

Modern Slavery Statement

Modern Slavery Statement - 1 July 2023
to 30 June 2024

This statement is made by StateCover Mutual Limited (ABN 36 090 394 755) in accordance with *The Modern Slavery Act 2018 (Cth)* (Act).

1 Introduction

The term “modern slavery” is used to describe situations where coercion, threats or deception are used to exploit victims and to undermine or deprive them of their freedom. Types of modern slavery include servitude, child labour, forced or bonded labour, human trafficking, forced marriage, and deceptive recruiting for labour or services.

StateCover Mutual Limited (StateCover) adopts a responsible and ethical approach to its business. We are committed to conducting our business with integrity and will not knowingly do business with partners, vendors or suppliers who engage in any forms of modern slavery. We are also committed to continuously improving our methods associated with risk identification, assessment, mitigation, and monitoring processes to support this commitment.

The Act established Australian business national reporting obligations to reduce the risk that goods and services are the result of modern slavery. Under the Act, certain entities must publish annual modern slavery statements describing their actions to assess and address modern slavery risks in their operations and the operations of their suppliers.

This statement outlines StateCover’s second year of reporting on our efforts to identify, assess, minimise, and monitor modern slavery risks in our operations and supply chains.

2 Our business and its structure

StateCover was established in 2001 to provide workers compensation insurance to local government organisations in New South Wales (NSW). As a mutual, we are owned by Members and run for Members. Our operations are based in NSW.

We provide an integrated injury prevention and claims management service, working in partnership with Members to minimise the cost of workforce risk. We operate within the frameworks of specialised insurers licensed by the State Insurance Regulatory Authority (SIRA) and general insurers approved by the Australian Prudential Regulation Authority (APRA).

Most of our employees are employed directly and on permanent individual contracts. This includes a process of assurance that employees are paid in accordance with relevant awards and employment contracts and that entitlements are provided. Therefore, our operations risk assessment focuses on third-party suppliers.

3 Supply chains

Most of our suppliers are based in Australia, and we maintain a register of current suppliers. Our major categories of procurement include:

- Professional services
- Investment management services
- Resources, people, technology, rental leases, general office supplies
- Banking facilities
- Claims intermediaries and providers

4 Risk assessment

StateCover takes a risk-based approach to its annual modern slavery assessment. As a general insurer regulated by APRA, StateCover is required to maintain APRA-compliant systems to identify, measure, evaluate, monitor, report, control and mitigate material risks. Further, when StateCover outsources material business activities to external suppliers, APRA requires that these are subject to appropriate due diligence, approval, and ongoing monitoring.

StateCover has a risk management process in place around identifying and addressing risks to our operations and material service providers to fulfil the risk management requirements needed to satisfy StateCover's own corporate obligations and APRA regulations.

While we are confident that the risk of us causing, contributing to, or being directly linked to modern slavery is **low**, assessment of modern slavery is part of our risk management process. The core elements of our approach to modern slavery include:

- Supplier due diligence
- Supplier profiling – to identify inherently higher-risk industries
- A risk-based modern slavery questionnaire (rolled out during 2024)

5 Mitigation, remediation, and due diligence

In line with StateCover's risk-based approach to prioritise and apply mitigating strategies to higher-risk product and service providers, our key mitigation activities include:

- Improving staff awareness of modern slavery through our policies and training materials
- Enhancing procurement processes and strengthening contracts with priority vendors and service providers in relation to their compliance with, and operations under, anti-slavery laws
- Obtaining evidence or warranty of compliance with modern anti-slavery laws

6 Assessing the effectiveness

StateCover has established risk and compliance frameworks and processes which enable us to identify and monitor our risks, as well as the effectiveness of the approaches taken to manage such risks. These are supported by:

- A strong and positive risk culture to support the effective management of risks
- A risk management strategy and framework which sets the direction of our risk management activities
- A compliance management framework which sets the commitment of adhering to both legal and regulatory requirements
- A risk appetite statement which is aligned and appropriate for the nature, scale and complexity of the business and, in turn, assists the business to achieve its strategic goals
- A maturing three lines of defence model which clearly identifies the roles and responsibilities across the business
- A resourced risk and compliance team that partners with the business

StateCover will monitor the effectiveness of actions undertaken to assess and address modern slavery risks through:

- Second line oversight over procurement due diligence processes and ongoing supplier management
- Periodic review of the supply chain, its composition, and any material changes to the modern slavery risk profile within that portfolio of suppliers
- Monitoring of modern slavery training completion
- Tracking remediation activities when identified

Results of these activities will be reported to StateCover's Board of Directors, as part of our overall risk management process.

7 Continuous improvement

Modern slavery risk management requires continuous commitment and ongoing collaboration with suppliers. Over the next two years we will focus on:

- Enhancing our analysis and reporting of our supply chains
- Amending supplier contracts, where possible, to incorporate modern slavery clauses where they do not already exist
- Formalising reporting mechanisms and procedures for suppliers

8 Final provisions

This statement was written by StateCover Management and approved by the Board of Directors of StateCover Mutual Limited on 20 November 2024.



Jann Gardner

Director and Chair

StateCover Mutual Limited