

Sustainability Report 2020

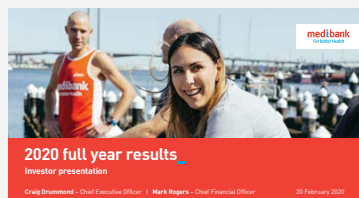
for a better future

medibank
For Better Health



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This report is part of our suite of reporting for the 2020 financial year. You can find more information about our performance in our [Annual Report](#) and [Full Year Results Investor Presentation](#)



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3 SUSTAINABLE DEVELOPMENT GOALS The United Nations has 17 Sustainable Development Goals adopted by the Member States of the United Nations by resolution A/RES/70/1 of the General Assembly of 25 September 2015.

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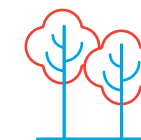
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References to 2018, 2019 and 2020 are for the financial years ending 30 June 2018, 30 June 2019 and 30 June 2020 respectively unless otherwise stated.

About Medibank

We're a company with **health and wellbeing** at our core. We began as a health insurer and have grown into a **broader healthcare company**, committed to delivering **affordable healthcare** that gives our customers more choice.

We're delivering **care in new ways** by collaborating with hospitals, doctors and governments and **driving reform to help reshape Australia's health system**. We also offer travel, pet and life insurance to meet a wider range of our customers' needs.

Our purpose of **Better Health for Better Lives** is not just words. It's our commitment to our customers and community and is a driving force for our people.

We're focused on our strategy of **differentiating and growing our private health insurance business** through our Medibank and ahm brands and **transforming into a broader healthcare company**.



Sustainability at Medibank



At Medibank we care about the **impact our business has on our customers, our people, the environment, and our community**. We believe that we can successfully deliver on our business goals, while also contributing in a **positive way to our society**.

Our sustainability approach stems from our purpose of Better Health for Better Lives. We take seriously our role to make a positive impact on the health of our customers and the broader community.

Strong environmental, social and governance accountability can provide the framework for an organisation to facilitate meaningful change. It can help us target our actions towards a new, broader definition of value that stretches beyond the traditional financial worth.

Over the past four years we have intensified our focus on sustainability, working to strengthen the environmental, social and governance elements of our business. We support the United Nations Sustainable Development Goals, which aim to create a sustainable future for all. We want to embed sustainability into every business decision we make.

This year we undertook a materiality assessment to identify the issues that matter most to our customers, our people, our community and our shareholders. These areas now form the basis of our new sustainability strategy which focuses on how we can work together to create a sustainable future where everyone can live their healthiest lives. It will allow us to be far more targeted and proactive in the areas we believe we can make the most impact.

We know we still have work to do, but the launch of our first Sustainability Report is an important milestone in our journey and captures the work we are doing to build a better business.

Craig Drummond, CEO

A handwritten signature in black ink that reads "Craig Drummond".

Materiality assessment

During the year we worked to undertake a formal assessment to **identify the sustainability issues** most relevant to our business and **with the greatest potential to impact our business and society.**

Interviews and focus groups were conducted with employees, customers, shareholder groups, community partners, government and industry representatives to understand their views on environmental, social and governance (ESG) issues. We also analysed relevant global frameworks, broader community issues and industry activity.

Of the key material topics identified as most important to our stakeholders, affordable healthcare was the top priority.

Sustainable development goals

The United Nations Sustainable Development Goals seek to **address the global challenges the world faces**, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. While these 17 goals might be universal, **achieving them starts at a local level.**

We are committed to ensuring Medibank is a responsible and sustainable business and have been supporting the United Nations Sustainable Development Goals most relevant to the work we do. During our materiality assessment, an additional goal was identified so we have expanded our scope this year to include SDG 8 – Decent work and economic growth. These six goals are where we believe we can make the most significant impact.

SUSTAINABLE DEVELOPMENT GOALS

 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Ensure healthy lives and promote wellbeing for all ages</p>	 <p>5 GENDER EQUALITY</p>	<p>Achieve gender equality and empower all women and girls</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Reduce inequality within and among countries</p>	 <p>13 CLIMATE ACTION</p>	<p>Take urgent action to combat climate change and its impacts</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Strengthen the means of implementation and revitalise the global partnership for sustainable development</p>

Our material topics



Customer health

Better support our customers' healthcare needs providing greater choice and personalised advice to help them make more informed healthcare decisions

- Affordable healthcare

Provide our customers with easy access to affordable, quality healthcare services

- Trusted healthcare, customer-centred products and services

Offer products and services that are easy for customers to understand and use so they can access the healthcare support they need

- Healthcare innovation, personalisation and choice

Innovate to improve healthcare offerings for our customers, giving them more choice and helping them make informed decisions about their healthcare

- Privacy and data security

Protect our customers' privacy through secure systems and processes



Employee health

Build an engaged, inclusive workforce that is customer obsessed, values and purpose driven and focused on health and wellbeing

- Engaged purpose-led culture, attract and retain talent

Embed our purpose and values throughout our business, and build a highly engaged skilled workforce

- Healthy and safe workers

Maintain a healthy and safe workplace for our people that supports their wellbeing

- Diverse and inclusive workforce

Embrace and promote diversity and inclusion in the workplace and the health sector



Community health

Make a difference in the community, investing in preventative healthcare and partnerships to address some of Australia's biggest health concerns

- Healthy and engaged communities

Engage with our community to understand and respond to some of Australia's biggest health challenges

- Supporting mental health

Provide a range of mental health support services and increase community awareness

- Indigenous engagement

Work with Indigenous communities to help achieve reconciliation, supporting health equality and improve overall Indigenous health outcomes

- Disability access and inclusion

Improve access and inclusion for people living with disabilities

- Contribute to public policy

Contribute to healthcare policy and reform



Environmental health

Entrench environmental sustainability into our decision making

- Addressing the impacts of climate change through environmental sustainability

Acknowledge and understand climate change and reduce our impact on the environment



Governance

Embed ethical and responsible business practices throughout Medibank and our supply chain

- Ethical business

Embed governance, transparency and ethical practices throughout our business

- Corporate governance

Effectively manage risk and maintain legislative and regulatory compliance

- Sustainable supply chains

Understand our supply chain and ensure we engage with suppliers that have ethical and sustainable business practices, taking steps to identify and address modern slavery risks

Objective

Material topics and purpose

Overview

Customer health

Employee health

Community health

Environmental health

Governance



customer health

Better support our customers' healthcare needs, providing greater choice and personalised advice to help them make more informed healthcare decisions

We're focused on the health and wellbeing of our customers, with products and services that offer choice, convenience and peace of mind. We're working to deliver more affordable healthcare, helping our customers to seamlessly navigate their health and wellbeing options in a more informed manner and easily access the services they need. Our aim is to provide every customer with an exceptional experience, personalised health and wellbeing advice and support in a consistent, trusted, genuine and caring way.

The issues that matter most to us



- Affordable healthcare
- Trusted healthcare
- Healthcare innovation, personalisation and choice
- Privacy and data security



Affordable healthcare

Provide our customers with easy access to affordable, quality healthcare services

Affordability is one of our customers' biggest concerns. We're addressing this through **alternative ways to provide care in the home** and in the community, focusing on **preventative care** and chronic disease programs and **advocating for reforms** to take unnecessary costs out of the health system. We're also holding **ourselves accountable** by managing our own costs.



Alternative ways to provide affordable healthcare

We're working to deliver and support care that provides quality outcomes at a lower cost for our customers, through in-home care, short stay hospital admissions and telehealth. We're leading the way in providing care in the home – an affordable way to deliver the same level of clinical care that is often preferred by customers as it gives them greater choice as to when and where they receive treatment, often saving them time and money. This year, we have provided in-home care to 8,620 patients. We continue exploring ways to support customers who want treatment at home where their doctor supports it.

Medibank at Home

Our Medibank at Home service is a group of programs and trials providing chemotherapy, dialysis, rehabilitation, reconditioning rehab and palliative care treatments in a home environment. This year, we've partnered with St Vincent's Private Hospital Brisbane on a new home-based palliative care pilot, which offers a range of support for patients with progressive and advanced life-threatening illnesses, personalised to their needs and wishes.

In-home care services



	Medibank at Home customers	Virtual hospital beds
FY20	5,854	259
FY19	2,144	200
FY18	936	N/A

In FY20 we supported 5,854 Medibank customers through Medibank at Home. We also provided 259 virtual hospital beds to patients who chose treatment at home instead of hospital, which is comparable to the capacity of a medium sized hospital.

Short stay, no gap joint replacement surgery

In 2019, we launched an Australian-first trial with Nexus Hospitals offering patients hip and knee joint replacements with no gap fees and an early to home discharge, with recovery and rehabilitation taking place in the home where clinically appropriate. This program is being expanded nationally, in partnership with several other hospital providers.

Affordable healthcare

Trialling new approaches to healthcare delivery

We worked with a state government to trial an innovative approach to providing mental health care. The Mental Health Rapid Hospital Avoidance trial utilised in-home care to reduce the need for a patient to be admitted to hospital, or enabled them to be discharged from hospital earlier. The response to the program was very positive from both patients and health professionals.

Telehealth

We've been instrumental in the delivery of large-scale telehealth services, providing services to a number of clients such as healthdirect and Beyond Blue and operating well known community support services such as 1800RESPECT and Nurse on Call in Victoria, along with specialised 24/7 general health and mental health support for Medibank customers. This has involved the recruitment and onboarding of an additional 680 temporary frontline clinicians.

We played a key role in the health response to COVID-19, quickly providing services to support seven coronavirus-related helplines which took around 250,000 calls in the initial phase, and further supporting the Victorian Government's response to the second outbreak.



250,000
COVID-19 related calls taken

This year we've continued our work with the NSW Mental Health Line, a mental health triage service which offers 24/7 support to people in need of professional mental health advice, help or referral to local services. We also continue to explore video telehealth opportunities.

Residential aged care

Our HealthStrong team continued working with residents of aged care homes, providing allied health services including physiotherapy and podiatry to help the residents achieve their goals, maintain their independence and improve their quality of life. Our 300-strong team of practitioners work across New South Wales, Victoria, Queensland, Western Australia, ACT and Tasmania.

COVID-19 support
valued in excess of



\$185 million

Supporting our customers during COVID-19

When the COVID-19 pandemic hit, we were there for our Medibank and ahm customers with support valued in excess of \$185 million including:

- Postponing premium increases for six months, saving customers \$120 million or \$70 on average per customer.
- Introducing a financial hardship policy with eligible customers able to access a 50% waiver on their premiums for up to six months, or suspend their policy for up to three months.
- Paying benefits towards chest, heart, lung and kidney hospital admissions including those related to COVID-19, regardless of an existing customer's level of hospital cover.
- Extending extras to include telehealth services for seven allied health services such as psychology and physiotherapy.
- ahm rolled over any unused extras annual limits, excluding optical and non-annual limits, due to reset on 1 July 2020, valued at around \$10 million, into FY21.
- Launching COVID-19 Health Assist, a program of customised health and wellbeing support for customers, including the most vulnerable.
- Extending access to Medibank's 24/7 nurse and mental health lines to ahm customers.
- Introducing Live Better at Home, a free online program of exercise, meditation and cooking videos.



Affordable healthcare

Affordable services that deliver

We're building strong relationships with healthcare providers so we can offer customers affordable healthcare and more choice, while shining a light on out-of-pocket costs. We're also playing our part, managing our own costs and improving our business practices.

Our Members' Choice network – extras that deliver more

We've invested in our Members' Choice network so that our customers can get greater value from their extras providers. It's grown to become one of Australia's largest health provider networks for dental, optometry, physio and chiro, podiatry and remedial massage services. Our Members' Choice Advantage dental network, which offers eligible customers 100% back on two dental checks each year, has saved our customers millions of dollars in out-of-pocket costs since launching in January 2019 and this year, we expanded the Members' Choice Advantage program to optical, with Specsavers providing our customers even more value for their eyecare needs.

Members' Choice Advantage dental network has delivered

c.\$10 million 
in out-of-pocket savings in FY20

Bringing out-of-pocket costs to light

We upgraded our Find a Provider tool which shows how much, and how often, a specialist charges out-of-pocket costs, adding out-of-pocket costs for common hospital procedures as well. We want to ensure our customers have more information to help them have better conversations about out-of-pocket costs before they select a surgeon. Accessible via Medibank's website and mobile app, customers can see out-of-pocket information for almost 30,000 specialists.



Supporting customers through tough times

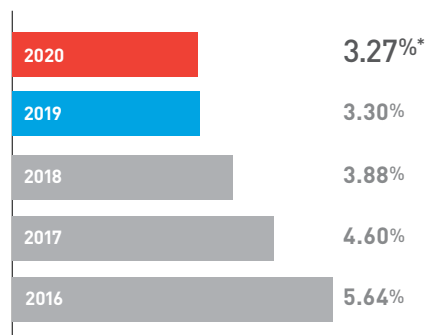
If customers are experiencing financial hardships, we are there to help and have a number of options available from membership suspension to a 50% waiver on their premiums for up to six months. We manage these on an individual basis, so we can offer the most relevant support. This year, around 30,000 policyholders have accessed our COVID-19 financial support options while every Medibank and ahm customer also benefited when we postponed premium increases for six months. In August 2020 we announced additional support for customers under financial stress living in an area declared a state of disaster due to COVID-19 and not eligible for government support.

Premium increases

Premium increases reflect the growing costs of providing quality healthcare to our customers. We know they are unwelcome, especially as pressure on household budgets continues to rise. In FY20 we worked hard to deliver our lowest average premium increase in 19 years, before announcing in April that we were postponing premium increases for six months as part of our COVID-19 support package to help our customers. We're focused on making our business more efficient and campaigning for reform to reduce and eliminate unnecessary costs in the health system, to ease the pressure on our customers.

Average premium increase

Year (commencing 1 April)



*postponed until October 2020

Managing our costs

This year we delivered approximately \$20 million in cost savings through our productivity program. As part of our commitment to ensure we manage the costs we can control, we've updated our milestone for productivity savings, targeting a further \$50 million in savings over the next three years.

Our payment integrity program

One of the ways we're working to keep costs down is through our payment integrity program to identify, recover and prevent improper payments and claims. It utilises our analytics systems and market-leading methodology and processes to help ensure that all claims are paid correctly.

Hospital contracts that deliver for our customers

The contracts we have with every major Australian private hospital group are key to our commitment to provide customers with better healthcare outcomes and better value. Our contracts are designed to encourage quality, safety and improved efficiencies in the interests of our customers. We renegotiate these contracts every few years to ensure our customers receive the best value for their health insurance when they use their cover.

Trusted healthcare, customer-centred products and services

Offer products and services that are easy for customers to understand and use so they can access the healthcare support they need

We strive to be a **trusted healthcare provider** for our customers. We're listening to what our customers want, working to ensure our **products and services are easy to understand** and use. We want our customers to have the information they need to make decisions about their healthcare, which is why we keep pushing for **greater cost and quality transparency for patients**.

40% increase 
in the number of hospital admissions supported by Health Concierge in FY20

Access to telehealth services during COVID-19



As COVID-19 restrictions enforced isolation measures, we rapidly increased customers' access to telehealth, expanding our extras cover so Medibank and ahm customers could claim benefits for phone or video appointments for psychology, physiotherapy, dietetics, occupational therapy, podiatry, exercise physiology and speech therapy. This helped our customers to access the care they needed, in the safest possible way.



A better patient experience

Health Concierge and Hospital Assist

Going to hospital can be a confusing experience, which is why we developed our Health Concierge program. It provides personalised emotional, clinical and practical support for customers when they need it most – such as preparing for, or recovering from, a hospital stay or medical treatment for a range of procedures, including pregnancy, cancer, hip and knee surgery. This year we extended this service to paediatric admissions as well.

We also launched our Hospital Assist hub this year, giving customers a range of information and tools to help them through the process. From choosing a hospital, confirming what their policy covers and if any out-of-pocket costs might apply, to highlighting any affordable care options available, and providing advice for recovery from hospital and claims processing, it supports customers every step of the way.

Better patient experiences

We're working with hospitals to improve the experience they offer patients, by making public the feedback we've received from more than 60,000 customers who have stayed overnight in an Australian public or private hospital. Customers can view this data on our website and we also share it directly with hospitals. The latest data shows 96.5% of private hospitals were rated an 8/10 or higher by Medibank customers, with 56% of hospitals improving their customer 'likelihood to recommend' score. In contrast, only 56.5% of public hospitals that treated our customers as private patients were rated at least an 8/10.

Clinical governance

Our Clinical Governance and Quality Management Framework demonstrates our commitment to the consumers of health services that we either fund or deliver. It places consumers at the centre and seeks to ensure that care is delivered consistently well and meets the expectations of those that are receiving the care.

The framework shows how we're ensuring that the health and wellbeing of our customers comes first through the implementation of healthcare standards with a focus on clinical excellence, quality and safety. The framework is aligned with Medibank's broader corporate governance and enterprise risk practices and is based on five principles:

- **Person centred** – people get the care and outcomes they need
- **Quality and safety** are equally valued and prioritised
- **Continuous improvement** – we seek to learn, including from our mistakes, and we share those learnings to improve
- **Transparency** – we are open about mistakes and responsive to feedback, advice and external review
- **Engaged workforce** – clinical governance is everyone's responsibility

96.5%

of private hospitals were rated an 8/10 or higher by Medibank customers



Trusted healthcare, customer-centred products and services

Putting our customers first

Our customers are at the front and centre of everything we do. Caring for our customers in every possible way is a part of who we are. Every decision we make and every interaction we have, is based on what will make their lives better.

We introduced a number of initiatives this year to improve the quality of our service for our customers, including our Helping Hand program which better supports customers throughout the joining process. We also made it easier for our overseas student health cover customers (OSHC) to connect with us in their own language, launching our Language other than English (LOTE) program with two languages initially, Mandarin and Spanish. Previously, customers had to rely on an external translation service which could often cause delays.

We're proud of how responsive our customer-facing teams have been throughout the changes brought on by COVID-19. Faced with a challenging time for our customers and our people, and in an environment where our retail stores have been forced to close temporarily, we rapidly reskilled our retail team to provide phone and web chat support to customers. This meant we were able to maintain our customer service levels when our customers needed us most.

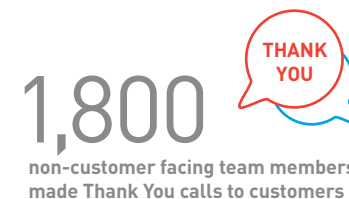
Checking in with our customers

We checked in with over 542,000 customers to ensure they were on the right cover for their needs because we want to make sure we are providing the best value we can. And we've set annual targets to keep ourselves accountable to this. This year we also exceeded our objective of 1.8 million health interactions with Medibank customers* – a challenge we set to ensure we better support our customers' personal health and wellbeing needs.

Customer Obsessed program

Our Customer Obsessed program provides opportunities for all employees in non-customer facing roles, including Board members and senior leaders, to connect regularly with our customers and customer-facing teams. Activities range from listening in on customer calls, visiting retail stores and hospitals, and talking directly to customers during Thank You calls. This year, we've spoken to more than 3,000 customers during these calls and over the past four years, have talked with more than 12,000 customers.

This year we refreshed the program, introducing weekly videos of team members sharing insights into customer feedback and expanded our Lunch and Learn series.



We also launched a new initiative which connected the Executive Leadership Team and senior leaders with allocated retail stores and telehealth sites across the country, so they could establish an ongoing relationship with the teams and build a deeper understanding of how their decisions impact our customer-facing employees. When travel restrictions came into effect, leaders kept in touch by calling team members to check in with them instead.



Customer check-ins

	Target	Actual
FY20	500,000	542,298
FY19	500,000	519,200
FY18	N/A	390,000

Health engagement interactions

	Target	Actual
FY20	c.1.8m	c.2m
FY19	N/A	c.1.57m
FY18	N/A	c.500k

*based on the number of policyholders that consent to contact for marketing purposes, some exclusions may apply. Excludes new joins and customer lapses over the period.

Trusted healthcare, customer-centred products and services

Customer advocacy

Our goal is to deliver a customer experience that is best in class and we measure customer advocacy through the Net Promoter Score (NPS). We track our Service NPS which measures what our customers think of us after they've had an experience with us such as a health insurance cover review, using their extras cover or going to hospital.

We're pleased that our customer advocacy is now at record levels across both Medibank and ahm. For FY21, we will be introducing a new measure tracking our employee advocacy for our products and services to complement our existing Customer NPS measure.

Average Service NPS

	Medibank	ahm
FY20	31.8	41.2
FY19	24.8	38.5
FY18	15.3	28.1

Recognising long-term customers

We value loyalty and recognise our customers who have been with us for 10 years or more through our Priority program. This year our Health Concierge team supported more than 22,000 Priority customers through their hospital experience – one of the many benefits we offer to our priority customers, along with a dedicated phone line for health cover queries and exclusive offers such as discounted travel insurance.

Share of industry complaints

	Medibank/ahm complaints	Industry complaints	Medibank/ahm % of industry complaints	Medibank market share
FY20*	720	3,150	22.85%	26.94%
FY19	901	4,042	22.3%	26.90%
FY18	1,111	4,553	24.4%	26.85%
FY17	2,662	5,750	46.3%	26.93%

*FY20 based on Quarterly Bulletins data

Complaints

We always aim to do the right thing by our customers. But should a problem arise, we work to resolve it when first contacted. In more complex cases, complaints are escalated to our customer support team, which aims to resolve the issue within 10 working days. We prioritise any urgent cases such as those involving a threat to life, an upcoming hospital admission or any situation involving financial hardship. Complaints continued to decrease and our share of industry complaints remained below our market share – something we have achieved consistently over the past few years.

You can find more information on our [complaints handling policy](#) on the contact us section of our website.

Better navigation through technology

To make it easier for our customers to get the information and support they need through the channel they prefer, we've been improving our digital services to provide a better, more intuitive experience.

This year, we've introduced messaging, an online chat service that gives customers more flexibility to respond to a conversation in their own time, available both online and to iPhone users. We've also enhanced our web chat service so customers can get the help they need quicker. We continue to build out our messaging options and improve automation and self-service features to make it simple to get support and self-serve.

72% Medibank
90% ahm

of customers have registered for a digital account



We've enhanced our My Medibank app so that customers can book optical appointments directly with our Members' Choice Advantage provider Specsavers, along with some dental services. We've also connected customers going to hospital with services and information to support them before, during and after their visit and made our website more accessible for people with a disability.

Healthcare innovation, personalisation and choice

Innovate to improve healthcare offerings for our customers, giving them more choice and helping them make informed decisions about their healthcare

Everyone's healthcare journey is different, which is why we work to support our customers with a **personalised approach** to their health and wellbeing. We're **partnering with health professionals and organisations** to trial **new approaches to delivering healthcare** with a focus on preventative health. We're also drawing upon our own team members' ideas, bringing them to life through our Hack for Health event.

Working to prevent health issues

One in two Australians are now living with a chronic illness such as heart disease, diabetes and cancer. More than \$1 billion or about 1.3% of Australia's total healthcare budget is spent on preventative health, but almost 40% of our national disease burden is preventable. We're working to change those statistics with a range of preventative health programs to support our customers to improve their health and wellbeing by making better choices.

CareComplete

Since 2014, we have been working with GPs across Australia to support people with chronic conditions through our CareComplete program. It now offers four levels of programs to eligible patients, ranging from an in-home occupational therapy assessment, a 30-day hospital discharge support program to help people transition from hospital to home and manage their recovery, a six-month behaviour change program for people seeking to improve their health and wellbeing and a two-year integrated program for people with the most chronic and complex health needs. We've now enrolled almost 37,000 participants working with more than 10,000 GPs and 4,500 general practice clinics across Australia.

36,865 
CareComplete patients to date

Better Knee, Better Me

A telehealth program designed to prevent the need for knee replacement surgery through exercise, pain management and weight loss, we developed Better Knee, Better Me in conjunction with the University of Melbourne, in partnership with Austin Health. The program also aims to break down the barriers for regional and rural customers with 40% of participants living outside metropolitan areas.



74,000

customers supported through Health Assist programs

Cardiac Rehab at Home

Our Heart Health at Home program is one of the first personalised, fully telehealth-delivered cardiac rehabilitation services in Australia. It provides personalised one-on-one support, to help prevent a second serious cardiac event and aims to ensure patients feel better supported in their recovery and better understand and manage their risk factors.

OptimalMe

We've partnered with Monash University for Australia's first pre-pregnancy to post-birth research study. This telehealth trial program aims to help women create healthy lifestyle changes and support healthy weight during pregnancy – which is not currently part of standard antenatal care. The program is supported by our new Planning, Pregnancy and Families online hub – free for all Australians to access – and we will soon be launching additional services to support our customers wanting to become pregnant.

Baby Sleep Support Line

We're piloting a personalised telehealth-based service to help parents manage their baby's sleep and settling issues in the comfort of their own home. The pilot is a joint project with Australia's largest early parenting service provider, Tresillian, and is supported by an online site with health information and advice.



Healthcare innovation, personalisation and choice

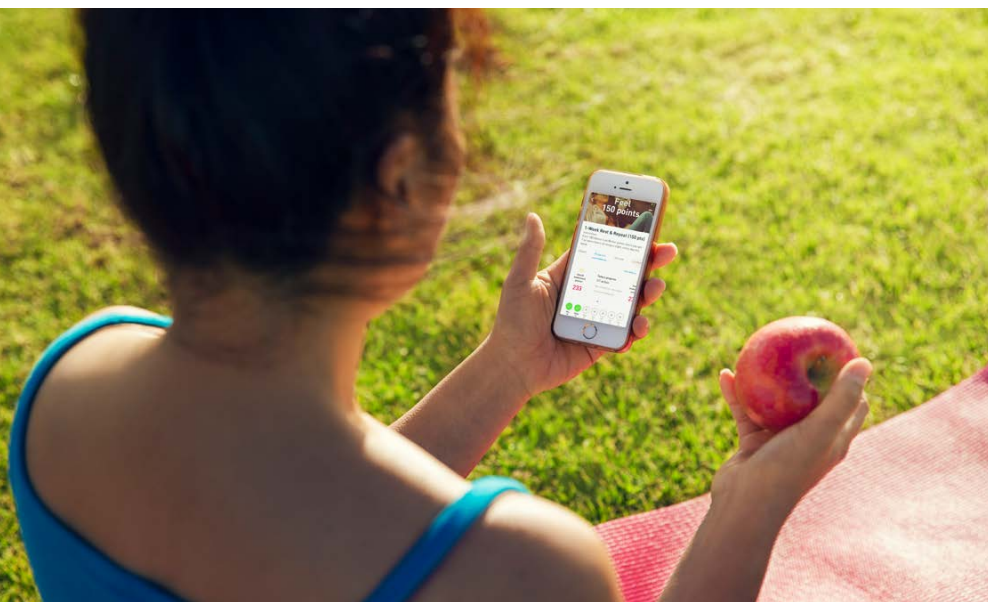
Rewarding and recognising customers for better health choices

To encourage people to make better health choices every day, we've created our Live Better program. It features an [app](#) that people can use to track and measure everyday activities across eat, move and feel categories, and rewards eligible Medibank customers for making small healthy changes. It has been rated the best loyalty program of all major health funds by members in the 2019 Ipsos survey. The program is backed by our [Live Better online hub](#) offering expert health information, articles, recipes, exercise tips and online courses, and more than one million customers now receive monthly updates of information from the site.

Personalised health and wellbeing campaigns

We're supporting our customers with a program of health and wellbeing campaigns that provide information relevant to their health needs and aligned with national preventative health focus areas. These personalised messages may be sent after specific procedures, such as following a skin cancer removal or hospitalisation for a fracture, contain seasonal health messages for at risk customers living with a chronic condition (such as asthma or a lung condition) or align to life events such as pregnancy or turning 50.

\$1 million+ 
in rewards issued to Live Better customers during COVID-19



We've also worked with Beyond Blue, Perinatal Anxiety and Depression Australia (PANDA), Tresillian, Murdoch Children's Research Institute, Victorian Assisted Reproductive Treatment Authority and Your Fertility to update our website content to ensure our health communications reflect the latest evidence-based health information, advice and support.

Hacking for Health

Our hackathon brought together people from across the business to bring to life their own big ideas for helping create large-scale change in healthcare. Ideas ranged from a virtual assistant to support elderly people to stay in their own homes for longer, to ways to combat loneliness and programs to support communities at high-risk of mental health concerns. Teams brainstormed, researched, refined and then pitched their ideas, with a concept to better support customers and their family should they find themselves having to make an emergency visit to hospital voted best idea. The concept is now being supported by our Innovation Council to determine its feasibility, going through concept testing, with feedback from customers and providers. The previous year's winning idea – a self-service claims portal for customers – will be piloted in some stores later this year.

COVID-19 Health Assist



We brought together our broad range of health services to develop COVID-19 Health Assist, a program of customised health and wellbeing support for our customers throughout the COVID-19 pandemic, including clinical support such as hospital-in-the-home, practical help such as grocery or medication delivery for those self-isolating along with mental health support and scheduled check-ins.

Our team of health professionals reached out to 4,388 customers including those at high risk or most vulnerable, to offer a review of their physical, mental and social needs.

Our team of health professionals reached out to

4,388



customers through our **COVID-19 Health Assist program**

Privacy and data security

Protect our customers' privacy through secure systems and processes

Our customers trust us with their personal information. **Maintaining that trust by managing and protecting that information** in accordance with customer expectations and our legal obligations is a priority for everyone in Medibank. We do this by taking **a holistic, risk-based approach** embedded within our privacy, cybersecurity, risk management, assurance and information management frameworks, systems, policies and processes.



Keeping data secure

Our Cybersafety Policy is based on an information-centric, risk-based approach that aligns the protection of information with our business strategy and regulatory obligations. We have well-defined, good practice data management policies and processes, supported by employee training and systems that make effective data management part of our day-to-day work practices.

How we store data

Our security controls are applied across our IT environment, whether hosted in our private data centre or cloud provider. We expect appropriate levels of controls be applied to all assets, regardless of location, and we implement multiple security controls commensurate with the sensitivity of the data itself.

In addition to the security controls we've embedded within our systems, platforms and processes, we have implemented a standards-based, industry-accepted good practice security framework covering all aspects of security governance, risk, audit, compliance and reporting, that is closely aligned to the National Institute of Standards and Technology (NIST) Cyber Security Framework. Our compliance with APRA's CPS234 Information Security standard complements our security approach.

How we handle data privacy breaches

Our enterprise governance, risk and compliance management processes help us identify and manage privacy and data security risks and incidents. We also undertake privacy impact assessments for existing services, projects or procurement of services that involve personal and sensitive information.

We work with our employees to detect, contain, assess, respond to and, where necessary, notify any data breaches which occur, as well as to respond to any privacy concerns or complaints we receive from our customers. We take the learnings from these experiences to continually improve our processes and meet our privacy compliance obligations under the Australian Privacy Principles (APP) and Australian Mandatory Data Breach Notification (MDBN) legislation.

Educating our people about information privacy and security

We believe everyone has a part to play in protecting the privacy and security of information. We strive to create a culture of privacy and security awareness across all of Medibank, through an ongoing program of privacy and cybersecurity awareness education and training, in addition to regular compliance training. We also conduct targeted role-based training and education for teams, focused on people in roles that deal directly with customer information such as our retail and customer support teams.





employee health

Build an engaged, inclusive workforce that is customer obsessed, values and purpose driven and focused on health and wellbeing

At the core of Medibank's culture is a strong belief in our purpose – Better Health for Better Lives. We believe that everyone in Australia deserves to live their best quality of life – for themselves, their communities and future generations, and it is this vision that shapes who we are, our culture and our employee experience. Our people are guided by our strong set of values which are anchored to the core pillars of our culture – customer focus, health and wellbeing and values and inclusion. These are what we focus on every day so we can do the right thing by our employees, customers and community.

The issues that matter most to us



- Engaged, purpose-led culture, attract and retain talent
- Healthy and safe workers
- Diverse and inclusive workforce



Engaged, purpose-led culture, attract and retain talent

Embed our purpose and values throughout our business, and build a highly engaged skilled workforce

The **strength of our culture** is what differentiates us, it guides what we do, how we behave and our decision making. We know our people are more engaged when we **live our purpose and values every day** and stay focused on the **three pillars that guide our culture**



Customers first:

We put our customers at the centre of everything we do. We continually seek to better understand and support our customers by listening to their needs and putting their health and wellbeing first.

Values driven and inclusive:

We encourage employees to 'come as you are' and bring their whole selves to work.

Committed to health and wellbeing:

We live our purpose. We believe that we can make a real difference in the health and wellbeing of our community and that starts with our employees.

We're a company with health and wellbeing at its core and our culture aims to ensure all our people can be at their best, both at work and at home. We equip our people with training, skills development and resources they need to achieve this. Our proactive policies and processes ensure our workplaces are healthy and safe and support the wellbeing of all our team members.

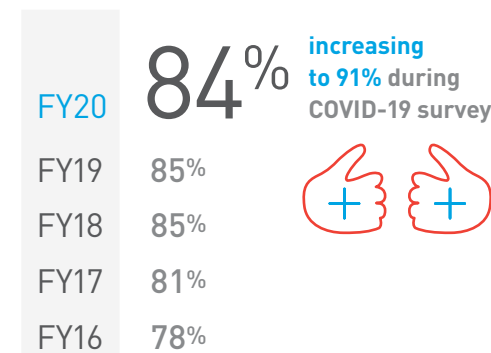
When our people feel inspired by our culture, they're more willing to go the extra mile and continue to bring energy, focus and passion to their work.

Employee engagement

We measure our employee engagement regularly through our annual My Voice survey, which is supported by more frequent 'pulse surveys' measuring employee sentiment and advocacy. It allows us to sense check how our people are thinking and feeling, providing insights into our key cultural areas such as health and wellbeing, customer focus, diversity and inclusion, risk culture and leadership. Over the past five years, we've seen a significant increase in engagement – a testament to our cultural transformation.

Our survey in February showed our team remains highly engaged, with our values and focus on diversity and inclusion seen as cornerstones of our culture. Our overall employee engagement score of 84%, compares favourably to the Australian national norm. We also conducted three short surveys this year to better understand how employees were feeling during COVID-19 restrictions and this saw our employee engagement increase to 91% – the highest we've ever achieved.

Employee engagement



Values



Customers First



Own It, Do It



Show Heart



One Team



Engaged, purpose-led culture, attract and retain talent

Attracting and retaining the best talent

We want to make sure we recruit and retain talented employees. Our strong culture and approach to flexible working is one of the key factors attracting many people to work with us.

We ensure our remuneration meets market benchmarks and offer our people a variety of benefits and rewards including subsidised health insurance, a Good Health Day, entertainment discounts, and health and wellbeing programs. We nurture and support our people to achieve their potential and we recognise and reward great values-based behaviours and performance. Our online recruitment and training model has meant location is no barrier to finding the best people to join our team.

We train our people well, ensuring they have the knowledge, skills and qualifications and support they need to provide the best outcomes for our customers. We continually look to improve our onboarding and this year we refreshed our customer support induction process for new team members to improve their skills and readiness to support customers. We also shifted our telehealth induction program to be delivered virtually, to better accommodate new team members from across Australia.

Shine Awards

Our Shine Awards recognise individuals and teams who've made an outstanding contribution throughout the year, going above and beyond to bring to life our purpose and values. The awards allow us to celebrate our peers who show inspiring leadership qualities, are an advocate for diversity and inclusion or think outside the box. Counsellor Jenny Morabito was nominated by her colleagues and won the 2019 Customers First Shine Award. Known for her strong instincts and empathetic professionalism, she'd recently had the incredible impact of saving the life of a man who had called the service, ensuring that his daughter still had a dad.



Shine Award recipient
Counsellor Jenny Morabito

Learning, training and development

We want our people to achieve their best and have access to diverse opportunities to accelerate their professional learning and development. We ensure all team members are equipped with the required knowledge, tools and a full understanding of our legal and ethical expectations to perform their roles well and to get the best outcomes for customers. We provide a wide array of resources for career planning and skill building. All employees have access to internal job opportunities and work together with their people leader on ways to develop their career. A strong risk and compliance framework underpins all our learning and development training programs.

Clinical development

To ensure we support the ongoing professional development of our clinical and health professionals and continue to deliver clinical excellence, this year we invested in the AUSMED clinical professional development program, so our clinical team members can maintain their clinical accreditations and learn new skills. We also created a Clinical Career Pathways Hub to showcase the 50+ clinical roles and careers at Medibank that are available to our qualified health professionals.

Leadership development

Our suite of leadership programs focus on helping our people build the skills they need to lead with empathy, self-awareness, resilience and flexibility. The five programs offer a unique blend of workshops, individual, group and peer coaching, self-assessment and exposure to other businesses and individuals who excel in their fields. Our Launch program is designed for new leaders and focuses on helping people explore their own leadership purpose and behaviours and refine their skills, while our Elevate program develops adaptive leadership for senior leaders, including exploring significant leadership challenges in Indigenous health, with leaders spending time immersed in the Wadeye community in the Northern Territory.

Talent and succession management

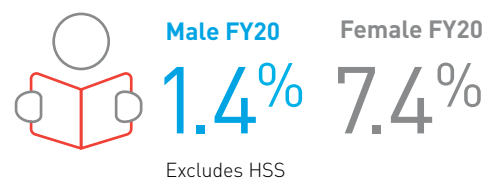
We ensure we're supporting high performers and preparing them for greater responsibilities, through well-established hiring, development and succession practices. This year we updated our talent identification framework to enable more targeted and focused development and movement of key talent. We also have succession and scenario plans in place for all business-critical roles, with a focus on developing the 'readiness' of our people through development opportunities and critical experiences.

Engaged, purpose-led culture, attract and retain talent

Study assistance

We support and encourage our employees to undertake external study programs which are relevant to their role and will enhance their long-term career development goals. Team members can take study leave and can also receive up to 100% reimbursement of compulsory course fees, including tuition and union fees.

Study assistance uptake



Freedom of association/ collective bargaining approach to Enterprise Agreements

This year, we signed a new four-year Enterprise Agreement which came into effect in April. Some of our people are members of various unions including the Australian Nursing and Midwifery Federation, the Community and Public Sector Union and the United Services Union and we recognise the rights our people have to collective bargaining and freedom of association, operating in accordance with the provisions of the *Fair Work Act 2009*.

Employees covered by Enterprise Agreements



	30 June 2020		30 June 2019		30 June 2018	
	Headcount	% of total	Headcount	% of total	Headcount	% of total
Covered by EA	1,710	43%	1,767	41%	1,691	44%
Not covered by EA	2,272	57%	2,515	59%	2,178	56%
Total	3,982	100%	4,282	100%	3,869	100%

Training hours Medibank



All training

FY20

Training hours	Female	Male	Undefined	All
Management	6,812	6,147	4	12,963
Non-management	60,952	17,887	221	79,058
Total	67,764	24,034	225	92,021

Average training hours per employee

	Female	Male	Undefined	All
Management	15.1	13.7	2.0	14.4
Non-management	25.4	26.7	27.6	25.7
Total	23.7	21.5	22.4	23.1



Leadership training

FY20

Training hours	Female	Male	Undefined	All
Management	2,016	2,567	-	4,583
Non-management	3,409	1,196	-	4,605
Total	5,425	3,763	-	9,188

Average training hours per employee

	Female	Male	Undefined	All
Management	4.5	5.7	-	5.1
Non-management	1.4	1.8	-	1.5
Total	1.9	3.4	-	2.3

Undefined refers to people who chose to be undefined or for whom gender was not recorded

Engaged, purpose-led culture, attract and retain talent

Workplace giving and volunteering

We seek to connect our people with the causes that are close to their hearts through our volunteering and giving programs. We continue partnering with Good2Give to match employee community donations of up to \$1,000 annually and give our people access to eight hours of community leave each year.

In FY20, Medibank employees really got behind volunteering with more than 26% of employees participating in the program across Australia. Throughout the year, team members took part in many volunteering activities including making trauma teddies for children, decorating gingerbread houses, sorting donated clothing and making sandwiches for hungry schoolkids. Up until the outbreak of COVID-19, we'd seen almost double the number of our people participating compared to 2019.

case study



Beyond Blue – Australian Open

This year, we were the largest corporate volunteer partner supporting Beyond Blue at the Australian Open. More than 60 team members took part, talking with tennis fans and sharing information about the services and support available.



Employee volunteering

	Number of employees	Hours	\$ equivalent
FY20	1,024	2,688	\$123,648
FY19	558	1,957	\$82,221
FY18	408	1,399	\$63,646

Workplace giving

	Donations	Matched by Medibank	Total
FY20	\$115,908	\$109,055	\$230,468*
FY19	\$81,120	\$75,736	\$156,857
FY18	\$72,248	\$70,251	\$142,499

*Total includes \$5,504.50 in additional donations by Medibank

Healthy and safe workers

Maintain a healthy and safe workplace for our people that supports their wellbeing

Our focus is on creating a healthy and safe workplace for our people. We do this through **a culture of prevention, early intervention and prioritising the health and wellbeing** of our people. We're committed to **driving greater ownership, accountability and integration of health, safety and wellbeing considerations** into the everyday activities of our business, which is underpinned by our Health, Safety and Wellbeing Policy.



Promoting and supporting the health of our people

As a healthcare company we place great importance in playing a role in supporting our people to achieve good health and wellbeing. Through initiatives, support services and policies we want our people to feel encouraged to feel good mentally and physically, in a way that works for them.

Live Better, Feel Good...Your way

We're committed to helping every one of our employees enjoy better health to lead better lives through our Live Better program that encourages healthy behaviours, through our key pillars of eat, move and feel. In 2020 we expanded the program to include financial wellbeing support, introducing Map My Plan, a free financial planning tool and launched our Feel Good Grants program, offering employees grants to support initiatives that enable the health and wellbeing of our people.

Health advice support

In December 2019 we launched our dedicated 24/7 Employee Health Support Line, giving our people access to health information and advice for them and their family.

Mental health support

We are acutely aware that we need to support the mental health of our people, just as much as their physical health. We have tailored initiatives in place designed to maintain positive mental health and support our people with mild to severe mental health conditions. These include 24/7 Employee Health Support line, a Good Health Day to pursue their own health and wellbeing, access to the Smiling Mind program, domestic and family violence support and diversity and inclusion group participation linked to our greater purpose and wellbeing.

Employee Assistance Program

It is important to us that our people have access to trusted, quality counselling when they need support to improve their mental wellbeing. Our Employee Assistance Program (EAP) service is available to help employees and their families manage personal and professional issues. We also have a dedicated program for our Indigenous employees.

Healthy and safe workers

Domestic violence support

Domestic and family violence is an issue that affects the workplace and we are committed to ensuring all our employees feel safe, supported and able to bring their whole selves to work.

We were the first health insurer to introduce uncapped paid leave to any employee experiencing domestic and family violence. We provide a safe and supportive workplace for employees experiencing domestic violence to seek help and support and ensure they can disclose their experiences without the risk of judgement, discrimination or victimisation.

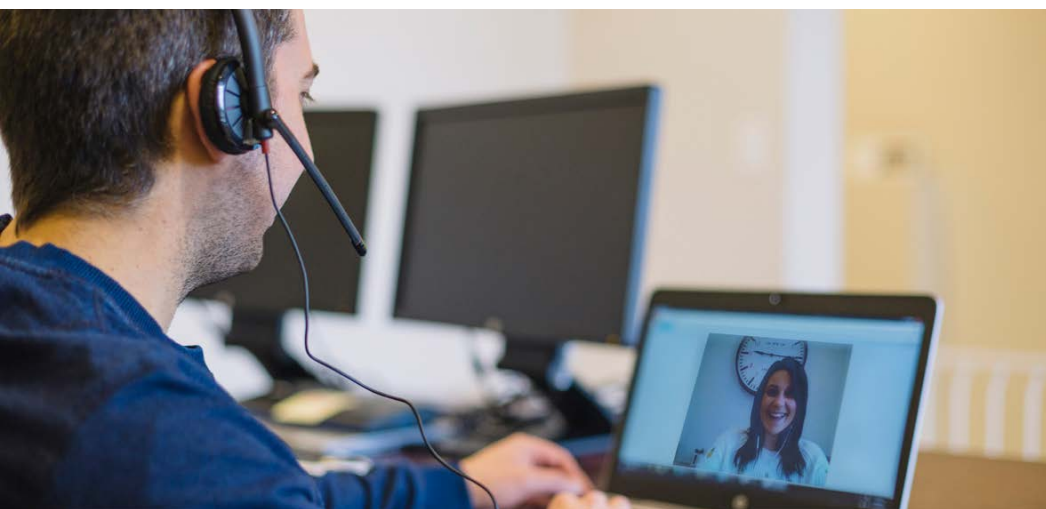
Grievance procedures

If one of our team has a concern, we work with them to resolve it through a fair and balanced grievance resolution process. Our internal process doesn't preclude anyone access to any lawful conciliation or arbitration body. Employees can also access our whistleblower service.

Health and safety mandatory training

All our people undertake mandatory health and safety training to ensure they understand the practices in place to manage their health, safety and wellbeing. It is part of our mandatory training modules, which are completed by all new employees within a month of joining the business, while existing employees undertake refresher training every year. For the past three years we have had a 100% completion rate.

To support our telehealth counsellors and triage nurses who work with people impacted by trauma, we provide vicarious trauma training which provides practical strategies to help them manage the impacts of their daily work. This year our clinical teams providing in-home or community care also undertook refresher training on hand hygiene/infection control and had access to the government training module created specifically for healthcare workers on COVID-19 infection, prevention and control.



100% 
completion rate in mandatory health and safety training

Keeping our people safe

In supporting and promoting the health and wellbeing of our workers, we're focused on safety in the workplace, whether that be in an office, in a home, an aged care facility or in a retail store. In recognition of our transition to becoming a broader healthcare company, this year we have separated out the lost time injury frequency rates for our healthcare and insurance teams, to allow for the difference in industry benchmarks as indicated by Safe Work Australia.

FY20 also marks the first year HSS has been included in our data, since we acquired the company. We're continually working to improve, implementing new procedures and reporting systems to assist and reassessing our targets for the year ahead.

Incident and hazard reporting

We introduced our new incident and hazard reporting system, StaySafe, an addition to our existing processes for reporting health and safety and clinical incidents, hazards and complaints. StaySafe provides a streamlined, centralised process that allows us to identify employees and parts of the business impacted so we can provide relevant support, assistance and for people to report any COVID-19 impacts.

Lost time injuries frequency rate

	Rate	Target	Number of lost time injuries
FY20 Medibank / ahm	2.01	<2.0	8
FY20 Healthcare ¹	6.70	<8.0 ²	13
FY19	1.79	<2.0	11
FY18	2.71	<2.0	15

12-month rolling average per million hours worked

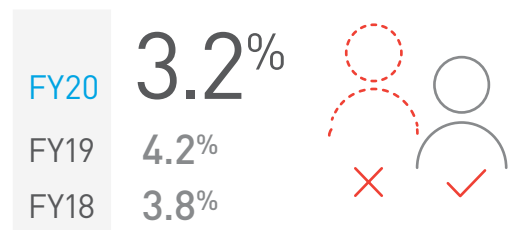
1. Includes Homecare (HSS, CareComplete, HealthStrong) and Medibank Health Solutions
2. Safe Work Australia healthcare industry benchmark

Healthy and safe workers

Early Intervention program

Employees returning to work after illness, injury or surgery were supported with our Early Intervention program to help manage their work capacity and ability to remain at work and/or return to work. We're currently updating our Injury Management Policy and Procedure to improve this process.

Total absenteeism



Excludes HSS
 Measure of actual absentee days lost, expressed as a percentage of total days scheduled to be worked by workers for the same period

Business continuity planning

As part of our overall approach every business unit undertakes and has input into Medibank's Business Continuity Plan (BCP). This plan ensures that all information on functions, supporting resources and key contacts are always recorded in a database and remain current. Our continuity planning was a key factor in our ability to respond quickly to COVID-19, guided by the cross-functional team established to manage our activities during this time.

COVID-19 response



Paid special leave

We introduced paid special leave of up to two weeks for any of our employees who may be affected by COVID-19 (whether permanent, fixed term or casual). The leave applies to anyone unable to work from home and who is required to self-quarantine, or if their workplace, such as an aged care facility or retail store is closed. It can also be utilised if a team member needs to care for children if their school or childcare is closed and flexible working arrangements aren't suitable.

Closing stores

In March we closed retail stores to protect the health and safety of our employees and our customers, redeploying team members to our phone and digital customer support channels, while working remotely from home. This provided our retail team with the opportunity to learn new skills, giving them greater career flexibility. When stores reopened in May, strict hygiene standards were instigated, with some remaining closed due to inadequate handwashing facilities within their shopping centre location. When new COVID-19 outbreaks required Victorian stores to close again, we were able to quickly revert to our work from home model with minimal disruption for our customers or our team.



Diverse and inclusive workforce

Embrace and promote diversity and inclusion in the workplace and the health sector

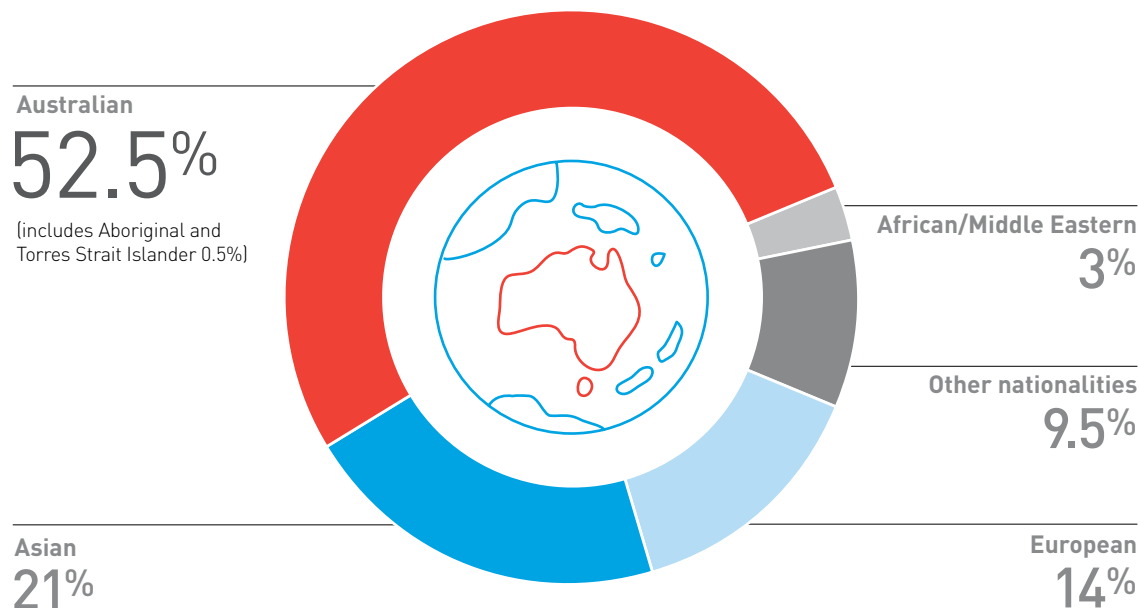
We are committed to creating an **inclusive culture that acknowledges and embraces difference** in all its forms and ensures every voice is heard. We recognise that **all employees are different, and these differences benefit our employees, customers, shareholders** and the community. We celebrate our cultures throughout the year, recognising key festivals such as Chinese New Year and Diwali, and come together to mark significant events including NAIDOC week, International Day of People with Disability, International Women’s Day and Wear It Purple.

Who are we?

We’re proud we have a unique mix of employees from a diverse range of ethnicities and backgrounds. Around 22% of our extended leadership team do not identify as having an Australian, New Zealand or British background.

Our [Diversity and Inclusion Policy](#) supports and facilitates an inclusive environment, with measurable objectives set by the Board that are reviewed annually. This year we have made significant progression on all our objectives.

Our people







Our workforce

	30 June 2020	1 July 2019*	30 June 2019	30 June 2018
Headcount (#)	3,982	3,828	4,282	3,869
This includes # health professionals	1,508	1,341	1,781	1,299
Full time equivalent (#)	3,536	3,419	3,818	3,450
This includes # health professionals	1,188	1,063	1,449	1,033

*1 July marked end of Garrison contract


Diverse and inclusive workforce

FY20 diversity and inclusion measurable objectives

Measurable objective	Progress toward achievement
<p>Medibank will remain committed to ensuring a representation of at least 40% women across our senior leadership population.</p> 	<p>As at June 2020, we had achieved 51% female representation in Group and senior executive roles, and 50% across all manager roles.</p>
<p>Medibank will continue its commitment to supporting those on parental leave and increasing the male take up of parental leave.</p> 	<p>In 2018, Medibank's parental leave approach was refreshed to remove references to 'primary' and 'secondary' carers, allowing all prospective parents equal access to 14 weeks paid parental leave. In FY20, the proportion of men taking parental leave greater than two weeks was 10 times higher than before the policy was refreshed, at 25%. While this is 5% lower than in FY19, this remains broadly in line with male representation at Medibank. Medibank will continue to highlight the experiences of men and women on parental leave to encourage broader uptake of parental leave, particularly for men.</p> <p>In FY20, Medibank continued its focus on supporting employees on parental leave, with over 200 employees enrolled in our parental leave support programs. Employees returning from parental leave continue to report engagement levels that are 3% higher than other employees, as measured via My Voice, our annual engagement survey.</p>
<p>Medibank will continue its focus on increasing the representation and self-reported engagement of:</p> <p>(a) Employees with a disability. (b) Aboriginal and Torres Strait Islander employees.</p> 	<p>We continued to progress against the actions outlined in our Accessibility & Inclusion Plan, which aims to improve the experiences of our people and customers with disabilities, while creating a disability confident culture. Based on an employee self-report measure as part of our annual employee engagement survey, 6% of employees identify as having a disability, down by 1.1% from 2019. This compares to a representation of approximately 9% in the general working population. Engagement for this group remained stable at 81%.</p> <p>Progress against Medibank's fourth Reconciliation Action Plan has also continued, focused on strengthening cultural awareness and understanding of Indigenous issues across Medibank, and providing sustainable opportunities for Indigenous Australians. The number of employees who identify as Aboriginal and Torres Strait Islander increased from four in 2019 to 17 people as at 30 June 2020, representing 0.5% of Medibank's population. This compares to a representation of 2% in the general Australian workforce. Engagement for this group as measured through My Voice was 64%, slightly down (4%) from the last historical benchmark for this population in 2018.</p> <p>In FY21 we will continue our focus on the representation of Indigenous Australians through our newly launched Aboriginal Employee Network, delivering cultural awareness training to our employees, and the development of cultural safety protocols.</p>
<p>Medibank will continue to externally benchmark diversity and inclusion practices, including via ACON's Pride in Health + Wellbeing Equality Index and AND's Access and Inclusion Index.</p> 	<p>On the Australian Network on Disability's (AND) Access and Inclusion Index, we continued to perform strongly, ranked within the top three Australian organisations for the inclusion of people with disabilities in FY20. We also continued our participation in ACON's Pride in Health + Wellbeing Equality Index to further improve the inclusiveness of our insurance and health services for LGBTI customers and was recognised as a Gold Tier service provider in 2020. We were also named an Employer of Choice for Gender Equality by WGEA for the fifth year running.</p>

Diverse and inclusive workforce

Our FY21 measurable objectives to help drive greater diversity for the year ahead have been set by the Board.

1 
40%
LEADERSHIP

Medibank will remain committed to ensuring a representation of **at least 40% women across our senior leadership** population and at least 40% of women on the Medibank Board.

2 
MANAGERS

Medibank will aim to **improve the gender balance across our manager** and non-manager population by **maintaining at least 40% women across our manager workforce** and improving the representation of men in our non-manager workforce.

3 

Medibank will continue its focus on increasing the **representation and self-reported engagement of:**

- a. Employees with a disability.
- b. Aboriginal and Torres Strait Islander employees (with a target set of at least 32 employees).

4 

Medibank will **improve the support** available to employees with **caring responsibilities** for elderly parents, people with a disability or chronic condition.

Workplace Gender Equality Agency

We received the Employer of Choice for Gender Equality (EOCGE) citation from WGEA for the fifth year (beg. 2015). The citation is aligned with the *Workplace Gender Equality Act 2012* and is recognition that gender equality is central to Medibank's success.



Health + Wellbeing Equality Index

This year Medibank achieved Gold tier recognition on the Health + Wellbeing Equality Index (HWEI) a progression on the prior year where the business was Silver tier. It was a recognition for Medibank ensuring all health services are inclusive and accessible to all our LGBTI customers. Our Pride + Passion employee network group was instrumental in achieving Gold tier standing.



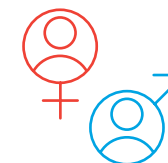
Gender equality approach

We recognise the pivotal role we play in driving gender equality throughout our workplace. We're committed to challenging the status quo, promoting a speak up culture where things are called out, and listening to our people.

We're proud to be a leader in gender equality. Women make up more than half of our Group and senior executive team, we have a strong pipeline of female talent, and we support gender pay equity – tracking the pay gap and acting to ensure there is never more than a 1% difference between genders.

This year Medibank became a signatory of the Women's Empowerment Principles, developed by the UN Women and UN Global Compact. This enables us to learn from and contribute to global best practices on how to promote gender equality and women's empowerment in the workplace and community.

We encourage men in our workforce to promote and speak out on gender equality. In 2015, Medibank CEO Craig Drummond joined Male Champions of Change and has continued to be a leader in speaking out on gender issues. Craig is also a Muslim Women's Association Linking Hearts Ambassador and is committed to addressing domestic and family violence in our community.



Gender pay equity

	Gender pay gap
FY20	-0.7%
FY19	0.2%
FY18	-0.8%

Market Data Source: Mercer TRS October 2019 and Aon April – June 2020; Average market positioning is based on 94% roles benchmarked against the market median

Data is for non-award employees only

The gender pay gap represents the difference between how females and males are paid relative to the market median. A positive number indicates that females are paid higher than males relative to the market median, and vice versa.

Diverse and inclusive workforce

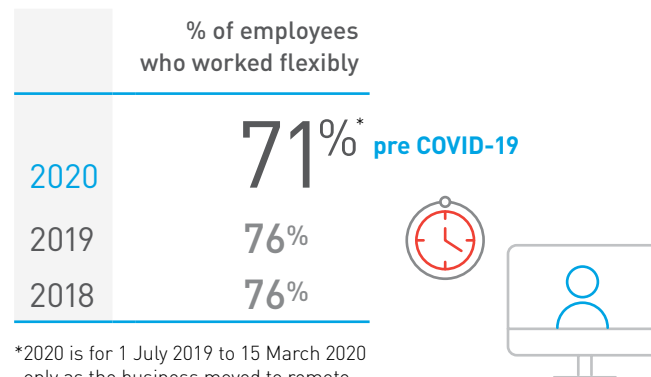
Flexible working and parental leave

Practical, measurable policies and initiatives within our workplace are key to helping us achieve gender equality. Our approach to flexible work allows our people to balance their work and personal life more effectively, and consequently has promoted greater engagement and gender balance. In 2018 we rewrote the rules around parental leave, allowing all eligible prospective parents, regardless of whether they're the primary

or secondary carer, to take 14 weeks of paid leave within the first 24 months of their child's birth. Since then, we've seen more men take up parental leave. We continue to highlight the experiences of men and women on parental leave to encourage greater participation in caring responsibilities. An increase in the number of health professionals providing in-home and community care now working with us is reflected in our flexible working numbers.



Employees who worked flexibly



*2020 is for 1 July 2019 to 15 March 2020 only as the business moved to remote working due to COVID-19

*As measured through employee response to My Voice employee engagement survey



Parental leave

	FY20			FY19			FY18		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Employees who took parental leave	270	88	358	259	116	375	181	41	222
Employees who returned to work after parental leave	250	85	335	221	114	335	149	40	189
Parental leave return to work rate (%)	93%	97%	94%	85%	98%	89%	82%	98%	85%
Parental leave retention rate 12 months after return (%)	N/A*	N/A*	N/A*	74%	79%	76%	76%	80%	77%

*FY20 parental leave retention data unavailable until FY21

Diverse and inclusive workforce

Employees by employment type and gender



	Female headcount		Male headcount		Undefined headcount		% women	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Board (excluding CEO)	5	5	3	3	-	-	63%	63%
Group executives	2	2	5	5	-	-	29%	29%
Senior executives	31	32	27	30	-	-	53%	52%
Group and senior executive total	33	34	32	35	-	-	51%	49%
Senior managers	91	151	113	175	-	-	45%	46%
Other managers	328	315	303	301	2	2	52%	51%
Non-managers	2,402	2,561	670	699	8	9	78%	79%
Overall (excluding Board)	2,854	3,061	1,118	1,210	10	11	72%	72%

Promotions



	30 June 2020		30 June 2019		30 June 2018	
	Headcount	% of category	Headcount	% of category	Headcount	% of category
Promotions by gender						
Female	111	4%	113	4%	55	2%
Male	76	7%	66	6%	41	4%
Undefined	0	0%	1	9%	1	10%
Total	187	5%	180	5%	97	3%
Promotions by age						
Under 25	2	2%	8	7%	0	0%
25-34	86	8%	81	7%	44	4%
35-44	66	5%	70	5%	31	3%
45-54	25	3%	15	2%	17	2%
55-64	7	2%	6	1%	5	1%
65+	1	2%	0	0%	0	0%
Total	187	5%	180	5%	97	3%

Excludes HSS; FY18 excludes HealthStrong

Diverse and inclusive workforce



Talent pool

	30 June 2020		30 June 2019		30 June 2018	
	Headcount	% total headcount	Headcount	% total headcount	Headcount	% total headcount
New hires by gender						
Female	902	24%	785	20%	968	25%
Male	368	10%	367	9%	317	8%
Undefined	2	0%	4	0%	3	0%
Total	1,272	34%	1,156	29%	1,288	33%
New hires by age						
Under 25	148	4%	116	3%	221	6%
25-34	470	13%	466	12%	438	11%
35-44	350	9%	324	8%	324	8%
45-54	209	6%	151	4%	212	5%
55-64	84	2%	86	2%	85	2%
65+	11	0%	13	0%	8	0%
Total	1,272	34%	1,156	29%	1,288	33%

FY20 & FY19 excluding HSS



Voluntary vs involuntary turnover

	FY20			FY19			FY18		
	Female	Male	Undefined	Female	Male	Undefined	Female	Male	Undefined
Voluntary	15%	6%	0%	14%	6%	0.1%	11%	5%	0%
Involuntary	7%	3%	0%	11%	5%	0.1%	3%	2%	0%
Total	22%	9%	0%	25%	11%	0.2%	14%	7%	0%

FY20 & FY19 excluding HSS; HealthStrong excluded prior to September 2018



community health

Make a difference in the community, investing in preventative healthcare and partnerships to address some of Australia's biggest health concerns

We believe everyone in Australia deserves to live their best quality of life for themselves, their communities and future generations – it's our vision.

The issues that matter most to us



- Healthy and engaged communities
- Supporting mental health
- Indigenous engagement
- Disability access and inclusion
- Contribute to public policy

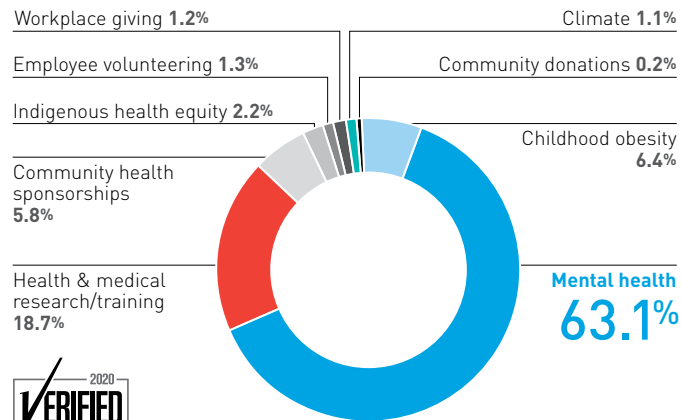


Healthy and engaged communities

Engage with our community to understand and respond to some of Australia's biggest health challenges

It's why we're **investing in our community**, targeting some of Australia's biggest health issues and addressing **Indigenous health equality**. We see this as our corporate responsibility and believe that we have a **key role to play in helping to build better community health and wellbeing** for tomorrow. This year, we **contributed more than \$9.5 million** to the community through health and medical research, community partnerships, employee volunteering and workplace giving and support for mental health – boosted this year by our \$5 million donation to Beyond Blue.

Community investment*



*numbers have been rounded to one decimal place

We're working to improve health and wellbeing outcomes for all Australians, funding preventative health programs and research, education and partnerships, and supporting community organisations that offer free access to health and wellbeing activities. We've been there for people when they need us most, supporting our communities through the COVID-19 pandemic and helping those impacted by fires and other disasters.

Better health through research

We invest in health and medical research because we believe it's one of the best ways to improve our healthcare system, benefiting patients, the community and our economy.

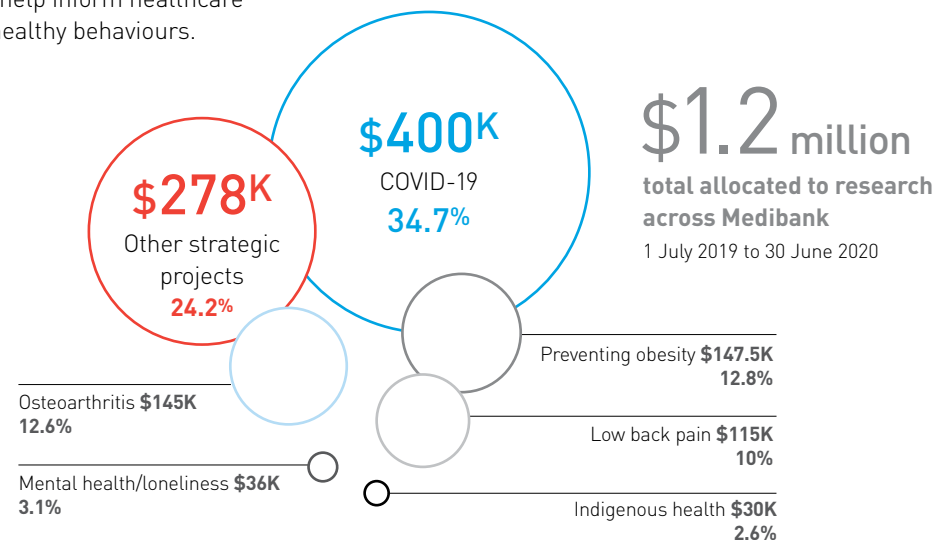
Over the past seven years, the Medibank Better Health Foundation has worked to be a catalyst for positive change by funding health and medical research and applying the insights to improve the delivery of healthcare services, help inform healthcare policy and promote healthy behaviours.

Through the Foundation, we support research into key health priorities that impact the quality of life for millions of Australians and cost the health system billions each year. This year, we've invested around \$1.2 million, partnering with 12 organisations to support 17 projects including research into osteoarthritis and lower back pain, equitable access to rehabilitative care and the development of a pilot framework to evaluate health apps.

We also funded COVID-19 research projects addressing the impact of the pandemic – such as research into the mental and health impacts of working from home, an evaluation of sustainable, effective and safe use of virtual care technologies, and an analysis of the success of COVID-19 screening tools such as questionnaires and temperature checks to identify COVID-19 positive patients before surgery.

Key achievements

- 17 projects
- Partnered with 12 organisations
- 12 publications and conference presentations



Healthy and engaged communities

Supporting the national health response to COVID-19

We were part of the national Coronavirus Helpline services provided on behalf of the government. In the initial stages of the pandemic, we rapidly hired and trained hundreds of casual nurses to respond to the extraordinary demand from Australians seeking support and advice, with our team managing around 250,000 COVID-19 calls across various services.

Partnering with La Trobe University

In an Australian-first, we established a strategic health partnership with La Trobe University aimed at supporting our future health professionals, researching better health outcomes for Australians and helping to deliver the University's City of the Future in Melbourne's north. This will include supporting the creation of health and wellbeing hubs to University campuses and surrounding communities, expanding the availability and scope of digital health services to support regional growth.

Supporting Australians to Live Better

Being healthy means different things to different people, which is why we support a diverse range of activities and programs Australia-wide. Through our Live Better program, we're supporting hundreds of free, active and social activities in communities each week across Australia, investing more than \$2 million this financial year.

Programs we supported in FY20

- parkrun Australia
- Smiling Mind
- Feel Good Program, Brisbane
- OneWave
- Live Life Get Active
- Bold and Beautiful Swim Squad, Manly
- Laughter Clubs Victoria
- No Lights No Lycra
- Stephanie Alexander Kitchen Garden Foundation
- Red Cross
- Kookaburra Kids
- Beyond Blue

315,000 
 people took part in
 Live Better community activities

Live Better at Home

To help people keep up their health and wellbeing goals while isolating during COVID-19, we launched Live Better at Home, a free online program of workout videos, cooking demonstrations, guided meditations and more from experts and local health and wellbeing businesses, shared to social media and the Live Better website.

340,000
 video views

of Live Better at Home content



Stephanie Alexander Kitchen Garden Foundation

We've partnered with the Stephanie Alexander Kitchen Garden Foundation since 2012, supporting its growth across Australia. The Foundation aims to help children form positive food habits for life and this year 1,281 schools had membership and 791 schools took part in the program. We also helped launch their 'Out of the Classrooms into Homes' content on our Live Better platform to make the content available to everyone across Australia.

case study

parkrun

parkrun offers free, weekly community events for people to come together and walk, run or jog 5km. There are now 398 events that occur throughout Australia, although all were suspended during COVID-19 restrictions. We've been supporting parkrun since 2016, to encourage all people to be happier and healthier through regular community activity. This year we launched the inaugural Medibank parkrun hero competition, celebrating the everyday heroes that help make parkrun the supportive community event that it is today.



100,000+ first time parkrun participants since July 2019

numbers impacted by COVID-19 restrictions

Healthy and engaged communities

Domestic violence

We continue working to help reduce family and domestic violence and sexual assault in Australia, providing counselling, information and support through the 1800RESPECT service and speaking out to raise awareness across the workplace and the broader community. This year, 1800RESPECT expanded its partnerships with not-for-profit specialist counsellor providers to help support the 267,869* contacts answered.

267,869* 

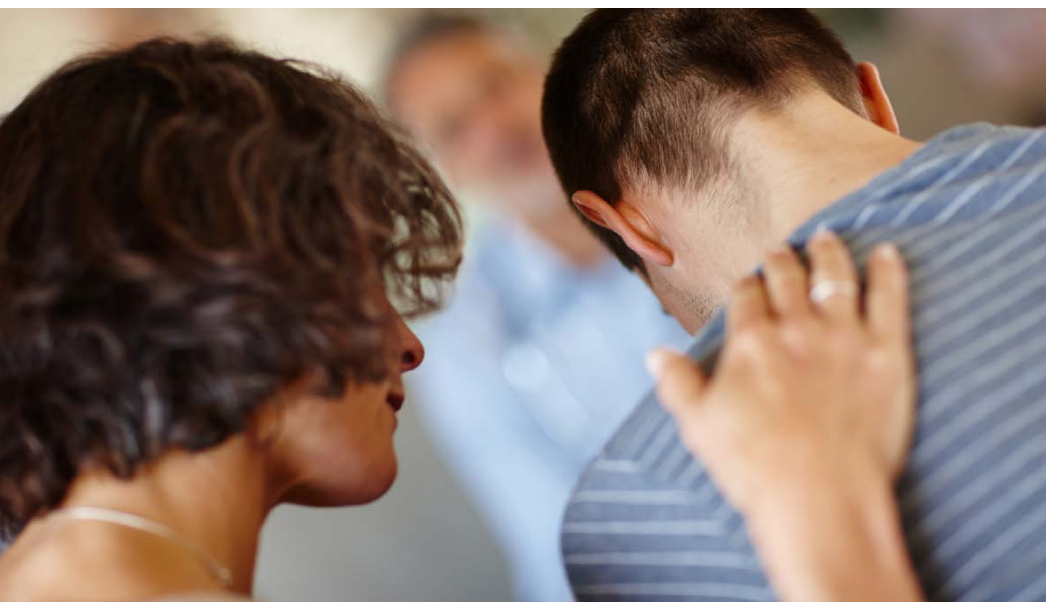
1800RESPECT answered contacts

*Note – this figure includes all contacts to the 1800RESPECT service including pranks, nuisance and disconnections.

To support Australians impacted by domestic violence, we launched a number of initiatives including a financial abuse toolkit, a Disability Pathways project and an escape bag checklist for those planning on leaving a relationship. 1800RESPECT was also awarded the Scope Communication Access Symbol for its work in making the service accessible for people with communication difficulties.

Targeted relief

As regional Australian communities battled horrific bushfires, we provided special assistance packages for Medibank and ahm customers, offering premium relief and access to our mental health phone support line. We also gave the Red Cross \$120,000 – an annual donation we make to support their work in disaster relief and recovery, outreach programs and volunteer training.



case study

Murdoch Children's Research Institute

Our partnership with the Murdoch Children's Research Institute aims to improve health outcomes for Australian children, parents and families. We've been able to support raising awareness of their digital health portfolio underpinned by world class clinical expertise and leading research – including Allergy Pal, a disease management tool for food allergies and Sleep Well, a digital intervention for children with behavioural sleep problems – sharing access and knowledge with our customers. This year we also supported the development of a podcast series for parents and carers of children to provide practical tips to support them and their children during COVID-19.

Developed in collaboration with





AllergyPal
Minimise your child's food allergy risk

Created by Australian allergy experts. Download app for free.

"Managing my child's allergies is now easier and less stressful, thanks to AllergyPal" Damien B

AllergyPal features

- My action plan**
A digital copy of your ASIA Action Plan that's always at hand when you need it most.
- Get educated**
Stay informed with the latest information, research education and products that can help make life easier.
- React now**
Helps you manage allergic reactions by enabling fast access to your ASCIA Action Plan.
- Track Epi-pen expiry**
Keeping track of your medication expiry dates and receive alerts.
- Avoid reaction**
Keep your child safer by helping others understand appropriate and inappropriate food options for your child.
- Share**
Helps reduce the stress of leaving your child with family and friends by giving them free, fast and easy access to the support available.

Learn more at mcriallergypal.com.au

AllergyPal was developed by Australian Allergists, Professor Katie Allen and Professor Mimi Tang. Katie and Mimi are passionate about improving safety for kids with food allergy and improving the quality of life of children, parents, carers and families.

Supporting mental health

Provide a range of mental health support services and increase community awareness

In any given year, **one in five Australians will experience mental health issues**, which is why we continue to prioritise mental health support. We make sure our customers can access help sooner, through our **24/7 Mental Health Support Line**. Through our Medibank Mental Health and Wellbeing Fund, we've invested \$1 million to support the rollout of community programs and projects. We've also worked with companies around Australia to help them develop **programs to support their employees' health and wellbeing**.



Medibank CEO Craig Drummond and Chair of Beyond Blue, Julia Gillard, at a major donor event for Beyond Blue

Smiling Mind

This year, we partnered with Smiling Mind – a non-profit organisation whose programs aim to equip Australians with the skills they need to build a healthy mind – to provide impactful content shared through Smiling Mind's app as well as other digital platforms, including Live Better. With COVID-19 restrictions causing concerns for many people's mental wellbeing, we worked to launch the Families program, featuring meditation programs designed to be listened to by the whole family.

since the April launch, more than

65,000

unique users subscribed to the Smiling Mind Families program



Beyond Blue

For the past four years, we've worked with Beyond Blue to improve awareness about anxiety and depression and provide better access and support to improve Australians' mental health. In addition to our ongoing partnership investment, this year we donated \$5 million to help Beyond Blue establish a new dedicated Coronavirus Mental Health and Wellbeing Support Service.



we donated an additional
\$5 million
to help Beyond Blue

Supporting international students' wellbeing

We supported young international students in NSW, launching a new program in conjunction with the Department of Education Wellbeing Support Service, which offers mental health support for students and for carers, guardians and department employees. We also partnered with universities and organisations to run video sessions to support overseas students throughout the COVID-19 pandemic.



124,443

users took part in the ahm experience

The Clear Mind Experiment

To help Australians take a minute to un-busy their lives, ahm created the Clear Mind Experiment, a 90 second online experience developed from research around the triggers and variables that could create the most calming user experience.

Loneliness

We've been working to develop a long-term approach to help address one of Australia's growing but least understood concerns – loneliness. Loneliness has the propensity to impact anyone and doesn't discriminate on age or social status. We recently interviewed leading experts and people experiencing loneliness and we will soon survey more than 2,000 Australians to better understand the impact of chronic loneliness on our mental and physical health – the size and scale of loneliness in Australia and the degrees of severity and types of loneliness that exist. The results will help raise awareness of the issue, and identify where we can make the greatest impact. We've engaged some of Australia's leading researchers and experts to help us build a 10-year plan to address this growing health concern.

Indigenous engagement

Work with Indigenous communities to help achieve reconciliation, supporting health equality and improving overall Indigenous health outcomes

Medibank was the **first private health insurer in Australia to take a step** towards greater reconciliation in 2012 when we developed and released our first Reconciliation Action Plan. We believe the health inequality of our nation's First Peoples affects, and is the responsibility of, all Australians. Our purpose of Better Health for Better Lives strengthens our **sense of community connection and responsibility** towards reconciliation.

Reconciliation Action Plan

Our vision for reconciliation and closing the gap in health outcomes between Indigenous and other Australians is centred on fostering positive and trusting relationships with Aboriginal and Torres Strait Islander individuals, communities and organisations. We understand it takes time to build trust and are committed to deepening long-term relationships with Indigenous communities.

We're now in our ninth year of working with the Wadeye remote community in the Northern Territory. We're committed to continually developing a shared understanding of the health issues facing local communities and to assist in identifying the supportive roles Medibank can play in the health sphere that will contribute towards greater reconciliation.

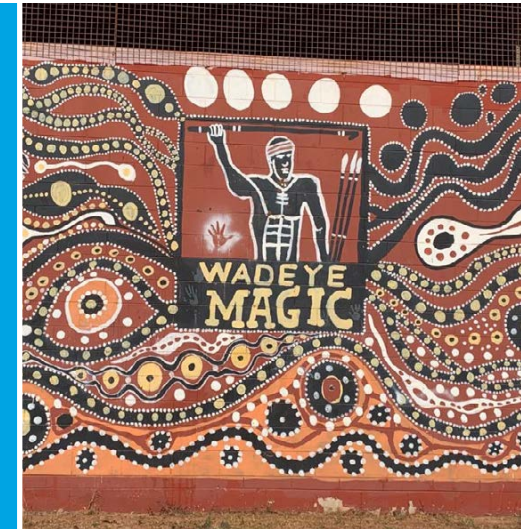
Our current Reconciliation Action Plan builds upon our previous learnings and achievements and aligns with the [Reconciliation Australia](#) framework, focusing on:

- **Relationships** – working together with the Aboriginal community-controlled health sector on areas of community identified priorities.
- **Respect** – strengthening cultural awareness and understanding of Indigenous issues and history across Medibank, through choice-based experiences.
- **Opportunities** – providing meaningful career pathways to Indigenous Australians and incorporating Indigenous businesses into our supply chain.

case study

Cultural health camp

We worked with the Wadeye community elders and Red Dust to co-design a cultural health camp for Aboriginal women within the community. The camp supported the community's desire to re-establish cultural practices for young women for general health reasons and to support their mental health. Almost 100 young women attended, and the elders were overjoyed to see it happening, knowing their young people's mental health would be stronger as a result. Our team members found the experience invaluable, learning so much more about health from the community's perspective, along with cross-cultural awareness and collaboration skills.



Representation and awareness

This year we increased Aboriginal and Torres Strait Islander representation in the business from four people to 17 people, including a pilot traineeship program we developed in our customer connect team which welcomed two new interns. As well, we offered a paid summer internship program for the fifth year running, which was attended by four interns.

More than 10% of our employees took part in face to face cultural awareness training this year, and we launched a new online learning module for Australia Day to encourage conversations and curiosity around important dates in our shared history.

Engagement and partnerships

We also have meaningful partnerships with these organisations:

- Wadeye community, Northern Territory
- Adam Goodes' IDIC (Indigenous Defence and Infrastructure Consortium)
- Supply Nation
- Australian Indigenous Doctors' Association
- Thamarrurr Indigenous Youth Corporation

Disability access and inclusion

Improve access and inclusion for people living with disabilities

With more than **four million people in Australia living with disability**, it is important we help our customers navigate the health system, **assured that disability is not a barrier** to accessing the advice, services and care they need.

Our commitment towards equality in health, wellbeing and employment for people living with disability is set out in our [Disability Access and Inclusion Plan](#) with measurable actions and targets that we review regularly.

We believe that people with disability can thrive in meaningful and fulfilling careers in a supportive and inclusive environment. Our plan represents a whole-of-business approach to inclusion, and we're working to provide employees and customers with the best possible experiences.



Over the past year, we undertook the following initiatives:

For our customers



- Evaluated the accessibility of our retail stores ensuring all new stores were designed with dignified access in mind.
- Reviewed the accessibility of our various websites, apps and customer communications.
- Upskilled our customer service employees in working with the National Relay Service, and updating their knowledge management tools to be more inclusive of customers with disabilities.
- Consulted with customers with disabilities during the design of new products and services.

For our people



- Helped our employees better understand and support the experience of those living with disabilities by providing immersive experiences to our employees to simulate living with disabilities, and hearing from our customers with disabilities about their experiences with the health system.
- Celebrated people with disabilities through wheelchair basketball playoffs.
- Reviewed the accessibility of our employee-facing systems including our intranet to make them more inclusive for employees with disability.
- Reviewed our workplace adjustments process to improve the experience of people with disability in accessing the adjustments they need to perform at their best.

2019 Access and Inclusion Index

Medibank was the third highest ranking company in the 2019 Access and Inclusion Index, Australia's leading benchmarking tool for inclusion of people with disability.

One of the key areas that we ranked highly in this year was the work we have done with suppliers and partners – introducing a formal process for major suppliers to help us understand their approach to accessibility and inclusion, and ensure we partner with organisations that align to our core values.

We apply accessibility and inclusion criteria for information and communication technology and marketing, to ensure all suppliers meet Web Content Accessibility Guidelines (WCAG) 2.1. Our guidelines ensure these requirements are met before any new products are launched.



Contribute to public policy

Contribute to healthcare policy and reform

Delivering **quality healthcare in Australia, at an affordable price remains a key challenge** for our country. We have one of the best healthcare systems in the world, due in part to the success of our dual public private system. But **our population is ageing, and more Australians are impacted by chronic disease and mental health issues**, placing our health system under increasing pressure.



Helping reform our healthcare system

We have been committed to driving reform in a collaborative way over the last four years, pursuing new approaches to providing healthcare outside of the hospital environment and focusing on preventative health and chronic disease management. We are also continuing to promote greater cost and quality transparency for patients and address out-of-pocket costs for consumers.

Over the past year we undertook the most comprehensive overhaul of the private health insurance system in almost 20 years, implementing all the government's reforms designed to improve transparency and make health insurance simpler.

We have also advocated for the need to reduce the high costs of prostheses. While the Australian Government has taken progressive steps in implementing reforms which have had some positive impact on the system, we believe more is needed to tackle higher than necessary prostheses prices which are often substantially higher in the private system than they are in the public system, notwithstanding the already inflated price in Australia relative to other parts of the world.

Through the Medibank Better Health Foundation, we're also supporting a University of Melbourne research project into the impact of price transparency on price variation and out-of-pocket costs. The four-year project will investigate what causes differences in

out-of-pocket costs and fees and examine the effect price transparency has on the behaviours of both consumers and healthcare providers, including the impact of current price transparency initiatives.

Engaging in public policy

We're contributing to healthcare public policy, having extensive discussions with all parts of the government and working with all major political parties on the sustainability of private health insurance and the benefits it delivers for Australians. This year we've also made a submission to the Productivity Commission's Draft Report into Australia's Mental Health System and engaged with every Federal politician on our response to COVID-19.

We provided funding for research by the Royal Australasian College of Surgeons that supported the lifting of elective surgery restrictions, when the level of COVID-19 hospitalisations were lower than expected. Funded by the Medibank Better Health Foundation, the research developed recommendations for a staged return of elective surgery in a safe, monitored manner that could be wound back if a major COVID-19 surge occurred, which were adopted by the Australian Government.

We're also in our fourth year of partnership with the Grattan Institute – an independent, non-partisan think tank focused on developing public policy, including healthcare policy, for Australia's future.



environmental health

Entrench environmental sustainability into our decision making

We recognise the link between the environment and the health and wellbeing of the community. That's why we're looking at ways to minimise our footprint and play our part in the transition to a low carbon economy.

The issue that matters most to us



- Addressing the impact of climate change through environmental sustainability



Addressing the impact of climate change through environmental sustainability

Acknowledge and understand climate change and reduce our impact on the environment

We acknowledge **climate change as a risk** that may have an impact on our operational and financial performance and have decided to report against the Task Force on Climate-related Financial Disclosures (TCFD), an internationally recognised framework for climate-related financial risk disclosures. To support our first TCFD disclosure, **we commissioned an independent review of our practices and climate disclosures**. This review has identified further opportunities to develop our practices, which we are now reviewing with the intention of strengthening our approach to climate change and climate risk in the future.



Governance

Medibank's broader focus on environmental, social and governance (ESG) factors is overseen by the Board through the Risk Management Committee. The Executive Leadership Team has accountability for Medibank's ESG strategy and environmental sustainability approach and our climate change risk record.

Strategy

Our new Environmental Policy launched this year and is central to our approach. It elevates the environment in our decision making and sets out the areas we're focusing on to make the biggest impact. It outlines our commitments across monitoring, measurement and reporting, emissions reductions and climate risk management and centres on the following principles:

- The behaviour of our people has the greatest impact on our emissions. We'll engage our employees to reduce their own environmental impact at work and at home, through education, awareness and behaviour change initiatives.
- We understand the risks of climate change to human health and our own operations. Climate change risk is integrated into our organisational risk management approach.

- We are transparent around our direct and indirect impact on the environment through monitoring and measuring material sources of greenhouse gas emissions, and reporting on these publicly.
- Each financial year, we'll aim to reduce our emissions across all business activities, and where further reductions to emissions have not been made, will offset these emissions through the purchase of carbon offsets.
- Medibank's approach to reducing our environmental impact extends to our approach to investments and our choice of suppliers. Our Responsible Investment Policy and Supplier Code of Conduct outline our commitments in these areas.
- We consider the environmental efficiency of our premises to ensure their environmental impact is reduced.
- We seek to raise the awareness of the Australian community on health impacts of climate change through education, research and community initiatives.

Addressing the impact of climate change through environmental sustainability

Climate risk management

When assessed under our risk management framework, the impact of climate-related risk does not meet the threshold of a material business risk for Medibank. However, we strongly believe in the science of climate change and its importance within the community and have therefore recognised climate risk as a key risk. This risk is owned by members of the Executive Leadership Team and oversight is provided by the Board Risk Management Committee.

When we identified climate change as a risk to our organisation, we considered the impacts to all our stakeholders: our customers, employees, shareholders and the community. We recognise that a severe weather event as a result of climate change, could have impacts to the health and financial wellbeing of our customers, the health and safety of our employees and the operations of our organisation. Medibank has strategies in place to address the impacts of climate change, such as our sustainability strategy, business continuity planning, ongoing monitoring and measurement of our carbon footprint and our responsible investment strategy.

Responsible investment

We see responsible investment as the integration of environmental, social and governance (ESG) factors and stewardship practices into investment management processes. Our [approach to responsible investment](#) is to consider the ESG risks and opportunities, and ensure that our investment managers hold signatory status for the United Nations Principles for Responsible Investment (UNPRI), and can incorporate these principles into decision making for our investment portfolio. Our approach is reviewed by the Board at least biannually to ensure it remains appropriate.

We're committed to playing our part in the transition to a low carbon economy. We moved our international equities to a low carbon portfolio in March 2018 and our domestic portfolio in February 2019, and invested in green bonds that fund projects with positive environmental benefits. Our current holding of \$24.5 million in green bonds funds a number of projects including wind farms, solar farms, clean transportation (such as rail assets) and low carbon commercial property. These bonds are independently certified under the Climate Bonds International Standard and Certification Scheme. Our entire investment portfolio is also tobacco-free.

Metrics and targets

Carbon neutrality

We've been carbon neutral within our direct emissions and energy consumption since the end of the 2018 calendar year. We achieved this by reducing our environmental footprint through measures including ensuring our premises are environmentally efficient, reducing waste across our business, identifying energy savings, engaging our employees in actions to reduce our carbon footprint and purchasing carbon offsets. We have an ongoing commitment to carbon neutrality and will continue to maintain our accreditation as carbon neutral under the Australian Government's Climate Active program over FY21.

Our carbon offsetting approach utilises a mix of Australian and international carbon offsets that provide significant environmental benefits, support Aboriginal and Torres Strait Islander communities and deliver health benefits to the communities in which they are based.



case study

Southern Aurukun Savanna Burning Project

The Southern Aurukun Savanna Burning Project in Far North Queensland ensures traditional patchwork burning is restored in the right way and greenhouse gas emissions are reduced on Wik and Kugu country. It does this by combining traditional knowledge – how to read country and knowing when to burn – with high-tech hardware – helicopters, fireballs and leaf blowers. The project delivers co-benefits to country, including revitalising the connection to country for the community, employing new trainee rangers who are Traditional Owners, and supporting a camp for Year 6 students of Aurukun School.



Addressing the impact of climate change through environmental sustainability

Greenhouse gas inventory

We undertook our first greenhouse gas inventory in FY18 to get a baseline measure of our carbon footprint. Last year we decreased our greenhouse gas emissions by 24.7% with the consolidation of our Sydney offices to a single location and buying only carbon neutral paper two of the key factors that helped us to achieve this. This year, in addition to implementing our new Environmental Policy, we updated our Motor Vehicles Policy to ensure all new fleet vehicles are hybrids and engaged our employees in various initiatives including Plastic Free July and recycling education.

We've seen the impact of the business' move to working from home as a result of COVID-19 on our greenhouse gas emissions – reducing the emissions from commuting to work, while increasing the output from telecommunications. The travel undertaken by our HSS and HealthStrong businesses to provide in-home and community care has resulted in an increase in our transport fuel emissions, while increased accuracy of reporting on our retail tenancies has seen our base building emissions increase also.

Employee-led recycling campaigns helped increase the amount of recycling we did throughout the year, and the move to virtual working saw a reduction in paper consumption. Meanwhile our total energy consumption increased due to the inclusion of new sites in Adelaide.

Greenhouse gas inventory



GHG emissions scope 1, 2 & 3	Greenhouse impact (t CO ₂ -e/year) ¹		
	FY20*	FY19	FY18
SCOPE 1	0.0	0.0	3.5
Natural gas	0.0	0.0	3.5
SCOPE 2	3,553.9	3,409.7	3,397.0
Electricity	3,553.9	3,409.7	3,397.0
SCOPE 3	9,098.2	10,010.9	14,425.3
Electricity	377.6	356.7	357.1
Electricity (base building) ²	2,647.4	1,906.0	2,940.2
Natural gas	0.0	0.0	0.3
Telecommunications	1,920.2	1,323.8	1,560.5
Water ³	1.3	1.5	3.3
IT equipment	699.4	1,309.8	2,797.2
Paper	7.2	26.3	305.1
Employee commute ⁴	872.3	1,839.3	2,062.0
Working from home	619.2	N/A	N/A
Business flights	1,022.1	2,175.1	2,270.9
Transport fuels	119.0	58.0	27.4
Postage	382.2	524.0	1,351.8
Hotel accommodation	254.1	210.7	232.0
Taxis/rideshare	28.4	93.3	66.8
Waste-landfill ³	147.9	180.9	450.6
Recycling ³	0.0	5.5	N/A
Total	12,652.2	13,420.6	17,825.8
Per full time employee	3.6	3.9	5.2

*2020 data updated 29 September 2020

Environmental impact data



	FY20	FY19	FY18
Energy usage (MWh)	4,047.38	3,697.95	3,688.29
Waste (tonnes)	161.92	169.9	375.5
Recycled	36.94	19.1	N/A
Landfill	123.22	150.8	N/A
Secure	1.76	N/A	N/A
Water (ML)	1.5	1.5	3.3
Office paper (tonnes)	3.861	17.69	23.47
Business flights (km)	5,098,409	8,814,529	8,329,909

Methodology and assumptions

1. The calculation methodologies and emission factors derived from the National Greenhouse Accounts (NGA) Factors in accordance with 'Method 1' from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 and the NGER (Measurement) Technical Guidelines for the relevant reporting period. Where factors are unavailable, best practice sources have been utilised as per Climate Active program.
2. Estimations based on NABERS ratings and size of tenancies (m²).
3. Waste and water data for corporate tenancies outside VIC modelled on actual values from 720 Bourke St Headquarters. Retail waste modelled on default NABERS ratings.
4. Based on ~10% survey response (2018) with results scaled up to represent total workforce.



governance

Embed ethical and responsible business practices throughout Medibank and our supply chain

We're focused on doing the right thing for our customers, our people, our shareholders and our community. We're committed to responsible and sustainable business practices and strive to embed ethics and accountability in all that we do as an organisation and through our supply chain.

The issues that matter most to us



- Ethical business
- Corporate governance
- Sustainable supply chains



Ethical business

Embed governance, transparency and ethical practices throughout our business

We believe a positive sustainable culture is achievable by **aligning our purpose, values, culture and strategic direction**. Our governance processes seek to address sustainability issues backed by our strong purpose and values, which are the cornerstone of our organisational culture. They **guide the way employees work together and engage** with customers, business partners, governments and the wider community, and are supported by a range of policies and procedures.



Central to the Board's governance framework is a culture of ethical behaviour that requires all our people to conduct their activities ethically and with integrity. Our **Medibank Code of Conduct** sets out the way employees, including directors and executives, work and the practical principles and minimum standards of expected behaviour. Ethical conduct is further supported by corporate policies, including in the areas of anti-bribery, anti-corruption and conflicts of interest.

Our remuneration strategy is designed to reward our executive team for performance and behaviours aligned with Medibank's values and purpose. Executives must meet risk, compliance and behaviour requirements, including adhering to our Code of Conduct and all mandatory compliance training, to be eligible for any incentive plans. More information is available in our 2020 Annual Report.

We have different approaches to dealing with breaches of the Code of Conduct depending on the circumstances. In 2020, 31 employees were issued with final written warnings following a breach of our Code of Conduct, or another Medibank Group Policy – each received an 'unsatisfactory' performance rating and were ineligible for any performance-based incentive or fixed remuneration increase. A further 21 people had their employment terminated following an incident of misconduct.

Ethical decision making



When making decisions, we're driven by the principle of doing the right thing for our customers, employees and community. This means having a balanced view of what's best for our customers, living by our values, guided by our policies, and taking into consideration our reputation and commercial implications and benefits. Across the business, our people practice ethical dilemma-based decision making scenarios, in which they are presented with real life customer situations and challenged to consider the various perspectives when deciding on the best solution. As well, Board materials contain prompts for the business to consider customer impacts and key risks associated with any proposal or issue.

Ethical business

Compliance

To help our people understand our regulatory obligations and how they apply in their role, all our employees complete a number of compulsory learning modules each year in areas such as privacy, bullying and harassment, anti-bribery and corruption, working in a publicly listed organisation and risk.

This year we introduced a new module, 'The Way We Do Things Here', framed on our Code of Conduct which used scenario-based activities to reinforce learning. In FY21 we are introducing ethical dilemma-based scenarios to online training to further strengthen our peoples' understanding of our responsibilities and desired behaviours.

100% of employees in FY20 completed annual training, with 99.5% completing by the end date of 13 December.



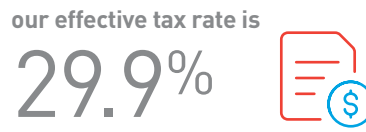
Whistleblowing

Our Whistleblower Policy supports our commitment to ethical business by creating a safe environment where people are encouraged to speak up if something doesn't look right and be protected when they do. Employees are encouraged to make a report internally to one of our whistleblower investigation officers, any senior executive or to our Whistleblower Hotline (Medibank Alert) – an external service. Regardless of the channel a whistleblower uses, they can make a report anonymously or limit who is informed of their identity. Following the launch of our new online training module, we saw an increase in the number of contacts to our hotline this year due to increased awareness of the whistleblower process.

Contacts to our Whistleblower Hotline	FY20	12
	FY19	3
	FY18	3

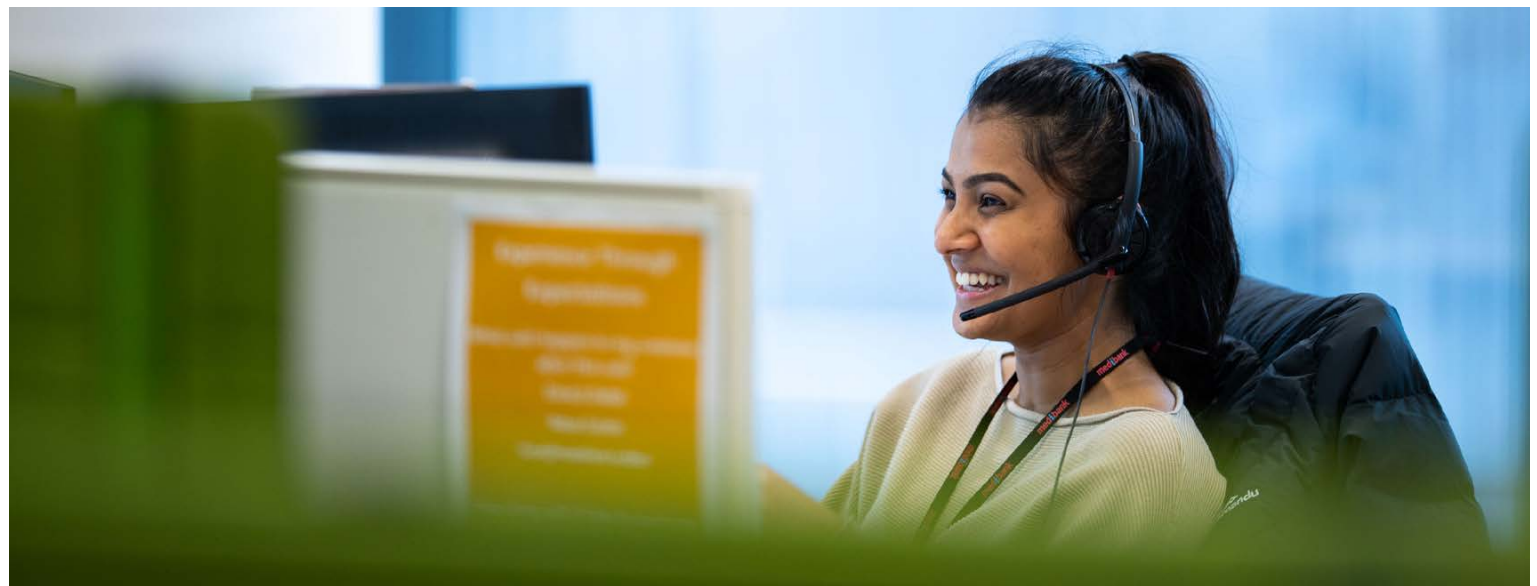
Tax transparency

We continue to support the Australian Government's voluntary Tax Transparency Code – an initiative designed to encourage greater accountability and openness in the corporate sector. This is the fourth year we've made our [tax report publicly available](#). We know that we have an obligation to pay our fair share – a share that contributes to the wider Australian community and to the continuity of universal healthcare. That's why for FY20 our effective tax rate is 29.9%.



Political donations

We don't make political donations to any political party, politician or candidate. Where there is a legitimate business reason, we do attend political functions from time to time. Where Medibank has attended a political function, these events are related to public policy discussions of relevance to the business and are not regarded as political donations under the *Commonwealth Electoral Act 1918*.

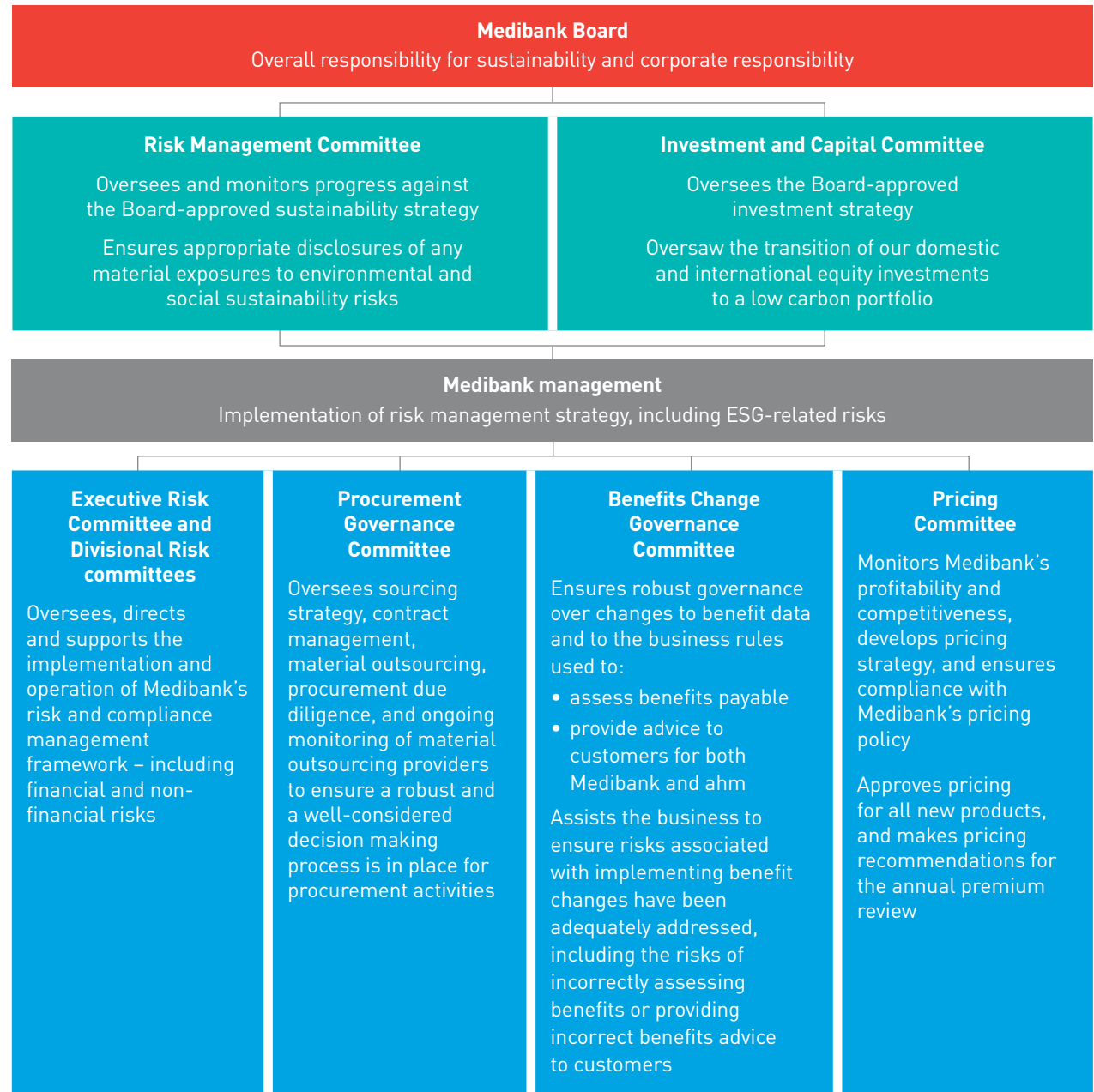


Corporate governance

Effectively manage risk and maintain legislative and regulatory compliance

Our Board is committed to **sound corporate governance** practices which ensure it meets its obligations and responsibilities to the company, its shareholders and stakeholders. It has established a framework of **adopting internal controls, risk and compliance management** processes and corporate governance policies and practices, designed to promote responsible management and ethical conduct.

Five standing Board committees have been established to assist in the execution of its responsibilities, each governed by a charter setting out the committee’s role, responsibilities, membership and processes which can be [accessed on our website](#). Overall responsibility for sustainability and corporate responsibility issues rests with the Medibank Board, while other Board committees have input into ESG issues.



Corporate governance

Risk culture

Our risk management framework encompasses the systems, structures, policies, processes and people that manage risks across the business. It guides our risk management activities across the business to effectively identify, assess, manage, monitor and report risks. It is implemented through the three lines of defence model and its effectiveness is assessed annually, by the internal audit function, in accordance with the Risk Management Committee Charter. A key component is Medibank's risk appetite as defined by the Board, more details of which can be found in our 2020 Annual Report.

The management of financial and non-financial risks by senior executives is reviewed by the Risk Management Committee, which considers the effective operation of the Executive Risk Committee, incident identification, audit findings, risk and compliance remediation actions, and the results from our My Voice employee surveys regarding health and safety and risk culture. In addition, our Chief Risk Officer and Group Executive – Legal, Governance & Regulatory Affairs are responsible for notifying the Board of any relevant risk and compliance outcomes and /or conduct which may impact the performance and remuneration outcomes for Executive Leadership Team members and other senior executives.

Policies and practices

Our policies and practices comply with the recommendations in the ASX Corporate Governance Council Corporate Governance Principles and Recommendations, 3rd edition. As a registered private health insurer, we also comply with a governance standard issued by the Australian Prudential Regulation Authority (APRA). More information about our key corporate governance practices is available in the [governance section of our website](#).

Our behaviours that support our risk culture



We actively challenge risk decisions to ensure benefit for our customers, our employees, our brand and our shareholders.



We escalate risk issues without fear or favour.



We all own risk issues.



We expect that all our risk and reward discussions are viewed through our values and business goals.



We learn from our experiences and mistakes to ensure we do better.

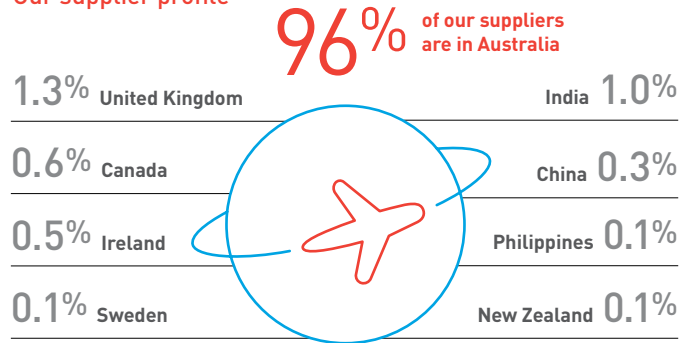


Sustainable supply chains

Understand our supply chain and ensure we engage with suppliers that have ethical and sustainable business practices, taking steps to identify and address risks of modern slavery

As a values-led organisation, we are **committed to ensuring the sustainability** of our supply chain. We aim to work with suppliers who reflect our approach and have a clear commitment around gender equality, cultural diversity and inclusion, **eliminating modern slavery**, improving supply chain sustainability, and supporting **social enterprises and Indigenous businesses**. We also work to be a good partner to those we do business with.

Our supplier profile



*supplier profile data updated December 2020.



Building a better supply chain

When selecting suppliers, we're thinking about our purpose of Better Health for Better Lives and how that applies to the companies we work with. Our procurement policy and processes require businesses responding to a tender to outline how they will help us achieve better health outcomes, be more environmentally sustainable and support social enterprises and Indigenous businesses.

Our Supplier Code of Conduct

We expect our suppliers to comply with all applicable national and international laws, regulations, standards and codes of practice, conducting business in an ethical, fair and professional manner. Our Supplier Code of Conduct also requires suppliers, upon reasonable request, to make available any compliance or performance data regarding their compliance with any aspect of the code.

Should we need to outsource work to an external company, we're guided by our procurement and outsourcing policies, which ensure appropriate risk assessment and management processes are in place and all business activity complies with legal requirements and regulatory standards in line with APRA Prudential Standard HPS 231 (Outsourcing).

 **no breaches in FY20**
of our Supplier Code of Conduct

Helping eradicate modern slavery

While our Supplier Code of Conduct contains clear anti-slavery provisions, we're finalising our first Modern Slavery Statement which will detail the steps we're taking to ensure slavery and human trafficking are not occurring within our supply chain and operations.

Over the past year we've assessed the inherent modern slavery risks within our supply chain and operations, and we're collaborating with a world-leading advisory firm, industry forums and other businesses to ensure a best-in-class approach to helping eradicate modern slavery.

Protecting our employee and customer data with third party suppliers

Our privacy and cybersecurity policies include guidelines and procedures which govern the use of our customer and employee information by any company we work with. Before we engage any third party, a detailed business impact assessment (BIA) must be developed. The BIA provides a comprehensive overview of the information proposed to be shared and how it will be managed and stored, as well as outlining the impact to our business, the controls in place to protect Medibank and our customers, and a plan to effectively manage a breach should it occur.

Sustainable supply chains

Doing good business

Indigenous procurement

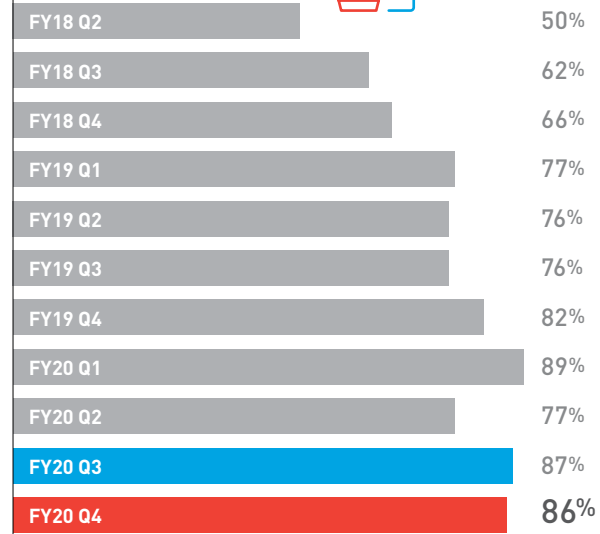
Supporting Indigenous businesses through procurement is one of the key components of our Reconciliation Action Plan, which seeks to embed supplier diversity principles in our procurement policies and procedures. We've been working with the Indigenous Defence and Infrastructure Consortium (IDIC) since June 2018 and are a member of Supply Nation, and we train all relevant employees in contracting with Aboriginal and Torres Strait Islander businesses through Supply Nation. Our team members also undergo cultural awareness training.

We review and update our Aboriginal and Torres Strait Islander procurement strategy each year, to ensure we are meeting our targets. We set ourselves a goal in 2017 to increase our spend with Indigenous businesses by 25% over the next three years, based on our 2017 target. We're pleased we've exceeded this long-term goal. We also established and maintained at least two commercial relationships with Aboriginal and/or Torres Strait Islander businesses.

Paying bills promptly

We recognise the need to support the many small to medium size businesses we work with and we upgraded our processes and systems to enable us to pay invoices within 30 days from the date the invoice was submitted.

On-time payments



Indigenous procurement spend



	Target	Actual
FY20	\$48,500	\$399,500
FY19	\$38,800	\$333,000
FY18	\$31,500	\$103,000
FY17	\$25,000	\$25,000



Summary of sustainability achievements




Ensure healthy lives and promote wellbeing for all ages

Material topics

- Affordable healthcare
- Trusted healthcare, customer-centred products and services
- Healthcare innovation, personalisation and choice
- Healthy and engaged communities
- Supporting mental health


FY20 highlights

\$185+ million COVID-19 support package for customers including financial hardship support, extending health cover and postponing premium increases 


 **Managed 250,000 COVID-19 related calls**

Donated \$5 million to Beyond Blue to establish a Coronavirus Mental Wellbeing Support Service

Launched Live Better at Home during COVID-19 – free online workout videos, cooking demonstrations, guided meditations – with more than **340,000** video content views

 **Launched an Australian-first trial with Nexus Hospitals, offering short stay no gap joint replacement surgery**


8,620 patients received in-home care

Provided **259** virtual hospital beds 

Supported **74,000** customers through our Health Assist programs


Partnered with St Vincent's Hospital Brisbane on a new home-based palliative care pilot

Launched Heart Health at Home, one of the first personalised fully telehealth-delivered cardiac rehabilitation services in Australia

Lowest average premium increase in 19 years (postponed for 6 months) 

Upgraded our Find a Provider tool to show out-of-pocket costs for common hospital procedures

Developed Hospital Assist – an online hub to help customers through the experience of going to hospital

Extended Health Concierge service to paediatric admissions 

Partnered with Smiling Mind to provide mindfulness and meditation resources and launch the new Families program

Developed a mental health support program for young international students and their carers

Developing a **10**-year initiative to help tackle loneliness – one of Australia's growing health concerns

315,000 people participated in Live Better community activities

Targets / next steps



Provide more than **300** virtual hospital beds by end of FY22

Double the uptake of our Live Better and Health Assist programs by FY22, while ensuring every customer* has at least one personalised health interaction

Raise awareness of the size and scale of loneliness as a mental and physical health issue through a comprehensive community awareness campaign

*based on the number of policyholders that consent to contact for marketing purposes, some exclusions may apply. Excludes new joins and customer lapses over the period.

Summary of sustainability achievements



Achieve gender equality and empower all women and girls

Material topic

- Diverse and inclusive workforce

FY20 highlights

Women represent **51%** of Group and senior executives



63% of our Board are women

-0.7% gender pay gap

Continued tracking the pay gap to ensure there is never more than a 1% difference between genders

25% male participation in parental leave since our new policy was introduced



Became a signatory to the Women's Empowerment Principles (WEPIs)

Launched 1800RESPECT's financial abuse toolkit and an Escape Bag Checklist for people leaving abusive situations and expanded the 1800RESPECT service, adding two additional not-for-profit specialist counselling providers

Employer of Choice by the Workplace Gender Equality Agency (WGEA), fifth year in a row

Recognised as a top three Best Workplace for New Dads

Targets / next steps

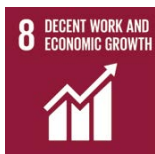


Ensure at least **40%** of senior leaders and Board members are women

Maintain at least **40%** women across our manager workforce

Improve the representation of men in our non-manager workforce

Review the gender pay gap annually to ensure it is no greater than **1%**



Promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all

Material topics

- Sustainable supply chains
- Engaged purpose-led culture, attract and retain talent
- Healthy and safe workers
- Privacy and data security
- Corporate governance

FY20 highlights

84% employee engagement pre COVID-19 (rose to **91%** in April)



Launched **24/7** Employee Health Support Line and introduced financial wellbeing support



71% of employees worked flexibly (pre COVID-19)

Signed a new four-year Enterprise Agreement

Expanded our career development offering, including investing in AUSMED clinical professional development program and creating a Clinical Careers Pathway Hub

Finalising first Modern Slavery Statement

Launched new incident and hazard reporting system – StaySafe

Introduced new Code of Conduct training module

Targets / next steps



Employee engagement target of **85%** and employee advocacy (eNPS) target of ≥ 19 in FY21

Improve support to employees with caring responsibilities for elderly parents, people with a disability or chronic condition

Deliver **\$20** million in productivity savings in FY21

Summary of sustainability achievements



Reduce inequality within and among countries

Material topics

- Indigenous engagement
- Disability access and inclusion

FY20 highlights

9 years partnering with the Wadeye community in the Northern Territory

Worked with Wadeye and Red Dust to co-design a women's cultural health camp attended by 100 women



Developed Australia Day module to encourage conversations around important dates in our shared history

Upskilled customer service team to work with the National Relay Service

Improved the accessibility of our websites and apps for people with a disability

Launched 1800RESPECT's disability pathways project to improve the accessibility of the service for people with a disability

10% of employees took part in Indigenous cultural awareness training

\$400,000 spent with Indigenous businesses



Ranked in top three organisations on the Australian Network on Disability Access and Inclusion Index

Gold tier service provider in ACON Pride in Health + Wellbeing Equality Index

Targets / next steps



Increase the representation and self-reported engagement of:

- Aboriginal and Torres Strait Islander employees (targeting at least 32 employees)
- Employees with a disability

Ensure 50% of employees participate in online Indigenous cultural awareness training

Review, assess and update our Reconciliation Action Plan



Take urgent action to combat climate change and its impacts

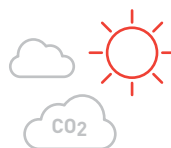
Material topic

- Address the impacts of climate change through environmental sustainability

FY20 highlights

Board endorsed new sustainability strategy and launched our first Sustainability Report

Launched our new Environmental Policy



Incorporated the Task Force on Climate-related Financial Disclosures

Updated our Motor Vehicles Policy to ensure all new fleet vehicles are hybrid

Invested \$24.5 million in green bonds to support a number of projects including wind farms, solar farms, clean transportation (such as rail assets) and low carbon commercial property



Ongoing commitment to low carbon domestic and international equity investments

Targets / next steps



Further enhance our alignment to the Task Force on Climate-related Financial Disclosures

Remain committed to being carbon neutral across our Scope 1, 2 and 3 emissions for FY21

Summary of sustainability achievements



Strengthen the means of implementation and revitalise the global partnership for sustainable development

Material topics

- Contribute to public policy
- Ethical business

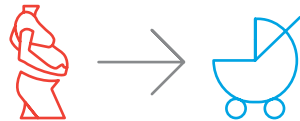
FY20 highlights

Worked with hospitals to improve patient experiences

\$1.2 million to fund 17 research projects in partnership with 12 organisations



Continued to advocate for healthcare system reform



Partnered with Monash University for Australia's first pre-pregnancy to post-birth study – OptimalMe

Joined with Australia's largest early parenting service provider, Tresillian to pilot a Baby Sleep Support Line

Established a strategic partnership with La Trobe University

Marked four years of partnership with Grattan Institute

Community partnerships:



- parkrun Australia
- Smiling Mind
- Feel Good Program, Brisbane
- OneWave
- Live Life Get Active
- Bold and Beautiful Swim Squad, Manly
- Laughter Clubs Victoria
- No Lights No Lycra
- Stephanie Alexander Kitchen Garden Foundation
- Red Cross
- Kookaburra Kids
- Beyond Blue

Indigenous partnerships:

- Wadeye remote community
- Adam Goodes' IDIC (Indigenous Defence and Infrastructure Consortium)
- Supply Nation
- Australian Indigenous Doctors' Association
- Thamarrurr Indigenous Youth Corporation

Targets / next steps



Review the strategic focus of the Medibank Better Health Foundation to ensure it reflects the current health landscape and our strategic priorities

medibank

Medibank Private Limited

ABN 47 080 890 259