

19 August 2019

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

2019 SUSTAINABILITY REPORT

nib holdings limited (nib) is pleased to present its Sustainability Report for the financial year end 30 June 2019.

A copy of the report is attached and can also be viewed online at nib.com.au/shareholders

Yours sincerely,



Roslyn Toms
Company Secretary

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sustainability report

2019





message from the chief risk officer

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.

This belief has underpinned our sustainability efforts across the nib Group in financial year 2019 as we continue to mature and grow in our approach to sustainability.

That's why it's with great pleasure that I present our FY19 Sustainability Report that recognises the progress we've made in helping create more prosperous and sustainable communities, in turn fulfilling our purpose as well as the community's expectations of us.

For the first time, we've also mapped our Sustainability Principles and initiatives against the United Nations Sustainable Development Goals as we build our alignment with best practice.

We look forward to sharing more with you in the years ahead as we continue to play our part in helping make the world a better place.

Roslyn Toms

Group Executive Legal & Chief Risk Officer

nib Sustainability Principles



population health

The quality of individual health is much influenced by that of the communities in which they live and work. We pursue and invest in broad community-based programs which aim to tackle disease, lift health literacy and generally improve population health including via our nib foundation.



natural environment

The quality of the natural environments in which we live are similarly influential on people's health. Clean air and water, biodiversity and climate stability are all fundamental elements we seek to embellish. We've a particular interest in neutralising our carbon footprint given its known impact upon global warming.



economic development & employment

nib is a significant investor and employer in the many communities it operates including outside of Australia and New Zealand. Through our success as a business we create additional wealth in these communities and employment. We especially believe both are important to the overall health and wellbeing of our communities and that we have a leadership role to play in encouraging inclusion and equal opportunity.



community spirit & cohesion

Strong community spirit, cohesion and harmony are good for the psychological and physical wellbeing of communities. We believe essential to that is a strong sense of identification with the community as well as social justice, tolerance and respect for our differences.



leadership & governance

The importance of having the highest standards of ethical practice and good governance in business and public institutions is increasingly evident. The risks associated with our business operations and the potential consequences for communities and all stakeholders of failing to manage these is well understood by us. We're especially aware of how the behaviour of companies like ours can influence others operating in our communities.

Roles and responsibilities

Board

The nib holdings limited Board holds ultimate responsibility for the oversight and operation of our sustainability strategy. The Board are supported by the Chief Risk Officer and the Management Sustainability Committee.

Chief Risk Officer

The Chief Risk Officer is responsible for managing the Legal, Risk, Compliance and Governance functions across the nib Group. This function also includes responsibility for community and sustainability including the management and delivery of our sustainability activities.

Management Sustainability Committee

Established this year, nib's Management Sustainability Committee oversees the implementation and operational effectiveness of our Sustainability Principles and initiatives. This includes helping implement change across our business, enhancing our sustainability monitoring and exploring opportunities for improvement.

The Committee is chaired by the Chief Risk Officer and includes members from the Executive team and other key leaders from across the nib Group.



material issues

Materiality assessments are an important exercise conducted every two-three years that provide strategic insights into our most material social, environmental, governance issues.

In addition, the way we identify our material topics and align them with relevant megatrends, in consultation with internal and external stakeholders, ensures we adhere to the principles of the Global Reporting Initiative (GRI) Standards.

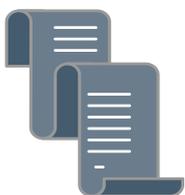
We conducted our previous materiality assessment in line with the establishment of our sustainability framework in 2017. During the past year, we completed a new materiality assessment which has identified a set of 20 material issues.

Materiality matrix



Material issues

- | | | |
|--|--------------------------------------|--|
| 1 Cost of care and insurance | 8 Diversity and inclusion | 15 Preventative health |
| 2 Building credibility and trust | 9 Technology impacting workforce | 16 Mental health |
| 3 Supporting the healthcare journey | 10 Workplace health and wellbeing | 17 Ethical investment |
| 4 Customer/member centricity | 11 Climate change and health impact | 18 Public policy impact and engagement |
| 5 Responsible use and protection of data | 12 Environmental responsibility | 19 Governance and risk management |
| 6 Demonstrating value | 13 Population health/minority groups | 20 Ethical supply chain |
| 7 Employee satisfaction | 14 Navigating health technology | |



We interviewed key internal and external nib stakeholders to uncover what they consider to be the most salient issues that nib should be addressing. We also engaged our members and employees through an online survey to explore which issues they consider to be the most material.

Material issues definitions

Building credibility and trust	Build and maintain the trust of our members by being transparent, communicating clearly and showcasing good governance.
Climate change and health impact	Identify and consider climate change-related risks and opportunities for the business as the world transitions to a zero-carbon economy.
Cost of care and insurance	Health insurance remains affordable and offers value for money to consumers particularly in the face of rising rates of healthcare treatment and costs.
Customer/member centricity	Keep our members at the centre of all decisions through a deeper understanding of their personal experience.
Demonstrating value	Demonstrate the ongoing value of private health and travel insurance to all consumers by delivering above and beyond traditional financial protection.
Diversity and inclusion	Create a diverse and inclusive work culture to foster creativity, innovation, competitive advantage, talent attraction and retention.
Employee satisfaction and engagement	Develop an agile, collaborative and technologically empowered working environment that engages, satisfies and fairly remunerates employees.
Environmental responsibility	Reduce our environmental footprint and encourage better environmental practices by our employees and stakeholders.
Ethical investment	Ensure investments are ethically responsible and aligned to nib's Values.
Ethical supply chain	Ensure that we have an ethical supply chain that seeks to reduce modern slavery risks and create decent work for all.
Governance and risk management	Set a sound risk culture with good governance that supports nib as a purpose driven organisation.
Mental health	Support better mental health for our members and employees.
Navigating health technology	Embrace new health technologies in a robust, ethical and considered manner that retains member choice and supports better health outcomes.
Population health/minority groups	Promote the improved health of our communities by building health literacy and general population health, particularly among minority or underprivileged groups.
Preventative health	Encourage our members to keep healthy by supporting more preventative health measures that improve access to relevant health information, encourage better health outcomes and leverage technology to help people better manage their health.
Public policy impact and engagement	Engage with policymakers to create a more sustainable healthcare system that supports the health needs of consumers in an affordable way.
Responsible use and protection of data	Ensure that all information is treated with respect, used responsibly and in the best interest of members, and protected from unauthorised external use.
Supporting the healthcare journey	Partner with our members, providers and hospitals to deliver a more personalised and informed healthcare experience that supports our members during their healthcare journey.
Technology impacting workforce	Harness digital technologies to innovate within the work environment and focus on the continued development of our employees.
Workplace health and wellbeing	Promote employee mental health and wellbeing by creating a healthy workplace where they feel safe and supported.

population health

The quality of individual health is much influenced by that of the communities in which they live and work. We pursue and invest in broad community-based programs which aim to tackle disease, lift health literacy and generally improve population health including via our nib foundation.

FY19 highlights



1.6m
members covered



\$1.8b
total claims paid¹



1st anniversary
of Ngāti Whātua
Ōrākei partnership



10,423
participants
in health
management
programs

We've recently celebrated the first anniversary of our partnership with Auckland iwi, Ngāti Whātua Ōrākei, who fund universal nib private health insurance for all members of their iwi to help improve their health and wellbeing outcomes.

This New Zealand-first population health initiative has seen more than half of the iwi sign up to the private health insurance health plan in the first 12 months. In addition, over a third of participants have completed a wellness assessment, which will provide population health data to analyse trends and develop preventative programs.

The partnership aims to create better health interventions, improve outcomes and tackle existing barriers that Māori experience when accessing healthcare through the public health system.

Across the Group, we've continued to help our members be at their healthiest through our health management programs, including providing assistance to members to come home from hospital sooner after treatment or avoid unnecessary hospitalisation altogether. In Australia alone, this has resulted in 2,000 less hospital treatment days meaning our members are recovering more quickly from treatment, in a setting of their choice, at a much lower cost.

Our Group-wide efforts to improve the member experience including empowering them to make better healthcare decisions, lifting health literacy and reducing the uncertainty around the cost of their surgery and treatment continue to deliver positive results. Highlights include:

- Expanding the successful Whitecoat health directory website to New Zealand;
- Introducing nib Clinical Partners that guarantees our Australian members no out-of-pocket surgery and supports them throughout their healthcare journey; and
- Publishing more information to help all members understand their chance of being charged an out-of-pocket for their surgery.

Member snapshot

	FY19	FY18
Number of policyholders		
Australian Residents Health Insurance	607,388	594,762
International (Inbound) Health Insurance	172,357	144,183 ²
New Zealand	110,121	102,696
Total	889,866	841,641
Number of persons covered		
Australian Residents Health Insurance	1,176,155	1,159,550
International (Inbound) Health Insurance	188,324	160,193
New Zealand	213,061	204,906
Total	1,577,540	1,524,649
Health insurance claims paid¹ (\$m)		
Australian Residents Health Insurance	1,639.0	1,544.5
International (Inbound) Health Insurance	42.4	36.6
New Zealand	130.0	113.2
Total	1,811.4	1,694.3

We are a trusted health partner, empowering our members to make better decisions and improve health outcomes through greater accessibility to affordable health services and information.

1. Health insurance net claims incurred (excluding claims handling), underwriting segments only (excludes nib Travel).
2. Immaterial adjustment to FY18 figure associated with acquisition of GU Health during period.

Member satisfaction

	FY19	FY18
Net promoter score		
Australian Residents Health Insurance	32.5	28.7
International Students Health Insurance	34.6	30.5
International Workers Health Insurance	41.5	42.7
New Zealand	34.0	21.1
nib Travel ¹	61.2	62.6
GU Health ²	15.9	22.6

Member empowerment

Whitecoat

Dubbed the “TripAdvisor” of healthcare, the health provider website, Whitecoat, allows members to search, find and book a healthcare provider, as well as share their healthcare experiences.

By providing people with more information we aim to help them make better choices about their healthcare. It's certainly proving popular, with a growing number of people jumping online before they select a provider or medical specialist to see what other people have said.

More than three million people visited the site in FY19, where they were able to see almost one million patient reviews of around 300,000 registered healthcare providers.

During the year we expanded the platform to New Zealand. Already, more than 300,000 Kiwis have visited the site with almost 4,500 patient reviews added about the 9,000 healthcare providers listed.

For more information, visit whitecoat.com.au or whitecoat.co.nz

	FY19	FY18
New patient reviews⁵		
Australia	268,853	260,778
New Zealand	4,489	n/a
Total patient reviews		
Australia	964,420	695,767
New Zealand	4,489	n/a
Healthcare providers registered		
Australia	190,243	189,551
New Zealand	9,074	n/a

Health management programs

Our specialist team of health professionals across the nib Group help keep our members healthy through a range of health management programs that are tailored to their individual needs.

Provided at no additional cost to eligible members, the programs vary from helping members to get in shape, keeping them out of hospital by providing alternative treatment options, improving their physical and mental wellbeing through to aiding a quicker recovery after they've been in hospital.

And it's created a positive impact with our discharge support service reducing the amount of members needing to go back to hospital. In addition, over 85% of participants reached their risk factor targets on completion of one of our health management programs.

¹ NPS based on sales.

² NPS for GU Health arhi business.

³ Excludes GU Health.

⁴ nib aims to have the number of complaints to PHIO to be less than market share.

⁵ Based on total Whitecoat surveys which includes where a patient has answered the rating questions but not left a comment.

** Data not available at time of publication.

	FY19	FY18
Complaints to Private Health Insurance Ombudsman – Australian Residents Health Insurance³		
Number of complaints	**	355
Number of disputes	**	46
Private health insurer share of complaints	**	9.1%
Private health insurer share of disputes	**	10.5%
Private health insurer market share ⁴	**	8.3%

HealthShare partnership

One of the biggest pain points for our members is out-of-pocket costs. That's why we're putting more out-of-pocket information in the hands of Australian doctors and consumers to help them quickly and easily determine their likelihood of being charged a gap payment by a medical specialist.

Our partnership with leading tech company, HealthShare, will allow members to make an assessment based on whether a medical specialist participates in nib's no gap scheme (MediGap) and the frequency with which medical specialists charge nib members a gap or out-of-pocket expense. Importantly, this information will be available at a critical time in the decision-making process, at the point of referral, via GP consultation software and online.

Clinical Partners

For many of our members going to hospital can be daunting and we want them to focus on their health and recovery from treatment, not the uncertainty of additional financial outlay.

So we created a more comprehensive and end-to-end approach to the patient experience in Australia, called Clinical Partners. Under the program, which has been initially launched in the Hunter, members have guaranteed no out-of-pocket expenses for select procedures and access to home rehabilitation programs, meaning they can recover in the comfort of their own home. We also guide them through their healthcare journey, with a nib program coordinator providing pre and post-surgery support.

Since its launch this year more than 100 members have participated in the personalised healthcare program, saving them an average of almost \$1,000 in out-of-pocket costs per procedure.

Number of participants	FY19	FY18
Bone Health	1	1
Care Point	222	170
Care Transition	257	205
Diabetes Action	12	8
Discharge Support program	7,316	7,200
Healthy Heart	10	10
Healthy Weight For Life™	182	161
Hunter Primary Care	112	128
Melon Health	29	n/a
MindStep™	87	80
myhealthHQ	n/a	1,045
Risk Factor Management	n/a	10
Sydney North Health Care Home	81	117
The COACH Program®	564	751
Vitalis VIP	1,550	1,519

Reactive case management

Because healthcare systems are different around the world, we're also helping our international student members navigate the Australian healthcare system to ensure they access the right care at the right time.

Through our International Benefits Management team's personalised support of these members during each step of their healthcare journey, we're also able to help minimise their out-of-pocket expenses and reduce uncertainty.

We are also continuing to grow our network of healthcare providers globally to provide our travel insurance customers with peace of mind that they'll have nib's support when and where they need it most.

Number of cases	FY19	FY18
International students	4,464	2,560
International workers	2,237	1,540
Travel assistance	5,615	4,533

Population health initiatives

Our first program of its kind with Auckland iwi, Ngāti Whātua Ōrākei, is helping improve the health and wellbeing of their iwi members by funding access to comprehensive private health insurance.

The aim is to target better health outcomes for whānau and tackle existing barriers Māori experience in the public system such as cost, choice, waiting times and accessibility which have seen them experience the poorest health outcomes within the New Zealand health system.

With more than half of the iwi currently enrolled, the program is already making a difference including helping members access surgery faster and providing financial relief by removing the worry of health costs.

We are also looking to develop several other population health initiatives focusing on mental health and digital weight loss programs.

Ngāti Whātua Ōrākei partnership	FY19	FY18
Number of persons covered	3,331	1,911
Number of preventative health programs	8	3

nib foundation

Our charitable foundation, nib foundation, makes a positive and lasting impact on nationwide health issues by funding innovative and practical approaches to improve the health of communities.

Through our multi-year partnerships, we are empowering people to better manage modifiable health risks through our investment in high reach, accessible digital solutions. For example, more than 22,000 people signed up to Hello Sunday Morning's alcohol behaviour change app, Daybreak in FY19, with research demonstrating clinically significant reductions in alcohol consumption.

In addition, we helped Smiling Mind expand their mindfulness programs including a new app-based sleep program attracting 128,000 registrations.

You can learn more about nib foundation later in this report.



Through our Ngāti Whātua Ōrākei partnership, members of the iwi have peace of mind that they will be covered in their time of need. Tailored to their community, the program provides access to culturally-appropriate, co-designed health services to help members achieve better health outcomes.

Initiatives for FY20 and beyond

- Develop new mental health solutions to offer support for our members' emotional wellness through to complex mental and physical health needs.
- Encourage members who use tobacco products to quit smoking through effective quit smoking strategies and interventions.
- Introduce digital weight loss programs to help prevent members from future medical conditions and hospital interventions.



natural environment

The quality of the natural environments in which we live are similarly influential on people's health. Clean air and water, biodiversity and climate stability are all fundamental elements we seek to embellish. We've a particular interest in neutralising our carbon footprint given its known impact upon global warming.

FY19 highlights



Inaugural GHG emissions reports completed



Climate change scenario analysis conducted



First waste audits performed



Increased use of car pooling program

We all have a vested interest in protecting our natural environment to ensure a sustainable future for us all. As a business, nib is no different as we seek to improve the environmental impact of our operations.

This year we've taken steps to better understand and minimise our carbon footprint given its known impact on global warming.

We've started our very own "war on waste", kicking off with our inaugural Group environmental and waste audits to allow us to understand our emission sources and their impact. We can now begin to make changes as a business to reduce our environmental impact and motivate both our employees and external stakeholders to do the same.

We're also taking action when it comes to climate risk and disclosure, performing our first climate change scenario analysis in line with the Taskforce on Climate-related Financial Disclosures (TCFD) reporting framework.

This analysis has allowed us to scope and assess the climate-related risks for our business (for example the impact of natural disasters) or how we transition to a low carbon environment. It also highlighted the opportunities we have to better address the impact of climate change.

Environmental reporting

Every business has an impact on the environment and we believe it's important to do our bit for the environment by minimising our impact as best we can.

Our first Group environment and waste reports gave us an understanding of the emissions we do contribute, helping us to create an environmental action plan to enact change.

And we've already started to improve. For example we've introduced more video conferencing facilities to reduce the need for our employees to travel, continued to encourage members and shareholders to switch to e-comms to ease paper usage, and installed new waste management systems to cut down on landfill.

You can see our environmental and waste snapshot on the Sustainability page at nib.com.au/shareholders

	FY19	FY18
Paper consumption (kg)		
Copy paper	6,979	8,701
Printing paper & envelopes	43,937	76,574
Paper consumables	8,934	8,802
Efforts to reduce paper consumption		
Members with email as preferred method of contact		
Australian Residents Health Insurance	81.7%	78.8%
International Students Health Insurance	99.4%	**
International Workers Health Insurance	99.9%	**
New Zealand	83.0%	81.0%
Shareholders on partial eComms	9.5%	9.3%
Shareholders on full eComms	41.2%	41.7%
Business travel		
Land travel kilometres		
Fleet car ¹	146,409	21,192
Employee vehicle claimed ²	243,780	322,031
Air travel kilometres ³		
International & domestic	6,613,609	6,448,873
Carpooling program		
Number of employee participants	314	107
Kilometres travelled	81,931	44,814
Kilometres saved	133,363	43,592
Energy consumption		
Electricity (kWh)	1,948,035	1,813,780
Gas (GJ)	460	344

1 FY18 fleet car kms is Australia only, New Zealand kms not recorded.
 2 Excludes kms travelled by employees receiving a motor vehicle allowance. FY18 figure restated to include NZ employee travel.
 3 Due to a typographical error, the air kms figure published in the 2018 Sustainability Data Sheet was incorrect. FY18 air km figures shown in this report have been restated.
 ** Data not available.

Energy consumption

We seek to align with Green Star certification requirements when establishing new office locations to lessen our environmental impact. This includes taking into consideration the performance rating of the base building and ensure we follow best practice standards for office fit outs.

Reflecting this is our Newcastle office which has a 4 Green Star rating and 5 star NABERS energy rating, while both our Sydney and Melbourne offices boast a 4.5 NABERS energy rating. In addition, our Auckland building has a 4.5 NABERSNZ energy rating.



We continue to advance and mature our approach to understanding and assessing the risks (including financial) associated with climate change and the transition to a low carbon economy.

Climate change

We recognise the recommendations of the TCFD and are committed to improving the resilience of our business operations, including our health and travel insurance products and the areas where our office buildings are located, to climate-related risks.

Understanding shareholder obligations and a growing trend of climate risk accountability, in FY19, we conducted our first climate change scenario analysis to evaluate the transition and physical risks facing our business.

It also allowed us to identify opportunities to better address and identify our climate-related impacts. You can view a snapshot of the analysis on our Sustainability page at nib.com.au/shareholders

This year we once again participated in the Carbon Disclosure Project's Climate Change Questionnaire, which enables companies like nib to measure and manage our environmental impacts, in turn encouraging us to take meaningful steps towards climate change.

Initiatives for FY20 and beyond

- Implement a Group-wide action plan to reduce our waste and emissions and in turn, our impact on the environment.
- Advance and mature our approach to understanding, assessing and disclosing the risks (including financial) associated with climate change and a transition to a low carbon economy for our business.

economic development & employment

nib is a significant investor and employer in the many communities it operates including outside of Australia and New Zealand. Through our success as a business we create additional wealth in these communities and employment. We especially believe both are important to the overall health and wellbeing of our communities and that we have a leadership role to play in encouraging inclusion and equal opportunity.

FY19 highlights

69.0%
employee engagement score

Introduction of mental health awareness training

Launch of Group domestic violence guidelines

Launch of new employee health & wellness program

A major accolade during the year was the recognition of our sustainability efforts to embed diversity and inclusion across our organisation. We were ranked at fourth in Australia and 88th globally by the Thomson Reuters D&I Index, which rates the most diverse and inclusive companies worldwide.

We've maintained this strong focus on inclusion, gender representation, accessibility, heritage and culture as part of our recruitment and retention strategies, succession planning and support of career development for our employees across the Group.

This year, nib also took a stand against domestic and family violence through the launch of our domestic violence guidelines. These aim to ensure our work environment is a safe place for employees going through a domestic violence situation to speak up and receive necessary support.

Given nib's fast-paced work environment we've also made significant effort to support the mental wellbeing of our employees. Taking a proactive approach we've implemented a number of initiatives such as mental health awareness training, leave and flexible work arrangements.

In addition, our employees can now access onsite health services as part of our new health and wellbeing program, nibWell, which includes things like physiotherapy, employee assistance programs, flu vaccinations, mindfulness sessions, massages and resilience training.

Our employees were also given the chance to gain an insight into the nutrition, fitness and caffeine intake that's right for them through a free myDNA test. More than 600 employees piloted the unique service to better understand their individual health literacy based on their DNA characteristics.

Our people¹

We are committed to employing a diverse workforce and ensuring a meaningful, productive, harmonious, safe and rewarding workplace.

	FY19		FY18	
	Female	Male	Female	Male
Number of employees				
Australia	781	440	737	406
Ireland	15	10	5	7
New Zealand	95	57	102	59
Philippines	50	32	n/a	n/a
United Kingdom	0	2	0	2
United States of America	6	0	4	1
Total	947	541	848	475
% of total	63.6%	36.4%	64.1%	35.9%
Employees by age				
<25 years	66	33	69	31
25 – 34 years	347	216	315	187
35 – 44 years	253	189	216	161
45 – 54 years	177	80	152	74
55 – 65 years	98	21	86	21
>65 years	6	2	10	1
Average age of employees	39	37	39	37

¹ Employee numbers include all permanent full time and part time employees.

	FY19		FY18	
	Female	Male	Female	Male
Employment level				
Non-Executive Directors	4	2	4	3
Executives	3	6	3	6
General Managers	0	3	0	3
Business Unit Heads	21	31	18	34
Manager/Team Leaders	147	126	120	86
Other workforce	776	375	707	346
Employment type				
Permanent full time	741	497	685	441
Permanent part time	141	13	135	15
Temporary	60	29	25	18
Casual	5	2	3	1

	FY19		FY18	
	Female	Male	Female	Male
Employment by tenure				
<1 year	182	125	183	128
1 year	127	85	116	86
2 – 3 years	188	146	155	110
4 – 5 years	101	63	94	53
6 – 10 years	182	74	158	65
11 – 15 years	79	38	71	25
16 – 20 years	48	5	38	4
21+ years	40	5	33	4
Parental leave				
Employees accessing parental leave	56	5	65	14
Rate of return from parental leave	96.0%	100.0%	89.7%	91.6%
Employees still employed after 12 months following return	100.0%	100.0%	83.3%	25.0%



At nib we view diversity as a strength. We encourage diverse thinking, curiosity and a global view of our business among our employees to create positive growth and opportunity.

Employee health, safety and wellbeing

Our people are our greatest asset which is why their health, safety and wellbeing is of utmost importance to us.

We are taking a proactive and positive approach to employee health and wellbeing through the establishment of our new platform, nibWell, which empowers employees to make positive and healthy choices while also building a workplace culture that promotes mental health and supports mental illness.

Our focus is also to support employees to be happy, healthy, safe and engaged in the work they do. Driven through our leading safety and wellbeing program we are able to ensure that our people have a safe and healthy work environment that is free from harm.

	FY19			FY18		
	VL/L	M	H/VH	VL/L	M	H/VH
Lost time injuries						
Australia	0	1	0	3	7	0
Ireland	0	0	0	0	0	0
New Zealand	0	1	0	1	0	0
Philippines	0	0	0	0	0	0
United Kingdom	0	0	0	0	0	0
United States of America	0	0	0	0	0	0
Total	0	2	0	4	7	0

VL/L: Impact very low or low M: Impact medium H/VH: Impact high or very high

	FY19	FY18
Group injury frequency rate	0.94	5.67
Absenteeism¹		
Australia	4.4%	4.8%
New Zealand	3.6%	3.5%
Flu shots given to employees	513	488
Corporate fitness program		
Number of employee participants	279	**
Number of family participants	264	**
Employee mental health		
Number of employees with mental health first aid training	30	n/a
Psychosocial audits	1	1
Employee Assistance Program (EAP):		
Employee contacts	155	146
Family member contacts	25	16
Employee EAP consultation usage %	11.9%	12.2%

Employee training and development

We encourage our people to continue to learn and grow while building their career at nib by offering them access to a range of bespoke and universal learning solutions to support their development.

This support can take many forms such as external education assistance, which also includes access to study leave to help them prepare or attend exams, internal solutions delivered by our very own team of expert trainers or using the knowledge of external providers for specific roles.

	FY19	FY18
Employee development program participation		
Leadership program (internal training)	351	77
Sales and service program (internal training)	172	515
Total internal training hours	5,559	4,501
Hunter traineeships (diverse background)	5	5
Employees receiving education assistance	28	15
Total investment in training	\$1,405,050	\$1,290,826
Flexible work practices²		
Individual flexible arrangement employees	127	111



We're not a company that relies upon the quality of a natural resource or a unique patent/intellectual property, it's our people that are our biggest asset. That's why we are passionate about our employees and continuing to make nib a great place to work.

¹ Absenteeism data not available for Ireland, Philippines, UK or USA.

² In addition to formal arrangements, other strategies are also in place to support flexible working for employees including working from home, flexible working hours, study leave and rostering preferences.

³ Survey conducted every two years

⁴ FY18 share plan was a 'gift' plan which had higher participation than a 'purchase' plan. Further explanation provided in text above table.

** Data not available.

Employee engagement and retention

	FY19	FY18
Employee engagement score³	69.0%	n/a
Employee attrition		
Voluntary turnover rate	19.7%	22.3%
Involuntary turnover rate	4.5%	2.2%
Total	24.2%	24.5%

Enterprise agreements and trade union negotiations

Employees covered by enterprise agreement	344	294
Number of consultations/negotiations with trade unions	3	6

Employee representation

Number of Joint Consultative Committee representatives	17	14
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Employee share plans

One of the ways we recognise the importance and valuable role our employees play in our ongoing success is through our employee share plans.

Consistent with improving employee engagement this provides employees with an opportunity to share in the future of our business. Under the plans, eligible employees can choose to receive part of their remuneration in the form of shares, rather than cash.

In FY18, in celebration of our 10-year ASX listing milestone, we offered a 'gift' of \$1,000 worth of shares to eligible Australian and New Zealand employees with the majority taking up the offer. The FY19 plans were a purchase scheme and once again achieved above average participation.

	FY19	FY18 ⁴
Participation in employee share plan		
Australia		
Employee Share Acquisition Plan (ESAP)	37.8%	91.8%
Business Unit Head Salary Sacrifice & Matching Share Plan	66.0%	94.4%
New Zealand		
Employee Share Purchase Scheme (ESPS)	22.7%	88.0%
Business Unit Head Salary Sacrifice & Matching Share Plan	66.7%	100.0%

Employee benefits

Employee benefits are the result of nib having negotiated some great discounts and benefits on behalf of our employees. These include family, workplace, career and health and wellness benefits.

Apple employee purchase plan (AU only)
 Commuting discount (Ireland & USA only)
 Corporate bank program (AU & NZ only)
 Corporate car program (AU only)
 Employee assistance program
 Estate planning (NZ only)
 Eye care discounts (AU & NZ only)
 Flexible work policy
 Flu vaccinations
 Fresh fruit provided weekly
 Group life insurance benefit
 Group salary continuance benefit
 Health insurance discount
 Microsoft Office home use program (AU & NZ only)
 Parental leave policy
 Quit smoking assistance
 Years of service reward

Economic development

We are proud to provide employment for almost 1,500 employees in six different countries, helping to make a significant contributor to the communities we operate in. In addition, by creating ongoing job opportunities and retaining our talented employees we are in turn helping deliver additional economic investment in our local communities.

We're also breaking down employment barriers for young people through our traineeship program in the Hunter. The program provides the trainees full-time employment and training for 12 months as they complete a nationally recognised qualification of their choice. Four trainees have now been offered full time roles in our business from the inaugural intake.

Further, our financial contribution to the community in paying claims and dividends, providing employment, buying products and services and paying taxes aligns to our overall purpose.

	FY19	FY18
Tax contribution		
Total taxes paid and collected/remitted (\$m)		
Australia	118.5	122.9
Group	135.4	138.5
Effective tax rate		
Australia	28.3%	28.7%
Group	29.9%	30.6%

Initiatives for FY20 and beyond

- Grow our employee health and wellness program, nibWell, with ongoing initiatives including eye checks, skin checks and health coaching.
- Embed a new leadership capability framework to enable a strong growth culture, inclusion, and appropriate risk behaviours.
- Revise performance management to enable conversations that drive outcomes, better employee wellbeing and psychological safety.
- Introduce new leadership programs to support both new and current leaders to build their leadership capabilities.



community spirit & cohesion

Strong community spirit, cohesion and harmony are good for the psychological and physical wellbeing of communities. We believe essential to that is a strong sense of identification with the community as well as social justice, tolerance and respect for our differences.

FY19 highlights

\$1.8m
funding by nib foundation

\$750k
funding through customer giving

nibGIVE
175 employees
1,084 volunteer hours
12 charities

Announcement of joint major partnership with Richmond's inaugural AFLW team

We foster a spirit of giving back to the communities in which we live, work, and operate, in Australia and across the world.

This commitment has been demonstrated this year through the establishment of a dedicated community function within our business to coordinate our charitable activities across a growing nib, and harness the resources of our business, members, travellers, shareholders and employees to create community benefit.

During FY19 we celebrated 10 years of our charitable organisation, nib foundation, with \$19 million invested in 144 partnerships to deliver community benefits and social impact outcomes that empower people and communities to live healthier lives.

Our nib Travel brands, World Nomads and Travel Insurance Direct, also raised a record \$690,000 in micro-donations from customers keen to give back to the communities they travel to, bringing the total Footprints Network support of community development projects to over \$4 million since its establishment in 2006.

We also used people power to make the world a better place by encouraging our employees to engage in community activities while at work. Our employee giving was supported by matching every dollar raised by our people.

In its second year, our volunteer program, nibGIVE, doubled in size to over 1,000 hours of volunteer leave, harnessing the passions, skills, time and talent of our employees for the benefit of our community partners.

Our sponsorship portfolio also diversified during the year with the inclusion of two female brand properties. We are now a proud major sponsor of the Newcastle Jets in the W-League and joint-major sponsor of the Richmond Tigers in the AFLW.

The new sponsorships reflect our belief in diversity and gender equality, as well as our genuine commitment to partnering with female sport, from grassroots through to the elite level.

nib foundation

We're helping people and communities live healthier lives through our charitable foundation, nib foundation.

The foundation's grants help our charity partners to deliver programs that reduce inequalities for people experiencing health vulnerabilities and make positive improvements to physical, mental and social wellbeing.

Visit nibfoundation.com.au for further information.

	FY19	FY18
Grants		
Multi-Year Partnerships	\$1,258,600	\$1,152,000
Community Grants	\$284,306	\$274,219
Flexible Grants	\$222,746	\$62,101
Employee nominated Good Cause Grants	\$30,000	\$20,000
Total	\$1,795,652	\$1,508,320
Charity partnerships		
Multi-Year Partnerships	5	5
Community Grants	10	11
Flexible Grants	8	4
Employee nominated Good Cause Grants	6	4
Total	29	24



Our employee-led Good Cause Grants program helps our employees support the causes closest to them and live out our shared value of making the world a better place.

Customer giving

Through our partnership with The Footprints Network, our nib Travel customers are able to make micro-donations to community development projects when they buy travel insurance with World Nomads and Travel Insurance Direct.

All donations go directly to our non-profit partners to fund projects that align with the UN Sustainable Development Goals in an effort to help end poverty and shift the world onto a more sustainable and resilient path.

Further information about The Footprints Network is available at footprintsnetwork.org

	FY19	FY18
Donations¹		
Donations received	\$690,433	\$606,319
Number of donors	212,893	195,881
Funding¹		
Funding allocated	\$750,604	\$601,406
Charities funded	14	14
Projects funded	30	28
Countries impacted	18	17

Employee giving

We support our employees to give back to the communities in which they live and work, and support causes they care about by fundraising through our Make a Difference (MAD) Committee, payroll deductions via our Small Steps program, and volunteering with nibGIVE.

In addition, we match all employee donations dollar for dollar.

	FY19	FY18
Employee giving		
Employee fundraising donations	\$28,193	\$38,082
Company matching donations	\$30,608	\$23,568
Charities supported	10	8
Employee volunteering		
Charities assisted	12	8
Volunteer hours	1,084	528
Employee participants	175	93
Value of time	\$37,349	\$19,272

Corporate partnerships

By partnering with a range of events, organisations, initiatives and health-related programs we are able to promote healthy and active lifestyles for our members, customers, employees and the wider community.

In addition, we're able to drive brand exposure, engage with stakeholders and employees as well as build cohesion within the various communities that we operate.

Sponsorship partnerships:

Newcastle Knights (NRL)
 New South Wales Rugby League (State of Origin NSW Blues)
 Newcastle Jets W-League
 Richmond Football Club (AFL & AFLW)
 The Blues (Super Rugby, New Zealand)

Community partnerships:

Auckland Chinese New Year Festival (NZ)
 Auckland Movies in Parks (NZ)
 Auckland Round the Bays (NZ)
 Got Your Back Sista
 Indian Weekender (NZ)
 KidsCan (NZ)
 Mark Hughes Foundation
 NZ Men's Health Trust (NZ)
 Ronald McDonald House (NZ)
 The Salvation Army (Hunter branch)
 Surfest
 Voyager Media Awards (NZ)



Our employees are encouraged to give back to the community through our corporate volunteering program, nibGIVE, which matches the skills and interests of employees with the needs of our charity partners.

Initiatives for FY20 and beyond

- Design and launch a new employee giving framework to ensure our people right across the nib Group are able to participate.
- Launch the new nib foundation Health Smart Grants program, aimed at helping people build their health literacy and make positive health choices.
- Review the nib sponsorship portfolio and leverage strategy to better reflect our purpose.

¹ FY18 data restated due to audit adjustments performed after the 2018 Sustainability Data Sheet was published.



leadership & governance

The importance of having the highest standards of ethical practice and good governance in business and public institutions is increasingly evident. The risks associated with our business operations and the potential consequences for communities and all stakeholders of failing to manage these is well understood by us. We're especially aware of how the behaviour of companies like ours can influence others operating in our communities.

FY19 highlights



Risk governance self-assessment submitted to APRA



New nib compliance framework



Ongoing risk management improvement program



Creation of risk awareness videos for employees

The spotlight has well and truly been on leadership and governance during the year. We continued to enhance, assess and invest in our frameworks in line with both community expectations and our own commitment to being a good corporate citizen.

We continue to focus on ensuring that the social, environmental and ethical impacts of nib's business practices on our stakeholders is positive. As a purpose-driven organisation we believe in demonstrating strong values and ethics, being ever mindful of the impact we have on the communities in which we operate.

In November, nib's Board of Directors submitted our Risk Governance Self-Assessment report to the Australian Prudential Regulation Authority (APRA) which focused on culture, governance and accountability at nib.

As part of the Self-Assessment we identified continuous improvement actions to further enhance our approach to risk management. These actions will be addressed in alignment with our existing Risk Management Improvement Program.

Our program is driving enhancements including launching a new nib Compliance Management Framework, refreshing our Risk Appetite Statement and policies, as well as revising our monitoring process.

We've also invested in enhanced risk management and compliance capabilities, including further roll-out of our risk management technology system across the business, expanding our governance mechanisms to new business areas to align with the Group framework and increasing our employees' understanding of risk.

In New Zealand, we've closely reviewed the findings of the Financial Markets Authority and Reserve Bank of New Zealand's review into life insurance conduct and culture, including assessing our own practices to see if we can do better.

We remain committed to putting our members at the heart of everything we do by continuously improving our member experience. We also remain attuned to the external environment and emerging issues, reflecting on our practices and being mindful of member outcomes at all times.

Governing grounds

Our Board and Management are committed to achieving and demonstrating the highest standards of corporate governance and ensuring compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

You can see more details about our Corporate Governance practices, management and policies at nib.com.au/shareholders

Creating a more sustainable supply chain

We work closely with our suppliers to ensure they comply with applicable laws and standards of business ethics, health and safety and environment protection both during the sourcing and ongoing management of services.

Our efforts in improving the visibility of our supply chain and ethical procurement practices will continue in the year ahead following the recent introduction of the Modern Slavery Act in Australia.

This legislation mandates that business and government report on modern slavery in their operations and supply chains. In line with this, we will report for the first time on our own approach to managing modern slavery risk in FY20.

Tax policy, strategy and governance

We recognise tax governance and tax risk management play a key role in good management and corporate governance. That's why we comply with our taxation obligations both in Australia and in the overseas countries in which we operate.

We have a robust tax governance policy and framework and update our processes to align with the Australian Taxation Office's Tax Risk Management and Governance Review Guide. We also regularly report our taxation affairs to our Audit Committee and Board.

We adopt a low appetite for both tax compliance risk and operational risk on tax matters and have no tolerance for breaches that place our good standing with tax authorities in the countries in which we operate at risk. We also engage with tax authorities in a professional, cooperative and transparent manner.

You can view our Tax Transparency Report at nib.com.au/shareholders

Conduct and culture

Without doubt, one of the most topical issues of the year has been the conduct and culture of corporations, particularly in Australia, following the Banking Royal Commission.

As an organisation we strive to observe the highest standards of fair dealing, honesty and integrity in our business activities. It's one of our key values that's reflected in our Code of Conduct and other policies to ensure we not only comply with our legal obligations but also act ethically and responsibly in all our interactions with internal and external stakeholders.

We are also cognisant of best practice and of working collaboratively with our regulators. In line with this, we have participated in recent industry conduct and culture reviews including our APRA Risk Governance self-assessment and the RBNZ/FMA's review into life insurance in New Zealand.

Risk management

We assess and manage risk as part of our everyday decision making process. Our values inspire our risk culture and reinforce our belief that "without taking risk we cannot grow" and "the status quo is death".

Our Risk Management Framework (RMF) helps us to take calculated risks and make informed decisions within our risk appetite and tolerances. The RMF is made up of both "formal" parts – for instance our Risk Management Strategy (RMS), our Risk Appetite Statement (RAS) and the defined responsibilities for the Board and Employees and more "informal" parts – such as our beliefs, attitudes and values.

Privacy and data security

The privacy of individuals is of utmost importance to nib. Our commitment to complying with applicable privacy requirements is demonstrated through our practices, procedures and systems.

We are continuously developing and maturing a layered defence. We have in-depth capability using detective and preventative, technical and non-technical controls. The current cyber security controls aim to address the most common and damaging attack methods and are based on observance of multiple security, IT governance and risk frameworks and regulatory guidance.

We have established a dedicated function responsible for cybersecurity, IT governance and risk. In addition, our employees undergo regular compliance training to ensure their understanding and knowledge is maintained in respect to privacy.

	FY19	FY18
Whistleblower register reports	0	0
Code of conduct breaches	8	0
Privacy related complaints upheld by regulator	0	0

Compliance training

Our compliance training courses use scenarios, problem based exercises, role plays and other interactive methods to help build understanding within our employees around compliance and its importance.

We also report the completion rates for compliance training to our Risk and Reputation Committee to promote accountability and maintain oversight.

Group compliance training modules

- Acceptable Use of IT Policy
- Armed Robbery Safety Awareness
- Bullying and Harassment for Employees
- Bullying and Harassment for Managers and Supervisors
- Code of Conduct
- Competition and Consumer Law – An Introduction
- Competition and Consumer Law – Dealing with Consumers Part 1
- Competition and Consumer Law – Dealing with Consumers Part 2
- Competition and Consumer Law – Dealing with Other Businesses
- Credit Card Security Policy
- Discipline Policy and Procedure
- Drugs and Alcohol Policy
- Duty of Care for Managers and Supervisors
- Duty of Care for Workers
- Equal Employment Opportunity for Employees
- Equal Employment Opportunity for Managers and Supervisors
- Fraud and Corruption Awareness and Prevention
- General Data Protection Regulation
- Grievance Policy and Procedure
- Manual Tasks for Workers
- Mobile Devices Policy
- Privacy and the Workplace
- Trading Policy
- Work Health and Safety Fundamentals
- Workplace Mental Health Awareness
- Workplace Surveillance Policy

NZ employees only:

- Financial Advisers Act 2008 (NZ)
- Financial Adviser (Disclosure) Regulations 2010 (NZ)
- Financial Adviser Compliance (NZ)
- Privacy Act (NZ)
- The Code of Professional Conduct (NZ)
- The Legislative Framework (NZ)

Note: Additional role specific training is also conducted.



The prism through which we conduct our business is not 'can we', but 'should we', and we firmly believe that nib's profitability is the consequence of meeting our members' needs.

Initiatives for FY20 and beyond

- Complete our multi-year risk management improvement program.
- Conduct Financial Markets Authority risk and culture review in New Zealand.
- Transition and align our corporate governance approach with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition).
- Continue to uplift data security maturity in line with Australian and international standards.

