



Modern Slavery Statement

This joint modern slavery statement covers the activities of CBHS Group and represents reporting entities CBHS Health Fund Limited ABN 87 087 648 717 and CBHS Corporate Health Pty Ltd ABN 85 609 980 896 for the year ended 30 June 2020 (FY2020).

CBHS Group has prepared this statement to set out the actions taken to understand and mitigate the risks of modern slavery and human trafficking across our operations and supply chains.



Introduction

The Modern Slavery Act 2018 of the Commonwealth Government requires Australian businesses including the CBHS Group to submit a Modern Slavery Statement (MSS) to the Australian Border Force (ABF) annually.

An organisation's MSS must provide information on the actions the organisation took in the past financial year to identify and manage the risks of modern slavery practices in its own operations and those of its supply chains.

The MSS must also provide information on how the organisation has assessed the actions it took as effective.

An organisation's MSS must be signed by a designated member of the organisation's governing body.

WHAT IS MODERN SLAVERY?

"Modern slavery" is an umbrella term which describes certain situations of criminal exploitation of vulnerable individuals or groups in order to use their labour or services in unlawful ways.

Situations of criminal exploitation include:

- Human trafficking or people smuggling
- Deceptively recruiting a person for their labour or services
- Forcing another person to work for you or preventing them from leaving the employment voluntarily
- Forcing a person into a marriage
- Using child labour under inhumane conditions
- Subjecting a person to slavery-like working conditions
- Denying workers their statutory rights or entitlements.

"Our anti-modern slavery policy framework reinforces our long-standing commitments to the recognition and protection of the human rights of our members and employees in particular."

WHAT'S IN OUR MSS?

We lodged our first MSS with the ABF in March 2021.

The MSS provides information on:

- Our adoption of an anti-modern slavery policy
- Actions we took to manage the risks of modern slavery practices in our own operations
- Actions we took towards managing the risks of modern slavery practices in our supply chains.

It also provides information on the further actions we will take in the short to medium term in the above areas.

Anti-modern slavery policy framework

Our anti-modern slavery policy framework reinforces our long-standing commitments to the recognition and protection of the human rights of our members and employees in particular. In this respect, our CARE Values have set the standard for treating all people with respect and fairness.

The anti-modern slavery policy reinforces those values and extends them to our supply chains.

Amongst other things, our anti-modern slavery policies require us and our supply chains to:

- Not use or not recruit forced labour in connection with any of our operations
- Only employ people under the age of 16 in full-time positions where an appropriate authorisation for such employment has been obtained and the conditions of that authorisation have been complied with
- Allow employees to leave their employment voluntarily subject to giving a period of notice agreed in advance with the employees
- Comply with minimum wages legislation and national employment standards
- Provide healthy and safe workplaces for employees that at a minimum meet workplace health and safety legislative requirements
- Allow employees to form or join workers unions and participate in the lawful activities of these unions
- Implement employee grievance and whistleblower protection procedures.

We assessed our anti-modern slavery policy requirements as effective because they now provide us with a roadmap, to not only identify the risks of modern slavery practices in areas of our operations and those of our supply chains, but also to assign senior management and Board responsibilities for the management of those risks in the future.

"Our CARE Values have set the standard for treating all people fairly and with respect."



CUSTOMER FIRST



ACTIVE



RESPECT



EXCELLENCE

Managing modern slavery risks

IN OUR OWN OPERATIONS

We undertook a gap analysis between the anti-modern slavery policy requirements set out above and our existing People and Culture policies, procedures and processes.

We found that while some of these policies, procedures and processes delivered modern slavery risk management outcomes, they did not clearly state that this was one of their objectives. This is understandable given that the obligation to manage modern slavery risk management is only a recent legislative requirement.

"We reviewed existing policies, procedures, and processes to specifically make modern slavery risk management one of their aims."

As a result, we reviewed existing policies, procedures and processes to specifically make modern slavery risk management one of their aims. In some cases, we also improved existing controls so that they are capable of delivering modern slavery risk management outcomes.

We assessed the above actions as effective because the Board is now in position to receive and consider reports from senior management on how policies, procedures or process have delivered modern slavery risk management outcomes.

IN OUR SUPPLY CHAINS

Our supply chains fall under two categories:

- a. individuals or organisations directly engaged by us to supply goods or services in connection with our operations (Tier 1 Suppliers); and
- b. individuals or organisations engaged by Tier 1 Suppliers to supply goods or services to Tier 1 Suppliers in connection with our operations (Tier 2 Suppliers).

We carried out a modern slavery risk assessment of all our Tier 1 Suppliers. The risk assessment was based on a number of factors including:

- The location of a supplier's main operations (different countries or regions have different modern slavery risks)
- A supplier's industry sector (some industry sectors have higher modern slavery risks)
- Whether a supplier supplies goods or services to the Group (the sourcing, production and distribution of goods carry higher modern slavery risks than the sourcing, production and distribution of services)
- Whether the supplier is required to report under the Modern Slavery Act 2018 (a reporting entity is more likely to manage the risk of modern slavery practices in its operations than a supplier who is not a reporting entity).



LOCATION



INDUSTRY SECTOR



GOODS OR SERVICES



REQUIRED TO REPORT UNDER THE
MODERN SLAVERY ACT 2018

MANAGING MODERN SLAVERY RISKS IN OUR SUPPLY CHAINS (CONTINUED)

A Tier 1 Supplier was then placed in a "Low", "Medium" or "High" modern slavery risk category. The risk category of a Tier 1 supplier will determine the package of modern slavery risk management strategies we will apply to the supplier in the short to medium terms.

We developed two major kinds of risk management strategies: due diligence and targeted modern slavery risk management plans.

"Due diligence will be carried out for all new Tier 1 Suppliers before we engage them."

Due diligence means collecting sufficient information from or about a Tier 1 Supplier to assess whether the supplier has policies, procedures and processes that comply with our anti-modern slavery policy requirements. Due diligence will be carried out for all new Tier 1 Suppliers before we engage them.

After engagement, due diligence will be carried out periodically for all Tier 1 Suppliers.

Modern slavery risk management plans will be based on the outcome of the due diligence carried out for a Tier 1 Supplier. A typical plan will involve us working with the Tier 1 Supplier over a period of time to manage any risks of modern slavery practices identified in the supplier's operations.

We will leverage our contractual relationships with Tier 1 Suppliers to encourage the latter to also require their Tier 2 Suppliers to manage the risks of modern slavery practices in their operations.

We have assessed our approach to managing modern slavery risks in our supply chains as effective because it will provide an opportunity for us to apply a risk-based approach to each Tier 1 Supplier. Since we don't have any contractual relationship with Tier 2 Suppliers, it makes sense for us to work through our Tier 1 Suppliers towards the delivery of modern slavery risk management outcomes in the operations of Tier 2 Suppliers.

Short to medium-term actions

The Group identified three areas of focus in the short to medium-terms:



Establish a working group comprising members of the Compliance, Risk and Legal teams to continually review our own operations and supply chains



Raise staff awareness of modern slavery issues and provide modern slavery risk management training to People & Culture and third party relationship management staff



Communicate the Group's anti-modern slavery policy to our supply chains and conduct due diligence of suppliers.

ACCESS THE FULL TEXT OF OUR MODERN SLAVERY STATEMENT

Our MSS is published on the ABF's website. To view the statement visit abf.gov.au and enter 'CBHS' in the search field.

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