medibank

Sustainability

Report 2023

Our reports

This report is part of our suite of reporting for the 2023 financial year – 1 July 2022 to 30 June 2023.

You can find more information about our performance in our Annual Report, Full Year Results Investor Presentation and Medibank's other periodic and continuous disclosure announcements lodged with the ASX or released on Medibank's website (medibank.com.au).

Our cover features our Amplar Health nurse, Kerrianne, arriving at the home of one of our customers to deliver Hospital at Home services. Where clinically appropriate, this is more convenient for many patients.

Medibank acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation. We proudly recognise Elders past and present as the Traditional Owners and Custodians of the lands on which we work and live. We're committed to supporting self-determination and envision a future where all Australians embrace Aboriginal and Torres Strait Islander histories, cultures and rights as a central part of our national identity. Aboriginal and/or Torres Strait Islander peoples should be aware that this report may contain the images and names of people who may have passed away since publication.

Important information

The information contained in this report is general information about Medibank Private Limited ("MPL") and / or its ultimately wholly owned subsidiaries (together "Medibank Group") and their activities current as at the date of this report. Unless otherwise stated, references to a year are to the financial year ending 30 June in that year. References to "Net Zero" and "Net Zero pathway" in the Environmental health section, and elsewhere in this report, are based on Medibank Group's business-as-usual operations in 2022 and do not account for any future partnership and investment activity or its investment portfolio.

This report contains forward-looking statements, including with respect to MPL's greenhouse gas emissions reduction commitments and Net Zero pathway. These statements are provided as a general guide only. They reflect expectations which involve risks, uncertainties and other factors which may be beyond MPL's control, many of which are described on page 86 of this report. These factors may impact MPL's ability to meet climate-related and other commitments and targets expressed or implied in this report. Readers are cautioned not to place undue reliance on any forward-looking statements. Key ESG metrics have been independently assured by PwC on page 80.

This important information should be read together with the Important notice on page 86.

Contents

Overview 1

1 Medibank Group – our story
2 Sustainability at Medibank
3 Sustainability framework
4 Materiality assessment
4 Sustainable Development Goals
5 Our material topics
6 Summary of sustainability achievements

Customer health 9

11 Affordable, innovative and personalised healthcare

Employee health 23

25 Engaged, purpose-led culture attract and retain talent
38 Diverse and inclusive workforce

Community health 44

46 Support healthy communities
53 Working together to build a stronger and more sustainable health system

Environmental health 57

59 Environmental health and climate change

Governance 66

68 Ethical and sustainable business

Notes 79

79 Our sustainability journey
80 Independent Limited Assurance Report
83 Glossary and definitions

Medibank Group – our story

We're a health company working to deliver the best health and wellbeing experience for Australia. From our beginnings as a health insurer, we've grown to become more to millions of people across the country.

We're giving people more control of their own health by working to provide greater choice, better access and more value. We're investing more in preventative health and new ways of delivering care, working with other health innovators, hospitals and governments and we're building more products and services personalised to people's needs. In doing so, we're changing healthcare for people across Australia – both now and in the future.

Purpose

Better Health for Better Lives

Vision

The best health and wellbeing for Australia

Our strategy

Growing as a health company

Values

- Customer obsessed
- Show heart
- Brilliance together
- Break boundaries

Our brands

medibank Live Better | ahm You're good. | Amplar Health Making Health Personal

Health insurance

Diversified insurance

- Travel
- Pet
- Life
- Car and home

Health services

- Health and wellbeing including Live Better program
- Preventative health programs
- Clinical homecare and virtual care
- Investments in primary care, virtual care and health system navigation support
- Investments in no gap programs

Sustainability focus areas

- Customer health
- Employee health
- Community health
- Environmental health
- Governance

Sustainability at Medibank

We are proud to deliver Medibank's 4th sustainability report, highlighting how we are progressing on our environmental, social and governance (ESG) focus areas this year. We recognise the important role that we play in driving societal change and making a positive impact on the health and wellbeing of our community. That's why we're focused on addressing some of Australia's biggest health challenges to achieve our 2030 vision to deliver the best health and wellbeing for Australia.

Medibank's sustainability strategy is anchored to our business strategy and is explicitly linked to our purpose of Better Health for Better Lives. It is embedded in our business and in the decisions we make every day.

Each year, we strive to improve the transparency of our sustainability reporting, including our policies, practices and progress made on our long-term targets. In FY22, we conducted a materiality refresh, and we continue to engage with our customers, people, shareholders and industry and community stakeholders on the issues that matter most.

This year, supporting the health and wellbeing of our customers was our utmost priority. It's what we've done for almost 50 years, and what we continue to focus on today.

We continued to support our customers to better manage their health and wellbeing, with a focus on preventative health and innovative health services that deliver greater choice, value and control.

For our people, we launched a transformational culture change program called work. reinvented, designed to make a real difference to how we work together and ensure we continue to meet the needs of our customers and a changing health system.

And for our community and people, we continued to raise awareness of loneliness as part of our 10-year commitment to help address loneliness in Australia. We also showed leadership in diversity and inclusion and progressed our Board-approved measurable objectives, including our Reconciliation Action Plan (RAP) and Accessibility and Inclusion Plan (AIP) commitments.

On environment and climate change, we're working towards our first milestone of achieving Net Zero against our Scope 1 and 2 emissions by 2025, including developing a strategy to move to 100% renewable electricity. We recognise the role we can play to drive more sustainable practices across the health system, and we continue to actively support our value chain to be more sustainable.

This year, our customers were the victims of a cybercrime, and we focused on supporting and protecting all our customers through this time, including further uplifting cybersecurity across our business – which remains an ongoing priority.

We remain committed to good governance and sustainable business practices, and PwC has again provided limited assurance over selected ESG metrics. We've strengthened our external third party and suppliers' code of conduct and published our 3rd Modern Slavery Statement.

We are proud to be working to effect real change in the communities we are part of, and we know there is more work to do as we look to deliver Better Health for Better Lives.

Mike Wilkins AO
Chair

David Koczkar
CEO

Sustainability framework

Purpose

Better Health for Better Lives

Vision

The best health and wellbeing for Australia

Our strategy

Growing as a health company

Values

- Customer obsessed
- Show heart
- Brilliance together
- Break boundaries

Board Risk Management Committee

Oversees and monitors progress against the Board-approved sustainability strategy

Material topics

Integrated within our policies, procedures, metrics and targets

Sustainability focus areas

Customer health	Employee health	Community health	Environmental health	Governance
Material topics				
Affordable, innovative and personalised healthcare	Engaged, purpose-led culture, attract and retain talent Diverse and inclusive workforce	Supporting healthy communities Working together to build a stronger and more sustainable health system	Environmental health and climate change	Ethical and sustainable business

Sustainability strategy

Policies, procedures and guidelines

Metrics, targets, reporting and assurance

Our ESG performance

Carbon Disclosure Project

2022 — B-

A not-for-profit charity that runs the global disclosure system and a major global ESG index with submitted data made public and provided to other key indices

Corporate Sustainability Assessment

2022 — top 15%

An annual evaluation of companies' sustainability practices, covering 10,000+ companies from around the world

Sustainalytics

2023 — ESG Risk Rating 24 (medium)

Measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks

Equileap

2023 — 3rd

An annual Gender Equality Global Report and Ranking assessing c. 4,000 public companies around the world against 19 gender equality criteria

Materiality assessment

Our materiality assessment helps us identify the sustainability issues that our customers, employees, shareholders, community members and industry bodies believe are most important for us to address.

In 2020, we undertook an extensive materiality assessment that identified 16 material topics across 5 key pillars, which has guided our sustainability strategy and approach. As sustainability-related risks and opportunities become increasingly important to us and the expectations of our stakeholders continue to evolve, we reassess our material topics regularly.

In FY22, we reviewed our materiality assessment to examine the relevance of our existing topics in meeting our stakeholders' and our own expectations and to identify any gaps that might exist. We undertook interviews with external and internal stakeholders, a customer insights survey, peer benchmarking and an analysis of our current strategy.

The review found strong alignment with stakeholder expectations and our strategic direction. It identified an opportunity to refocus our existing material topics to better reflect our current priorities, so we have consolidated our original 16 topics to 7. Our Board and executive leadership team (ELT) support our revised approach.

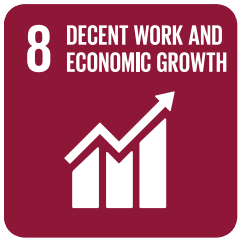
Our direct contribution to the Sustainable Development Goals

We're committed to ensuring Medibank is a responsible and sustainable business and support the United Nations Sustainable Development Goals (SDGs) most relevant to the work we do. These goals seek to address global challenges, including poverty, inequality, climate change, environmental degradation, peace and justice.

SUSTAINABLE DEVELOPMENT GOALS

Ensure healthy lives and promote wellbeing for all ages

Achieve gender equality and empower all women and girls



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

Reduce inequality within and among countries

Take urgent action to combat climate change and its impacts

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

Our material topics

Customer health

Better support our customers to improve their health and wellbeing through personalised advice and by delivering greater value, access choice and control

Material topics

Affordable, innovative and personalised healthcare

Innovate to improve healthcare products and services that give people greater access, choice and control over their healthcare

What we're doing

- Deliver value and support to our customers
- Preventative health
- Personalised and connected healthcare
- Partnering with health professionals
- Better customer experiences

Employee health

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

Material topics

Engaged, purpose-led culture, attract and retain talent

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

Diverse and inclusive workforce

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

What we're doing

- Purpose-led culture
- Attracting and retaining the best talent
- Developing our people
- Employee wellbeing, health and safety
- Diversity and inclusion

Community health

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

Material topics

Support healthy communities

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

Work together to build a stronger and more sustainable health system

Partner with health professionals to drive change in the system and advocate for reform

What we're doing

- Investing in community health
- 10-year commitment to address loneliness
- Progressing reconciliation
- Supporting accessibility and inclusion
- Partnerships for a stronger health system
- Healthcare reform

Environmental health

Entrench environmental sustainability into our decision making

Material topics

Environmental health and climate change

Understand and address climate change and reduce our impact on the environment

What we're doing

- Climate and health
- Progressing Net Zero commitment
- Task Force on Climate-related Financial Disclosures

Governance

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

Material topics

Ethical and sustainable business

Embed governance, transparency and ethical practices throughout our business

What we're doing

- Corporate and clinical governance
- Privacy and data security
- Sustainable supply chains
- Addressing modern slavery

Summary of sustainability achievements

Customer health

Material topics

Affordable, innovative and personalised healthcare

SDGs

3 GOOD HEALTH AND WELLBEING
17 PARTNERSHIPS FOR THE GOALS

Our FY23 commitments	Our progress	
800k Live Better Rewards participants targeted by FY25 More than 50k preventative program participants targeted by FY25	697k Live Better Rewards participants 16,493 preventative health program participants	↑ 34% ↑ 64%
Continue expanding no gap to new surgery types and more locations	34 hospitals across the country	↑ 70%
Expand our virtual psychology clinic to other allied health services Expand out-of-hospital models of care for mental health	Re-launched virtual psychology offering across all Myhealth GP clinics 6 mental health hospitals as partners delivering new acute care models, part of no gap New joint venture with Aurora, 3 new hospitals, 153 mental health beds	→ Ongoing
Create a personalised digital gateway between our customers and health services	Launched Home for Health in My Medibank 226k virtual health advice and navigation interactions	✓ Achieved ↑ 30%
Targeting $30m productivity savings in FY23-FY25, including $10m in FY23*	c.$7 million productivity savings delivered	→ Ongoing

* Our productivity commitment was updated as per 1H23 financial results.

Employee health

Material topics

Engaged, purpose-led culture, attract and retain talent

Diverse and inclusive workforce

SDGs

3 GOOD HEALTH AND WELLBEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Our FY23 commitments	Our progress	
Progressing Board approved diversity and inclusion measurable objectives including representation of at least: 40% women on Board and in senior leadership 1.6% Aboriginal and Torres Strait Islander employees 6.5% employees with disability	44% Board roles held by women, 48% senior leadership roles held by women 1.25%** employees identify as Aboriginal and Torres Strait Islander 6.7%** employees identify as having disability	✓ Achieved ✗ Target not met ✓ Achieved
Review our gender pay equity annually to ensure it is no greater than 1%	Maintained gender pay equity of less than 1% Gender pay gap stable for most groupings but increased for executive groups	✓ Achieved → Ongoing
FY23 employee advocacy benchmark ≥+24 Place to work ≥+26 Products and services	+23 Place to work +24 Products and services	✗ Target not met
Expand our preventative health programs to employees	Developed physical health and wellbeing check-in offerings for employees to launch FY24 Developed Cybercrime Employee Support Plan for all our people	→ Ongoing
Provide a market-leading comprehensive and targeted support carers package to improve the engagement of employees with caring responsibility.	Expanded Caregiver Support Program to all employees	→ Ongoing

** As self-reported in our annual engagement survey.

Summary of sustainability achievements

Community health

Material topics

Support healthy communities

Work together to build a stronger and more sustainable health system

SDGs

3 GOOD HEALTH AND WELLBEING | 5 GENDER EQUALITY | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS

Our FY23 commitments	Our progress	
Increase investment in research that improves health experiences, outcomes and affordability for all Australians	$940k invested 22 active projects	↓ 14.5% ↓ 12%
Progress our ambitions as outlined in our Reconciliation Action Plan (RAP)	Annual training requirements include cultural awareness education New and targeted recruitment processes Evolved Aboriginal Employee Network and established RAP Alliance Network	→ Ongoing
Progress our ambitions as outlined in our Accessibility and Inclusion Plan (AIP)	Developed disability awareness education Universal design principles applied in all new retail store fit outs and new Melbourne building Refreshed our EMPOWER Network for people with disability and our Neurodiversity Network	→ Ongoing
Progress strategic roadmap for 10-year loneliness impact, including key community partnerships	3rd phase of research for the We Are Lonely Index Developed a new season of our We Are Lonely podcast Established partnership with ReachOut	→ Ongoing

Environmental health

Material topics

Environmental health and climate change

SDGs

13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS

Our FY23 commitments	Our progress	
Undertake analysis to set short, medium and long-term science-based targets to achieve Net Zero across our investment portfolio	Commenced engagement with fund managers to understand their emissions reduction commitments	→ Ongoing
Maintain carbon neutral certification for our Scope 1, 2 and 3 emissions	We are certified carbon neutral under the Australian Government's Climate Active program for our business operations' Scope 1, 2 and 3 emissions	✓ Achieved
Embed environmental sustainability into plans for our new Melbourne office	The building aims to be a 6-star Green Star* building with 5.5 NABERS rating**	→ Ongoing
Enhance the way we capture data	Obtained external limited assurance on selected metrics in the Sustainability Report 2023	→ Ongoing

* To be certified by the Green Building Council of Australia.

** To be administered by NSW Office of Environment and Heritage.

Summary of sustainability achievements

Governance

Material topics

Ethical and sustainable business

SDGs

3 GOOD HEALTH AND WELLBEING | 8 DECENT WORK AND ECONOMIC GROWTH | 17 PARTNERSHIPS FOR THE GOALS

Our FY23 commitments	Our progress	
Target $1m (inc GST) in Aboriginal and Torres Strait Islander business procurement spend each year from FY25	Exceeded our FY25 target by spending c. $1.4m in FY23	↑ 40% target
Introducing contract provisions on Human Rights into procurement contracts	Developed new External Partners' and Suppliers' Code of Conduct	→ Ongoing
Continue extending risk assessments and educating our partners and employees about modern slavery risks	Hosted modern slavery education webinar for our suppliers Developed and promoted our human rights and modern slavery supplier guide Developed enterprise-wide monthly sustainability communications	→ Ongoing

16,493

people enrolled in preventative health programs

Customer health

Customer health

Better support our customers to improve their health and wellbeing through personalised advice and by delivering greater value, access, choice and control

The issues that matter

Affordable, innovative and personalised healthcare

Innovate to improve healthcare products and services that give people greater access, choice and control over their healthcare

What we're doing

- Deliver value and support to our customers
- Preventative health
- Personalised and connected healthcare
- Partnering with health professionals
- Better customer experiences

SDGs

Affordable, innovative and personalised healthcare

We're supporting people to better manage their health and wellbeing by delivering greater value through our products and services, focusing on preventative health and innovative models of care, creating a more personalised and connected healthcare experience and partnering with healthcare professionals to deliver more choice, access and control to our customers.

Deliver value and support to our customers

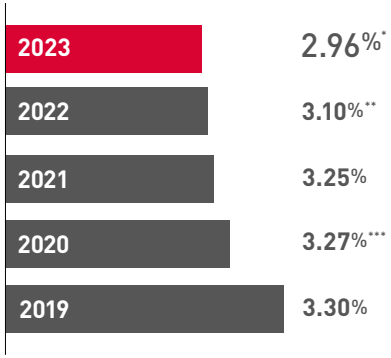
Keeping our premium increases down

We are committed to ensuring that private health insurance remains affordable and accessible for all Australians, which is why we have worked hard to deliver our lowest average premium increase in 22 years for our Medibank and ahm customers. We also delayed the 1 April 2023 premium increase by two months, saving our customers $59 million. This is in addition to pausing our 1 April 2022 premium increase for 9 months to January 2023, as part of our ongoing promise to return permanent net claims savings due to COVID to members.

2.96% lowest average premium increase in **22** years

Average premium increase

Year (from 1 April)



Keeping younger people in private health

We want younger customers to remain in private health insurance to achieve their best quality of life and so we encourage healthy behaviours early. In line with this, we were the first major health insurer to adopt the Federal Government's voluntary age dependent reforms, extending the age of adult dependents from 25 to 31 in FY23. This means many young adults can be included under their parents' health insurance until their 31st birthday. It's already making a difference. Since introducing the initiative, around 24,200 customers aged between 24 and 31 have maintained their coverage with us.

Health insurance that works harder

This year, we launched three Silver Hospital insurance products aimed at delivering greater value and better health and wellbeing support, as well as minimising out-of-pocket costs to customers. The new range spans the full spectrum of cover, including preventive healthcare, hospital treatment and rehabilitation. It also includes new features such as no excess for customers undergoing treatment with surgeons and hospitals participating in our no gap program, and a new private emergency department fee benefit.

c. 24k customers aged between **24 - 31** maintained coverage in FY23

* Postponed until 1 June 2023. ** Postponed until 16 January 2023. *** Postponed until 1 October 2020.

Affordable, innovative and personalised healthcare

Supporting customers through COVID

At the start of the pandemic, we made a commitment that we would not profit from COVID, and we've stuck to that promise. Since then, we've given back $1.15 billion to Medibank and ahm customers through our COVID give back program.

We continue to monitor claims activity following the easing of COVID restrictions and will return any permanent net claims savings due to COVID as part of our commitment to not profit from the pandemic.

COVID financial support package and give back program

$1.15b total COVID customer financial support to date

2023	$469m	Customer cash give back, premium increase deferral and ahm extras limit rollover
2022	$443m	Customer cash give back, premium increase deferral for 9.5 months and ahm extras limit rollover
2021	$105m	Customer cash give back and premium relief
2020	$195m	Financial hardship support, ahm extras limit rollover and postponement of premium increases for 6 months
Next	Continue assessing any permanent net claims savings due to COVID	

All data is for the calendar year.

Affordable, innovative and personalised healthcare

Our response to the cybercrime event

Supporting our customers during the cybercrime event was our priority. This saw us launch our Cyber Response Support Program. It included providing identity protection advice and mental health support for all affected customers, as well as hardship support for customers who were in a uniquely vulnerable position as a result of this crime.

In response to the difficult and evolving situation, we stood up an online tool that gave our customers a way to quickly and easily find out whether their information had been impacted.

Recognising that our customers had differing needs, we also expanded our Mental Health Support Line to include a dedicated cybercrime health and wellbeing line, expanded our Better Minds app to include access to phone-based one-on-one psychological support, and provided our clinicians with cyber-specific support training to assist in providing trauma-informed care.

In addition, we supported more than 6,800 IDCARE referrals and the redemption of more than 2,400 Equifax codes to make sure our customers were safe as a result of the cybercrime.

Cyber Response Support Program

- **Cybercrime health and wellbeing line**
- **Mental health outreach service**
- **Better Minds app**
- **Hardship support**
- **Personal duress alarms**
- **Specialist identity protection advice and resources**
- **Free identity monitoring services**
- **Reimbursement of ID replacement fees**
- **Specialised teams to communicate about scams**

c. 24m
customer communications

Data Protect

This year, we launched Data Protect, a set of security measures designed to enhance the protection of our Medibank and ahm customers' personal information. The Data Protect program highlights all the ways we are working hard to protect our customers' data, including:

- multifactor authentication when you call into the contact centre or access My Medibank and ahm online member services to make changes to your personal information
- ongoing 24/7 data monitoring
- enhanced password criteria for ahm online member services
- continuing to test our perimeter to identify vulnerabilities and rectify them.

And we're not stopping there, with further measures planned for FY24.

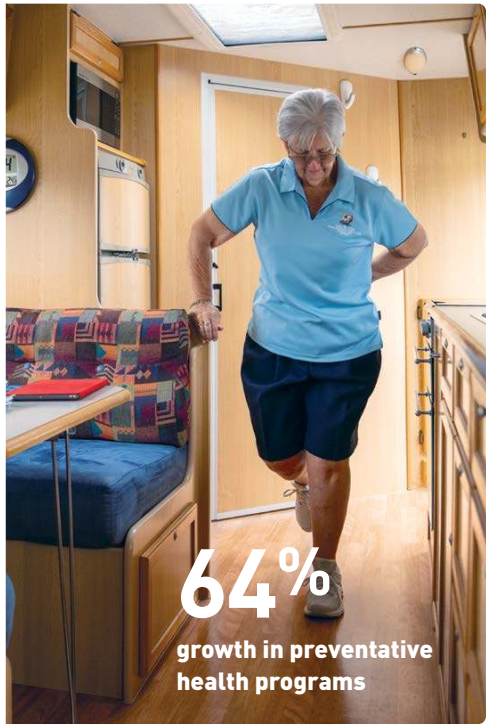
You can find more information about our response to the cybercrime

pages 34 and 72

Affordable, innovative and personalised healthcare

Preventative health

As our population ages and more people experience chronic health conditions, our health system is under increasing pressure. This is why focusing on preventative health is so important to us. We work closely with health professionals to support our customers through a range of preventative health programs to help address health issues before they become more serious.



Preventative programs

We've continued to invest in our existing preventative health programs and are in the process of designing new programs to support our customers to stay healthy. In FY23, enrolments in our preventative health programs grew by 16,493 participants.

Heart Health at Home

During FY23, we built on the Baker Heart and Diabetes Institute's research of our Heart Health at Home program, which showed that after attending our virtual rehab program, physical activity levels more than doubled and systolic blood pressure levels decreased by 5 mmHg. There were also improvements in almost all other clinical, behavioural and lifestyle risk factors. Our Heart Health at Home program is one of the first national, remotely delivered cardiac rehab programs in Australia. The Institute is undertaking further evaluation of this program and peer review results are due in FY24.

CareComplete

Our CareComplete programs aim to help people with chronic health conditions stay well and out of hospital. The CareComplete team works alongside GPs around Australia to provide integrated and person-centred care and has supported more than 56,000 patients since launching in 2014. They also deliver care to injured workers and conduct health coaching and medication management.

Our preventative health programs include

Health service		In partnership/ supported by
Better Knee, Better Me	A support program to help manage painful knee osteoarthritis	The University of Melbourne Austin Health
Medibank Type 2 Diabetes program	A weight management program to help people with type 2 diabetes lose weight and better manage their diabetes	The Baker Heart and Diabetes Institute Austin Health
Better Hip (pilot)	A personalised program for customers with hip osteoarthritis exploring whether exercise and dietary support for weight loss can help reduce pain and improve function	The University of Melbourne
Heart Health at Home	A phone-based cardiac rehabilitation program to help customers recover following a cardiac event and reduce their risk of a future cardiac event	The Baker Heart and Diabetes Institute
Better Minds	An evidence-based app to help people monitor and manage their mental health	Uprise
Baby Sleep Support Line	Baby sleep and settling telehealth consultations for customers in the comfort of their own homes	Tresillian
CareComplete programs including CarePoint CareFirst CareTransition/Assist	Integrated care and coordination services for the prevention and management of chronic disease, and injury and illness recovery services	GPs

Affordable, innovative and personalised healthcare

Case study

Doing things differently to manage osteoarthritis

Our Better Knee, Better Me program is providing people with tools and resources that aim to decrease the chances of requiring total knee replacement surgery.

Like around 2.2 million people in Australia, Leanne suffers from osteoarthritis. Things became so bad that at one point she could barely walk a short distance. But Leanne was determined to avoid knee replacement surgery. Leanne is one of 700+ Medibank customers who have participated in our Better Knee, Better Me program, which offers:

- a 12-month personalised program
- virtual consultations with a physiotherapist and a dietitian
- tools and resources to self-manage between consultations.

"The past decade my knee pain stopped me doing everything I loved. I went and saw my orthopaedic surgeon and he said the next time he sees me is for a complete knee replacement and I was determined not to go down that path, so his advice was to lighten the load and strengthen the joint."

Leanne, Medibank customer and Better Knee, Better Me program participant

Live Better

Our Live Better program rewards customers for looking after their health and wellbeing. This year, we exceeded our target of new joins, with membership reaching almost 700,000. We also expanded the program to cover customers on overseas worker and visitor policies, who now also earn and redeem rewards.

The program has become even more rewarding, with an increased value that eligible members can get for their healthy actions to 40,000 points per calendar year. Points can be redeemed for savings on their health cover or rewards from our health and wellbeing partners.

Based on customer feedback, we also launched a card-linking functionality to make shopping and earning with our partners even easier. Customers can now link their Visa, Mastercard or EFTPOS cards to their Live Better account, shop directly with partner brands, and earn Live Better points.

In FY23, we introduced the Healthy Week Goal to reward members with Live Better points for undertaking healthy actions with proven benefits, such as physical exercise, mindfulness and healthy eating.

697k

Live Better members

medibank Live Better

480b

steps tracked by users during the year

(that's about 10k around-the-world trips)

61k

flu vaccination vouchers redeemed

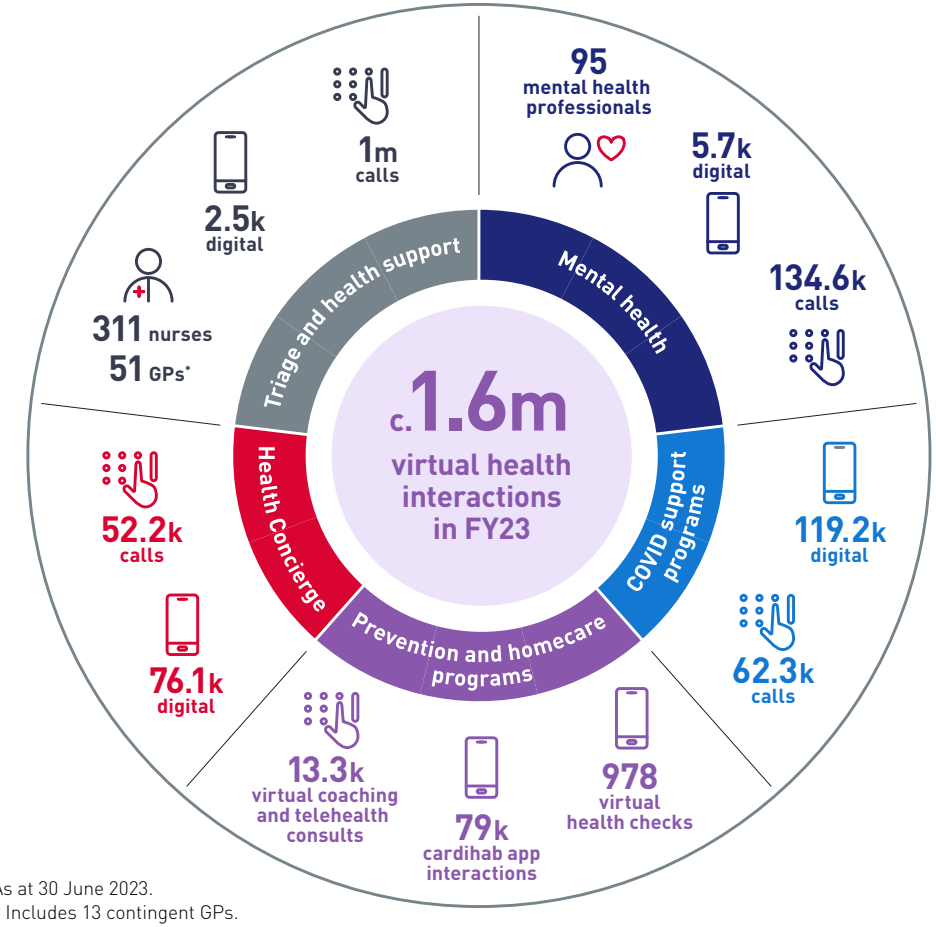
Affordable, innovative and personalised healthcare

Personalised and connected healthcare

We're continuing to invest in innovative new models of healthcare, allowing people to tailor the types of care they receive and where they receive it. A key focus is integrating the healthcare experience for our customers when they are going to hospital. These new and integrated models are also significantly reducing customers' out-of-pocket costs.

Virtual health

Virtual healthcare continues to be embraced by many of our customers and the community. It reduces time spent in waiting rooms, and allows them to access the expertise of healthcare professionals from the comfort of their own homes.



As at 30 June 2023.
* Includes 13 contingent GPs.

In FY23, we supported more than 226,000 virtual health advice and navigation interactions with Medibank customers. These include Health Concierge phone engagements, digital concierge engagements, online content engagement and emails, Mental Health line inbound and outbound calls, 24/7 Medibank Nurse Phone Service line inbound and outbound calls and webchats, and our new health check service.

Our Amplar Health business delivered more than 1.6 million virtual health interactions to support Medibank customers and the community across their triage and health support services, mental health, COVID support programs and preventative health programs.

Health checks service

This year, we expanded our virtual health offerings to include a new health check service for customers. The pilot includes a complimentary health check by a registered nurse and helps customers navigate the ways that Medibank is here to support their health. Each check includes a discussion on the customer's lifestyle risk factors, current health, life stage and preventative health screening tests they may be eligible for, along with related health information. Since launching in late March, almost 1,000 customers have used the service.

Affordable, innovative and personalised healthcare

Health Concierge

Through our Health Concierge program, we aim to take the stress out of going to hospital by offering personalised health support to customers preparing for, or recovering from, a hospital stay or treatment. The program provides customers with an overview of what to expect, what their insurance covers and additional support available.

This year, we supported more than 27% of Medibank customers who required hospital care through our Health Concierge program. We also expanded our offering to include a post-discharge service to make the transition back home easier for those who might need extra support.

Clinicians in Retail

During the year, we expanded our Clinicians in Retail pilot, increasing the number of Health Concierge clinicians working one day a week in a Medibank retail store. This gave our customers direct access to a clinician to help them with their health concerns.

Promoting the clinicians in store allows customers to conveniently come in at a time that suits them and address both their insurance and health needs. We currently have 14 clinicians participating in this initiative, with plans to grow the number throughout FY24. This is in line with our 2030 vision to provide the best possible care for our customers and their families.

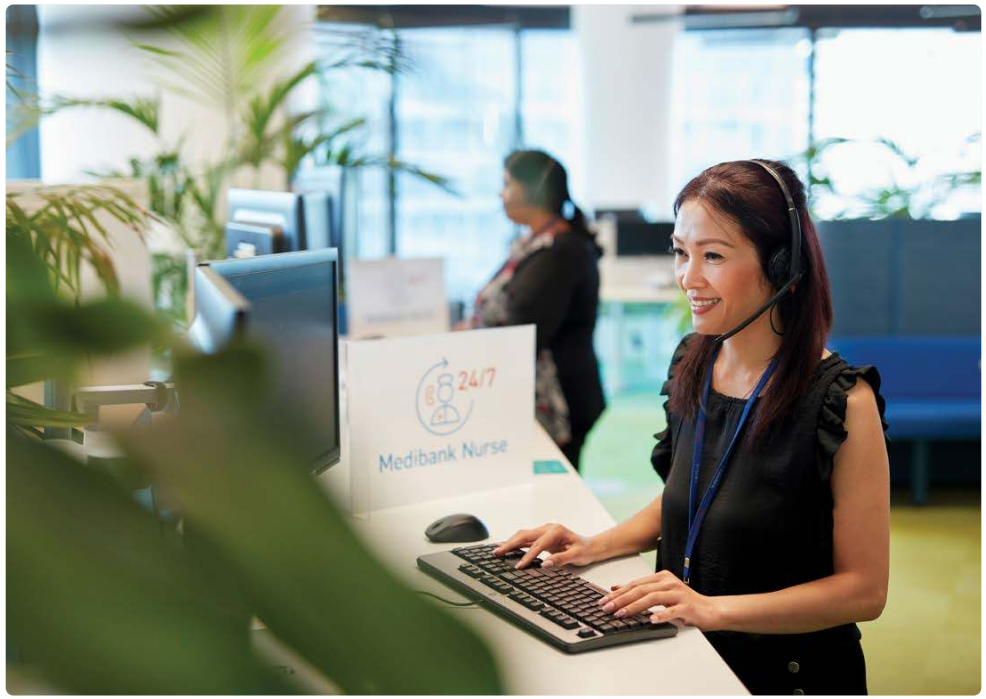
Expanding mental health support

We've continued to focus on developing and expanding our mental health support services and models of care to give our customers even greater choice and control over how they receive mental health care. This year, we expanded our partnership to 6 hospitals delivering a mental health model that extends hospital care to include care in the community and/or at home.

In July, we launched our Mental Health Concierge program which aims to prepare customers and their families for psychiatric admissions and support them throughout their experience.

27%

of Medibank customers going to hospital were supported by Health Concierge



Health navigation and support

24/7 Medibank Nurse Phone Service	Experienced nurses provide advice and support around the clock
24/7 Mental Health Phone Support	24/7 professional support for mental health and wellbeing concerns
Health Concierge	Personalised health support to prepare for or recover from a hospital stay or treatment
Fertility Support Line	Support for customers navigating their fertility journey and who are looking for extra help with their hospital admission or emotional wellbeing
Dietician Support (pilot)	Nutrition support for customers over 75 who are going to hospital and are at risk of malnutrition
Mental Health Concierge (pilot)	Support for customers and their families with a psychiatric admission
Health Checks Service (pilot)	Personalised health checks over the phone with a registered nurse

Affordable, innovative and personalised healthcare

Medibank at Home

Our homecare services allow customers to receive healthcare in the comfort of their own homes. Where clinically appropriate, this is more convenient for many patients.

It also helps free up beds in hospitals for those who need critical care. Our hospital in the home and rehab in the home programs are coordinated by Amplar Health's nursing and allied health professionals. This year, around 30% of Medibank patients who underwent a joint replacement chose to have rehab at home. The number of customers accessing our homecare programs, grew by almost 47%.

Medibank at Home

	Program customers
FY23	**10,638**
FY22	7,239
FY21	7,650

30%

Medibank joint replacement patients are having rehab at home

Hospital at Home services

- Rehab at Home – total joint replacement
- Rehab at Home – non-total joint replacement
- Chemotherapy at Home
- Infusions at Home
- Dialysis at Home
- Palliative Care at Home
- Hospital in the Home

Partnering with health professionals

Our network of providers and healthcare partners is one of the largest in Australia and is designed to deliver better value and access to our customers.

Short stay – a doctor-led alternative

Our short stay program is giving our customers greater choice and control when it comes to how and where they access healthcare, and at what cost. Under the program, eligible customers have the option to recuperate at home, where they are cared for by nurses, allied health practitioners and personal carers – with no medical out-of-pocket costs. Our no gap joint replacement program is now available at 19 hospitals and is locally available to more than 66% of Medibank customers.

We have also expanded the program to new clinical specialties, including some general surgery procedures, which are currently available at East Sydney Private Hospital and Glen Iris Private Hospital in Melbourne.

Medibank and KPMG research published in August found patient satisfaction for those surveyed is more than 15 points higher in the short stay model. The research also showed the program had the potential to save 217,000 bed days in 2030 if it were expanded across the public and private hospital systems and included additional procedures.

Affordable, innovative and personalised healthcare

No gap

Our no gap network is one of the largest in the market. It ensures customers don't have out-of-pocket costs for any doctors' services in hospital for knee or hip joint replacements, endoscopies and some general surgeries. It also means surgery fees are clearer to patients.

In 2023, our no gap program expanded to 34 hospitals across the country. Insight Private Hospital in Albury also signed up to the program in April 2023, which gives more of our regional customers access to our no gap network.

No gap joint replacement

$1,600
average out-of-pocket costs saved by customers

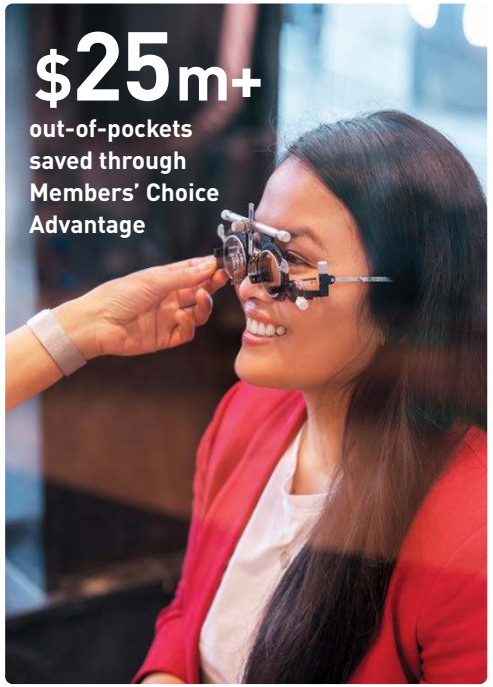
Halved
the average length of hospital stay

Hospital contracts

We have agreements in place with hospitals across the country, including with every major hospital group. These agreements focus on health outcomes for our customers, the experiences they have in hospital, and the affordability of that care. They also help us to keep premiums as low as possible.

We generally pay a higher rate to hospitals in our Members' Choice (Medibank) and Partner Private (ahm) networks to reduce or eliminate out-of-pocket costs they might otherwise charge our customers.

The vast majority of our hospital agreements go even further by incorporating new and innovative ways to support patients. The past few years have been challenging for hospitals and healthcare workers, and we are increasingly seeking opportunities to work in partnerships to address these challenges and support the long-term sustainability of the private health system in Australia.



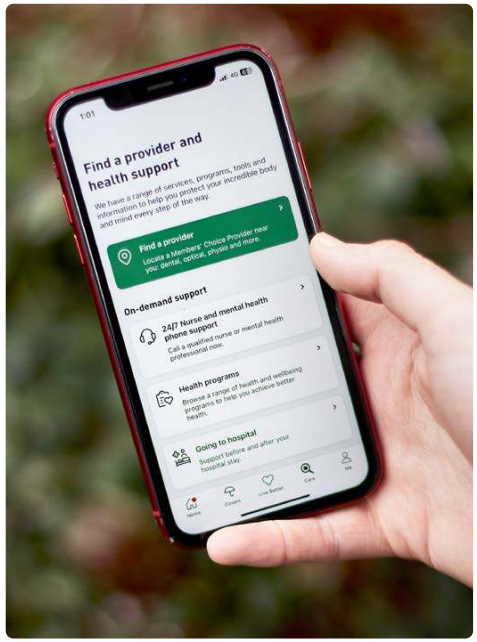
Members' Choice Advantage network

Our Members' Choice Advantage (MCA) network is one of the largest health provider networks in Australia. Through the network, we offer better value, more cost transparency and a wider range of services to our customers than any other health insurer. Services covered include dental, physiotherapy, optical, chiropractic, podiatry, acupuncture and remedial massage.
We also improved the claiming experience for our overseas customers – people who are working or studying in Australia can now claim through their GP.

Affordable, innovative and personalised healthcare

Better customer experiences

We're focused on creating more integrated and connected healthcare experiences to deliver greater choice, access and control to customers.



Digital experiences

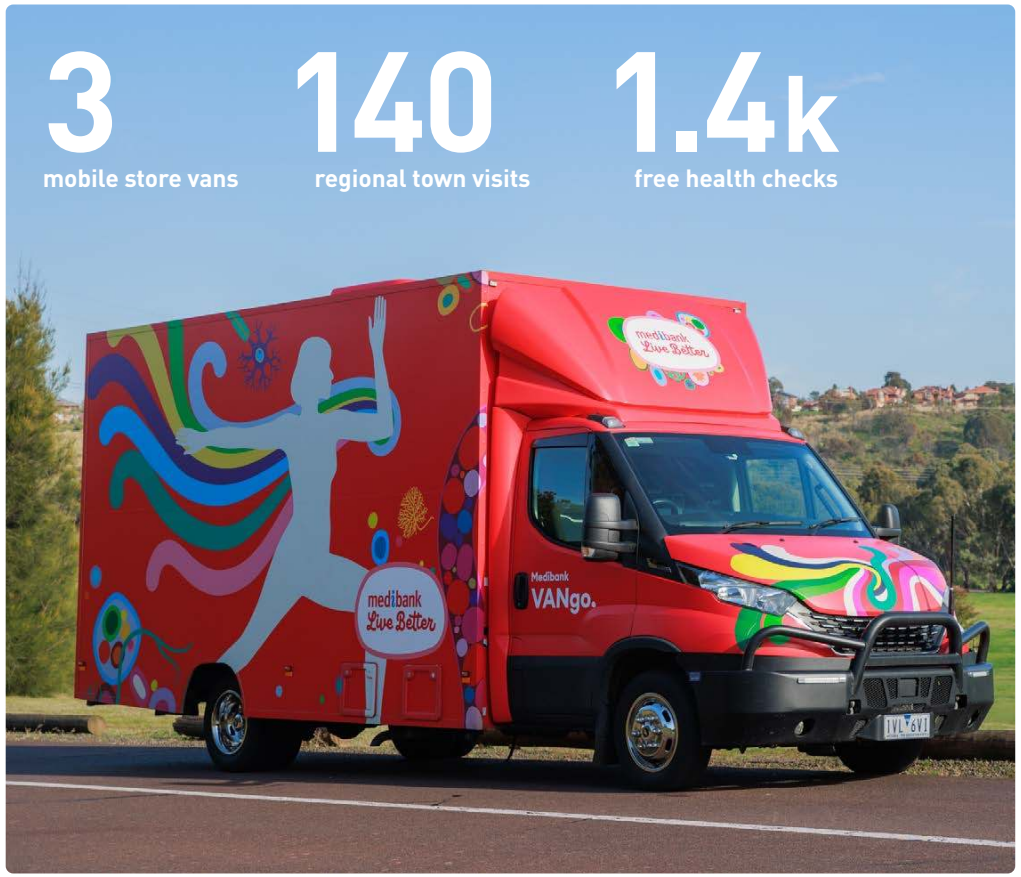
We are continuing to invest in digital channels and are seeing continued momentum in customer adoption of these digital channels and of our self-service functionality. Our messaging channel continues to grow, with over 35% of all Medibank assisted service contacts now being resolved by our skilled messaging team.

In January, we launched a new Home for Health within My Medibank – a centralised place for our customers to access all health-related information. The update makes it easier for our customers to do things like find a provider, access our 24/7 nurse phone support, learn about our health programs and find out more about what to expect when going to hospital.

Since launching, we've seen around 800,000 unique daily views of our health programs and hospital-related content online. We've also seen a 66% increase in expressions of interest for our health programs, and an almost 2000% increase in people engaging with our 'Going to Hospital' content online.

Hospital cost indicator

This year, the ahm team introduced an online tool that customers can use to check treatments they're covered for, how much they can expect to get back from ahm and Medicare, and any excess or co-payments they will need to pay on admission. Previously, customers had to call before every hospital admission to get the information they needed. The new digitised process is already handling more than 13% of these types of enquiries. The ahm team is planning to fully automate this process in FY24.



Live Better vans

To further support our customers in rural and regional areas, we added two new vans to our fleet of mobile stores on wheels this year. GalliVANt and SulliVAN have now joined VANgo travelling around the country, including supporting our 12 parkrun roadtrip events. We also added SiSU machines to all vans, which offer complimentary health checks.

This has led to deeper and more meaningful health conversations with our customers.

"This is fantastic. It is so important to get out to the rural areas where people do not have access to their healthcare provider as much, or health insurance. I love that it has the SiSU machine on board."

Helen, dietician and diabetes educator, Busselton, WA

Affordable, innovative and personalised healthcare

Listening to our customers

We want our customers to experience best-in-class service every time, which is why we measure how customers feel about us after they've interacted with us in some way – such as after going to hospital, using their extras cover or having a health cover check in.

We track customers' willingness to recommend us to others using the Net Promoter Score. Service NPS remains above our FY23 benchmark.

Average Service NPS and Employee NPS

	Service NPS (average)		eNPS (Products and services)
	Medibank	ahm	Employee
FY23	**40.1**	**42.7**	**+24***
FY22	45.3	42.4	+29*
FY21	37.1	43.0	+26

* Based on the average eNPS score for surveys of all Medibank employees conducted throughout FY23.

Customer check-ins

We want to ensure we are providing our customers with the best possible value. This is why we checked in with 586,288 customers this year to ensure their health cover plan is right for their needs.

Collecting patient experience data

Each year, we conduct a patient experience survey to find out more about the experiences of customers who have had an overnight stay in a private or public hospital.

This year, more than 101,000 customers shared their views about the care they received, their engagements with hospital staff, the quietness and cleanliness of the hospital, and the discharge process. This year, 100% of private hospitals were rated 8 out of 10 or higher by our customers. The data allows us to engage with our hospital providers to improve healthcare experiences for our customers. We also share this information with hospitals so they can improve their systems and processes.

586,288
customer cover check ins

Case study

Making things easier for customers

This year, we introduced an orthodontic comparison tool to help advise customers on the impacts to their orthodontic benefits if they change products. Responding to enquiries of this nature was previously complex and time-consuming. The tool enables us to provide more accurate and timely information about orthodontic benefits, leading to a reduction in these types of complaints.

Affordable, innovative and personalised healthcare

Managing complaints

We experienced an increased volume of complaints in FY23, in large part due to the cybercrime event. Our team offered support via our Cyber Response Support Program during this time, taking particular care to support our vulnerable customers. We developed many new processes during the initial stages of the event to respond quickly and accurately to customer concerns. We also introduced additional health and wellbeing activities to support our complaint handlers during this challenging time.

Payment integrity

Our payment integrity program helps identify, recover and prevent improper payments to our customers and healthcare providers. We've continued to enhance our program by investing in technology and advanced analytics to increase automated detection capabilities, with a focus on curtailing syndicate activities. In addition, we are rolling out our new self-service portal to hospital providers, making it easier to exchange information and resolve payment issues. We are also working to drive a shift towards prevention over post-payment detection, investing in our technology capability to audit more real-time and partnering with our providers to prevent issues before claims are submitted. Our aim is to ensure claims are billed right the first time.

Share of industry complaints

	Medibank/ahm complaints	Industry complaints	Medibank/ahm % of industry complaints	Medibank Group market share
FY23*	**822**	**2,729**	**30.1%**	27.08%
FY22	399	2,091	19.3%**	27.45%
FY21	557	3,021	18.5%	27.3%

* FY23 results based on Quarterly Update data published by the Commonwealth Ombudsman and unaudited data for the 4th quarter at the time of publication.

** FY22 figure updated from that disclosed in the 2022 Medibank Sustainability Report following the publication of the Commonwealth Ombudsman's State of the Health Funds Report 2022.

Managing our costs

We work hard to be financially responsible and manage our own costs. This year, we delivered around $7 million in cost savings, which is part of our target to deliver productivity savings of $30 million in FY23 to FY25.

c.$7m
productivity savings

7.7/10

employee engagement

Employee health

Employee health

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

The issues that matter

Engaged, purpose-led culture, attract and retain talent

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

Diverse and inclusive workforce

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

What we're doing

- Purpose-led culture
- Attracting and retaining the best talent
- Developing our people
- Employee wellbeing, health and safety
- Diversity and inclusion

SDGs

Engaged, purpose-led culture, attract and retain talent

We're embedding our purpose and values throughout our business and building a highly engaged, skilled workforce. We're continuing to embrace and promote diversity and inclusion in the workplace and the health sector.

Purpose-led culture

We're transforming the way we work so that we can lead the change for a stronger health system – together.

Transforming our culture

Our 2030 vision is to create the best health and wellbeing for Australia. It's big. It's ambitious. And it requires all our people to work together to lead the change needed for a stronger health system. Importantly, our 2030 vision is at the heart of the purpose-driven culture that differentiates us from other organisations. It defines who we are, shapes the way we work and guides our decision making. It also determines how we show up for each other and our customers each and every day.

Throughout FY23, we have worked hard to embed our 2030 vision and values across our business. Even in the toughest times, our strong purpose-driven culture held us together, guided the decisions that we made, and gave our people clarity about what we are seeking to achieve. It also connects our team in working towards a shared goal.

In FY23, we launched a transformational culture change program called work. reinvented. As its name suggests, our aim is to transform the way we work. We're challenging the long-held traditions of the workplace, including the traditional working week and what it means for all our people. We want to create an environment where our people feel empowered to make a greater impact for our customers. And we're genuinely committed to making a real difference in the lives of our people.

Our Ways of Being underpin our approach to work. reinvented. We believe these behaviours are essential to driving a more innovative and high-performance culture.

Ways of Being

We lead to the purpose, not the function

We have the courage to be vulnerable

We learn through the work. And the work is the learning

We give generously

Engaged, purpose-led culture, attract and retain talent

A collaborative and experimental approach

Collaboration and experimentation is at the heart of our work. reinvented program. We're focused on developing a creative, innovative culture where people genuinely enjoy what they do – improving the experiences of both our people and customers in the process. In line with this, we're engaging all our employees to co-design what work can look like for them – now and in the future.

Since launching in September 2022, more than 2,200 employees have taken part in half-day and full-day workshops that were designed to inspire them to experiment and be creative in their everyday roles. Our people also have access to a number of virtual spaces to share ideas, experiments and learnings. Looking ahead, our focus is on piloting new ways of working across our business.

Enterprise experiments

Based on our research into new ways of working, external trends and extensive employee feedback, we launched 4 enterprise experiments in FY23 to explore:

- self-managing teams – empowering small autonomous teams to provide end-to-end deliverables for the customer
- the traditional work week – challenging the accepted 9-to-5 and 5-day working week to provide even greater flexibility for our people while maintaining productivity, performance and wellbeing
- performance and development – creating a practice of continual development and promoting career conversations that support people to be at their best
- removing red tape – making it easier and quicker to get things done in service of our business opportunities.

Case study

Empowering local teams to support local customers

Our Customer Channels team in Geelong in Victoria is piloting a new way of working to provide more localised support to our customers, and greater autonomy, flexibility and career development for our people. Our Geelong-based stores and call centre teams work together to provide more locally relevant customer service in the region.

The aim is to reduce system friction and create a pathway to supporting a trusted health conversation. The team is accountable for their local portfolio performance and customer experience. As at 30 June 2023, 80% of customers served by the team were from the region. The team is also responsible for developing relationships with local providers and corporate partners, and local marketing campaigns. We are using geolocation technology to identify where our customers are calling from and directing calls to local teams so that they can provide more personalised support.

Engaged, purpose-led culture, attract and retain talent

Flexible ways of working

Our flexible approach and focus on the health and wellbeing of our people continues to be a real differentiator for us. For all of us at Medibank, work is something we do, not somewhere we go. Our emphasis is on the outcomes, not the locations. That's why our offices are a place where employees can connect, collaborate and, if needed, concentrate. We believe that decisions about the how, when and where of work should be made by all employees in partnership with their team, for the reasons they deem important.

In line with this, we give our people the opportunity to work more flexible hours and rosters, and to take leave when they need it. Through our work. reinvented experiments, we are further exploring new ways of working, challenging the traditional work week and piloting new approaches to autonomous teams (see case study on page 26). The successful adoption of working from home by many of our office-based employees during the pandemic proved that businesses can achieve financial outcomes and maintain productivity while also giving people the flexibility to do things that are important in their lives.

Listening to our people

We conduct regular surveys throughout the year to engage our people and seek their feedback. In FY23, our surveys drew more than 28,000 comments which shows that flexibility, and health and wellbeing remain defining features of our culture.

During the cybercrime event, we conducted weekly pulse surveys for frontline employees to understand how our people were feeling, ensure that their health and wellbeing was being prioritised, and adequately support them to respond to our customers. For more about what we did to support our people, see page 34.

Despite a challenging year, our employee engagement remains strong, with our values and culture, the way we work, and our focus on health and wellbeing remaining consistent across the business. But there are some areas where we can do better, including making it easier for our people to get things done by reducing bureaucracy and red tape, and enabling more creativity in how our people approach their work.

Overall, our engagement scores remained largely stable throughout FY23 and we ended the year with a score of 7.7. Pleasingly, our people feel we are recovering well from the incident.

Employee engagement

FY23	**7.7**
FY22	7.9*
FY21	83% (equivalent of 7.8**)

* In FY22, our survey methodology changed from a % score to a rating out of 10.

Our employee advocacy (eNPS) measure can be found in the customer health section alongside customer advocacy.

Engaged, purpose-led culture, attract and retain talent

Attracting and retaining the best talent

The employment market continues to be highly competitive, with ongoing labour shortages and a high demand for talent. While we experienced the impact of this, our strong purpose-driven culture and our focus on health and wellbeing have lessened its effects. In particular, flexibility and hybrid working are emerging as key drivers in candidate decision making. In addition, we offer numerous benefits including competitive remuneration and subsidised health insurance to all our people.

This year, more than 34,000 people applied to join our team. This growth in applications was driven by increased recruitment in our frontline channels and technology and operations business.

The recruitment of nurses and allied health professionals remains difficult, reflecting trends in a competitive jobs market.

Leadership remains critical to develop and retain our talented people. This year, we introduced our leaders to new ways of thinking about motivation and performance as part of work. reinvented.

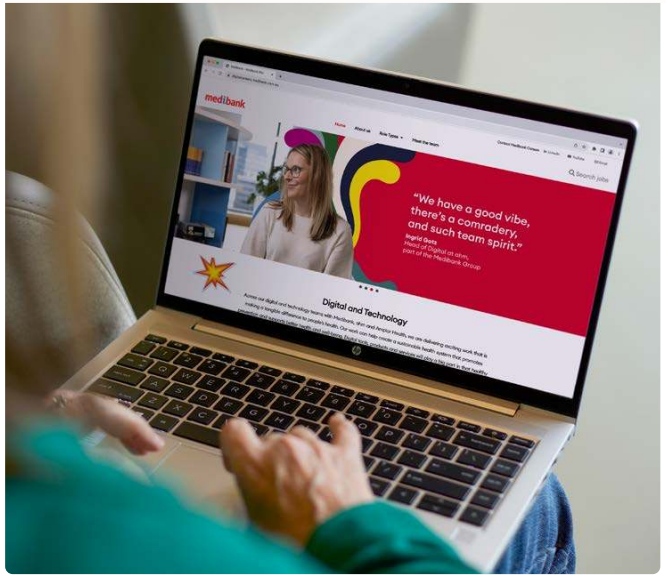
Resume

People applied to join Medibank

FY23	**34,495**
FY22	31,000
FY21	36,768

Case study

Our digital careers site



In February, we launched a new digital careers website, reinventing the way we recruit and engage with digital and tech talent. The new website emphasises our aspirations in health, what digital health innovation means, and our focus on making a tangible difference to the future health of all people in Australia.

As part of work. reinvented, we have personalised the recruitment process and provide opportunities for potential candidates to connect with our digital and technology teams across all brands, to learn more about the opportunities on offer or grab a coffee with one of the team. So far, anecdotal feedback from candidates has been positive.

Engaged, purpose-led culture, attract and retain talent

Keeping track of turnover

Overall, our voluntary turnover decreased in FY23, in large part due to less turnover across the enabling functions business units. Retention in our broader health and customer frontline teams is either on par or slightly higher compared to FY22, and we continue to work through opportunities to make a positive impact in these areas. Within our Amplar Health business, improvements to our employee value proposition are underway, with phase one focusing on creating alignment of employment benefits, as well as some improvement in tools of trade, career development and some increases in remuneration. This will help to attract and retain talent.

Voluntary vs involuntary turnover by gender*

	FY23		FY22**		FY21**	
	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
Women	29.1%	5.8%	32.1%	4.6%	22.9%	3.7%
Men	23.0%	4.4%	30.1%	4.5%	19.0%	5.0%
Other	28.8%	0.0%	47.6%	0.0%	9.2%	0.0%
Total	**27.4%**	**5.4%**	**31.5%**	**4.6%**	**21.7%**	**4.1%**

* Number of employees who left Medibank (voluntarily, involuntarily, or total) as a percentage of the average permanent and fixed-term headcount for each respective year (casual employees are not included). Please note that our calculation methodology has changed from our Sustainability Report 2021. The figure for FY21 has therefore been restated to reflect the new methodology.

** Home Support Services Pty Ltd (HSS) employees were not included.

Turnover figures for gender represent a percentage of each category. Turnover figures for 'other' vary significantly due to the low number of employees in this category.

Promotions

	30 June 2023		30 June 2022		30 June 2021	
	Headcount	% of category	Headcount	% of category	Headcount	% of category
Promotions by gender						
Women	105	4%	142	6%	116	5%
Men	65	6%	83	8%	76	7%
Other	0	0%	1	10%	0	0%
Total	**170**	**5%**	**226**	**6%**	**192**	**5%**
Promotions by age						
Under 25	3	4%	5	7%	2	3%
25-34	58	6%	88	9%	70	7%
35-44	75	6%	94	7%	68	5%
45-54	27	3%	30	4%	37	5%
55-64	6	1%	9	2%	14	4%
65+	1	1%	0	0%	1	2%
Total	**170**	**5%**	**226**	**6%**	**192**	**5%**

Engaged, purpose-led culture, attract and retain talent

Employment type

	30 June 2023				30 June 2022				30 June 2021			
	Women	Men	Other	Total	Women	Men	Other	Total	Women	Men	Other	Total
	Headcount				Headcount				Headcount			
Permanent												
Full time	1,343	900	5	2,248	1,270	836	5	2,111	1,250	865	7	2,122
Part time	803	77	4	884	801	58	4	863	850	83	2	935
Fixed term												
Full time	76	34	1	111	103	42	0	145	132	50	0	182
Part time	215	41	0	256	414	54	1	469	321	56	1	378
Casual	118	23	0	141	151	29	0	180	206	43	0	249
Total	**2,555**	**1,075**	**10**	**3,640**	**2,739**	**1,019**	**10**	**3,768**	**2,759**	**1,097**	**10**	**3,866**

Talent pool

	30 June 2023*		30 June 2022		30 June 2021	
	Headcount	% of total headcount	Headcount	% of total headcount	Headcount	% of total headcount
New hires by gender						
Women	755	20.7%	960	27%	770	22%
Men	331	9.1%	289	8%	276	8%
Other	4	0.1%	7	0%	2	0%
Total	**1,090**	**29.9%**	**1,256**	**36%**	**1,048**	**29%**
New hires by age						
Under 25	94	2.6%	84	2%	78	2%
25-34	431	11.8%	454	13%	366	10%
35-44	313	8.6%	415	12%	320	9%
45-54	168	4.6%	200	6%	189	5%
55-64	73	2.0%	92	3%	86	2%
65+	11	0.3%	11	0%	9	0%
Total	**1,090**	**29.9%**	**1,256**	**36%**	**1,048**	**28%**

Rounded to nearest percentage.

* FY23 inclusive of HSS.

Engaged, purpose-led culture, attract and retain talent

Developing our people

Access to professional development programs and opportunities helps attract and retain talent, and upskills our people to deliver on current and future strategic objectives. For these reasons, we want to ensure we retain our strongest performers and develop employees who have the potential to become future leaders.

Looking ahead, our focus will be on supporting all our people to think and work in ways that are aligned to the work. reinvented mindset. Our aim is to build a new culture of leadership where each individual is motivated to experiment to solve problems, learn, innovate and 'fail fast' on their projects when they are not achieving desired results. In June, Medibank launched a community of reinventors, consisting of more than 75 champions who will help to bring work. reinvented to life across the organisation.

Enterprise-wide programs

Our virtual learning hub gives our people the opportunity to drive their own learning and professional development and grow their careers at Medibank.

Building on our existing diversity and inclusion program, we launched a new set of required learning modules covering inclusion, disability awareness and cultural awareness.

These modules were designed in partnership with employees and stakeholders with lived experience. Since launching in December, more than 80% of employees have completed the learning.

Family and Domestic Violence Awareness training is now mandatory for our Medibank and ahm frontline employees and team leaders. It helps them recognise signs of family and domestic violence. Importantly, it has also given them the tools to respond appropriately when recognising it in our employees or customers and to direct people to further support.

In FY23, we also launched Better Customer Conversations, a new framework to create consistency in the way we communicate to our customers about their health needs.

And for new starters, we continued to deliver our virtual Welcome to Medibank sessions to help them learn more about our business and hear directly from our CEO.

There was a 43% increase in professional development programs over the past 12 months, due to improved communications, and an increased capacity in the team and demand for development. These programs include leadership, productivity essentials, change and resilience, presentation skills and career development.

Professional development programs number of people attended

FY23	**551**
FY22	385
FY21	667

Inclusion and awareness training

	FY23	FY22	FY21
Employees who have completed cultural awareness training	**3,474**	1,674	2,474
Employees who have completed disability awareness training*	**3,114**	128	N/A
Employees who have completed Introduction to Inclusion training	**2,955**	N/A	N/A

* Disability awareness training includes disability awareness Part 1, disability confident recruiter and the disability module part of inclusion at Medibank.

Targeted programs – female representation

	FY23	FY22	FY21
Launch (ran for the final time in July)	57%	c. 61%	c.64%
GROW (emerging leaders program that replaced Launch)	56%	N/A	N/A
Flourish (replaced Heart of Leadership in FY23)	60%	c. 56%	c.55%
Leading with Purpose (replaced Managing with Purpose in FY23)	61%	c. 69%	c.70%
Lead (to be delivered every second year and did not run in FY23)	N/A	c. 44%	c.45%
EDGE (run for first time in FY23)	63%	N/A	N/A

Engaged, purpose-led culture, attract and retain talent

Shine Awards

Every year, we celebrate the impact our people have through our Shine Awards. This year, we were thrilled to receive nearly 900 nominations – stories of our people going above and beyond for their colleagues, our business and the community. We were also excited to celebrate our finalists in person for the first time since December 2020, and announce the category winners. Our overall executive leadership team winner was nurse Carissa Fraser, who was nominated for the incredible impact she made on our patients in Amplar Health.

Clinical development

Our access to AusMed continues to provide our clinicians and health professionals with training and development so they can maintain their registrations and adapt to the changing delivery of healthcare in Australia. In our health services business, we have continued to build and expand on clinical training for our frontline teams, support recertification in first aid and CPR, and deliver in-house professional supervision of our mental health teams.

In June, our homecare business commenced a partnership with a complex wound care service. The service works side by side with our nurses to provide experiential learning and support collaborative wound care management. Through our partnerships with leading universities, we continue to look for opportunities to develop our leaders and support the development of the next generation of clinicians in Australia.

Leadership programs

Our talent and succession management framework is designed to help us identify and nurture potential leaders, support and enhance their development, and ensure we are building the right skills and capabilities to deliver on our current and future strategic objectives. Leaders are supported with a range of targeted programs to develop and build on the skills they need to be an inclusive, empathetic and accountable leader.

In FY23, we immersed over 200 leaders in workshops that explored new ways of thinking about motivation and performance. The workshops challenged our leaders to think about how we could redesign work to maximise performance through a focus on customer-centred outcomes. During the year, we launched 2 new leadership programs. Grow & Flourish supported 55 leaders across the business and Leadership Edge – our premium leadership experience – took 11 senior leaders on a study trip to Harvard Business School.

Nearly

900

nominations received

Engaged, purpose-led culture, attract and retain talent

Training hours

Our focus this year has been on setting up and embedding informal leadership programs to support greater connection and social learning. This includes developing activities and projects that support reflection and encourage our people to take the lead in their own development journey. Supporting our people with additional coaching and experiences has resulted in a decrease in the formal training hours associated with pre-work and online modules.

Leadership training (total hours)

FY23	**6,988**
FY22	13,139
FY21	17,526

Leadership training — FY23

Training hours	Women	Men	Other	All
Management	3,438.33	2,118.12	101.00	5,657.45
Non-management	1,011.33	305.98	13.00	1,330.31
Total	**4,449.66**	**2,424.10**	**114.00**	**6,987.76**

Average training hours per employee	Women	Men	Other	All
Management	18.59	17.36	33.67	18.25
Non-management	6.28	5.46	1.44	5.89
Overall average	**12.9**	**13.6**	**9.5**	**13.0**

All training — FY23

Training hours*	Women	Men	Other	All
Management	6,320.62	4,585.77	128.65	11,035.04
Non-management	57,522.55	19,860.80	3,338.85**	80,722.20
Total	**63,843.17**	**24,446.57**	**3,467.50**	**91,757.24**

Average training hours per employee*	Women	Men	Other	All
Management	11.21	8.72	42.88	10.11
Non-management	24.32	27.82	10.21**	23.77
Overall average	**21.8**	**19.7**	**10.5**	**20.5**

* This data includes all training, including compliance, inductions, PD, and leadership.

** Includes 291 HSS staff as reporting does not provide information on gender or band for HSS employees

Engaged, purpose-led culture, attract and retain talent

Employee wellbeing, health and safety

Health and wellbeing

Creating a healthy and safe workplace for our people will always be a priority. Our focus is on prevention, early intervention and delivering a range of health and wellbeing initiatives that support the diverse physical, emotional, and mental health needs of our people. This includes access to a range of programs, tools and support such as subsidised private health insurance, 24/7 access to our qualified nurses and mental health practitioners through our Employee Health Support Line for employees and their immediate families, free flu vaccinations, injury and illness support, access to a wellbeing coach and extended parental leave, regardless of carer type.

This year, we started developing our new Feel Good Health Hub, a digital platform for our people to access a range of clinical health and wellbeing services. We have also developed two new health offerings for employees – an annual health check-in service and wellbeing check-in service. The new digital hub and preventative health programs will launch to all our people in early FY24.

Cybercrime Employee Support Plan

We increased our focus on mental health and wellbeing support for our employees as we supported our customers through the cybercrime event.

Our Cybercrime Employee Support Plan provided access to trauma psychologists for on-demand appointments, group debriefing, wellbeing check-in calls, meditation and mindfulness sessions and additional leadership support and training programs.

We conducted weekly pulse surveys to ensure the support we were providing was fit for purpose, and we adjusted it based on the feedback we received.

For those most closely involved in managing the incident, we shared the increased workload between two teams that worked alternate shifts. Importantly, we regularly communicated with our people in an open and honest way.

In addition, we increased our focus on cyber awareness across the organisation. In December, we launched a new cyber awareness training and learning series for all our people and we hosted virtual cybersecurity awareness sessions with cybersecurity expert Brian Hay APM.

During the cybercrime, we delivered training to support our Medibank and ahm frontline teams and people leaders. These were designed to improve resilience and included mindfulness, mental health conversation training and occupational aggression and violence training.

Mental health support

Our comprehensive approach to supporting mental health lets employees and their families choose what works best for them.

MindHub is an online resource for all employees. It features mental health information, resources and programs designed to help our people feel mentally well and ensure they have access to support when they need it. This support includes our dedicated 24/7 Employee Mental Health Line, access to our Employee Assistance Program (EAP), specialised culturally sensitive support for Aboriginal and Torres Strait Islander employees, and access to the Wellbeing Gateway and Uprise apps. An annual Good Health Day, regular Digital Detox afternoons, and meeting-free periods are encouraged to provide employees with greater flexibility.

In FY23, workplace psychosocial risk experts AP Psychology and Consulting assessed our mental health initiatives, procedures and workplace practices related to psychosocial hazards, rating Medibank as either 'advanced' or 'best practice' in the assessment.

This review will form the foundation of our Employee Mental Health Strategy due in the first quarter of FY24.

Medibank and The Resilience Project

We're working with The Resilience Project to deliver a new workplace mental health and wellbeing program for our people and their immediate families. The Discovering Resilience program focusing on Gratitude, Empathy and Mindfulness (GEM), is another tool in our mental health toolkit and aims to build resilience and positive mental health and wellbeing – both in the workplace and at home with family and friends.

Engaged, purpose-led culture, attract and retain talent

Feel good grants program

Since 2020, our Feel Good Grants program has been bringing to life activities and initiatives that support the physical and mental health and wellbeing of our people. The program provides employees with an opportunity to receive the funding they need to put their big health and wellbeing ideas into action. In December 2022, our Feel Good Grants program was recognised as the best health and wellbeing program at the Australian Human Resources Institute (AHRI) Awards.

AHRI AWARDS **WINNER** 2022

Building financial resilience

With the current economic climate causing financial stress for many people in Australia, we've been keen to support the financial resilience of employees. We have provided our people with the opportunity to attend financial literacy webinars, find out more information on the intranet and complete a financial boot camp through our partner Assure.

We've also promoted the use of Otivo – a digital solution that aims to improve an individual's financial fitness and help people plan for the future.

Family and domestic violence support

Family and domestic violence remains a significant issue for our community and we are committed to helping our people feel supported and safe. We also provide full time and part time employees who are experiencing family and domestic violence with uncapped paid leave and additional support.

Freedom of association / collective bargaining approach to Enterprise Agreements

We recognise rights to collective bargaining and freedom of association as part of the Fair Work Act 2009. Some of our people are members of unions, including the Australian Nursing and Midwifery Federation, the Community and Public Sector Union and the United Services Union.

We have a number of enterprise bargaining agreements operating within our Group. The number of employees covered by enterprise agreements has decreased in FY23 due to natural attrition and a significant reduction in full time employees working within telehealth where the majority of employees are covered by an enterprise agreement.

Employees covered by Enterprise Agreements

	FY23		FY22		FY21	
	Headcount	% of total	Headcount	% of total	Headcount	% of total
Covered by EA	1,332	37%	1,636	43%	1,620	42%
Not covered by EA	2,308	63%	2,132	57%	2,246	58%
Total	**3,640**	**100%**	**3,768**	**100%**	**3,866**	**100%**

Engaged, purpose-led culture, attract and retain talent

Workplace giving and volunteering

We know that giving back to our community through volunteering, fundraising and donating to those in need not only benefits our communities but also helps our people feel good. That's why we encourage our employees to participate in and support causes that they care about.

In FY23, there was a decrease in employees taking community leave for COVID vaccinations, with 41 employees participating, compared with 766 in FY22. Volunteering participation is slowly recovering but still remains below pre-COVID levels.

Our key contributions this year

$58,000+
employee donations to charity

1,090+
lives saved from blood and plasma donations by the Medibank Lifeblood team

276
employees on the Medibank Lifeblood team

480+
employees volunteered for combined total of 1177 hours

Matched donations

	Donations	Matched by Medibank	Total
FY23	**$58,334**	**$53,930**	**$148,330***
FY22	$71,794	$65,340	$253,009**
FY21	$58,963	$56,395	$115,358

* FY23 total includes $36,066 in additional Medibank donations.

** FY22 total includes $115,875.58 in additional Medibank donations and charity vouchers.

Employee volunteering

	Number of employees	Hours	$ equivalent
FY23	**489**	**1,177**	**$54,142**
FY22	973	4,233*	$194,718
FY21	539	1,325	$60,950

* This includes supporting community health by encouraging our people to utilise volunteering leave to receive the COVID vaccination.

Engaged, purpose-led culture, attract and retain talent

Safety

We work to ensure our people are safe and support their health and wellbeing – no matter where they may be. Safety in the work-from-home environment has been a key focus area since the beginning of the pandemic. This year, all employees who worked from home were encouraged to complete a working from home safety assessment to assist them in identifying risks and ensuring a safe and comfortable working environment.

For our homecare team, we improved the process for managing and communicating workplace hazards through our enhanced hazard identification and reporting process. This has enabled real-time escalation of hazards in the homecare environment, which might include dogs being present at a property, hazardous access or parking, slippery surfaces or challenging client behaviour.

98.73%

completion rate of mandatory health and safety training in FY23 (99.6% in FY22)

Health and safety training

Our people undertake mandatory training so that they understand the systems and practices in place to manage their health, safety and wellbeing. This training must be completed by all new employees within a month of joining Medibank, and existing employees undertake a refresher module every year. This year, we had a 98.73% completion rate within the required time frame, compared to 99.6% in FY22. Completion of annual compliance training is linked to employment and remuneration outcomes.

Lost time injury frequency rate

To measure our progress in providing safe places to work, we track our lost time injury frequency rate. The targets we set are aligned to our previous performance and the industry benchmarks for the insurance and healthcare industries provided by Safe Work Australia.

In FY23, we are pleased that both our insurance business and Amplar Health achieved our goals by finishing below the benchmark. Amplar Health reported fewer psychological injuries and saw an overall reduction in lost time injuries. There was an increase in musculoskeletal injuries with eight injuries requiring time away from work to recover following manual handling, repetitive movement or slips/trips and falls. Healthy movement, ergonomics and manual handling is a key focus area of our FY24 Health, Safety and Wellbeing Plan for Amplar Health.

During the year, our health insurance business saw an increase in lost time injuries including injuries to two employees associated with the cybercrime event involving exposure to distressing or aggressive content over the phone. Psychosocial risk management and prevention of psychological injury remains a priority focus area in FY24.

Early intervention program

We have a range of supports in place to help our people minimise the impact of any illness and injury that may occur and make a safe and sustainable return to work. Our early intervention program helps people to safely return to work in accordance with their doctor's advice, or to recover while remaining at work. Employees can also access workers compensation and salary continuance options. This year, we've maintained a high return to work rate of 87%.

Absenteeism

In FY23, absenteeism remained steady at 4.1%. We've continued our approach of focusing on key health and wellbeing measures in our employee survey as a key indicator, rather than setting absenteeism targets. We benchmark ourselves on this indicator against the top 25% of businesses globally, measured by our international provider. We continue to encourage our people to take care of themselves and each other and not work when they are unwell.

Total absenteeism

Year	Total
FY23	**4.1%**
FY22	4.1%
FY21	3.2%

Inclusive of HSS for FY23.

Lost time injury frequency rate

	FY23		FY22		FY21	
	Medibank /ahm	Amplar Health	Medibank /ahm	Amplar Health	Medibank /ahm	Healthcare
Rate	1.48	6.87	0.54	9.24	0.49	8.91
Target	<2.0	<8.0	<2.0	<8.0	<2.0	<8.0
# of lost time injuries	6	11	2	18	2	18

Amplar Health was previously referred to as Healthcare.

Lost Time Injury Frequency Rate (LTIFR) = ([Number of lost time injuries in the 12-month reporting period] x 1,000,000) / (Total hours worked in the reporting period). A lost time injury is a work-related injury with one or more shifts lost and a corresponding accepted Workers Compensation claim.

Diverse and inclusive workforce

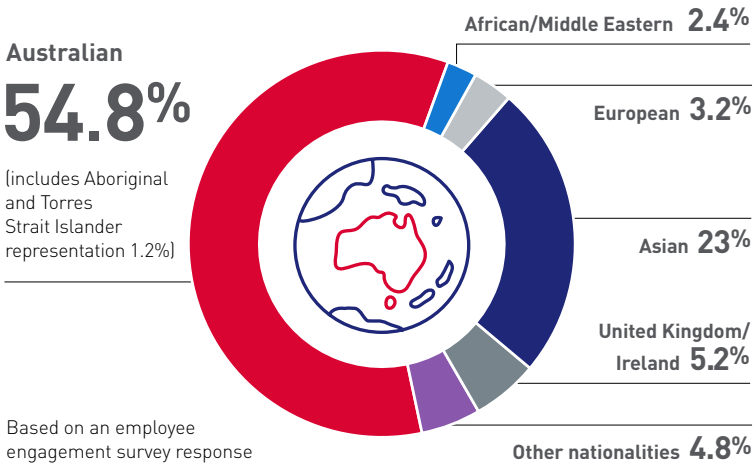
We're committed to creating an inclusive culture that embraces and fosters diversity and inclusion in the workplace and healthcare sector.

Diversity and inclusion

We encourage our people to show up as they are and allow others to do the same. We embrace differences in all its forms and recognise the benefits these differences make to our people, shareholders, customers and community.

Our aim is to foster an inclusive work environment in which everyone is treated fairly and with respect and dignity to bring their whole self to work.

Our cultural identity



Based on an employee engagement survey response rate of 80% (2,742) from 3,452 employees invited to participate.

Our workforce

	30 June 2023*	30 June 2022	30 June 2021**
Headcount (#)	3,640	3,768	3,866
This includes # health professionals	950	1,302	1,408
Full time equivalent (#)	3,242	3,291	3,409
This includes # health professionals	723	970	1,094

* FY23 is inclusive of HSS for both headcount and FTE.

** FY21 HSS headcount proxy for FTE due to limited data availability.

Our employee profiles

	FY23
Employees identifying as having disability	6.7%
Engagement of employees identifying as having disability	7.6/10
Employees identifying as Aboriginal and Torres Strait Islander peoples	1.2%
Overall engagement of employees identifying as Aboriginal and Torres Strait Islander peoples	8.3/10
Employees identifying as having caring responsibilities	18.2%
Overall engagement of employees identifying as having caring responsibilities	7.5/10

Based on employee engagement survey response rate of 80% (2,742) from 3,452 employees invited to participate.

Diverse and inclusive workforce

Keeping ourselves accountable

In 2022 the Board set measurable objectives for achieving diversity at Medibank and committed to reporting progress achieved against these in the 2023 corporate governance statement. The table below shows our progress against these objectives:

FY23 Measurable objective	Progress towards achievement
Medibank will remain committed to ensuring a **representation of at least 40% women** across our **executive leadership** and **senior leadership populations**, and at least **40% women on the Medibank Board**.	As at 30 June 2023, women represented 48% of Group and senior executive roles (up from 44% in FY22). Representation of women on the Medibank Board remains above target at 44% (including the CEO), aligned with FY22.
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.	Women represented 53% of all manager roles (excluding Group and senior executives), unchanged from FY22 and 77% of non-manager positions (compared to 79% in FY22). This is largely driven by our Amplar Health division where women made up 87% of the non-manager workforce, compared to other Medibank divisions at 71%.
Medibank will continue to focus on the **representation and engagement of Aboriginal and Torres Strait Islander employees** with a target set of at least 43 employees (approx. 1.6% of survey respondents) as self-reported in our annual engagement survey.	In FY23, the number of employees identifying as Aboriginal and Torres Strait Islander in our annual engagement survey increased to 32 people, which equates to 1.2% of survey respondents[1], an increase from 0.9% in FY22. Engagement for this cohort was 8.3 which is above the Medibank average of 7.7 and above FY22's result of 8.1. While our representation of Aboriginal and Torres Strait Islander employees was 0.4% lower than our target, in 2022 we developed our Aboriginal and Torres Strait Islander recruitment, engagement and professional development strategy. This strategy supports our aim to increase meaningful, sustained employment opportunities for Aboriginal and Torres Strait Islander peoples by facilitating a tailored recruitment process and regular surveys to better understand the ongoing experience of Aboriginal and Torres Strait Islander candidates and employees.
Medibank will continue to focus on increasing the **representation and engagement of employees with disability** with a target set of at least 178 employees (approx. 6.5% of survey respondents) as self-reported in our annual engagement survey.	In FY23, the number of employees identifying as having a disability in our annual engagement survey rose to 184 people, which equates to 6.7% of survey respondents*, an increase from 5.9% in FY22. Engagement for this cohort was 7.6, which is below the Medibank average of 7.7 and 0.1 lower than FY22's result of 7.7. In May 2022, we launched our second Accessibility and Inclusion Plan. In the first year of the plan, we delivered disability awareness education as part of our annual training requirements for all employees as part of our goal to foster a disability confident culture. In FY24, we will focus on developing this further to uplift the capability of our leaders and ensure an inclusive and accessible recruitment process.
Medibank will provide a **market leading comprehensive and targeted support carers package** to improve the engagement of employees with caring responsibility for elderly parents, or person with a disability or chronic condition.	A significant proportion of our people have caring responsibilities; either elderly parents, or a family member with a disability or chronic condition (18.2%, as measured by our employee survey). In FY23, we further invigorated our carers support proposition by refreshing our Carers Network, promoting our carers information hub and making our Caregiver Support Program available to all eligible employees, following a successful pilot in FY22. In FY24, we will continue to share the support offerings for carers with all employees and prioritise listening to feedback from our Carers Network to further enhance their experience.

* Based on employee engagement survey response rate of 80% (2,742) from 3,452 employees invited to participate.

Diverse and inclusive workforce

To help drive greater diversity for the year ahead, our FY24 measurable objectives have been set by the Board.

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

40%

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.

Medibank will continue to focus on increasing the **representation and engagement of Aboriginal and Torres Strait Islander employees** with a target set of at least 49 employees (approx. 1.8% of survey respondents) as self-reported in our annual engagement survey.

Medibank will continue to focus on increasing the **representation and engagement of employees with disability** with a target set of at least 192 employees (approx. 7% of survey respondents) as self-reported in our annual engagement survey.

Diversity and inclusion working groups

This year, we refreshed and expanded our employee-led diversity and inclusion support networks. The purpose and goals of each network are unique. Some are closed groups purely for connecting and supporting each other, while other networks work together with the business to provide input, feedback and action on relevant priorities.

In addition, our diversity and inclusion squads support diversity and inclusion activities to drive change based on feedback from our people. Our squads and networks are all represented on Medibank's Diversity & Inclusion Council who governs our strategy and champion inclusion internally and externally.

Expanding our support for carers

In FY23, we expanded our Caregiver Support Program to offer all employees who are caring for ageing parents or a loved one with a disability or a chronic illness. Participants are supported with a one-on-one consultation with one of our CareComplete clinicians and given recommendations for local services that can meet their needs. This was our first step in scaling the program across our entire business following its successful pilot.

Case study

Neurodiversity network

Gill is a Customer Retention Consultant at Medibank who shared her thoughts about being a member of our Neurodiversity Support Network:

"It's just like getting together with your really close mates and sharing your day, your needs or ups and downs," she said.

"It's a supportive group that holds the space for anybody that needs to share, or even just a place to listen and absorb and learn. So many people have been very happy and excited to be a part of this group. They don't feel isolated. They feel authenticated."

Family Friendly Workplace accreditation

Medibank is certified as a Family Friendly Workplace and remains a proud supporting partner of Family Friendly Workplaces – UNICEF Australia and Parents at Work's national family and work standards and certification framework. The accreditation is based on workplace approaches to flexible work hours, parental leave, family care and wellbeing and leadership.

Family Inclusive Workplace™ CERTIFIED 2023/2024 | medibank SUPPORTING PARTNER

Diverse and inclusive workforce

Our approach to gender equality

We recognise the critical role we play in driving gender equality in our business and in the broader community. This year, we achieved our targets of at least 40% representation of women across our senior leadership team and the Board. We are committed to achieving gender equality, with a focus on ensuring gender is not a barrier to career opportunities and advancement and representation of all gender identities throughout our recruitment processes. We are proud of our achievements and will continue to challenge our biases and educate ourselves so that we can continue to champion further progress in gender equality.

Since 2018, we've undertaken and disclosed an analysis of gender pay equity relative to market rates of pay. In addition, we also undertake and disclose our gender pay gap analysis.

Gender pay equity

Our gender pay equity analysis represents the difference between how women and men are paid relative to the market reference. The total fixed remuneration (base salary + superannuation) for each permanent employee was compared to the market reference for their respective position, to determine the percentage difference to the market reference.

The percentage differences from the market reference for each employee were then aggregated and averaged for both men and women employees, which were then compared to determine the gender pay equity percentage. A positive number indicates that women are paid higher than men relative to the market reference and vice versa.

Our gender pay equity calculation has been based on permanent and fixed term employees of the Medibank Group as at 30 June 2023, where a relevant market reference for the role of the employee was available, with 97% of positions held by employees able to be benchmarked against the market reference. The data excludes non-executive directors, casual employees and employees who have not responded with a defined gender.

During FY23, there was an improvement in gender pay equity for our employees with enterprise agreement from -0.4% to 0.1% in favour of women.

Gender pay gap

Medibank's gender pay gap analysis is calculated by dividing the average total fixed remuneration (base salary + superannuation) for women within each band of Medibank's job banding framework, by the average total fixed remuneration for men in the same band to determine the percentage difference.

Our gender pay gap analysis is based on permanent and fixed-term employees of the Medibank Group as at 30 June 2023, excluding the CEO, non-executive directors, casual employees, and employees who have not responded with a defined gender.

During FY23, the pay gap reduced for senior managers and other managers but increased for the other employee groupings. For Group executives and senior executives, the pay gap increased due to a change in composition of the groups and inclusion of a Group executive in an acting capacity.

Gender pay equity at 30 June 2023

	FY23	FY22	FY21*
Non-Enterprise Agreement employees	-0.5%	-0.5%	0.0%
Enterprise Agreement employees	0.1%	-0.4%	N/A

* Gender pay equity analysis for FY21 was conducted during August in the relevant year to coincide with the annual review cycle for non-enterprise agreement employees. Gender pay equity analysis for FY22 and FY23 is based on rates of pay as at 30 June so that both groups of employees are being compared on a like-for-like basis.

Gender pay gap at 30 June 2023

	FY23	FY22	FY21
Group executives	-38%	-27%	-29%
Senior executives	-5%	-2%	-8%
Senior managers	-1%	-4%	-3%
Other managers	-7%	-8%	-8%
Non-managers	-1%	1%	1%

Diverse and inclusive workforce

Global recognition for gender equality

This year Medibank was ranked 3rd globally and 2nd in Australia in the Equileap 2023 Global Gender Equality Index. The report assessed almost 4,000 publicly listed companies against 19 gender equality criteria. We achieved a gender equality score of 75% against Equileap's gender equality scorecard (the average of the top 100 companies globally was 69%).

This outcome reflects an ongoing commitment from everyone in our workplace to help address gender equality within our organisation and the broader community. Medibank continues to be recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency, a citation we have held for eight years. Medibank is a 2021-23 citation holder.

Medibank
#3 Globally for gender equality in 2023
EQUILEAP

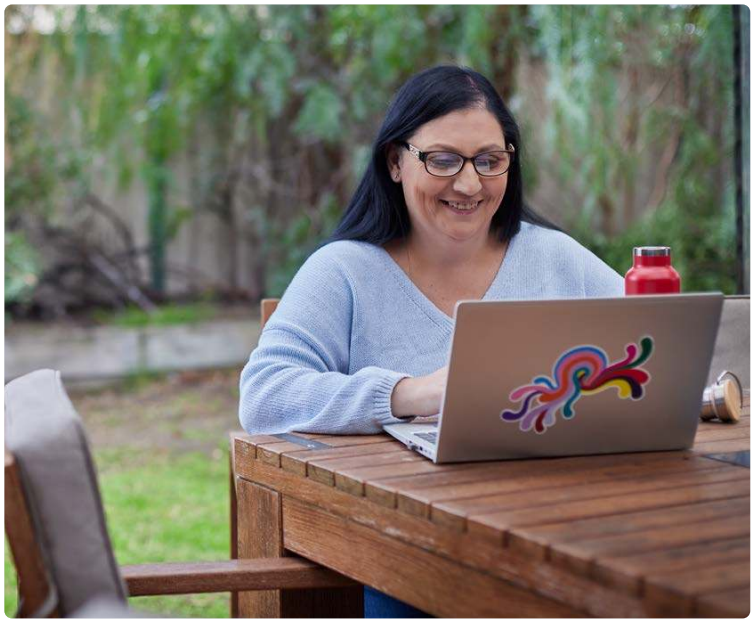
WGEA
Employer of Choice for Gender Equality

Employees reporting they have the flexibility to manage work and life commitments

FY23	83%*
FY22	85%
FY21	64%**

* FY23 figures based on an employee engagement survey response rate of 80% (2,742) from 3,452 employees invited to participate.

** FY21 data includes HSS employees who care for patients in their homes and community settings for the first time.



44%
of Medibank Board roles held by women

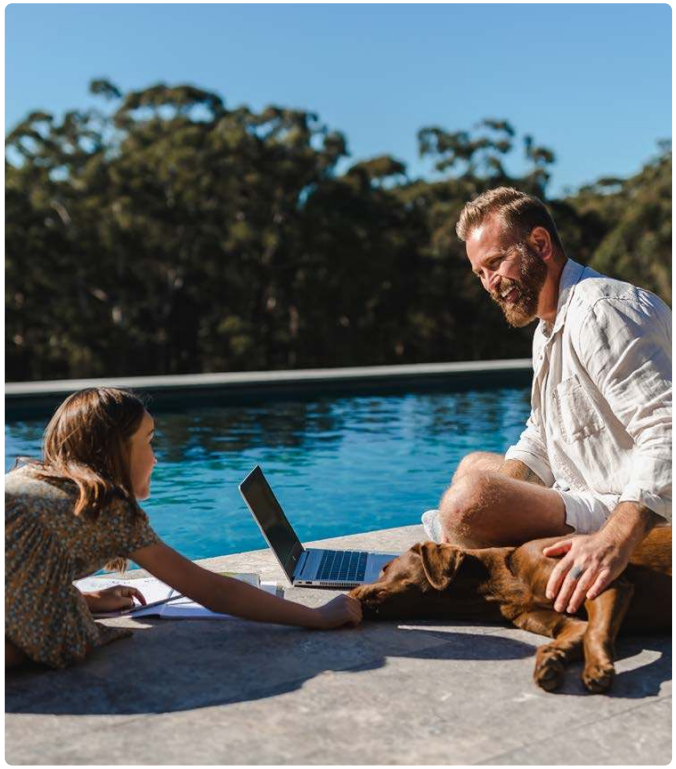
48%
of senior leadership roles held by women

Employees by employment type and gender

	30 June 2023*	30 June 2022	30 June 2021	30 June 2023*	30 June 2022	30 June 2021	30 June 2023*	30 June 2022	30 June 2021	30 June 2023*	30 June 2022	30 June 2021
	Women headcount			Men headcount			Other headcount			% women		
Board (including CEO)	4	4	4	5	5	5	-	-	-	44%	44%	44%
Group executives (including CEO)	3	2	2	5	6	6	-	-	-	38%	25%	22%
Senior executives	24	22	25	24	24	20	-	-	-	50%	48%	56%
Group and senior executive total	27	24	27	29	30	27	-	-	-	48%	44%	50%
Senior managers	102	100	106	116	115	112	1	1	-	47%	46%	49%
Other managers	408	353	334	334	292	305	1	1	2	55%	55%	52%
Non-managers	2,014	2,258	2,288	592	578	649	8	8	8	77%	79%	77%
Overall (including Board)	2,555	2,739	2,759	1,075	1,019	1,097	10	10	10	70%	73%	71%

* Inclusive of HSS for FY23.

Diverse and inclusive workforce



Parental leave

Our approach to flexible working and parental leave has been an integral part of fostering greater gender balance in our workplace. We were one of the first companies to introduce a parental leave program offering all eligible prospective parents 14 weeks of paid leave within the first 24 months of their child's birth. In 2022, we enhanced our policy by making parental leave available to eligible permanent employees from the time they start working with us.

Parental leave taken by men

FY23	**20%**
FY22	24%
FY21	27%

Calculated as the number of male employees who were on parental leave in FY23 divided by the total number of employees on parental leave in FY23.

Parental leave

	FY23			FY22			FY21		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees who took parental leave	287	70	357	275	86	361	260	94	354
Employees who returned to work after parental leave	257	61	318	219	65	284	237	81	318
Parental leave return to work rate (%)*	90%	87%	89%	80%	76%	79%	91%	86%	94%
Parental leave retention rate 12 months after return (%)	N/A	N/A	N/A	86%	83%	85%	68%	74%	72%

* Parental leave return to work rate is calculated as the number of employees who took parental leave during the financial year and remain employed as at the end of that year divided by the total number of employees who took parental leave during that year.

Case study

Supporting career progression

This year, Sarah dedicated most of her time to her young family including her son Tommy (almost 1) and her daughter Charlotte (3.5 yrs), having taken a period of parental leave. While on leave, Sarah was promoted to a new role within the People, Spaces & Sustainability team. Sarah will commence in the new role in a part-time capacity, starting at 3 days per week and increase to 4 days per week over time. This gives her the flexibility to spend quality time with her young family. Sarah said:

"While on parental leave I had lots of conversations with my leaders to ensure I felt connected to the business and the team and to ensure I was able to effectively manage my career. Staying connected definitely made my transition back to work seamless and less overwhelming."

300k+

parkrun participants in FY23 (run, walk, volunteer)

Community health

Community health

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

The issues that matter

Support healthy communities

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

Work together to build a stronger and more sustainable health system

Partner with health professionals to drive change in the system and advocate for reform

What we're doing

- Investing in community health
- 10-year commitment to address loneliness
- Progressing reconciliation
- Supporting accessibility and inclusion
- Partnerships for a stronger health system
- Healthcare reform

SDGs

Support healthy communities

We're playing our role in supporting the health and wellbeing of all people in Australia.

Investing in community health

We're focused on addressing some of Australia's biggest health issues, by funding health and medical research, shining a spotlight on loneliness, focusing on mental health and taking action to close the gap in health equity for Aboriginal and Torres Strait Islander peoples and for people living with disability. This year, we've contributed over $3 million to the community.

Researching our way to better health

This year, the Medibank Better Health Foundation (MBHF) celebrated 10 years of supporting research that benefits the health of our customers and all Australians. Through the foundation, we continue to prioritise research in areas of high health need in Australia and that address the aims of healthcare, which are to improve outcomes, affordability, patient experiences, health equity and healthcare worker wellbeing. With a focus on collaboration, we supported 22 active projects during the year in 5 key areas: out-of-pocket costs, transparency in healthcare, loneliness, primary care and alternative models of care. These projects included partnering with:

- Queensland University of Technology to identify factors influencing prostheses selection for joint replacement surgeries and the impact of unwarranted prostheses variability
- University of Sydney into consumers' and hospitals' perspectives of Medibank patient reported experience measures
- Australian and New Zealand College of Anaesthetists Foundation in a longitudinal study investigating the incidence and economic costs of chronic pain after surgery.

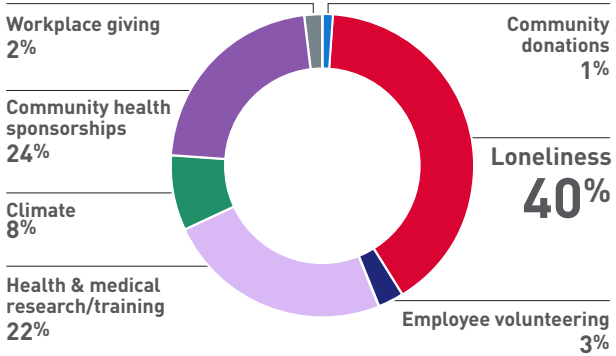
We also partnered with the Royal Australian College of General Practitioners to launch a $250,000 grant to fund research into digital health in primary care, and with the Breakthrough Mental Health Foundation to improve Indigenous Australian children's mental health and wellbeing through an in-school education program. In March, we held the first Health Research at Medibank Month to inform our people of the foundation's focus and achievements during the year. A number of research partners joined us for a range of virtual and in-person events, showcasing their MBHF-supported research on topics including loneliness, out-of-pocket costs, our no gap program and preventative health.

Also see Menzies HealthLab case study

page 51

Community investment

BUSINESS FOR SOCIETAL IMPACT CORPORATE CITIZENSHIP VERIFIED 2023

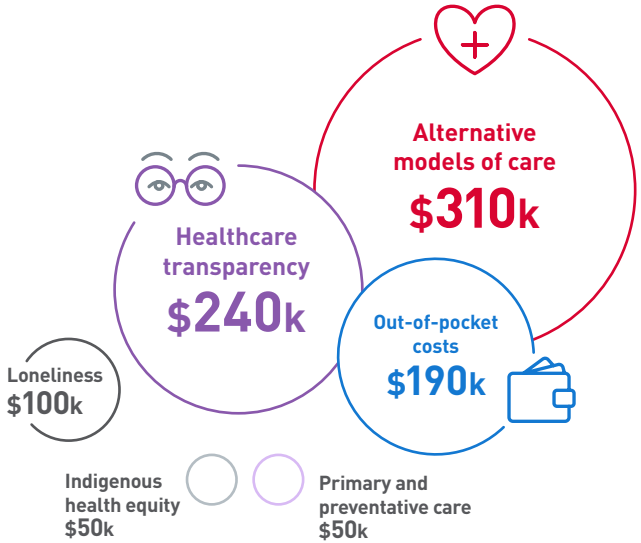


Numbers have been rounded to one decimal place.

MBHF key achievements

22 active projects
16 partner organisations
5 publications
7 conference presentations

$940k
total allocated to research across Medibank
1 July 2022 to 30 June 2023



Support healthy communities

parkrun Australia

This worldwide phenomenon continues to bring local communities together for a free weekly run, jog or walk, with more than 450 parkrun locations around the country.

In February, we launched the Medibank parkrun Road Trip and introduced the community to the Live Better Lounge, set up at 12 parkrun locations in every state and territory across Australia. The lounge, designed to foster community connection, helped thousands of participants relax and recuperate after their walk or run. We helped parkrun achieve its aim of getting 900,000 parkrun finishers within the first year of being parkrun Australia's presenting partner and are now aiming to help them achieve 1 million finishers next financial year.

Medibank Feel Good Program

We offer free outdoor health and wellbeing classes at Brisbane's South Bank Parklands between March and May every year through our Feel Good Program. This year, we had more than 10,000 participants, which is a 48% increase from last year.

Regional support – corporate virtual GP services

We continue to support our corporate clients with virtual health services, including trialling a virtual GP service. This provides benefits to corporate clients in regional and remote Australia and can be accessed after hours and on weekends. Dedicated clinical pathways are also being developed, with a menopause pathway currently in a pilot phase.

More than

17.5k

GP consultations provided

(up 147% from FY22)

University health partnerships

We partner with universities across the country to provide students with a range of professional development opportunities that are designed to enrich their learning experience. We contribute to students' academic and professional experience by providing mentoring programs and internships. We also partnered with RMIT in the delivery of its Bachelor of Online Business and provided industry insights to give students the opportunity to respond to real-life problems and challenges faced by industry.

Supporting the health of international students

Health engagement, wellbeing and support is at the centre of all our partnership engagement programs. Our Online Doctor service makes it easy for international students to access the right healthcare and to navigate Australia's healthcare system. Students can have a virtual consultation with a doctor 24/7 through the Medibank or ahm Overseas Student Health Cover app. In addition, we are supporting 'learn to swim' and 'water safety' programs to promote awareness of the dangers of Australia's oceans and rivers among international students. We also provided international students at partner universities with preventative health checks to assist them in navigating the Australian healthcare system. Our health engagement programs are often tailored to complement existing programs at partner universities and the delivery of services such as mental health support through dedicated service lines.

Support healthy communities

10-year commitment to address loneliness

Reducing loneliness in Australia

Loneliness is affecting more than half of Australia's population, but people still find it difficult to identify it in themselves or in others. Our third year of research for the We Are Lonely Index found 56% of people, especially younger people, feel lonely in a typical week, and we also continued to track our employees' experiences of loneliness. Loneliness has an impact on all facets of peoples' lives – health, relationships, study and work. We know chronic loneliness can lead to long-term health implications and we are committed to address this in our community. This year, we continued to raise awareness of loneliness and ways to address it through developing a new season of our We Are Lonely podcast, continuing our work with Ending Loneliness Together and new partnerships with ReachOut and the University of Technology Sydney. We're also in the early stages of a collaboration with workplace loneliness expert Dr Sarah Wright to develop a pilot program for FY24 to help people who feel lonely at work.

Reaching out for help

In 2023, we entered a strategic partnership with online youth mental health and wellbeing service ReachOut, working together to grow their PeerChat program, a text-based chat platform designed to help young people feel less alone by connecting them to peer workers with lived experience. It is one of the many support options ReachOut offers young people, alongside their moderated online communities and tips, stories and resources designed to help young people feel better.

More than half
of Australians surveyed (55%) feel lonely in a typical week

1 in 3 people experience high-level loneliness

16-34 year-olds surveyed

72% feel lonely in a typical week and

39% experience high-level loneliness

Case study

We Are Lonely – new season

Season 2 of our We Are Lonely podcast follows four diverse young people on their journey to understand their loneliness. Over the 6-part series, they meet with mentors and experts who help them build strategies to reconnect and help unpack the complexity of emotions that accompany this formative period in their lives. Through their stories we learn about the reality of loneliness in Australia as experienced by a generation that has theoretically never been more connected. We Are Lonely Season 2 launched in August and is available on Apple Music and Spotify. Additional resources are available on our We Are Lonely page.

Almost 60k people downloaded the We Are Lonely Season 1 episodes

Support healthy communities

Student-led ideas to address loneliness

Earlier this year, we partnered with students from the University of Technology Sydney (UTS) Bachelor of Creative Intelligence and Innovation program to develop ways to address loneliness among young people as part of their degree. Students shared insights from their own experiences of loneliness and from research they conducted. They presented a strategic option for us to consider featuring a public relations and social media campaign to help normalise loneliness among young people, as well as a travelling interactive art exhibition enabling university students to view and create artworks that reflect their feelings of loneliness.

Ending Loneliness Together

We continued our partnership with Ending Loneliness Together, a national network of organisations working together with similar bodies across the world to raise awareness of loneliness as an important social, health and economic issue and build the evidence base and tools to address loneliness worldwide. This year, we supported the design and delivery of a self-care toolkit for health professionals, who often experience feelings of loneliness themselves while supporting others. We also collaborated on the development of the inaugural Loneliness Awareness Week, a series of events, activities and resources designed to raise awareness about the loneliness epidemic in Australia.

Mental health and wellbeing

Young Minds @ Work

To coincide with the Federal Government's Jobs and Skills Summit in September 2022, we hosted the Young Minds @ Work event to share our research into the longer-term impacts of COVID on youth mental health and wellbeing and behaviours relating to work. Youth mental health advocate Jordan Frith was joined by Independent MP Zali Steggall, headspace National Clinical Advisor Simon Dodd and Associate Professor Sarah Wright for the event, which was attended by employers, government officials and health professionals. We also shared this research with our university partners and are working with them to better support the health and wellbeing of their students.

Workplace wellness

We support our corporate partners in creating opportunities for employees to engage in health and wellbeing programs. Our corporate partners continue to seek systemic approaches to mental health in the workplace and to create psychologically safe work environments. Over the past 12 months, we've worked with organisations to help address the workplace need of increasing connection and engagement through onsite and virtual health and wellbeing activities. We're delivering programs focused on proactive health management and early detection and prevention of illness. Our virtual healthcare programs remain in strong demand, especially in rural settings.

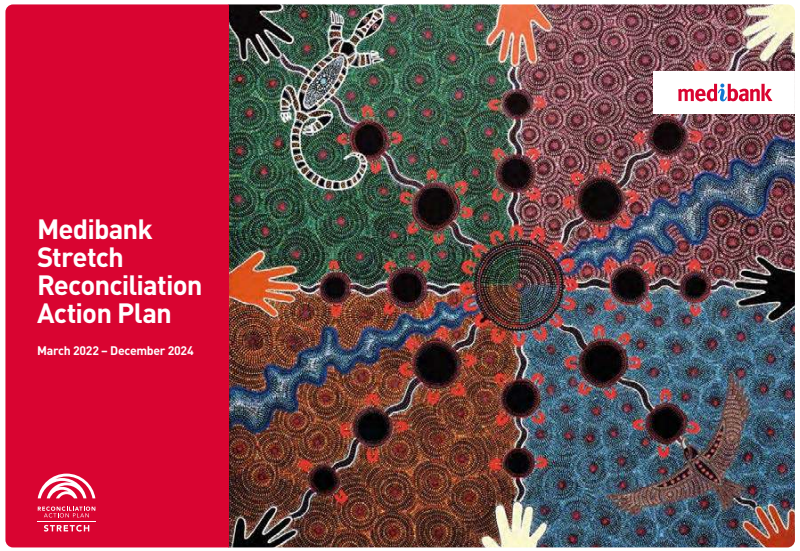
Support healthy communities

Progressing reconciliation

Our reconciliation journey formally commenced in April 2012 when we became Australia's first private health insurer to launch a Reconciliation Action Plan (RAP). Over the past decade, we have continued to listen and learn from Aboriginal and Torres Strait Islander employees, partners, customers and health professionals to understand our role in advancing reconciliation in Australia.

Highlights include:

- adding cultural awareness training to our annual mandatory training requirements for all employees
- exceeding our target procurement of goods and services from Aboriginal and Torres Strait Islander businesses; this year, we spent almost $1.4 million, well above our $750,000 target
- new and targeted recruitment processes to increase the representation of Aboriginal and Torres Strait Islander peoples in our workforce
- continuing to build our relationship with the Thamarrurr Youth Indigenous Corporation – our community partners in Wadeye Northern Territory; this was the first face-to-face engagement following COVID restrictions in the previous few years
- deepening our relationship with the Wurundjeri Woi Wurrung people of the Kulin Nation, the traditional custodians of the land on which our new head office in Melbourne will stand.



Aboriginal and Torres Strait Islander representation

We continue to develop our Aboriginal and Torres Strait Islander employee proposition to increase meaningful, sustained employment opportunities for Aboriginal and Torres Strait Islander peoples. This year, we developed Medibank's Aboriginal and Torres Strait Islander recruitment, engagement and professional development strategy, which was developed by our Aboriginal Engagement Lead and incorporated feedback from our Aboriginal Employee Network (AEN). Additionally, we expanded the role of our Aboriginal Engagement Lead to provide dedicated people and culture support to Aboriginal and Torres Strait Islander employees, in response to feedback from our AEN. We also continue to offer a culturally appropriate Employee Assistance Program and cultural clinical supervision (where relevant) through the Healing Centre for Griefology.

1.2%

of employees identify as Aboriginal and Torres Strait Islander peoples

8.3/10

overall engagement (compared to Medibank average of 7.7)

Based on employee engagement survey response rate of 80% (2,742) from 3,452 employees invited to participate

Case study

Uluru Statement from the Heart – consultation

Medibank has long supported self-determination for First Nations peoples. During the year, we undertook a process to build understanding and awareness around the Uluru Statement from the Heart and to seek views on the role we could play in the national discussion.

This consultation informed the way we are supporting the Uluru Statement from the Heart, including a First Nations Voice to Parliament. Our position aligns with our vision to achieve the best health and wellbeing for Australia. This includes supporting reconciliation and equity in health and wellbeing outcomes between Aboriginal and Torres Strait Islander peoples and other Australians – both of which we believe would be advanced through a Voice offering advice to the parliament on issues that affect Aboriginal and Torres Strait Islander peoples.

Support healthy communities

Building cultural awareness

We remain focused on increasing cultural responsiveness, including working with Aboriginal and Torres Strait Islander employees and community stakeholders to develop a Cultural Protocol document. This resource is for internal use to inform our people of the purpose and significance of cultural protocols.

This year, we launched mandatory online cultural awareness training for our employees. In addition, 257 employees participated in face-to-face cultural learning, including our mental health and Quitline teams and 58 employees participated in a cultural immersion experience. More training is planned for all employees in FY24.

To build on work to date, we are reviewing and identifying relevant processes to inform culturally inclusive design in the development of new products and services, and any new clinical service design.

257

employees participated in face-to-face cultural learning

Meaningful partnerships

We understand the importance of being guided by Aboriginal and Torres Strait Islander peoples. This extends to the way we collaborate with communities across the health sector to support better health outcomes for Aboriginal and Torres Strait Islander peoples. During the year, we partnered with 25 Aboriginal and Torres Strait Islander organisations including, Australian Indigenous Doctors' Association, Indigenous Defence & Infrastructure Consortium, Supply Nation, Dhiira, Thamarrurr Youth Indigenous Corporation and the Wadeye community in the Northern Territory.

Aboriginal Employee Network

Medibank's Aboriginal Employee Network (AEN) formed in July 2020 to encourage people from all parts of our business to share experiences, provide recommendations and advice and offer peer support on an ongoing basis. The AEN held its annual offsite meeting in Brisbane this year, spending time connecting, discussing priorities and participating in cultural wellbeing activities over 3 days.

Case study

Working together for better health outcomes

Menzies HealthLAB has been delivering health education and access to remote Aboriginal communities in the Northern Territory for 10 years. Supported by the Medibank Better Health Foundation, the project's aim is to empower young people to better understand their health through an innovative fly-in, fly-out mobile health lab. Aboriginal and Torres Strait Islander youth and nurses in the HealthLAB team play an important role in the program's design, resource development, delivery and engagement with the community.

We have supported the work of HealthLAB by funding an evaluation of the program to help Menzies determine whether it is meeting the current needs of communities and how it could build on its services in the coming years.

Support healthy communities

Supporting accessibility and inclusion

In May 2022, we launched our 2nd Accessibility and Inclusion Plan (2022–2024), outlining our ongoing commitment to support our people, customers and all Australians living with disability. In June 2023, we released our progress report which details the advances we've made over the past year in embedding and expanding practices that support these goals.

Highlights included:

- disability awareness education for all employees
- accessibility features to our physical membership cards
- considering universal design principles for all new retail store fit-outs
- accessibility into the design of our new Melbourne office

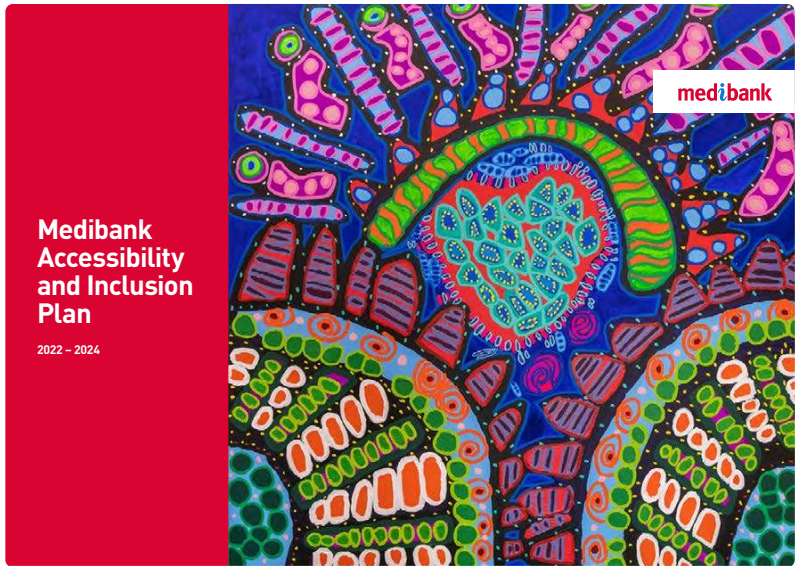
Additionally, one of our key diversity and inclusion measurable objectives, as set by our Board, is to provide a market-leading, comprehensive and targeted carers support package for employees with caring responsibilities for elderly parents or people with disability or chronic health conditions. This year, we expanded our Caregiver Support Program to all employees.

Australian Network on Disability results

This year, we ranked joint 3rd nationally on the Australian Network on Disability Index and achieved 'best in class' in the categories of Commitment, Products & Services and Partners and Suppliers. This reflects our progress and ongoing commitment to becoming more accessible and inclusive for our employees and customers living with disability.

EMPOWER networks

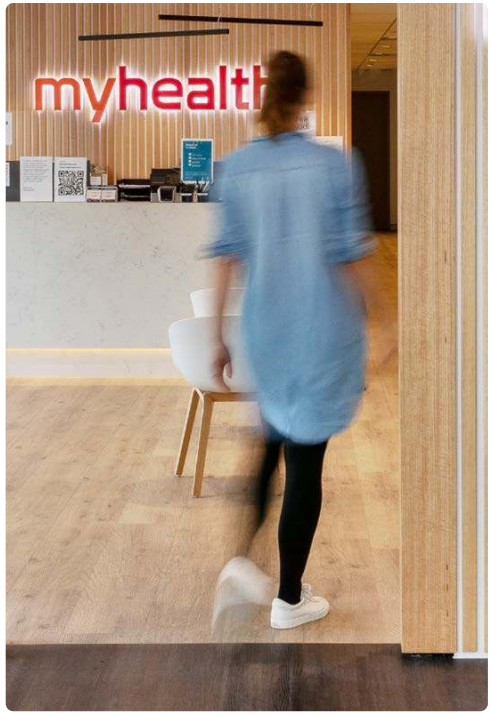
During the year, we refreshed our EMPOWER Network for people with disability and our Neurodiversity Network. These networks are employee-led, peer support networks and provide Medibank with important consultation on matters relating to access and inclusion.



AUSTRALIAN NETWORK ON DISABILITY MEMBER

Working together to build a stronger and more sustainable health system

Together with doctors, hospitals and governments, we're creating new models of care to support all members of the community and seek reforms to strengthen our health system.



Partnerships for a stronger health system

Innovative care models

Our unique capabilities to support our customers to be better – and get better – is enabling our growth as a health company. We're working to drive down costs, offer more choice and improve patients' healthcare experiences across the country. Through our health offerings, we are supporting the health and wellbeing of our private health customers as well as public patients.

Myhealth and Medinet

Our investment in Myhealth Medical Group and Medinet – a health technology company focused on virtually connecting patients with GPs to receive online healthcare – helped us strengthen our focus on community health. We used this technology platform to deliver a new and improved virtual psychology offering to Myhealth patients. Since its launch in March, more than 250 consultations have been undertaken. Interestingly, 70% of patients who engaged with virtual psychology made a second or subsequent appointment. Myhealth and Medibank also trialled a new initiative that allows Myhealth GPs to refer patients directly to the Medibank Type 2 Diabetes Program as part of routine diabetes clinical care.

Calvary Medibank Joint Venture

The Calvary Medibank Joint Venture (CMJV) delivers My Home Hospital to public patients in South Australia on behalf of SA Health. Over the past 12 months, more than 5,000 people have accessed the service for medical conditions such as heart failure, cellulitis, pneumonia, viral illness, urinary tract infection, deep vein thrombosis and post-operative management. The service has expanded to deliver care to residents of the Southern Fleurieu Peninsula. This year, the Calvary Medibank Joint Venture, which delivers SA Health's My Home Hospital service, became one of the first standalone virtual hospitals delivering hospital-level care to be nationally accredited to the National Safety and Quality Health Service (NSQHS) Standards.

5,129
patients used My Home Hospital

saving 19k+
hospital bed days

Case study

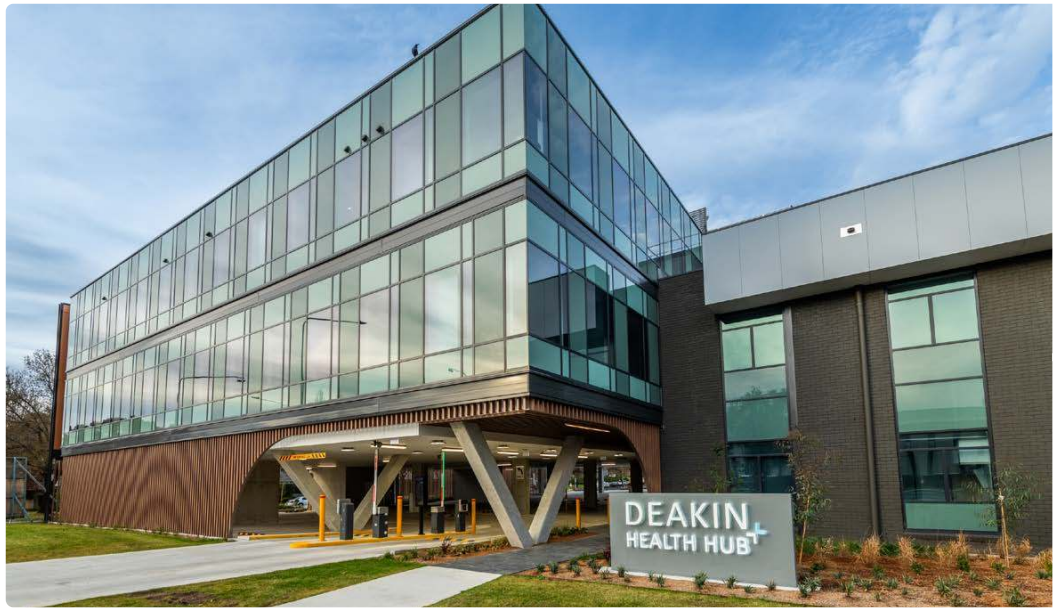
My Home Hospital

Peter was admitted to My Home Hospital (MyHH) in May when he suddenly became unwell with a leg infection, needing oxygen and IV antibiotics. He was happy to learn that he could receive hospital-level care without having to leave his home.

He said: "It was just a nicer experience – nice to be in your own house with your own bathroom, your own food and your own bed."

Peter received daily visits from a nurse to assess his condition and attend to his wound, as well as regular calls on his MyHH iPad from his doctor who was based in Macquarie Park in Sydney.

Working together to build a stronger and more sustainable health system



3 new hospitals

x2 NSW
x1 ACT

153 new mental health beds

Adeney Private Hospital

Adeney Private Hospital in Kew in Victoria, is an example of our commitment to increasing our short stay offerings to our customers and the community. Construction of the hospital, which will be operated by a doctor-led joint venture with Medibank, is underway and the four-storey building will be completed by the end of the 2024 calendar year. It will have 4 operating theatres, a procedure room, 30 beds, radiology services, a chemotherapy infusion clinic and a two-level underground car park.

East Sydney Private Hospital

East Sydney Private Hospital has unveiled a new state-of-the-art orthopaedic theatre, taking the total number of operating suites to 6.

The new theatre will boost capacity, allowing surgeons to complete approximately 10 additional surgeries per day and reducing wait times for patients wanting to access clinical expertise and the short stay model of care.

The facility is equipped with the latest audiovisual integration technology, enhancing surgical performance.

In addition to supporting private patients, around 20% of activity at the hospital in FY23 was public surgery to help reduce waiting lists in the public system. Medibank has a 49% minority shareholding in the hospital.

MQ Health

This year, we announced a new joint venture with leading orthopaedic surgeons to support MQ Health in establishing a world-class orthopaedic surgical centre at Macquarie University Hospital in Sydney. Construction has commenced and the new surgical facility will open in 2024.

The centre will be located on a dedicated floor of Macquarie University Hospital, with 4 state-of-the-art orthopaedic operating theatres and 29 beds supporting a short stay surgical model.

Innovation in mental health – iMH

A new joint venture between Amplar Health and Aurora Healthcare will deliver an innovative, integrated mental health model that extends hospital care to include additional support services in home and community settings. Aimed at providing greater access, choice and flexibility to mental health services, the 50/50 joint venture, known as iMH, has initially invested $31 million in three hospitals. Together, they will deliver 153 new mental health beds and comprehensive out-of-hospital support.

The model will focus on providing flexible care pathways, including a range of out-of-hospital services such as in-home care, telehealth and care coordination. The iMH hospitals look to offer these services at no additional costs to patients with eligible private health insurance, excluding any excess or co-payment that would normally apply. These services are typically not included under the traditional psychiatric model of care in the private system.

iMH will initially operate two hospitals. Hirondelle Private Hospital in Chatswood in NSW, will be converted into a 45-bed mental health facility, while Deakin Private Hospital in Canberra features 52 beds, including the city's first dedicated youth private mental health beds.

The joint venture will invest in a new specially designed 56-bed mental health facility to be built in Alexandria in Sydney.

Working together to build a stronger and more sustainable health system

Nurse triage

Our Amplar Health nurse triage team answered more than 1 million calls and provided assessments, help with navigating the healthcare system, and referrals. Amplar Health's GP team answered almost 100,000 calls, providing services including medical advice, medication prescriptions where appropriate, diagnostic referrals and medical certificates for callers during business hours and after hours.

Mental health

Mental Health Triage continues to expand its programs with the introduction of the NSW Ambulance referral service to South Western Sydney Local Health District Mental Health Line and the addition of the Head to Health assessment and referral phone service for all of Western Australia. The mental health team delivered more than 130,000 interactions during FY23.

WentWest

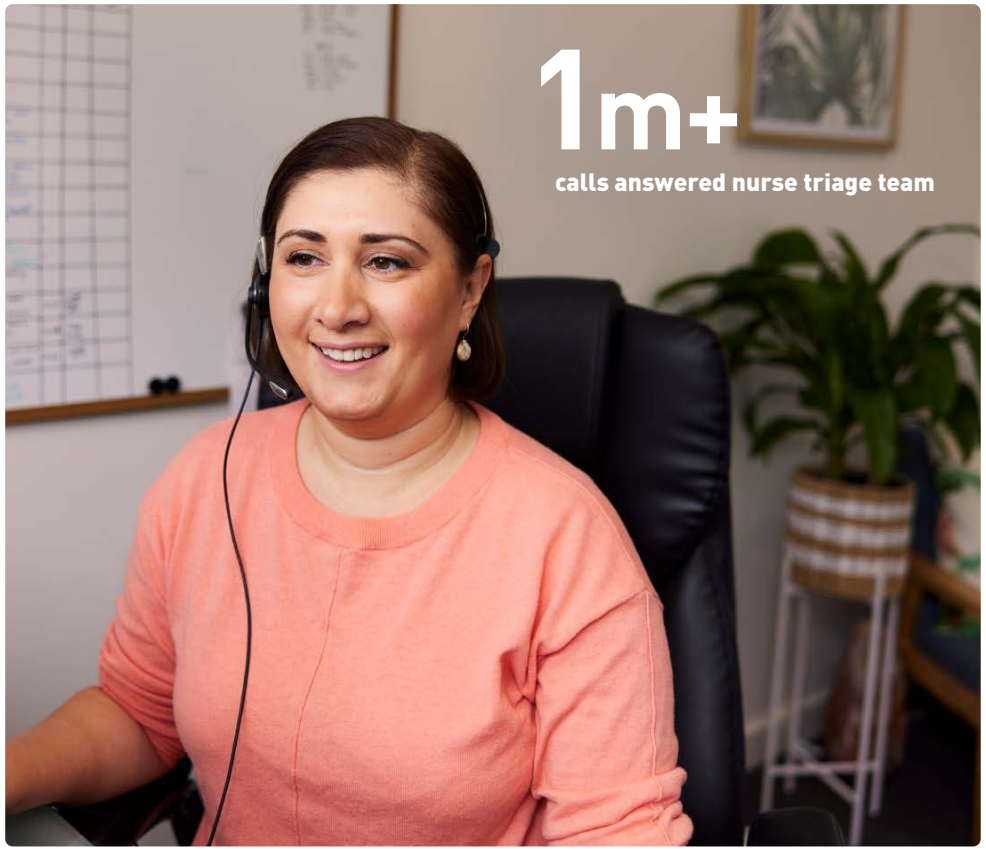
Amplar Health has continued to support the WentWest Urgent Care Services initiative, to help members of the Western Sydney community access the right care at the right time. People who need urgent care for a medical condition or injury that isn't life-threatening, can call the line. It is a new approach to treating urgent, low-acuity conditions that will help keep emergency departments available for more acute and life-threatening presentations.

North Coast Health Connect

Healthy North Coast and Amplar Health co-designed and launched a new service for all northern New South Wales residents that aims to improve access to local healthcare.

North Coast Health Connect has now launched in multiple regions across northern New South Wales, offering a free 1800 phone number or live web chat for residents to speak with a registered nurse any time, day or night, including on public holidays.

Funded by Healthy North Coast through the North Coast Primary Health Network program, and delivered by Amplar Health, the service ensures that urgent health concerns can be assessed quickly and confidentially by a trusted health professional. If needed, residents can connect with a local general practice or community pharmacist or make a virtual care appointment.



Case study

Connecting regional patients to the right care at the right time

Joanne* called North Coast Health Connect in March when her 6-month-old, Ella*, was having respiratory issues.

"The nurse was really helpful and kind, providing me with some immediate advice on what to monitor and then recommending a local GP appointment," Joanne said.

"It was great to be given local provider information so at a stressful time I didn't have to go searching for who to call. My regular GP has more than a month waiting list on appointments, which isn't helpful for urgent issues that need assistance, which is common with a little baby."

* Names have been changed.

Working together to build a stronger and more sustainable health system

Healthcare reform

Public policy engagement

Along with our advocacy for health system and prostheses reform, we've made a submission to the Australian Government's Consultation on the Private Health Insurance Actuarial Study into Risk Equalisation.

We also implemented the government's changes to extend the age of adult dependents remaining on their parents' Medibank and ahm private health insurance policies from 25 to 31.

We met with the health minister, the shadow health minister and representatives of the Department of Health and Aged Care, other government departments and agencies, and major political parties on the sustainability and benefits of private health insurance.

In addition, we have continued to work closely with the Grattan Institute and Australian Patients Association about ways to improve the customer experience, health outcomes and the value and affordability of healthcare.

Prostheses

Australians with private health insurance are still paying too much for prostheses, with the price of medical devices in Australia around 30% higher than in New Zealand, France and the United Kingdom. We've rigorously advocated for reductions in the prices of prostheses and are hopeful the government's agreement with medical device manufacturers will result in real price reductions for the health system.

The first stage of price cuts agreed between the government and the medical device manufacturers commenced on 1 July 2022, and we've started to see the impact of these changes and savings for private health customers.

While we expect to see more benefits from these changes to flow through over the next three years, we believe more needs to be done to fully realise the opportunity to deliver about $900 million in savings to all private health customers, as estimated by the Federal Government. We remain committed to returning prostheses reform savings to our customers through lower premium increases.

Medical device prices in Australia are the highest in the world

Private Healthcare Australia

Case study

Eat your vegetables

In 2022, we partnered with the Fruit and Vegetable Consortium (FVC) to understand the eating habits of Australians and the impact that COVID had on people's eating behaviours. The partnership aimed to address a priority area of the Australian Government's 10-year National Preventative Health Strategy: 'Improving access to and the consumption of a healthy diet'.

In October, the partnership delivered 'Shifting the dial on vegetable consumption – rebuilding healthy families in a COVID-19 affected and disrupted Australia'.

The report details how the pandemic contributed to Australians shifting their food preferences towards eating more takeaway and home delivered meals, a greater dependence on snacks, and lower consumption of vegetables.

Increasing food literacy, access and affordability were highlighted as key enablers to positively shifting the eating habits of Australians. The report calls for a national behaviour change strategy to lift vegetable consumption, supporting better long-term population health outcomes.

19,367 tCO_2-e/year

total greenhouse gas emissions

Environmental health

Environmental health

Entrench environmental sustainability into our decision making

The issues that matter

Environmental health and climate change

Understand and address climate change and reduce our impact on the environment

What we're doing

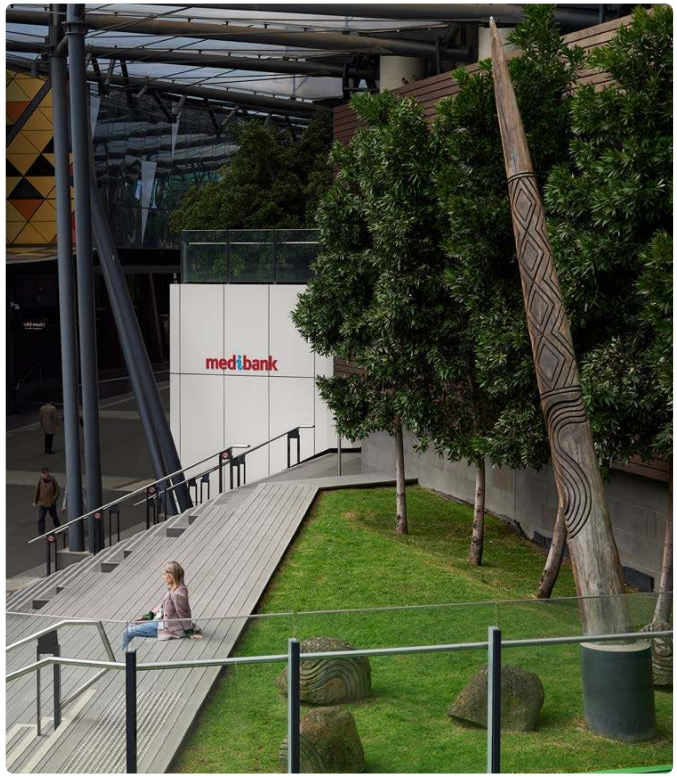
- Climate and health
- Progressing Net Zero commitment
- Task Force on Climate-related Financial Disclosures

SDGs

Environmental health and climate change

If we are to achieve our vision to deliver the best health and wellbeing for our customers, our people and our community, we must help protect the health of our planet by reducing our environmental impact and supporting others to do the same.

We recognise the science of climate change and its impact on human health and know we have a role to play in addressing climate change threats.



Climate and health

Environment critical to health

We understand that the health industry, environmental health and people's pursuit of better personal health and wellbeing are all closely linked. As part of Medibank's Climate Scenario Analysis in 2021, more than 50 pieces of existing clinical and academic research into the health impacts of climate change were reviewed. The literature indicates that there will be a broad range of climate change impacts on human health due to climate hazards. In Australia, where Medibank operates, this is expected to occur due to both acute and chronic climate impacts, including extreme heat, bushfires and other extreme weather phenomena.

Healthcare and the environment

We recognise that delivering healthcare has an environmental impact, and as a growing healthcare provider we understand we have a role to play in reducing this impact. We continue to explore opportunities to collaborate with others and to find ways to deliver instrumental health services that also provide an environmental benefit. One example is the provision of virtual care. Virtual care provides our customers with equitable access to health consults, reducing the burden on primary healthcare and reducing both the challenges and environmental impacts of travel.

Some of the impacts of climate change on human health

Heat stress from extreme heat and increasing average temperatures is a key risk for Australians

Drought will increase food insecurity, loss of livelihoods and poor mental health

Flooding will result in loss of homes and livelihoods, causing poor mental health

Bushfires can affect nearly every bodily system, including the cardiovascular, respiratory, reproductive, urological and neurological systems, and can result in long-term mental illness and death

Conditions identified as most relevant to Medibank's business operations and customers

Respiratory problems (from bushfires)

Cardiovascular problems (from pollution)

Heat stroke

Poor mental health

Environmental health and climate change

Progressing Net Zero commitment

Medibank is committed to achieving Net Zero by 2040. Our pathway is based on Medibank Group's 2022 business-as-usual operations and does not account for any future partnership or investment activity. Our investment portfolio is also currently out of scope, but we are considering a pathway to Net Zero for this. We transitioned to a lower-carbon equity portfolio for our domestic and international equities in 2019.

We continue to work towards our science-based targets, which align with the Intergovernmental Panel on Climate Change recommendations to help limit global warming to 1.5°C above pre-industrial levels.

During the year, we have developed a strategy for transitioning to 100% renewable electricity and progressed the development of our new Melbourne head office, which is discussed under operations on page 62.

Our pathway to Net Zero

	by 2025	by 2030	by 2040
Target	**Net Zero against our Scope 1 and 2 emissions**	**50%* reduction in Scope 3 emissions**	**Net Zero across our Scope 3 emissions and offset residual emissions with removals**
Strategy to deliver	• transition to 100% renewable energy across our operations • Melbourne head office to move to a new 6-star Green Star design building in early 2025 supplied by 100% renewable energy	• reduce Scope 3 emissions generated from purchased goods and services by engaging with key suppliers to decarbonise their own operations in line with climate science • strengthen sustainable procurement practices to work with low or zero carbon suppliers; implement Net Zero travel and accommodation initiatives for employees and utilise low or zero carbon goods and services	• continue to engage with key suppliers about meeting their own decarbonisation commitments • balance any residual emissions through certified carbon removal projects aligned with the Sustainable Development Goals we support that benefit the community and the planet

* From FY21 base year. Target dates refer to financial year end.

Environmental health and climate change

Task Force on Climate-related Financial Disclosures

In October 2021, we became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD). We recognise the importance of increasing transparency of climate-related risks and opportunities, promoting more informed financial decision making and building a more resilient financial system.

The TCFD reporting framework is structured around the four thematic areas of governance, strategy, risk management, and metrics and targets.

In 2023, we participated in the Carbon Disclosure Project (CDP) for the fifth year in a row. CDP aligns to the TCFD framework and supports our transparent disclosure of climate-related risks and opportunities.

TCFD recommendations		Status
Governance	Board oversight of climate-related risks and opportunities	See risk governance in the Risk Management section on page 45 of Annual Report 2023
	Management's role in assessing and managing climate-related risks and opportunities	
Strategy	Climate-related risks and opportunities identified for short, medium and long term	Refer to Our pathway to Net Zero and climate scenario analysis
	Actual and potential impacts of climate-related risks on the business, strategy and financial planning	
	Scenario analysis of impacts on Medibank's strategy including a 2°C scenario	
Risk management	Processes for identifying and assessing climate-related risks	See Risk Management section on page 45 of Annual Report 2023
	Process for managing climate-related risks	
	Integration of climate-related risks into overall risk management	
Metrics and targets	Metrics used to assess climate-related risks and opportunities	Refer to Metrics and targets
	All greenhouse gas emissions (Scopes 1, 2 and 3) and related risks	
	Targets and performance against those targets	

Environmental health and climate change

Medibank Board
Oversight and approval of sustainability strategy including climate strategy, pathways and targets

Risk Management Committee / Investment and Capital Committee
Responsibility and oversight of our ESG and climate change efforts and activities

Risk Management Committee
Reviews our ESG and climate strategy approach to managing climate risks bi-annually

Investment and Capital Committee
Oversees our Responsible Investment Policy and management of our lower carbon equity portfolio

Executive Leadership Team
Oversees our sustainability strategy including the management of climate risk

Governance

We've established a strong approach to ensure the effective management of environmental, social and governance (ESG) issues, including climate risks and opportunities. The Board's oversight, and management's role in assessing and managing climate-related risks and opportunities, are described opposite.

For more information see our corporate governance statement

Annual Report 2023 – page 34

Strategy

We are committed to achieving Net Zero by 2040 and to managing the direct and indirect, environmental impacts of our operations, including working with our supply chain and health partners. We are also embedding environmental sustainability into our business strategy and decision making. Our planned approach and pathways to address environmental and climate issues are detailed in our sustainability strategy, and are further supported by our Environmental Policy, Medibank External Partners' and Suppliers' Code of Conduct, Responsible Investment Policy, business continuity planning, and greenhouse gas inventory management.

Operations

Our Environmental Policy outlines our commitment to seek to reduce emissions, improve the environmental efficiency of our premises and raise awareness of the health impacts of climate change. It also details responsibilities in relation to investing, reporting, reducing and offsetting emissions and engaging with others we work with.

We acknowledge that climate change increases the severity and frequency of natural disasters, and we consider the risk of these events in our broader business continuity planning.

Some of our environmental engagement initiatives this year included a monthly sustainability newsletter highlighting the actions our people can take to reduce their impact, and providing some of our remote teams the autonomy to recycle, donate or reuse IT equipment when they leave. Instead of mandating the return of all IT equipment, we provided options and contact details to reuse, donate or recycle hardware. Our property team in Melbourne identified excess furniture that was donated to a short-term tenant to support its temporary office.

Our new Melbourne building seeks to be certified by the Green Building Council of Australia as a 6-star Green Star building with a 5.5 NABERS rating to be administered by the NSW Office of Environment and Heritage. The office is aligned to universal design principles that allow everyone, to the greatest extent possible, and regardless of age or disability, to use the building without the need for specialised or adapted features.

Environmental health and climate change

The building has been designed to consider people's physical and mental health and wellbeing, including by maximising air flow and light sources. There has been significant First Nations consultation with elders from Wurundjeri throughout the design process to ensure the building provides spaces that recognise and respect the culture and knowledge of the traditional custodians.

Suppliers

We continue to engage with our key suppliers and support them in reducing their own climate impacts. Through collaborative procurement practices, we seek to be fair, responsible and sensitive to the needs of our stakeholders while encouraging suppliers to manage their own environmental performance. During 2023, we refreshed and extended our Supplier Code of Conduct to apply to all third parties, including our third-party rebate and commission relationships. You can read about our progress with suppliers in the Governance section on page 76.

Investments

Our Responsible Investment Policy outlines our continued commitment to invest in green bonds that fund projects with environmental benefits. Some examples include wind farms, solar farms, cleaner transportation and lower-carbon commercial properties. We held $15 million in green bonds as at 30 June 2023. During the year, we maintained our lower-carbon equity portfolio for both international and domestic investments. This is achieved by ensuring that climate change risks are considered by our investment managers. Medibank developed the strategy for the lower-carbon equity portfolio and provided seed capital to establish the funds. In 2023, 100% of our investments complied with our Responsible Investment Policy, and our asset managers maintained their commitment to the United Nations Principles for Responsible Investment.

Climate scenario analysis

In 2021, we worked with independent specialists to undertake our first climate scenario analysis against two scenarios: a 2°C scenario aligned to the TCFD recommendations (RCP* 2.6) and a high emissions future (RCP 8.5) to align with the recommendations of the Climate Measurements Standards Initiative (CMSI). We also analysed opportunities and transitional risks, including emerging regulation, technology, legal, market and reputational risks.

To better understand our exposure to chronic and acute physical risks, we analysed historical data during periods of bushfire and heatwaves, reviewing our claims data and telehealth call volume information.

The analysis also used data from Australia's public health system, such as public healthcare claims during climate events and data on prescriptions (such as for respiratory aids including asthma medications). We examined this by state and territory and overlaid regional climate projections. This enabled us to forecast a projected financial impact of $6.3 million by 2050 for the low emissions scenario (RCP 2.6) and $15.5 million for the high emissions scenario (RCP 8.5). The analysis found we have a number of climate resilience measures already in place, such as business continuity through flexible and remote working and our existing lower-carbon equity portfolio. We are progressing identified opportunities, including our commitment to achieving Net Zero emissions. Potential transition risks identified included increased regulation and emerging disclosure requirements.

Risk management

Our enterprise risk management framework incorporates ESG risks, including climate risks. In 2021, after completing our climate scenario analysis, climate risks were reassessed and classified as 'emerging', as they were found to not pose a material risk to Medibank's financial performance and business operations at this time. We recognise the risks climate change presents to our customers, our people, and our operational and financial performance. Our Executive Risk Committee and the Board's Risk Management Committee are monitoring regulatory requirements and our exposure to climate risks at least quarterly.

Overall, we consider the strategic and insurance-related risks of climate change to be low at this time as the impacts of climate change on human health are expected to be experienced more strongly in the public health system. This is because the health implication tends to relate to emergency care, which is predominantly provided by the public health system in Australia. However, key insurance-related risks that should be monitored include the growing demand on the public system and declining macro-economic conditions due to climate change increasing healthcare costs. These are reviewed and addressed on an ongoing basis as part of Medibank's strategy.

* Representative Concentration Pathways (RCPs) were developed by the Intergovernmental Panel on Climate Change and relate to the amount of radiative forcing (energy trapped in the Earth's atmosphere) as a result of differing amounts of greenhouse gases.

Environmental health and climate change

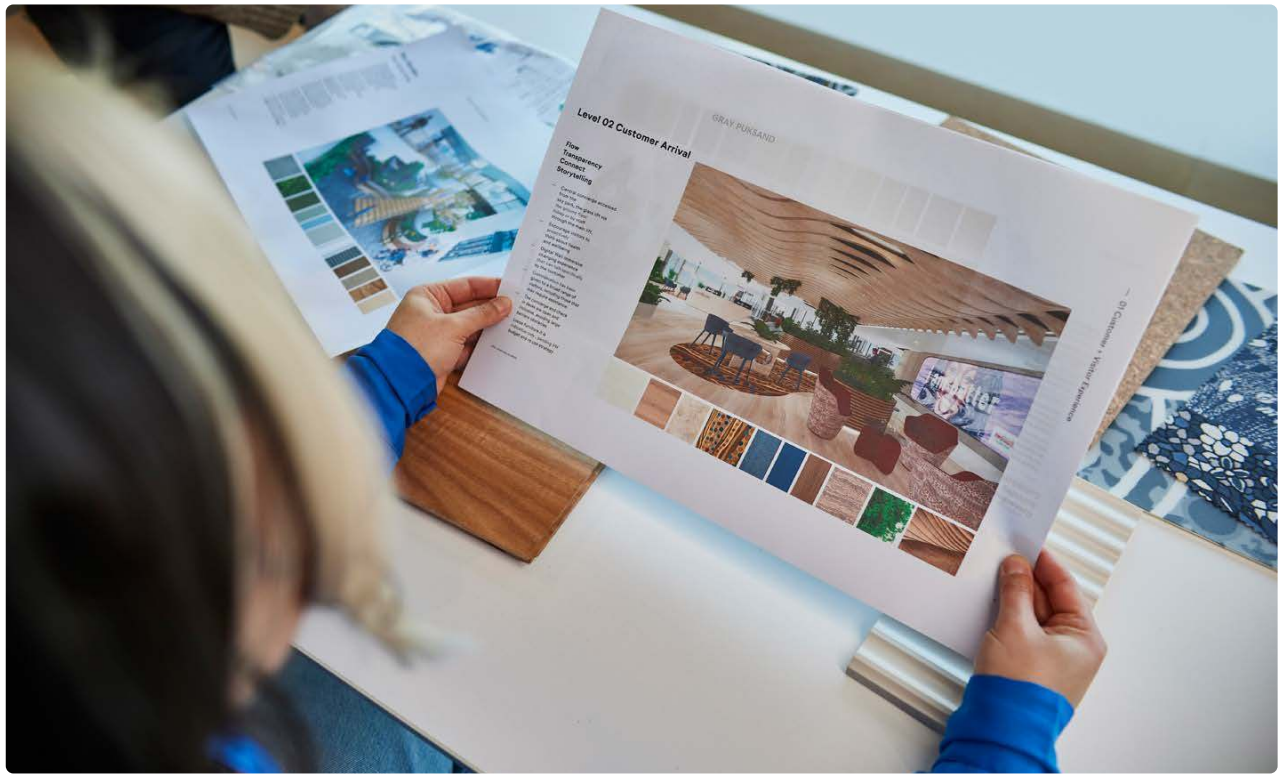
Metrics and targets

Our Net Zero pathway provides short, medium and long-term actions to manage our climate-related risks and opportunities. In addition to this pathway, we set an annual target to be certified carbon neutral for our business operations.

Carbon neutral certification

We are certified carbon neutral under the Australian Government's Climate Active program for our business operations' Scope 1, 2 and 3 emissions. Climate Active is a partnership between the Australian Government and Australian businesses to drive voluntary climate action. We are committed to maintaining this status by managing our carbon footprint and then investing in projects that seek to reduce or remove emissions from the atmosphere. Our approach to carbon offsets is to invest in projects that are most aligned with the SDGs. For example, the Olkola Aboriginal Corporation's Savannah Burning Project, in the Cape York Peninsula, aims to deliver environmental benefits and create social and economic opportunities for First Nations communities.

We also selected a wind energy project in India, and the Katingan Mentaya Project, which focuses on natural forest restoration and protection in Central Kalimantan, Indonesia. In a key biodiversity area and the home of the Bornean orangutan, this project aims to safeguard the habitat of many important endangered species and is providing extensive vocational training and microfinance to local communities in developing sustainable economic activities.



Case study

Olkola carbon credits partnership

The 'Olkola Ajin – Olkola Fire project' is an early dry season savanna burning project. Through fire management in the early dry season, the Olkola's project aims to reduce greenhouse gas emissions by avoiding the release of 70,000 tonnes (on average) of carbon dioxide per year that would otherwise occur due to larger, higher intensity late dry season fires.

The strategic burning activities are a cultural tradition amongst Indigenous populations of Northern Australia having been used for generations to manage the land. The Olkola's project has direct cultural, social, economic and environmental co-benefits including:

- Protection of cultural sites
- Olkola rangers receive education, training and jobs
- Mosaic burns lead to improved biodiversity outcomes.

Climate Active
NETWORK MEMBER

Environmental health and climate change

Greenhouse gas inventory

During 2023 we saw an overall increase in our greenhouse gas emissions due to Scope 3 emissions. We achieved reductions in our Scope 1 and 2 emissions. Our Scope 1 emissions are primarily the result of fuel used by Medibank-owned vehicles and in 2023 the refrigerants from base building were reclassified to Scope 3. Our Scope 2 emissions are a result of purchased electricity and heating across our operations. The emissions have reduced due to renewable electricity making up a higher proportion of Australia's electricity generation in 2023.

We have seen some reductions in property, waste and water emissions due to improved base building data and some changes to methodology. The following categories contributed to the increase in our Scope 3 emissions during 2023:

- Purchased goods and services increased due to increased communication with our customers during the cyber event, including stationary, printing and postage
- Emissions from IT increased due to increased spend on cloud services and IT equipment
- Travel and employee commute increased due to the combination of more travel post COVID, updated emission factors for flights and improved methodology for the calculation of commute data
- Working from home increased due to improved methodology and data capture

We continue to improve the way we measure and capture our Scope 3 emissions as guided by appropriate practices, frameworks and standards. Our 2023 emissions have been externally assured in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 and ASAE 3410.

Environmental impact data

	FY23	FY22	FY21
Electricity (MWh)	2,360	2,780.58	2,743.12
Waste (tonnes)	173.4	227.4	176.7
Recycled	89.0	115.3	35.5
Landfill	84.4	112.1	141.2
Water (ML)	3.0	7.9	5.5
Working from home (hours)	5,974,669	4,149,197	5,300,471

Greenhouse gas inventory

Greenhouse gas emissions (t CO_2-e/year)	Net Zero targets (FY21 baseline)	FY23	FY22	FY21
Scope 1	Net Zero against our Scope 1 and 2 emissions by 2025	**71.3**	**203.3**	**130.5**
Natural gas		0.06	0.1	0.03
Refrigerants and fuels		71.2*	203.2	130.5
Scope 2	Net Zero against our Scope 1 and 2 emissions by 2025	**1,575.6**	**1,983.1**	**2,139.6**
Electricity (market-based)		1,575.6	1,983.1	2,139.6
Scope 3	50% reduction in Scope 3 emissions by 2030	**17,720.4**	**13,209.0**	**13,385.2**
Property (base building)		1,126.9	1,379.5	1,650.5
IT hardware, software, cloud and telecommunications	Net Zero across Scope 3 by 2040 and offset residual emissions with removals	6,673.5	6,028.4	6,078.4
Water		1.7	18.5	12.8
Travel, accommodation and employee commute		2,819.9	1,443.9	1,604.0
Working from home		1,778.4	1,400.7	2,727.6
Purchased goods and services		5,226.9	2,792.2	1,128.3
Landfill		93.1	145.8	183.6
Recycling		0.0	0.0	0.0
Total		**19,367.3**	**15,395.4**	**15,655.3**
Per full time employee		**6.0**	**4.7**	**4.6**

* Refrigerants were reclassified in FY23 from Scope 1 to Property Scope 3.

c. $1.4m

spend with Aboriginal and Torres Strait Islander businesses in FY23

Governance

Governance

We're committed to doing the right thing and being transparent about what we do, which is why ethics and responsible business practices are embedded throughout our business and supply chain

The issues that matter

Ethical and sustainable business

Embed governance, transparency and ethical practices throughout our business

What we're doing

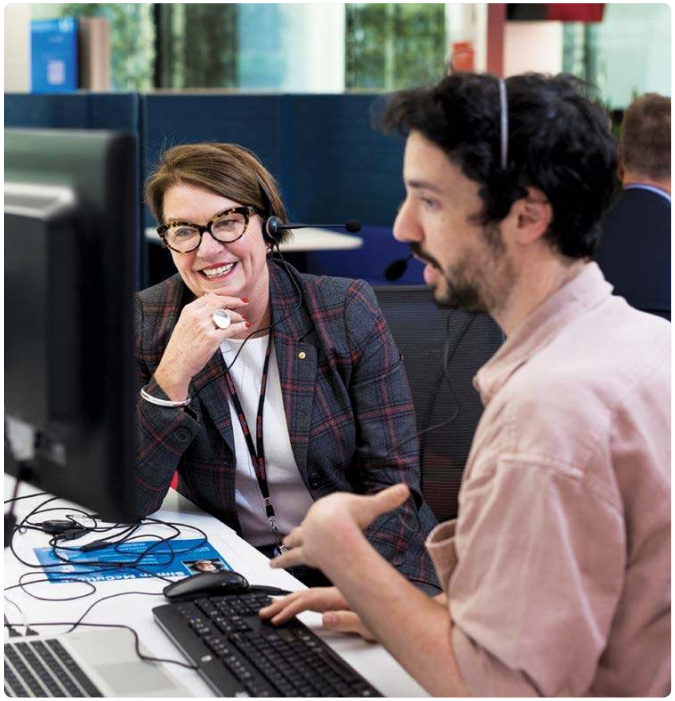
- Corporate and clinical governance
- Privacy and data security
- Sustainable supply chains
- Addressing modern slavery

SDGs

Ethical and sustainable business

We've embedded ethics and responsible business practices throughout our business and supply chain because we are committed to doing the right thing and being transparent about what we do.

Our values-led culture, purpose and vision is central to the way we work within our business and with our customers, community and industry partners. We require our people to act ethically and with integrity – an approach we support through our policies and procedures.



Corporate and clinical governance

Our Code of Conduct sets out the way our people, including our directors and executives work. It details the practical principles and minimum standards of expected behaviour and is supported by our Anti-Bribery and Corruption Policy and Conflict of Interest Policy. We also design executive remuneration to ensure performance and behaviours align with our values and purpose. To be eligible for any short-term incentive plans, executives must meet risk, compliance and behaviour requirements, adhere to our Code of Conduct and complete all mandatory compliance training.

Compliance

All employees undertake compulsory compliance training each year, to ensure they understand our regulatory obligations and what this means for their individual role. The training covers areas including risk, anti-bribery and corruption, privacy, bullying and harassment and working in a publicly listed organisation.

Whistleblowing

We aim to create an environment where people are encouraged to speak up if something doesn't look right and where they feel safe if they do. If any people have concerns, they can report them through a number of different channels – either to our external whistleblower hotline or internally to the Chief Risk Officer, Group Lead – People, Spaces & Sustainability, any senior executive, officer or director of Medibank. People can also choose to report anonymously or limit those informed of their identity. Further details about our approach can be found in our Whistleblower Policy.

Political donations

We don't make political donations to any political party, politician or candidate. We do attend some political functions related to public policy discussions relevant to our business if there is a legitimate business reason, but these are not regarded as political donations under the Commonwealth Electoral Act 1918.

Contacts to our whistleblower hotline

FY23	**4**
FY22	5
FY21	3

98.73%
of employees completed compulsory compliance training
excludes suspended, casual and contingent workers

$0 donations
to any political party, politician or candidate

Ethical and sustainable business

Consequence management

Ensuring our people clearly understand the behaviour expected of them and what happens if those expectations aren't met is a key part of our risk management approach.

Our Code of Conduct and policies detail these requirements which are tied to our remuneration strategy. If the requirements are not met, depending on the situation, an employee may need to attend further training or counselling, receive a formal written warning or in certain circumstances have their employment terminated. If an employee is given a final written warning, they automatically receive an 'unsatisfactory' performance rating for the relevant performance period and are ineligible for any performance-based reward outcome or pay increase.

We believe the increase in misconduct incidents this year could be the result of a range of different factors, including more people returning to office and the readjustment to life after COVID.

More information about the cybercrime and consequence management can be found in the remuneration report section

Annual Report 2023 – page 54

Consequence management

	FY23 totals
Incidents reported internally	**94**
Bullying	6
Inappropriate behaviour	24
Misconduct	43
Discrimination	6
Fraud	0
Sexual harassment	1
Other	14
Substantiated	**45***
Bullying	-
Inappropriate behaviour	14
Misconduct	26
Fraud	-
Sexual harassment	1
Discrimination	1
Other	3
Outcome	
Warning	8
Final warning	15
Termination	10
Resignation	4
No action/other	8

* 6 still in progress as at 30 June 2023.

Statistics are recorded at the time of occurrence. The review of incidents may not always be completed in the same period as when they were reported.

Sexual harassment

We're focused on creating a safe, respectful and inclusive workplace where people clearly understand the behaviour expected of them and feel safe to speak up. This year there was one complaint of sexual harassment which resulted in the employee being given a first and final warning.

We actively work to prevent sexual harassment through our zero tolerance approach, values-led culture, focus on diversity and inclusion, commitment to gender equality, and annual compliance training.

This year we revised our Sexual Harassment, Discrimination, Bullying and Harassment policy, launched a stand-alone Sexual Harassment Prevention intranet page to help educate all employees about their responsibilities at work and how we can keep each other safe, and established a separate procedure for sexual harassment complaints. We are signatories to the Champions of Change Coalition sexual harassment recommendations with CEO David Koczkar a member of the Champions of Change Coalition.

	FY23	FY22	FY21
Employees issued with a final written warning	15	5	19
People whose employment was terminated due to misconduct	9	4	12

Ethical and sustainable business

Corporate governance

To meet our responsibilities and obligations to our customers and patients, employees, shareholders and stakeholders, and promote responsible management and ethical conduct, our Board has instigated a framework of corporate governance policies and practices, internal controls, and risk and compliance management processes.

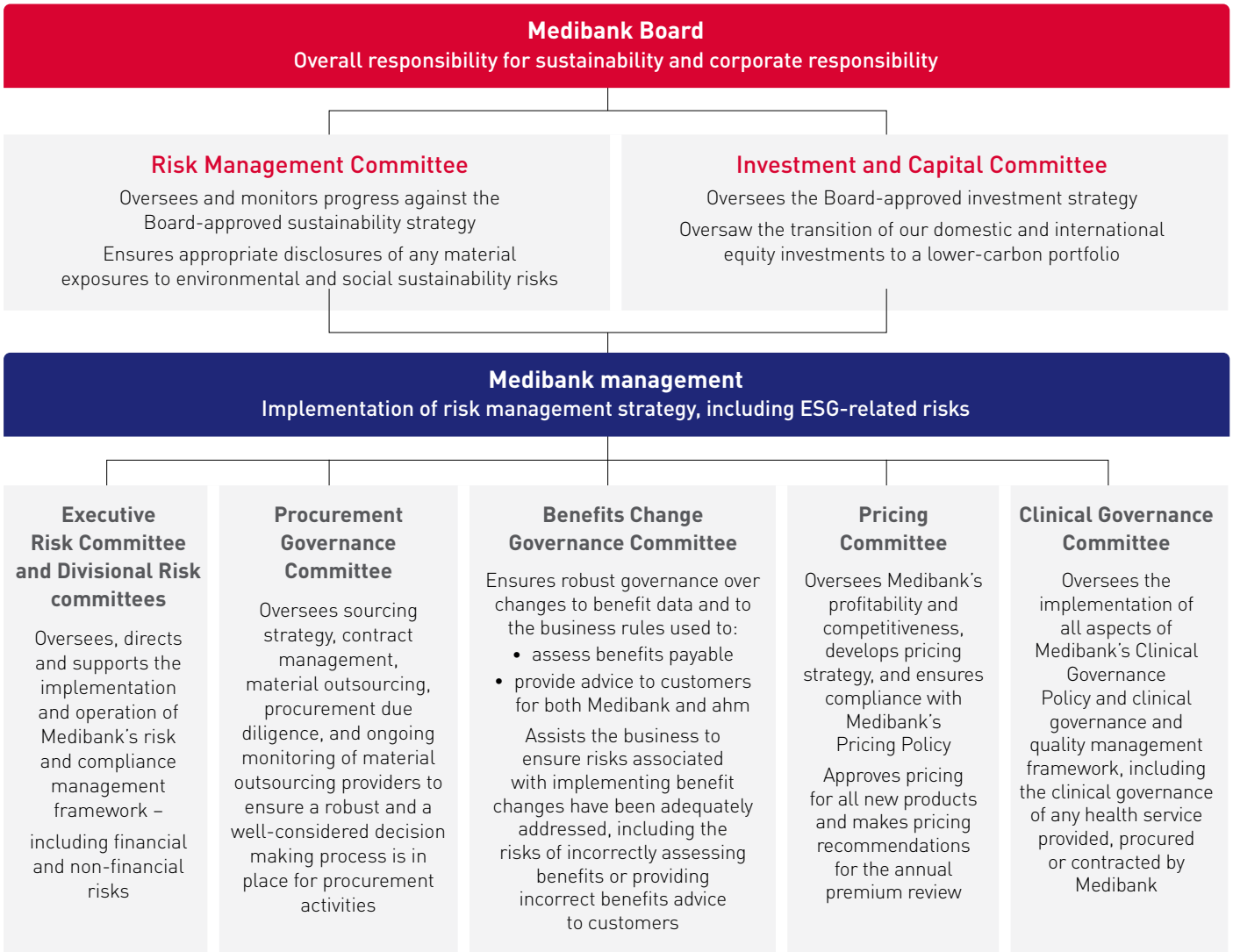
The Board is responsible for providing overall strategic guidance and effective oversight of the operations and management for Medibank. Five standing Board committees have been established to support the Board in managing its corporate governance responsibilities. Each is governed by a charter setting out the committee's role, responsibilities, membership and processes – more detail is available on our website.

In addition, the Board establishes ad hoc committees for special purposes. As part of Medibank's cyber response playbook, the Board formed the Cyber Response Board Committee, delegating it with the authority to oversee and make decisions on behalf of the Board in relation to any cyber incidents.

The Medibank Board holds overall responsibility for sustainability and corporate responsibility issues, while other Board committees have input into environmental, social and governance issues. An overview of all Board standing committees is available in the corporate governance statement in the Annual Report 2023 from page 34.

Find more detail about our risk management during the cybercrime

Annual Report 2023 – page 45



Ethical and sustainable business

Managing risk

The Board holds overall responsibility for risk, including setting the risk appetite for Medibank and our risk management framework is designed to enable us to effectively identify, assess, manage, monitor and report risks. We use a three lines of defence approach to define risk management roles, responsibilities and accountability. We also tie risk management to remuneration, by assessing all employees against a combination of measures including performance against their risk, compliance and behaviour obligations.

For more detail on our approach to risk management

Annual Report 2023 – page 45

Clinical governance

As we work to create a better healthcare experience for people in Australia, clinical quality and safety governance, and our commitment to improving our health services are both fundamental enablers of our strategy. Timely clinical input and evidence-based care are essential to our work, and under our clinical governance model, everyone at Medibank is accountable for the safety of health services. Our framework for clinical governance and quality aligns with our broader corporate governance and enterprise risk practices and supports our commitment to patient safety and quality.

In November, we successfully achieved ISO recertification of our telehealth business and are now working towards recertifying our homecare businesses against the Aged Care and National Standards accreditations. We will also be an early adopter of the new Digital Mental Health Standards.

Our clinical governance and quality framework

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

This year's clinical governance culture survey among our employees showed they felt confident about our robust processes for our clinical incident and risk management, and that when something goes wrong, we learn and improve. But some felt there could be better opportunities around how quality improvement initiatives are undertaken. As a result, we are refreshing our framework over the coming year, and will look to implement an agreed set of quality metrics across the health services business - as part of our ongoing focus on continuous improvement.

Tax transparency

As a top 100 taxpayer in Australia, we're proud of the contribution we make to Australia's public finances. With 100% of our operations based in Australia, we make tax payments solely in Australia. In addition to paying corporate tax levied on profits generated for shareholders, we pay goods and services tax (GST), fringe benefits tax (FBT), payroll tax, stamp duties, and health insurance levies. As an Australian employer, we also collect and pay 'pay-as-you-go' (PAYG) taxes on behalf of our employees, as well as contributing to their superannuation. We recognise the expectations of our customers, regulators and community to pay our fair share and in FY23 we paid an effective tax rate of 29.7%

Tax solely paid in Australia

Case study

National accreditation for our Calvary Medibank Joint Venture

In April, our Calvary Medibank Joint Venture, which delivers SA Health's My Home Hospital service, became one of the first standalone virtual hospitals delivering hospital-level care to be nationally accredited to the National Safety and Quality Health Service (NSQHS) Standards. Virtual hospital patients receive virtual and face-to-face care in the community, enabling hospital level care in the home. Assessment against the Standards includes consideration of a service's standard of clinical governance, communication processes, medication safety and partnering with consumers.

Ethical and sustainable business

Privacy and data security

We're focused on ensuring our customers are confident in the protection of their data and privacy following the cybercrime event and continue to strengthen our security environment and evolve our approach to data management.

Medibank cybercrime

This year, Medibank and our customers were the subject of a cybercrime event whereby a criminal accessed Medibank systems using stolen credentials and stole information relating to around 9.7 million current and former Medibank and ahm customers, as well as My Home Hospital patients and healthcare providers. The stolen information included health claims data for some patients and customers. In response, we then took immediate steps to contain the incident and put in place additional security measures across the network. We engaged specialised security firms and worked with the Australian Government's lead cyber agency and the Australian Federal Police. We closed down the criminal's attack path and no further activity by the criminal since 12 October 2022 has been detected inside our systems.

What we've done in response

For our customers

We supported our customers and those impacted by the cybercrime through our Cyber Response Support Program which includes mental health and wellbeing support, identity protection and financial hardship measures. We maintained additional resources in our phone and messaging channels to continue supporting customers and also launched additional security measures including two-factor authentication for customers contacting our call centre.

See our customer health section for a full overview of our cyber response support for customers

page 13

Our technology

We implemented further controls around our technical perimeter and bolstered existing monitoring and added further detection and forensics capability. In December 2022 we successfully completed Operation Safeguard, taking our systems offline to undertake maintenance work to further strengthen security.

Cybersecurity governance

Deloitte conducted an external incident review into the circumstances surrounding the cybercrime which included recommendations to enhance our IT processes and systems. A number of recommendations had already been implemented, and we are in the process of implementing recommendations not already undertaken, along with other enhancements previously planned by Medibank.

We continue to review our cybersecurity governance arrangements, recognising the increasing prevalence of cybercrime and the need to meet the ongoing expectations of our customers. Throughout the year we have been co-operating with the Office of the Australian Information Commissioner (OAIC) and the Australian Federal Police in their formal investigations. We have also been sharing lessons from the cybercrime with other Australian businesses where we can, so they can be better placed to navigate any similar challenges in future.

In June the Australian Prudential Regulation Authority (APRA) announced an additional capital adequacy requirement of $250 million on Medibank from 1 July 2023 following its review of Medibank's cybercrime event. APRA notes that the requirement will apply until Medibank has met agreed key remediation milestones. We continue to provide our full support and work collaboratively with APRA including on the remediation program.

The cybercrime remains the subject of a criminal investigation.

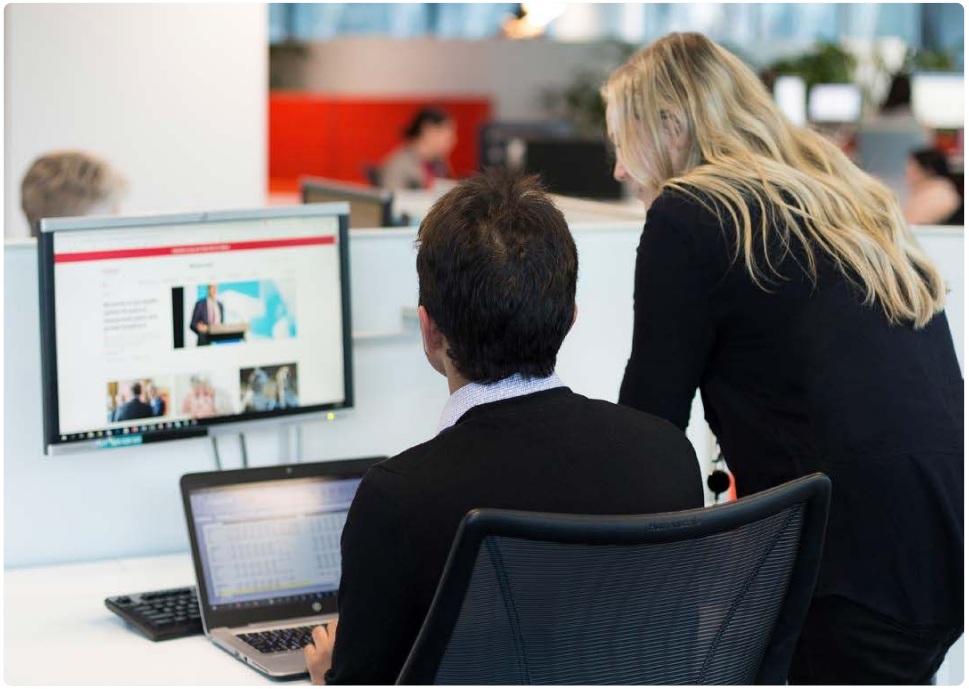
Ethical and sustainable business

Uplifting our cybersecurity

Building upon our existing program of work to enhance IT security across our business, we expanded our work into an IT security uplift program following the cybercrime event. It aims to continue maturing our cybersecurity approach and better enable us to respond to the rapidly evolving cyber threat landscape, by focusing on four areas:

- Ongoing enhancement of our security detection and response capabilities
- Further strengthening our core cybersecurity services
- Continuing to mature our risk management culture and practices
- Progressing our alignment with the National Institute of Standards and Technology's (NIST) Cyber Security Framework

In July 2023, we announced the establishment of a new dedicated cross-divisional customer trust team focused on embedding technology, process and cultural change across the business. The team will work collaboratively to bring a broader more strategic approach to cyber and risk capability and further enhance our focus on customer consent management, privacy law, compliance and data ethics across our business.

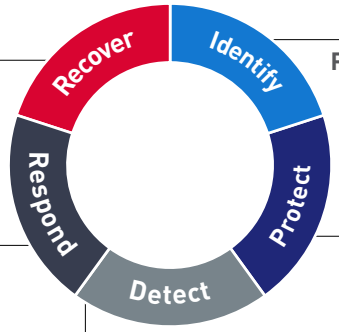


Our security framework

Our cybersecurity approach draws upon the NIST's Cyber Security Framework and practices and controls from other international standards and frameworks including, Australian Signals Directorate and Australian Prudential Regulation Authority.

We apply security controls reflecting the sensitivity of the data being protected across our IT environment. This includes our data centres, software and applications, mobile devices and physical locations and we test our systems regularly. We manage the access to information based on what employees require for their roles and review this access regularly.

Information security framework



Recover normal business operations to reduce the overall impact of a security event

Provide alignment, governance and prioritisation for security efforts, risk management and security strategy

Efficiently contain or mitigate the impact of potential security incidents

Protect infrastructure and assets and support the capability to limit or contain the impact of security incidents

Discover security events, threats and vulnerabilities in a proactive manner to enable a faster response to incidents

Ethical and sustainable business

Security incidents or data breaches

There were 20 privacy data breaches reported to the OAIC this year. In addition to the cybercrime event, 17 breaches related to a takeover of a customer account suspected to be through compromised customer credentials (i.e scams or phishing), one resulted from a social engineering call where an unknown party impersonated a customer on a call and one related to a customer's address being inadvertently disclosed to their former partner during a phone call.

Our incident response process enables us to respond quickly should a situation occur.

It brings together the required teams from across the business to first determine how severe a breach is and then to enact our established response plans to limit any impact and resolve the issue. Following any incident, we hold a review, from which we take detailed lessons to adapt our process as required.

We draw upon our relationships with major government agencies and cybersecurity organisations to both inform and test our cybersecurity resilience and run simulations. We also have in place processes and tools to support us to meet our obligations under privacy laws.

Information security and data breaches

	FY23	FY22	FY21	FY20
Total number of information security or other cybersecurity incidents*	0	0	1	3
Total number of cybersecurity data breaches**	1	0	0	0
Total number of notifiable privacy data breaches***	20	5	1	3
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents	0	0	0	0

Note the cybercrime event is represented in both data breaches and notifiable data breaches

NIST guidance used

* An occurrence that actually or potentially jeopardises the confidentiality, integrity, or availability of an information system or that constitutes a violation or imminent threat of violating security policies, security procedures, or acceptable use policies.

** An incident that involves a security breach or cybersecurity incident involving sensitive, protected or confidential information systems being copied, transmitted, stolen, disclosed to, or used by a malicious party without authority to do so. Exposed information may include credit card numbers, personal health information, customer data, company trade secrets, or matters of national security.

The cybersecurity data breach relates to the cybercrime experienced by Medibank in FY23. Notifications in relation to the attack were made to various regulatory authorities including the Australian Prudential Regulation Authority (APRA), the Office of the Australian Information Commissioner (OAIC) and the Australian Cyber Security Centre (ACSC).

*** An incident that involves sensitive or personal information being accessed or disclosed by an individual unauthorised to do so and meets the relevant regulatory thresholds for reporting. Exposed information may include credit card numbers, personal health information or customer data. Notifiable privacy data breaches (NDB) have been reportable to the Privacy Commissioner under the Privacy Act since 2018. These are privacy breaches that are likely to result in serious harm to one or more individuals. Some NDB events also amount to information security incidents under APRA Prudential Standard CPS234.

Ethical and sustainable business

Privacy and data management

We continued to progress our data management approach, particularly in light of impending reform to the Privacy Act and changing community expectations.

To make it easier for customers to understand how we collect, store and use their data, we've continued reviewing and improving our Privacy Policy and practices. Our policy is available online and includes details on how we manage and how people can access their personal information. We also provide notices regarding personal information where required.

Information security and privacy practices are part of our day-to-day activities and applied through our business processes, policies, systems and frameworks. We strive to bring a continuous improvement approach to our privacy and data security foundations to ensure we can adapt and rapidly respond to changing and increasingly complex digital/cyber environments.

Our privacy framework

Our privacy framework has been designed to enhance trust and confidence in the way we do business through privacy management practices and systems centred on 6 key principles.

A cyber aware culture

A cybersecurity culture is important. Through a range of programs and channels, we reinforced that security is everyone's business, educating our people about the role they play in keeping information safe. In addition to the compulsory privacy and data protection training all employees undertake annually and regular education campaigns, we strengthened our cyber literacy program with additional self-paced learning modules, facilitated external specialist sessions and increased cyber education communications for our people.

Fostering and maintaining a culture of privacy awareness

Recognising that we handle sensitive information and manage diverse operations across our business, and taking a responsible approach to ensuring that privacy is respected

Integrating privacy into our enterprise risk, compliance and incident management systems

Applying a risk-based approach to privacy and encouraging open, proactive conversations about privacy risk

Embedding good privacy practices

Expecting a high degree of best practice privacy compliance from our employees and our systems

Ethical and sustainable business

Sustainable supply chains

We seek to work with suppliers and operational partners that share our approach to ethical conduct, environmental performance, and diversity and inclusion. We believe that by building relationships with diverse and inclusive businesses, we can better support our customers, people and community.

This year we started using a new tool to find diverse suppliers with inclusion and sustainability credentials. Through buying from these companies, we are actively supporting employment and opportunities for more vulnerable people in our communities, as well as supporting environmental sustainability.

We want to make sure our business community joins us in doing the right thing. During the year we published our new External Partners' and Suppliers' Code of Conduct, which we will continue to share with the community.

We are looking to adopt new technology that will allow us to get to know our third parties and their supply chains better than ever. We intend to use this information to steer our business community towards sustainable choices and, in turn, support our vision of creating the best health and wellbeing for Australia.

Working with the health sector

We recognise that we can play a role to support more sustainable supply chains in the health sector. We regularly assess the inherent modern slavery risks across our Members' Choice (Medibank) and Partner Private (ahm) hospital network. We also incorporated human rights provisions in our contracts with hospitals and Overseas Student Health Cover agents, which will be rolled out at renewal or by variation next year.

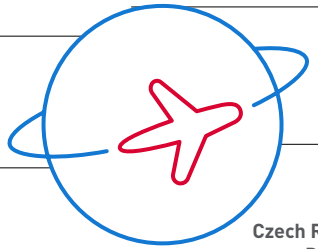
Since 2019, we have been supporting broader industry efforts to address modern slavery as a member of Private Healthcare Australia's Modern Slavery Act Community of Interest group. This group provides a forum for learning, benchmarking and capacity building around modern slavery and human rights.

Human rights for all

Our Human Rights Policy sets out the commitments and guiding principles we apply in managing human rights issues across our business to promote respect and equality for our customers, people, communities and suppliers.

Our supplier profile

97% of our tier 1 suppliers are in Australia



1.5% United States

0.4% Canada

0.3% Great Britain

0.8%* China, Czech Republic, Denmark, Germany, France, Ireland, Mongolia, Netherlands, New Zealand, Singapore, South Africa, Switzerland

97% of our FY23 spend relates to services

* Suppliers from these countries represent <0.1% of spend per country

Ethical and sustainable business

Addressing modern slavery

This year, we raised awareness in the business community by leading the Private Health Insurance Consortium's development of modern slavery webinar hosted by three experts. More than 270 people registered for the event, which offered advice on what businesses can do to help address modern slavery.

We continued to educate our suppliers, people and customers (including overseas students, seasonal workers and visa holders) on the nature of, and risks related to, this important issue. We extended our due diligence program to all hospitals in our Members' Choice (Medibank) and Partner Private (ahm) hospital network.

Every year we publish a modern slavery statement, outlining the work we are doing to help prevent modern slavery and human trafficking in our business operations and supply chain. We will publish our 4th report (relating to FY23) in the coming months.

100%

of our procurement team have been trained in sustainable buying

Our highest risk areas

Supply chain

Area	Potential for modern slavery risk
Computer, digital equipment and office supplies	We procure computer and digital equipment such as laptops and mobile phones to support our operations. These goods are known to be manufactured in high risk countries with exploitative labour practices and using conflict minerals in earlier stages of their supply chains
Healthcare, medical equipment and supplies	We purchase medical consumables and equipment (e.g. pharmaceuticals, surgical gloves, PPE and surgical instruments) for our medical practitioners and homecare nurses. These products have a high risk of forced labour, both in their production of raw materials and in their manufacture.
Sales and marketing merchandise	We procure branded products and promotional merchandise (e.g. clothing, stationery, novelty goods and small electronics), which are sourced indirectly via resellers from overseas suppliers. Some of these suppliers are located in countries listed as high risk on the Global Slavery Index (including in relation to forced labour and child labour).
Property and construction	We perform property works to our offices and stores nation-wide. The labour associated to property and construction works are high risk for modern slavery.

Operational partners

Engagement	Potential for modern slavery risk
Hospital agreement network	Our hospital agreement network is likely to have global supply chains whereby many of the goods they procure have potential risk exposure across all countries listed in the Global Slavery Index. Their labour suppliers such as cleaners and other base skill services are also high risk for modern slavery.
Sales agents	We partner with agents to sell health insurance products to temporary visa holders on our behalf. People coming to Australia under a temporary visa are at high risk for modern slavery due to language barriers, lack of understanding of Australian law and worker rights, and vulnerability based on visa status. Some Australian based agents we engage also have an offshore presence in countries which are listed as having high risk of modern slavery on the Global Slavery Index.

Ethical and sustainable business

Risk management

This year our focus has been on designing a pathway that would help us identify risk in our supply chains. Next year we will be working with technology providers to create a risk dashboard that will display all types of risk – including modern slavery – associated with each supplier. We can then use this information to influence our business community in doing business for good.

Social value procurement

This year our procurement team identified and developed a list of preferred suppliers within the disability and accessibility sector and engaged an external consultant with lived experience to help us investigate how procurement can better support the disability sector. The team's work was recognised at the Australian Network on Disability's 2023 Disability Confidence Awards, where it was awarded Best in Class in the Partners and Suppliers category.

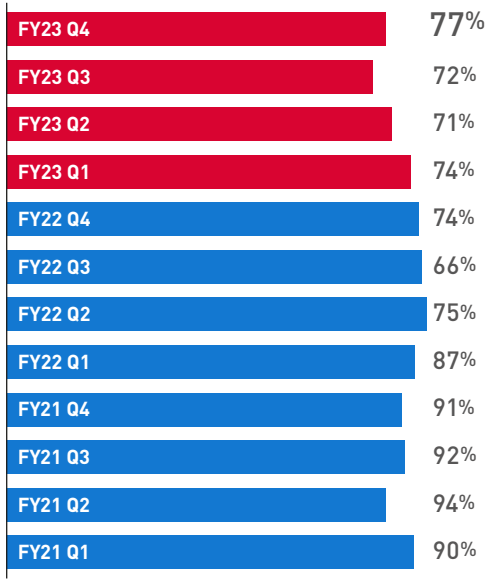
Our Reconciliation Action Plan (RAP) includes a commitment to support Aboriginal and Torres Strait Islander businesses in a number of ways, including a target to spend $1 million per calendar year with them by 2024. Our team is passionate about social value procurement and through our focus on Indigenous business engagement opportunities, we exceeded the spend target in the first calendar year of our RAP. We are confident we will meet or exceed our target this calendar year.

We continue to work closely with Supply Nation and the Indigenous Defence & Infrastructure Consortium to advance our RAP commitment to support economic and social equity for Aboriginal and Torres Strait Islander people and communities.

Paying bills promptly

We work to pay our suppliers and partners on time because we believe it's a key requirement of building mutually beneficial relationships. We continue to improve processes to ensure on-time payments, particularly for small to medium-sized enterprises, and we keep ourselves accountable by measuring our performance. We also remain fully compliant with the *Payment Times Reporting Act 2020* (Cth).

On-time payments



Case study

Building cultural safety in health

During the year, we worked with IPS Management Consultants – an independent, certified majority Indigenous–owned company – and the Indigenous Defence & Infrastructure Consortium to inform the health services we deliver on behalf of the Western Australian Government. IPS provided cultural competence training to empower our team in delivering services that are culturally safe and appropriate. This training supports our growing role in health, while strengthening our relationships across the sector, including with Aboriginal Medical Services.

c. $1.4m
spend with Aboriginal and Torres Strait Islander businesses in FY23

Our sustainability journey

2014

3rd RAP (1st Stretch RAP)

2013

2nd RAP

2012

1st health insurer in Australia to release a Reconciliation Action Plan (RAP)

2016

1st Employer of Choice for Gender Equality citation from the WGEA (achieved each year since)

1st inclusion in the Australian Workplace Equity Index for LGBTI inclusion

Investment portfolio went tobacco free and we developed a new tobacco-free index

2017

1st ESG strategy

1st inclusion in The Australian Network on Disability's Access & Inclusion index

Introduced uncapped domestic and family violence paid leave

Introduced flexible work policy FlexBetter

1st investment in green bonds

2018

Developed Responsible Investment Policy

Transitioned international equity investments to a lower-carbon portfolio

1st greenhouse gas inventory

Certified carbon neutral in our operations for 1st time

4th RAP (2nd Stretch RAP)

1st Accessibility and Inclusion Plan (AIP)

Introduced leading parental leave policy for all eligible prospective parents

2019

Aligned to the United Nations Sustainable Development Goals

Transitioned domestic equity investments to a lower-carbon portfolio

Became a signatory to the United Nations Women's Empowerment Principles

2020

Aligned reporting to the Task Force for Climate-related Financial Disclosures (TCFD)

1st Modern Slavery Statement

Launched Environmental Policy

1st Sustainability Report

2021

Committed to Net Zero by 2050

1st climate scenario analysis

Achieved 1% Aboriginal and Torres Strait Islander employee representation in our business

2022

Accelerated commitment to Net Zero to 2040 and set science-based targets including Net Zero against our Scope 1 and 2 emissions by 2025

1st Human Rights Policy

2nd AIP

5th RAP (3rd Stretch RAP)

Improved transparency of Board and senior leadership diversity

Became official supporter of the TCFD

External assurance of selected ESG metrics

Launched We Are Lonely podcast as part of 10-year plan to address loneliness

2023

Introduced culture change program called work. reinvented

3rd globally and 2nd in Australia in the Equileap 2023 Global Gender Equality index

parkrun Australia presenting partner

Calvary Medibank Joint Venture nationally accredited to NSQHS Standards

Olkola carbon credits partnership

Developed our new External Partners' and Suppliers' Code of Conduct

Independent Limited Assurance Report

Independent Limited Assurance Report on identified Subject Matter Information in the Medibank Sustainability Report 2023

The Directors of Medibank Private Limited (**Medibank**) engaged us to perform an independent limited assurance engagement in respect of the identified Subject Matter Information in the Medibank Sustainability Report 2023.

Subject Matter Information

The Subject Matter Information are as set out below:

Customer Health:

- Employee Net Promoter Score (eNPS) – products and services: +24

Employee health:

- Lost Time Injury Frequency Rate (LTIFR) – Medibank/ahm: 1.48
- Lost Time Injury Frequency Rate (LTIFR) – Amplar Health: 6.87
- Female representation by level at 30 June 2023:
  - Board (including CEO): 44%
  - Group executives (including CEO): 38%
  - Senior executives: 50%
  - Senior managers: 47%
  - Other managers: 55%
  - Non-managers: 77%
- Gender pay gap at 30 June 2023
  - Group executives: -38%
  - Senior executives: -5%
  - Senior managers: -1%
  - Other managers: -7%
  - Non-managers: -1%
- Gender pay equity at 30 June 2023:
  - Non-Enterprise Agreement employees: -0.5%
  - Enterprise Agreement employees: 0.1%

Community health:

- Aboriginal and Torres Strait Islander representation: 1.2%
- Employees with a disability: 6.7%

Environmental health:

- Total Scope 1 GHG emissions: 71.3t CO2-e
- Total Scope 2 GHG emissions: 1,575.6t CO2-e
- Total Scope 3 GHG emissions: 17,720.4t CO2-e

Governance:

- Aboriginal and Torres Strait Islander procurement expenditure: $1.4 million

Reporting criteria

The Subject Matter Information needs to be read and understood together with the Criteria, being the boundaries, definitions and methodologies used by Medibank to prepare the Subject Matter Information as set out in the *Glossary and definitions* section of the Medibank Sustainability Report 2023 (the **Criteria**). We assessed the Subject Matter Information against the Criteria.

Our assurance conclusion is with respect to the Subject Matter Information for the year ended 30 June 2023 (or at 30 June 2023, where applicable) and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Medibank Sustainability Report 2023.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Independent Limited Assurance Report

Responsibilities

Medibank's responsibilities

Medibank's management (**management**) are responsible for:

- the preparation of the Subject Matter Information in accordance with the Criteria;
- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to Medibank and the intended users;
- designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Criteria; and
- making estimates that are reasonable in the circumstances.

PwC's responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Medibank.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected.

A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Criteria, as it is limited primarily to making enquiries of management and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements,* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

What our work involved

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Australian Standard on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*.

Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria, for the year ended, or as at, 30 June 2023.

Independent Limited Assurance Report

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

Main procedures performed

In carrying out our limited assurance engagement our procedures included:

- making enquiries of management to understand the methodologies, processes and controls supporting the aggregation, calculation and reporting of the Subject Matter Information;
- making enquiries of relevant management to understand and assess the appropriateness of the assumptions and estimates, such as greenhouse gas emission factors, used within the calculation of the Subject Matter Information, where relevant;
- reconciling the Subject Matter Information to underlying data sources and calculations;
- testing the arithmetic accuracy of a sample of calculations of the Subject Matter Information;
- reviewing a sample of relevant management information and documentation supporting the Subject Matter Information;
- testing of activity data utilised to calculate the Subject Matter Information. This involved a combination of analytical procedures and substantive tests of details, on a sample basis, to Medibank and third-party records and other relevant underlying information;
- testing the classification of injuries included within the calculation of the Subject Matter Information, on a sample basis, to relevant underlying records;
- inspecting other supporting evidence to assess the completeness of Medibank facilities and the Subject Matter Information overall;
- reviewing the Subject Matter Information to assess whether it has been prepared as described in the Criteria; and
- considered the disclosure and presentation of the Subject Matter Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our limited assurance conclusion

Based on the procedures we have performed, including those described under the 'Main procedures performed' above, and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria for the year ended, or as at, 30 June 2023.

Use and distribution of our report

We were engaged by the Directors of Medibank to prepare this independent assurance report having regard to the Criteria specified by Medibank and set out in this report. This report was prepared solely for the Directors of Medibank for the purpose of providing limited assurance on the Subject Matter Information and may not be suitable for any other purpose.

We accept no duty, responsibility or liability to anyone other than Medibank in connection with this report or to Medibank for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Medibank and if anyone other than Medibank chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Medibank receiving or using this report.

Yours sincerely,

PricewaterhouseCoopers

PricewaterhouseCoopers

Adam Cunningham

Adam Cunningham
Partner

Melbourne
21 September 2023

Glossary and definitions

The table below outlines the reporting criteria for the sustainability metrics in 2023 and definition of specific terms used throughout the report.

Metric or term	Reporting criteria or definition
Employees	Permanent, fixed-term and casual employees of the Medibank Group as at 30 June 2023.
Aboriginal and Torres Strait Islander employees %	Number of employees who self-identified as Aboriginal and/or Torres Strait Islander via our May 2023 employee engagement survey, divided by the number of total respondents to the survey (2,742). Survey response rate was 80%, sent to 3,452 employees.
Employees with a disability %	Number of employees who self-identified as having a disability or accessibility requirement via our May 2023 employee engagement survey divided by the number of total respondents to the survey (2,742). Survey response rate was 80%, sent to 3,452 employees.
eNPS – Products and Services	The average employee net promoter score across three surveys conducted in FY23 (October, February and May). Employees respond to the question "How likely is it you would recommend our organisation's products and services to friends and family?" on a scale from 0-10. eNPS is determined by deducting the % of employees who are "detractors" (scoring 6 or less) from the % of employees who are "promoters" (scoring 9 or 10). Reported result is the average across the three surveys in October 2022, February 2023 and May 2023.
% representation of women	• **Board** – The number of women who are members of the Medibank Board as a percentage of the total number of Board members (including the CEO) as at 30 June 2023 • **Group Executives** – The percentage of employees at the level of Group Executive that are women as at 30 June 2023. Group Executive roles are direct reports to the Chief Executive Officer and members of the Executive Leadership Team, including the CEO. • **Senior Executives** – The percentage of employees at the level of Senior Executive that are women as at 30 June 2023. Senior Executive roles are those that are classified as Band 3 within Medibank's job banding framework and typically report directly to a Group Executive, have organisational wide influence and/or lead a number of teams, often multi-disciplinary.

Metric or term	Reporting criteria or definition
% representation of women (continued)	• **Senior Manager** – The percentage of employees at the level of Senior Manager that are women as at 30 June 2023. Senior Manager roles are those that are classified as Band 4 within Medibank's job banding framework and typically report to a Senior Executive and/or are leaders of a function. • **Other Manager** – The percentage of employees at the level of Other Manager that are women as at 30 June 2023. Other Manager roles are those that are classified as Band 5 within Medibank's job banding framework and are typically leaders of a team or processes. • **Non-manager** – The percentage of employees at the level of Non-manager that are women as at 30 June 2023. Non-manager roles are those that are classified as Band 6 within Medibank's job banding framework and are typically supervisors of operational teams, individual contributors or a position covered by a Medibank enterprise bargaining agreement.
Gender pay gap	Medibank's gender pay gap analysis is calculated by dividing the average total fixed remuneration (base salary + superannuation) for women within each band of Medibank's job banding framework, by the average total fixed remuneration for men in the same band to determine the percentage difference. Medibank's gender pay gap analysis is based on permanent and fixed-term employees of the Medibank Group as at 30 June 2023, excluding the CEO, non-executive directors, casual employees, and employees who have not responded with a defined gender.

Glossary and definitions

Metric or term	Reporting criteria or definition
Gender pay equity	Medibank's gender pay equity analysis represents the difference between how women and men are paid relative to the market reference. The total fixed remuneration (base salary + superannuation) for each permanent employee was compared to the market reference for their respective position, with data sourced from the Mercer Total Remuneration Survey (Australia) October 2022, the Aon April – June 2023 Survey, PwC 2023 Top 50 Executive Survey, tailored remuneration benchmarking reports and relevant state and federal awards to determine the percentage difference to the market reference. The percentage differences from the market reference for each employee were then aggregated and averaged for both men and women employees, which were then compared to determine the gender pay equity percentage. A positive number indicates that women are paid higher than men relative to the market reference and vice versa. Medibank's gender pay equity calculation has been based on permanent and fixed term employees of the Medibank Group as at 30 June 2023, where a relevant market reference for the role of the employee was available, with 97% of positions held by permanent and fixed employees able to be benchmarked against the market reference. Data excludes non-executive directors, casual employees and employees who have not responded with a defined gender.
Aboriginal and Torres Strait Islander procurement spend	Annual spend (inclusive of GST) with businesses that are: at least 50% owned by individuals of Aboriginal and Torres Strait Islander descent; and registered or certified by Supply Nation or listed with an Australian Indigenous Chamber of Commerce or the Office of the Registrar of Indigenous Corporations (ORIC) as an Indigenous business.
Lost time injury frequency rate (LTIFR)	LTIFR refers to the number of lost time injuries within a 12-month period, relative to the total number of hours worked in that period. Lost time injuries are injuries or illnesses of employees resulting in one or more full scheduled days (or shifts) lost, other than the day (or shift) on which the injury occurred where work was a significant contributing factor, as evidenced by a corresponding accepted Workers Compensation claim.

Metric or term	Reporting criteria or definition
Lost time injury frequency rate (LTIFR) (continued)	LTIFR, being the number of lost time injuries per 1 million hours worked by employees, is calculated as: (Number of lost time injuries in the reporting period x 1,000,000) / (Total hours worked in the reporting period)
Medibank Group	Medibank Private Limited (ACN 080 890 259) and its ultimately wholly owned subsidiaries.
Net Zero	Reducing Scope 1, 2 and 3 (excluding financed emissions associated with our investment portfolio) greenhouse gas emissions (or as otherwise stated in this report) to a residual level that is consistent with the Intergovernmental Panel on Climate Change recommendation of a 1.5°C warming scenario, with any residual emissions in the net zero target year (and thereafter) offset through the permanent removal and storage of carbon from the atmosphere.
Certified carbon neutral	Climate Active is an Australian Government initiative that certifies businesses that meet its criteria for 'carbon neutrality'. Under the Australian Government's Climate Active program we are certified carbon neutral for our business operations' Scope 1, 2 and 3 emissions. The boundary applied for our carbon neutral certification excludes financed emissions in relation to our investment portfolio and any other emissions sources which do not meet the Climate Active Relevance Test Principles.
Science-based targets	Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.
Representative Concentration Pathways (RCPs)	Representative Concentration Pathways (RCPs) were developed by the Intergovernmental Panel on Climate Change and relate to the amount of radiative forcing (energy trapped in the Earth's atmosphere) as a result of differing amounts of greenhouse gases.
Greenhouse gases	The atmospheric gases responsible for causing global warming and climate change, which include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphurhexafluoride (SF_6) and nitrogen trifluoride (NF_3).

Glossary and definitions

Metric or term	Reporting criteria or definition
Greenhouse gas emissions inventory	1. Total Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions caused by the operations of the Medibank Group. 2. The operational boundary for the Medibank Group has been defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007. 3. The methods used for collating data, performing calculations and presenting the GHG emissions inventory are in accordance with the following standards: a. The Climate Active Carbon Neutral Standard for Organisations dated 26 October 2022 b. The Greenhouse Gas Protocol (GHG Protocol): A Corporate Accounting and Reporting Standard (Revised Edition) c. National Greenhouse and Energy Reporting (Measurement) Determination 2008 4. All emissions sources included within this inventory have been assessed for relevance in accordance with the Climate Active Relevance Test Principles, which are based upon the GHG Protocol relevance test guidance. The Climate Active Relevance Test Principles stipulate the inclusion of emission sources that meet two or more of the below criteria: a. They are large (or believed to be large) relative to the company's Scope 1 and Scope 2 emissions b. They contribute to the company's GHG risk exposure c. They are deemed critical by key stakeholders (e.g., feedback from customers, suppliers, investors, or civil society) d. There are potential emissions reductions that could be undertaken or influenced by the company. e. The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations. All emission factors used within the GHG inventory are derived from the National Greenhouse Account (NGA Factors), expenditure-based factors released by the University of New South Wales' Industrial Ecology Laboratory (IELab), and other relevant sources. Where possible, Medibank also utilises publicly reported emissions data from key suppliers to derive supplier-specific emission factors and build a Scope 3 profile that is more accurate and reflective of the GHG activities of our supply chain. 5. The greenhouse gases have been expressed as carbon dioxide equivalents (CO_2-e) using relative global warming potentials (GWPs) from the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report.
Scope 1 greenhouse gas emissions	Scope 1 greenhouse gas emissions include all direct greenhouse gas emissions from sources that are within the Medibank Group's operational control boundary. These could be emissions from fuel use, refrigerants and on-site electricity generation.
Scope 2 greenhouse gas emissions	Scope 2 greenhouse gas emissions include emissions in relation to purchased electricity, heat, cooling and steam (i.e. energy produced outside the Medibank Group's operational control boundary through the combustion of fuels but used within the Medibank Group).
Scope 3 greenhouse gas emissions	Scope 3 greenhouse gas emissions are all indirect emissions that occur as a result of the activities of the Medibank Group, but occur from sources outside the Medibank Group's operational control boundary other than those emissions reported as Scope 2 greenhouse gas emissions.
Green bond	A fixed-income financial instrument which is used to fund projects with positive environmental benefits such as wind farms, solar farms, clean transportation and lower-carbon commercial property.
Lower-carbon (equities portfolio)	Medibank has transitioned to, and is committed to maintaining, a lower-carbon domestic and international equities portfolio. This is achieved by ensuring that climate change risks are considered by our investment managers. Our Responsible Investment Policy outlines our continued commitment to invest in green bonds that fund projects with environmental benefits.

Important notice

General and summary information

The information contained in this report is general information about Medibank Private Limited ("MPL") and / or its ultimately wholly owned subsidiaries (together, "Medibank Group") and their activities current as at the date of the report. This report is part of the Medibank Group suite of reporting for the 2023 financial year. More information about MPL's performance is in its annual report, full year results investor presentation and MPL's other periodic and continuous disclosure announcements lodged with the ASX or released on Medibank's website (www.medibank.com.au). The information is given in summary form and does not purport to be complete.

Forward-looking statements

This report contains certain forward-looking statements including with respect to MPL's greenhouse gas emissions reduction targets, Net Zero commitment and pathway and certain plans and objectives of the management of MPL. Forward-looking statements can be identified by the use of forward-looking terminology, including without limitation the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "seeks", "commits to" or "commitments", "plans", "goals", "targets", "aims", "outlook", "aspiration", "guidance", "forecasts", "continue", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. Statements about market and industry trends are also forward-looking statements.

These forward-looking statements are provided as a general guide only and are not guarantees or predictions of future performance. They are based on information, expectations and assumptions known to MPL as at the date of this report regarding MPL's present and future strategies and the future social, environmental, political, regulatory and economic landscape in which MPL will operate.

MPL believes the expectations and assumptions reflected in these forward-looking statements are reasonable as at the date of this report, but acknowledges they involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of MPL, which may cause the actual results, conditions, circumstances, performance or the ability to meet commitments and targets of MPL to be materially different from the results, conditions, circumstances, performance or achievement of commitments and targets expressed or implied by such forward-looking statements. These factors include general economic conditions in Australia; exchange rates; the market environment in which MPL operates and inherent regulatory risks in MPL's business; the impact of climate change on our service continuity and supply chain; electricity grid decarbonisation; and changes to forecast supply chain emissions including but not limited to failure of third parties to achieve contractual environmental targets or milestones that have direct or indirect impact on our environmental modelling. You are therefore cautioned not to place undue reliance on any forward-looking statements regarding our belief, intent or expectations.

No representation or warranty is made by any legal or natural person in relation to the accuracy, likelihood of achievement or reasonableness of any of these forward-looking statements, forecasts, prospects or results (express or implied). MPL and its related bodies corporate, their respective directors, officers, employees, professional advisors and agents ("Related Parties") assume no obligation to update any forward-looking statement and to the full extent permitted by law, MPL and its Related Parties disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this report (including but not limited to any assumptions, expectations or targets set out in this report).

Given that there are inherent uncertainties and limitations in measuring or quantifying greenhouse gas emissions, all greenhouse gas emissions data or references to greenhouse gas emissions volumes in this report are estimates. The accuracy of MPL's emissions data and other metrics may be impacted by factors, including inconsistent data availability; a lack of common definitions and standards for reporting climate-related information; quality of historical emissions data; reliance on assumptions and changes in market practice.

References to "Net Zero" and "Net Zero pathway" in the Environmental health section, and elsewhere in this report, are based on Medibank Group's business-as-usual operations in 2022 and do not account for any future partnership and investment activity or its investment portfolio.

Financial data and rounding

Unless stated otherwise, all figures in this report are in Australian dollars. Some figures, amounts, percentages, estimates, calculations of value and fractions are subject to rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this report. Further, some balances subject to rounding may not add consistently throughout this report.

No offer or advice

This report is not and does not constitute an offer to sell or the solicitation, invitation or recommendation to purchase or subscribe for any securities in any jurisdiction and neither this report nor anything contained herein shall form the basis of any contract or commitment. This report may not be distributed or released, directly or indirectly, in the United States.

The information contained in this report is not investment, legal, tax or other advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. You should make your own assessment and seek independent professional advice in connection with any investment decision. To the extent permitted by law, no responsibility for any loss arising in any way from anyone acting or refraining from acting as a result of this information is accepted by MPL or any of its related bodies corporate. No representation or warranty, express or implied, is made by any person, including MPL and its Related Parties as to the fairness, accuracy, completeness, reliability or correctness of the information, opinions and conclusions contained in this report, including any forward-looking statements.

Words, phrases, abbreviations and acronyms used throughout the report may be found in the glossary and definitions.

medibank

Medibank Private Limited

ABN 47 080 890 259