A photograph of a man with a beard carrying a young child on his shoulders in a forest. The man is looking directly at the camera, and the child is smiling. The background is a dense forest with sunlight filtering through the trees.

MODERN SLAVERY STATEMENT

GMHBA GROUP FY23



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The Australian Border Force (ABF) - Modern Slavery Statement Annexure

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

GMHBA Group

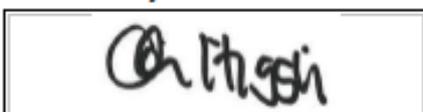
as defined by the *Modern Slavery Act 2018* (Cth)¹ ("the Act") on 12/12/2023

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

GMHBA Limited Board

as defined by the Act²:



Claire Higgins

Chair

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	4
b) Describe the reporting entity's structure, operations and supply chains.	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.	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.	6
e) Describe how the reporting entity assesses the effectiveness of these actions.	8
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).*	9
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	9

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own or control any other entities' instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.



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GMHBA's commitment towards eradicating modern slavery

As a part of our core Values, GMHBA is committed to upholding the highest standard when it comes to ethical responsibilities. This includes the Board endorsing a Group Whistle-blower Policy and approval of a Code of Conduct which sets out the ethical standards that are expected of all our directors, and employees.

Our Supplier Statement sets out our expectation that suppliers will comply with all applicable laws and demonstrate their respect for, and protection of, the fundamental human and labour rights of workers. Our Annual reporting Statement is publicly available on the Attorney-General's Department (AG's Dept) Online Register for Modern Slavery Statements and our Supplier Statement is available on our website.

This statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and sets out the steps taken by GMHBA Group and its wholly owned subsidiaries, to address modern slavery and human trafficking risks in our business and supply chains for the period 1 July 2022 to 30 June 2023.

This is GMHBA Group's fourth annual statement in line with the Act. It outlines the actions taken to detect modern slavery risks within our operation and supply chains and ensures we have in place the most appropriate responses to any risks identified, as a part of our due diligence process.

1. Criterion 1.0 Identify the reporting entity

For the purposes of this statement the reporting entity is GMHBA Limited, ABN 98 004 417 092. In assessing the risks of modern slavery that may exist within our supply chain, the following entities have been included within GMHBA Group:

- GMHBA Limited; and
- GMHBA Armstrong Creek Unit Trust (wholly owned subsidiary).

Excluded from the scope of this statement is an entity with which GMHBA conducted a joint venture during this reporting period, referred to as 'ABC' to maintain its anonymity. ABC is a trust controlled by GMHBA Group for accounting purposes, and as such is deemed to be a subsidiary. Although ABC was invited to participate during the development of this statement, as required under Criteria Six2, but does not meet the legislative reporting threshold and was not included as part of this year's due diligence process.

2. Criterion 2.0 Describe the reporting entity's structure, operations and supply chains

Our Structure

GMHBA Limited is an Australian Not-for-Profit public company limited by guarantee, that provides Private Health Insurance (PHI) and health services to over 328,000 people across our two distinct brands: GMHBA Health Insurance and Frank Health Insurance. We are proud to have over 435 employees based in Victoria.

As our services continue to diversify, we remain committed to operating our health insurance and health services lawfully and ethically, and to only working with suppliers that are aligned to our values as outlined within our Supplier Statement. We expect our suppliers to operate in accordance with all applicable modern slavery laws including those prohibiting human slavery and any practices such as human trafficking and child labour.



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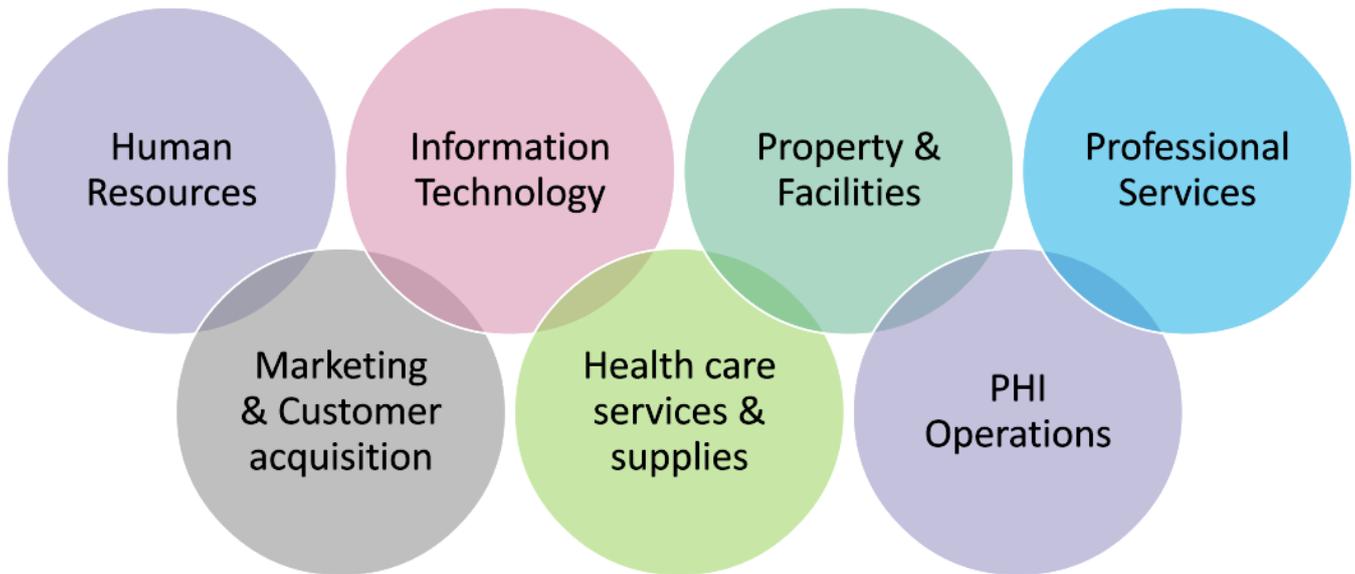
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Our Operations and Supply Chain

GMHBA's main operations consist of the provision of private health insurance and health services to our members and community. Our major categories across our operations and supply chains include:



Our scope for GMHBA Limited's assessment of procurement in FY23 involved 734 direct suppliers (Tier 1) with a total spend of approximately \$47m. Our target group for FY23 relates to 29 suppliers. A broader review over future years will include our operational supply chains which will extend to hospital, medical and ancillary providers (Tier 2). Further detail on GMHBA's approach to addressing modern slavery risk in its supply chain is provided under Criteria 4 of this Statement.

As an insurer, GMHBA has significant levels of invested funds across a range of investment classes, as well as local and international equities. Such investments are managed by our Investment Portfolio Manager, JBWere and further details can be found in our Annual Report.

3. Criterion 3.0 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

We acknowledge that the risks of modern slavery may be heightened in some supply chains and operations due to the geographical location of suppliers, areas of operation, and the source of materials used in products supplied. In particular, medical supplies and personal protective equipment (PPE) sourced from overseas have been identified as products whose production carries with it a heightened risk of modern slavery within the health services sector. We acknowledge that we lack visibility in procurement of some products or services that come from overseas markets and carry additional risks of modern slavery especially in the secondary levels of our chain of suppliers (Tier 2). We are not yet aware of the magnitude of risk that this may involve, but we are committed to evolving our practices to reach into this space in the years ahead. We are also a part of the Private Health Insurance Community of Interest Group (PHI Col) who are continuing to strengthen their relationship with Australian Health Service Alliance (AHSa), to develop and design a way for us to tackle this collectively as an industry.

Relationship owners within GMHBA initially assessed the following key risk factors against direct suppliers to understand which may pose a greater modern slavery risk:

- **Industry Sector** (and Subsector) – the Global Industry Classification Standard (GICS) taxonomy was adopted as a way of classifying sectors and sub-sectors that is consistent with global classification standards, and overlaid with risk ratings;



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- **Countries of operation** (geographical location) – the Global Slavery Index (GSI) was sourced to determine risk ratings for each country considering governance issues, lack of basic needs, inequality, disenfranchised groups, and effects of conflict;
- **Product** (goods or services) – highest risk countries producing products with a higher exposure were identified and overlaid as part of the risk assessment; and
- **Spend** (during financial year) – overall spend was overlaid against suppliers, to determine any additional layer of risk as well as influence suppliers hold to assist with remediation strategies.

Following these assessments, we identified several areas of heightened risk within our supply chain which included the outsourcing of services such as health care supplies (eye care supplies) being distributed from India, software services operating in Mexico and China and automotive retail firms with operations in South Korea.

Overall, as a result of our assessments, we have **not** identified any material risk of modern slavery practices in our supply chains.

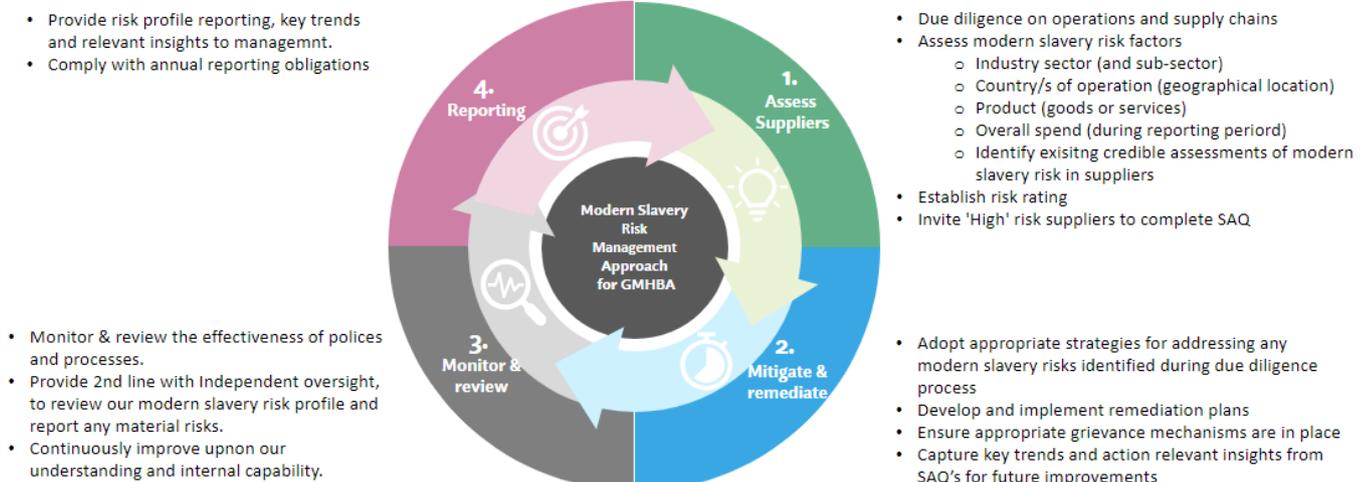
4. Criterion 4.0 Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes

Overall, GMHBA has actively engaged and consulted with all companies we own or control in the development of this statement. During FY23 we also liaised and coordinated with the entities we own or control or jointly control during the development of this statement, including those who may not be required to report. During this consultation period, we discussed details of the Modern Slavery Act 2018’s reporting requirements; providing information on the actions we intend to take to address these requirements and providing relevant materials and ongoing updates.

GMHBA continues to apply a targeted, risk-based approach when assessing and addressing risks of modern slavery within our operation and supply chains. This approach is consistent with the ‘United Nations Guiding Principles on Business and Human rights’ and recommends focusing actions on high-risk areas. GMHBA is also committed towards applying a lens of ‘continuous improvement’ in our year-on-year efforts.

Modern Slavery Risk Management Approach

Four-step methodology



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1. Assess Suppliers

Risk assessment

To commence the due diligence process, we performed a risk assessment of **734** suppliers to understand which suppliers may pose a greater modern slavery risk.

Target group identification and prioritisation

After performing an initial assessment of our Tier 1 suppliers, GMHBA identified 29 suppliers as potentially having higher risks of modern slavery. In further assessing the risks associated with the target group management reviewed the 21 suppliers who have submitted their own Modern Slavery Statements to the government. This review focussed on understanding the awareness, processes and controls these suppliers have in place to address modern slavery risks within their supply chains. 19 supplier statements contained sufficient information with respect to their modern slavery processes and controls enabling management to revise its initial risk assessment. GMHBA invited the remaining 2 suppliers and the 8 suppliers without modern slavery reporting in place to complete a self-assessment questionnaire (SAQ).

Supplier assessment across GMHBA's direct supply chain – FY22 vs FY23



*21 modern slavery statements reviewed with 2 assessed as not containing sufficient detail with respect to modern slavery processes and controls

Self-Assessment Questionnaire (SAQ)

The questionnaire covers eight key risk areas as outlined below:

1. **Supplier details** - to assist us in confirming the details collected as a part of the initial inherent risk rating.
2. **Modern slavery understanding & commitment** - designed to give us an understanding of any commitments the supplier may have with respect to human rights.
3. **Policies & procedures** - helps us to understand what policies & procedures the supplier may have in place to reduce the risk of modern slavery occurring within their operation and supply chains.
4. **Supply chain management** - helps us understand how well they know their supply chain and any measures they may have in place to reduce modern slavery risk among their supply chain.
5. **Ethical recruitment** - helps us to understand the nature of the supplier's workforce including how they recruit to identify any potential risks of modern slavery within their recruitment approach.
6. **Human rights & modern slavery** - relates to the eight types of serious exploitation defined as modern slavery within the Modern Slavery Act. They allow us to understand whether any supplier's practices may create the potential risk of modern slavery within their business.
7. **Due diligence/Remediation** - allows us to understand what processes the supplier may have in place to help address and remediate any risk or incidents of modern slavery within their business.
8. **Education & training** - allows us to understand whether the supplier has any education or training in place to help employees identify and understand modern slavery risks within their business or supply chain.



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2. Mitigate & remediate

We have developed a range of strategies for managing the modern slavery risks identified throughout our due diligence process. These strategies are targeted towards building upon our understanding and capabilities, continuously improving our policies and processes, and enhancing engagement levels with our suppliers. Key actions completed in FY23 include:

1. Active engagement with our industry peers to discuss themes and trends from operation and supply chains, understanding best practice, sharing learnings to over-come barriers and explore potential future opportunities of collaboration;
2. Review of the Whistleblower Policy and external grievance mechanism (FairCall) which allows a broad range of people connected to the organisation a confidential avenue to anonymously report concerns or suspected reports or breaches of modern slavery or human rights risks within our supply chain. This in turn also supports our remediation processes.
3. Education and training for key internal resources, including attendance at key industry and regulator events held throughout the year.

3. Monitor & review

During our fourth year of reporting, we have continued to work towards embedding modern slavery processes and practices within the business, including the automation of some of these processes. To ensure we have a continuous improvement approach to compliance with the Act, we have continued to focus our efforts in growing in maturity, in accordance with our modern slavery maturity model, which will ensure we are enhancing our processes over time to have the right effect on addressing modern slavery with our suppliers. As we mature, our processes, risk assessments, monitoring and risk profiling will continue to be managed by the broader business as first line of defence, with the Risk and Compliance team providing oversight and challenge as the 2nd Line of Defence.

4. Reporting

We will continue to work towards developing robust reporting to create awareness, transparency and alignment of our most material modern slavery risks including providing greater visibility of these risks at a Board and Executive level.

Key risk trends continue to exist within our supply chain. These key patterns of behaviour include:

- Misclassification of inherent risk rating based on incorrect country of operation due to insufficient data
- High levels of procurement of health care, medical and dental supplies
- Suppliers not obliged to report under the Act reluctant to complete a SAQ,
- Suppliers not having adequate procedures and policies in place
- Suppliers not having adequate formal risk assessment process in place to support identification of risks
- Suppliers' high utilisation of sub-contracting or third-party recruitment companies
- Suppliers not having a grievance mechanism in place
- Suppliers not providing adequate or any education or training for their own staff and volunteers

5. Criterion 5.0 Describe how the reporting entity assesses the effectiveness of these actions

We are monitoring the effectiveness of our processes and procedures to address the modern slavery risks that our business causes, contributes to, or is directly linked to, in line with the UN Guiding Principles. We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by tracking our actions and outcomes, partnering with suppliers and other external partners, and undertaking regular internal governance and external assurance processes. Based on the results of these processes we will adapt and strengthen our actions to continually improve our response to modern slavery. Per the 'Guidance for Reporting Entities' issued by the AG's Dept, GMHBA will look to continually improve and build on our response each reporting period.



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Since the last reporting period we have continued to develop and build upon our modern slavery maturity to ensure that we are enhancing our processes year on year. During this time, we have matured our processes, risk assessments, monitoring, risk profiling, created a central repository to manage our compliance obligations and also achieved several of the milestones that we first established four years ago. At GMHBA we will continue to ensure we apply a continuous improvement approach to compliance with the Act, so during FY23 we took the opportunity to continue building upon our modern slavery maturity target model in the following ways:

What we achieved during FY23

1. Participation in the PHI CoI to align our shared and mutual interest in relation to industry supplier consultation and tool development;
2. Lead role in initiating a relationship on behalf of the PHI CoI with AG's Dept to facilitate communication and increase understanding around the legislation and obtain clear guidance from AG's Dept around specific areas of interest;
3. Liaised with business partner at cloud-based software solution Informed 365 (I365) to identify opportunities for improvement and create efficiencies, by automating some additional processes as part of due diligence process including semi-automating the process for creating and capturing remediation plans in the software platform
4. Increased employees' understanding and awareness of modern slavery through learning module achieving 100% participation rate

6. Criterion 6.0 Describe the process of consultation with any entities the reporting entity owns or controls

During the reporting period we actively engaged and consulted with all companies we own or control or have joint control of, during the development of this statement as outlined in the response above for Criteria one. We discussed details of the Modern Slavery Act 2018's reporting requirements; information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates. In the development of this statement, we consulted with key personnel from **ABC**, to offer the entity an invitation to participate in the development of this Statement. This entity was co-operative with us but did not feel they could add any valuable contribution to the development of our Statement given they are not required to report, and their understanding of modern slavery is limited. At this time, we took the opportunity to provide ABC with additional information and key resources about modern slavery and the actions we are taking to address any risks, in order increase their baseline understanding.

7. Criterion 7.0 Provide any other relevant information

We acknowledge that to combat modern slavery and entirely eradicate it from our broader supply chains will require our dedication and a consistent effort year on year. Delivering on this undertaking will take a concerted effort by GMHBA, our suppliers, staff, and health fund peers, supported by cross-industry collaborations.

We are proud of the work we have achieved during this last reporting period, to prevent modern slavery and any inadvertent involvement we may have across our business and supply chains. There is more to do, but we are always looking to continuously improve the way we do things to eliminate modern slavery, always in partnership with others, knowing that no one can do so on their own.

This statement was approved by the board of GMHBA Limited on 12 December 2023. The board of GMHBA Limited approved this statement on behalf of the other entities covered by the statement. All procurement for these entities was undertaken through GMHBA Limited. Criteria six within this statement outlines how GMHBA Limited consulted with **ABC**, during the development of this statement.

This statement is signed by Claire Higgins as Chair of GMHBA Limited on 12 December 2023.



Claire Higgins
Chair, GMHBA Limited
12 December 2023



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