group applied 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.

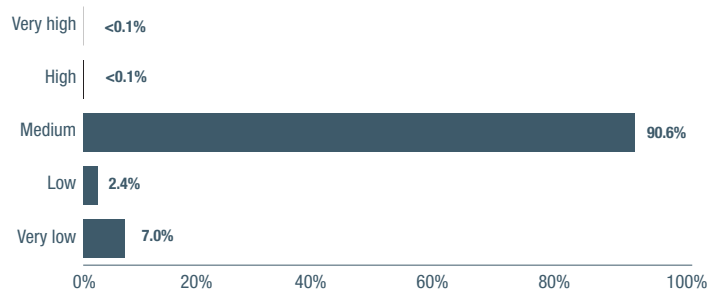
We utilised tools and resources such as the Global Slavery Index, Responsible Sourcing Tool, Social Hotspot Database and local non-government organisation reports, to inform our overall initial risk rating for each supplier.

This methodology was 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 initial assessment of the nib Group's supply chain has shown less than 1% of our suppliers have a high inherent risk of modern slavery.

Supply chain risk



nib Group's core business relates to financing healthcare treatment and as such our supply chain heavily features healthcare-related suppliers (87% of our Tier 1 suppliers), such as private hospitals and ancillary providers. We appreciate 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 initial assessment has identified that suppliers from the following countries and industries (based on GICS) have the most salient risk of modern slavery within our supply chain.

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

Risk in investments

We also recognise that through nib Group's investment portfolio we may contribute to modern slavery risks and are working with our portfolio managers to ensure a responsible investment approach is adopted.

nib Group's appointed investment portfolio managers (Mercer in Australia and Nikko AM in New Zealand), believe in a responsible approach to investing.

Mercer's Sustainable Investment Policy provides for human rights issues and they are currently developing a specific approach to modern slavery, including a public Modern Slavery Statement to be released in early 2021.

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 investments.

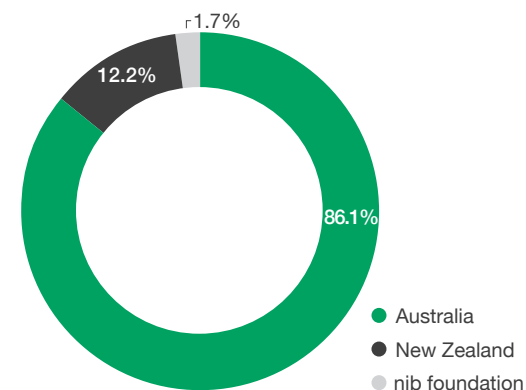
nib foundation

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.

Our foundation continues to work with Macquarie to understand modern slavery risks within our investment portfolio in line with their MSA Transparency Statement.

Invested funds



actions to assess and address risk

The key focus for nib Group's modern slavery program in FY20 has been the establishment of strong controls and frameworks to allow us to effectively assess and address modern slavery risk in a proactive manner on an ongoing basis.

We've also increased both our supplier and employees' awareness and understanding of modern slavery including potential red flags through ongoing education and communication.

FY20 key actions

Governance and collaboration	Policies, procedures and employee training	Due diligence and remediation	Supplier engagement
<ul style="list-style-type: none"> ✓ Executive responsibility established ✓ Modern Slavery Working Group formed ✓ Regular reporting on modern slavery to nib Group committees and Board ✓ Industry consortium founded with industry supplier questionnaire and initial risk assessment process developed ✓ Engaged with various industry, business, government and community stakeholders 	<ul style="list-style-type: none"> ✓ Policies and procedures reviewed and updated ✓ Human Rights Statement published ✓ Supplier Code of Conduct introduced ✓ Modern slavery standard clauses implemented for supplier contracts and purchase orders ✓ Modern slavery screening incorporated into Request for Proposal process ✓ Recruitment procedures reviewed to ensure alignment with ethical practices ✓ Modern slavery incorporated into whistleblower process and incident management procedure ✓ Training conducted with modern slavery working group ✓ Regular communication with employees via internal channels to increase awareness 	<ul style="list-style-type: none"> ✓ Modern slavery risk incorporated into risk registers ✓ Supply chain database developed and mapped by industry/country ✓ Initial supplier risk assessment completed ✓ Incorporated Supplier Code of Conduct assessment into monthly business unit compliance statement ✓ Investment portfolio screening for modern slavery initiated 	<ul style="list-style-type: none"> ✓ Suppliers notified of new Supplier Code of Conduct and modern slavery clauses ✓ Ongoing education of suppliers regarding Modern Slavery Act requirements

Looking forward

Combatting modern slavery is a significant challenge given the scale and complexity of worldwide supply chains. Through the work undertaken this year to gain greater visibility of nib Group's own supply chain we also acknowledge that addressing the risk of modern slavery within our business will be an ongoing program of work.

As such, we will be taking a risk-based approach and in the year ahead our efforts will focus on assessing our Tier 1 suppliers with an elevated risk of modern slavery through additional monitoring and due diligence.

Through our supplier questionnaire assessments we will look to identify any gaps in our suppliers' ethical business procedures and work with them to address the risk of modern slavery through enhanced human rights practices.

Importantly, we see this as a collective effort and are committed to working in partnership with our suppliers to remediate any modern slavery risks identified and further strengthen the protection of human rights within our supply chain in a sustainable manner.



Working together to enact change

Recognising the impact an industry approach would deliver, we initiated a private health insurance consortium featuring the majority of Australian health funds that are working together to address modern slavery risks across the industry.

Jointly we've developed an industry supplier questionnaire and initial risk assessment methodology to assist us in our due diligence process by supporting the identification of modern slavery risks through improved transparency of the practices of our suppliers and their suppliers.

We're utilising an online industry platform for undertaking these assessments which makes it easier for suppliers to provide the requested information. Suppliers only need to enter the information into the assessment once and can then choose who else they provide the response to.

To further support suppliers we've also created a set of frequently asked questions that help them understand what modern slavery is as well as more about the supplier assessment process. We've also provided them educational information regarding modern slavery including links to a number of free resources such as [The Walk Free Foundation](#), [Anti-Slavery Australia](#), the [Supply Chain Sustainability School](#) and [The Australian Government's Modern Slavery website](#).

The consortium also serves as a great way to facilitate knowledge sharing between like-minded organisations and develop unified approaches to enabling consistent regulatory uplift across the market.



Impact of COVID-19

Like all organisations, nib Group felt the impact of the COVID-19 pandemic this year, particularly our travel insurance business, with global and domestic leisure travel one of the hardest hit sectors.

Undoubtedly there were also upstream and downstream consequences impacting our supply chain, such as the disruption to healthcare services and travel. However, we have not identified any significant additional modern slavery risks to date as a result of the pandemic within our Tier 1 direct suppliers.

Within nib Group's own operations, we extended additional health and wellbeing support for our employees including offering up to two weeks special leave for employees impacted by COVID-19. We provided an ergonomics package to support our employees' work from home set up as we pivoted quickly to a remote working environment during the crisis and also extended the number of free counselling sessions available through our employee assistance program.

While there was some delays in supplier engagement and contract uplifts due to the temporary closures of some supplier offices, overall there was minimum impact on nib Group's ability to address and assess modern slavery risks for the reporting period.

measuring our effectiveness

Given the complexity of causation that contributes to modern slavery creating credible effectiveness indicators for how our actions are addressing modern slavery risk is challenging.

In our inaugural reporting year we have monitored our performance against the actions we set out to achieve during the period with the outcomes of these key activities integrated into this statement.

In FY21, we aim to develop a better understanding of the impact of our initiatives through measurable targets.

Focus Area	Actions	Measurement
Governance and collaboration	<ul style="list-style-type: none"> • Board and management oversight • Working group established • Industry collaboration 	<ul style="list-style-type: none"> • Discussed at meetings of relevant committees and working group • Monthly Board and Management Sustainability Committee reporting • Regular meetings of industry consortium
Policies, procedures and employee training	<ul style="list-style-type: none"> • Policy and procedure reviews • Recruitment practices reviewed • Supplier contracts updated • Employee and Board training • Grievance mechanisms established 	<ul style="list-style-type: none"> • Policies, procedures and practices reviewed in line with plans and communicated with employees and suppliers • Human Rights Statement published • Supplier Code of Conduct launched • Number of supplier contracts updated with modern slavery clauses • % of employees and Board members trained • Number of grievances raised
Due diligence and remediation	<ul style="list-style-type: none"> • Risk register updates • Tool for assessing risk, monitoring and reporting • Initial supplier risk assessments • Monthly business unit compliance statements 	<ul style="list-style-type: none"> • Risk register updates completed within timeframe • Risk assessment methodology and tool implemented • Number of initial risk assessments conducted on tier 1 suppliers • Number of exceptions from monthly compliance statements
Supplier engagement	<ul style="list-style-type: none"> • Supplier engagement 	<ul style="list-style-type: none"> • Number of suppliers engaged and educated regarding modern slavery

stakeholder engagement and collaboration



We've worked closely 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 Group views collaboration and partnerships as an integral element of reducing modern slavery risk among collective supply chains and will seek to improve upon this coordinated approach in FY21 to drive change.

the year ahead

nib Group is committed to further strengthening our modern slavery risk management in the year ahead as we seek to proactively identify, mitigate and remedy modern slavery risks in our own operations and supply chains.

FY21 focus

Governance and collaboration	Policies, procedures and employee training	Due diligence and remediation	Supplier engagement
<ul style="list-style-type: none">• Establish key performance indicators to monitor effectiveness of modern slavery actions• Maintain engagement with industry and other key stakeholders	<ul style="list-style-type: none">• Review of policies including Supplier Code of Conduct and Human Rights Statement in line with plans• Complete the review of precedent contracts to embed modern slavery clauses• Rollout compliance training to all employees and directors	<ul style="list-style-type: none">• Establish due diligence framework and toolkit for addressing gaps in supplier human rights practices• Develop and implement incident and remediation framework• Undertake supplier questionnaire assessment using risk-based approach with focus on high risk suppliers• Apply modern slavery screening to investment portfolios and introduce a Responsible Investment Policy	<ul style="list-style-type: none">• Introduce modern slavery training resources for suppliers

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



Email: corporate.affairs@nib.com.au

