

With All New Zealanders, With Our Communities

Community Impact Report 2020

Introduction

As champions for health and wellness, we want every Kiwi to live their healthiest life. In this report, we outline what we have been doing in the last year to contribute to the communities we are part of.

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Our highlights

Health and wellness were at the forefront of New Zealanders' thinking this year. We're proud of the advances we've made across the whole of Southern Cross to support Kiwis in their households and communities.



1 million+

We took care of the health and wellness of many Kiwis this year



180,000+

In 2019 we looked after more than 180,000 people at our wholly owned and joint venture hospitals and day surgery facilities across the country



3 million

Our payouts for health insurance claims included 254,659 surgical procedures, 481,390 specialist consultations, 628,728 prescriptions and 701,400 GP visits



Responding to COVID-19

Our Health Insurance business returned \$50m by way of premium credits to policyholders and business customers. The Health Society also introduced a significant range of options for members needing financial hardship relief during level 4 lockdown as a result of the pandemic.

In our Travel Insurance business, we were proactive in offering refunds for policies and waiving cancellation fees for customers.

Our hospitals offered support to DHBs to enable our capacity to be available as part of New Zealand's COVID-19 response. Through this partnership we provided urgent surgical care for DHB patients. Our Pandemic Response Group introduced enhanced infection control measures and robust screening practices to prevent the spread of COVID-19.



>200,000

We insured 211,244* journeys and paid out on more than 31,000 travel insurance claims received, the majority of which were purchased before COVID-19 impacted New Zealand and Australia

*(NZ and AU combined)



Revive-a-Smile

Our support for Revive-a-Smile saw 1,922 procedures provided for people in need of essential dental care.



Smile New Zealand

This year, we funded dental surgeries across the country to support dentists to provide free dental treatment for 851 New Zealanders.



91%

Most of our hospital patients would recommend us to others, based on our latest patient satisfaction surveys



3.4 million

We had 3.4 million visits to our online medical library



4,000

Thousands of Kiwi businesses choose Southern Cross as their health and wellbeing partner



40,000+

Many New Zealand households insured their pets with us



Healthy Futures Report

We launched the inaugural Healthy Futures Report which explored the health and wellbeing attitudes and behaviours of more than 3,000 Kiwis - starting in 2019 and continuing through to alert levels 4 and 3.



Expansion of Pause Breathe Smile

We joined forces with the Pause Breathe Smile Trust and the Mental Health Foundation to offer a mind health programme at no cost to any primary and intermediate school in New Zealand.



Our story

Southern Cross was established in 1961 to ensure New Zealanders had ongoing access to quality private healthcare. Today, that founding vision lives on in our not-for-profit business model and the trust, compassion, care and leadership we invest in the overall health and wellbeing of New Zealanders.

We are a group of independent health and insurance-related businesses that share a common brand, a not-for-profit ethos and a goal of achieving better value healthcare for New Zealanders.

Last year, we looked after the health and wellness of more than one million New Zealanders. Ninety one per cent of our patients in our hospitals would recommend us to others. Our award-winning customer service has been recognised as among the best in the sector, and last year we were proud to be included in the top 10 in the Colmar Brunton Corporate Reputation Index, putting us among New Zealand's most trusted brands.

Over the years, we have expanded our community of care and we now help more Kiwis than ever to look after their health and wellbeing and that of their families and their pets.

"As a group, we are focused on advancing the health and wellbeing of New Zealanders. Surpluses from our independent entities are responsibly invested for the future. Southern Cross Healthcare reinvests in hospital facilities and new technology. Southern Cross Health Society uses surpluses to stabilise health insurance premiums or add extra benefits for our Society members and Southern Cross Health Trust supports Kiwis in need."

Southern Cross Health Insurance is New Zealand's leading health insurance brand with more than 870,000 members.

Southern Cross Healthcare has the largest network of private surgical hospitals in the country, providing elective surgery, high-end diagnostics and cancer treatment to over 86,000 patients across its network of wholly owned or joint venture hospitals and medical facilities. New Zealanders also received rehabilitation, mental health and corporate wellness services.

Southern Cross Travel insurance is the leading direct travel insurer in New Zealand and also has a presence in Australia.

It also provides cover for visitors to New Zealand through its Visiting New Zealand and International Student travel insurance policies.

Southern Cross Pet Insurance is a market leading New Zealand pet insurance brand. And, in 2016, we launched Southern Cross Life Insurance.

Six decades after we started, we remain committed to providing New Zealand households with the protection and care they need to live their lives with confidence.

879,198
members

Southern Cross Health Insurance is New Zealand's leading health insurance brand

**Not for profit.
For you.**

Proud to be not-for-profit

We are a group of legally independent health and insurance-related businesses that share a common brand, a not-for-profit ethos and a goal of achieving better value healthcare for New Zealanders.



Most trusted brand

Southern Cross Health Insurance was voted Reader's Digest 'most trusted brand' – 2017 – 2020 in the health insurance category.

The gold standard for travel

Our Travel Insurance business won gold in the Reader's Digest Quality Service Awards – 2020. We also won Canstar's 2020 Travel Insurance Award for Outstanding Value in the international travel category for the eighth consecutive year.



Awards

Colmar Brunton Corporate Reputation Index 2020
#10 Southern Cross (joint placing)

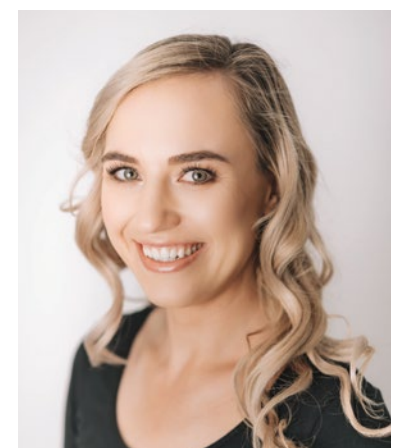
Kantar Customer Leadership Index 2020
#5 Southern Cross

Travel Insurance: Australian Product Review Travel Insurance category – 2020

Health Insurance: NZ Diversity Award (Highly commended) Work Life Balance category for Switch2Well - September 2020

Health Insurance: for the fourth consecutive year won gold in the Reader's Digest Quality Service Awards – November 2020

Pet Insurance: Canstar Most Satisfied Customer Award (joint winner) Pet Insurance category – August/September 2019



Top quality nurses

Kelly Talbot, a clinical nurse specialist at Southern Cross Hospital in Rotorua, won the prestigious New Zealand Nurses Organisation's Young Nurse of the Year Award in 2020.

Our purpose

As a group, we want to inspire New Zealanders to advance their health and wellbeing.

Life in New Zealand is defined by the things we value. Kiwis are about fairness. Family, friendships, the outdoors and sport dominate our conversations. We live here because it feels safer, and that matters to us, because we can have a better quality of life here than we could elsewhere and because we believe in this place and all it has to offer.

As New Zealanders, we believe in sticking up for what's right. We value doing things our way.

Our health and wellness matter to us. We love the outdoors. We want to live a good and well life with our family and friends. We love our animals as much as we love our sport. They are an integral part of so many of our households. We love to travel because we are born to explore and to seek out adventures.

Our distinctive accent is heard everywhere across the world on any given day. When we are not well, we want to be cared for the way we choose and to know that those looking after us will do so to the best of their abilities.

No-one believes more in supporting your health and wellbeing than Southern Cross. Every day, we insure and care for the lives of so many New Zealanders and their pets.

As champions for the health and wellbeing of New Zealanders, we want every Kiwi to live their healthiest New Zealand life. We want people to flourish and we want to see richer, stronger communities that make the most of our diversity. Like you, we celebrate what New Zealanders believe and deeply share about living in Aotearoa.



Healthy Futures 2020

Important learnings from the 2020 Healthy Futures Report



This year, for the first time, we joined forces with Colmar Brunton to monitor important aspects of the country's health and wellbeing with the Southern Cross Healthy Futures Report 2020.

The research recognises that this country will face a range of health and wellbeing challenges and opportunities going forward. By examining how New Zealanders see their health and wellbeing and what they hold dear, we've been able to explore what helps New Zealanders to feel secure and stable in their lives and those elements that generate anxiety and concern.

Together, New Zealand's leading independent health provider and funder, and the country's most respected research company have unearthed insights that continue to inform thinking and developments in this critically important space. We believe that awareness and understanding are critical to progressing how New Zealanders evaluate and respond to health and wellbeing.

Key findings from this report were:

- Influences on New Zealanders' health and wellbeing are multi-faceted and increasingly varied.
- Kiwis face pressures in all areas of their lives, particularly as they move through different life stages that often present new and unexpected challenges.
- Kiwis are making good progress in some areas such as getting back to basics in the kitchen, moving more, prioritising exercising and nurturing relationships. But as a nation there is still a way to go when it comes to investing in mind health and relationships.
- Many New Zealanders have a sense of where they should be at, but few people feel like they are actually in a good place despite wanting to make improvements.

The Southern Cross Healthy Futures Report is one of a range of in-depth community-driven initiatives that Southern Cross is investing in to help maintain and strengthen not just physical but also the mental health and wellbeing of New Zealanders.

Find out more

To download the Southern Cross Healthy Futures 2020 Report head over to: southerncross.co.nz/group/Healthy-Futures



Quality time with children

Two thirds of New Zealand parents are spending just 11 hours of quality time per week with their children.



Keeping physically healthy

75% of New Zealanders would like to lose weight however they find it difficult and believe eating healthy food is expensive.



Worries about kids' resilience

55% of Kiwi parents are concerned about their children's ability to cope with everyday life.



Less stress for pet owners

54% of NZers own a pet, 70% of these people own cats, while 49% own dogs and 85% of pet owners say pets relieve stress.

Committed to our New Zealand way of life

The onset of COVID-19 made all of us acutely aware of our health and our overall sense of wellness.

Greg Gent (ONZM)
Chairman, Southern Cross Boards

For 60 years, Southern Cross has helped New Zealanders look after their health and wellbeing. This culture of care is embedded in our businesses, which are united by their not-for-profit ethos, values and purpose, and a shared commitment to a healthier future for all Kiwis.

That ethos guides every decision we make to improve the health and wellbeing of the nation and inspire Kiwis to advance their own health and wellbeing.

Together, Southern Cross businesses care for more than one million New Zealanders, serving people and communities across the nation. The products and services we offer connect directly to the things New Zealanders truly value.

We strive to be a force for good and to serve by giving back through one-off and ongoing Southern Cross initiatives, as well as through partnerships and donations, and by funding existing charitable programmes. These include providing free dental care for low income New Zealanders, funding for the Auckland City Mission, and partnerships with the SPCA and Pet Refuge, among many others.

I am particularly proud of the work we are doing in the mind health space through our flagship social responsibility initiative, Pause Breathe Smile with Southern Cross.

Southern Cross has joined forces with the Pause Breathe Smile Trust and the Mental Health Foundation to offer this preventive mind health programme to any primary and intermediate school in New Zealand. Pause Breathe Smile is designed to equip children with tools to manage the ups and downs of life and set them up for a healthy future. Delivered in schools, by teachers, it is evidence based, curriculum-aligned and funded by Southern Cross.

As for everyone, it has been a challenging year for Southern Cross, particularly for our travel insurance business. However, we are in a strong position, and our commitment to New Zealand and its people has never wavered.

We will continue to strive to offer New Zealanders new products and ways of working with us so that they can safeguard their health and wellness.

“This culture of care is embedded in our businesses, which are united by their not-for-profit ethos, values and purpose, and a shared commitment to a healthier future for all Kiwis.”



Our leadership team
Head over to our website to find out more about our leadership.
southerncross.co.nz/leadership



Terry Moore
CEO, Southern Cross Healthcare

Care for communities is at the heart of our national healthcare network. Driven by our commitment to continuously advance the health and wellbeing of New Zealanders, we are focused on increasing access to quality healthcare.

As well as independent surgical hospitals we now, through joint venture partnerships, provide healthcare in the adjacent areas of physiotherapy, rehabilitation, and workplace mental health and wellbeing. This year we changed our name from Southern Cross Hospitals to Southern Cross Healthcare to reflect the broader way we support the health of New Zealanders.

This year saw us enter a partnership with leading workplace mental health provider, EAPworks.

Recognising the lack of access to quality elective surgical healthcare services in Queenstown we entered a joint venture partnership with Central Lakes Trust to develop a new hospital in this region.

Likewise, West Auckland residents no longer need to travel far for private endoscopy services, with the opening of Waitemata Endoscopy in their community.

Care for New Zealand has extended into our sustainable practices, stepping up our waste reduction initiatives.

Our people are at the heart of the quality care we provide, and I am immensely proud of the contribution they have made to support the health of our fellow Kiwis during this challenging year.



Jo McCauley
CEO, Southern Cross Travel Insurance

I'm proud that during what has been a challenging year, we have been there for our customers right from the start of the pandemic, and we have remained focused on supporting our employees.

Our market-leading response as the crisis unfolded included providing practical assistance to Kiwis stranded overseas and to people from other countries who were here when the borders closed.

We were also the first travel insurer in New Zealand to stop selling policies as we wanted to do the right thing by our customers and believed continuing to sell new policies would not be responsible.

During a three-fold increase in customer demand, we proactively contacted customers to offer full refunds on policies and cancellation fee waivers.

We acted early to ensure the sustainability of the business, working with partners and suppliers to manage costs. Our recent investment in digital customer experience and data put us in a solid position to withstand the pandemic.

We have reviewed our policies to ensure they fit with the new and future needs and expectations of our customers and introduced our first domestic policy including a plain English policy initiative.

We continue to explore new ways to serve our customers and are developing more products to meet their travel needs.



Nick Astwick
CEO, Southern Cross Health Society

Being an outstanding corporate citizen and employer is a core part of our focus on sustainability. For us, it's about economic as well as environmental sustainability.

Southern Cross is the trusted health insurer for 879,198 Kiwis. In the 2020 financial year alone we funded 254,659 surgical procedures and 481,390 specialist consultations.

We were with our members more than ever before this year, moving quickly to give back \$50 million to our policyholders and business customers by way of premium credits at the start of the pandemic, and offering a range of financial hardship options.

This year, as we adapted to new ways of working, our absolute focus on the service we deliver to members and the inclusive culture we create together with our people shone through.

Surveys of both our employees and members in 2020 showed very high levels of satisfaction and engagement, even in these difficult times.

As a not-for-profit Friendly Society, we have no shareholders or overseas owners, so our focus is always on the best interests of our members, who are at the heart of everything we do.



Our people

Everything we do revolves around helping New Zealanders and offering them the best care we can. That starts with how we look after the 3,000+ people in more than 25 locations who are part of Southern Cross and who play crucial roles in delivering everything we do.

Support for flexible working

We are approaching flexible working in ways that best suit our people's individual needs and the service they provide. The majority of our Healthcare staff for example work within hospital facilities caring for patients, whereas the teams at Southern Cross Travel, Pet and Health Insurance have been taking a flexible approach, empowering people to choose whether they work from home or the office, depending on the work they are doing.

Māori advisory board

Māori continue to experience significant health inequities compared to those of non-Māori descent. We are taking steps to effect positive change. Towards the end of December 2019, we announced the establishment of an external Māori advisory governance group, a first for the health insurance sector in New Zealand. The group works alongside our Health Society, contributing their expertise and offering guidance to help lead system change, with an ultimate goal of achieving better health and wellbeing for Māori and all New Zealanders. The group provides a mātauranga Māori and Te Ao Māori view across Southern Cross Health Society, including strategies, products and relationship engagement.

Te Ara Reo course

Fifty two people from Southern Cross Health Insurance took part in the Te Ara Reo course in partnership with Te Wānanga o Aotearoa to explore Māori culture.



Rainbow Charitable Trust event
Southern Cross Health Society was a Gold Sponsor 2019/2020

World AIDS Day and Sweat with Pride fundraisers

Southern Cross Health Society staff raised funds for several charitable initiatives including Sweat with Pride and the NZ AIDS Foundation Aids Foundation

CanTeen fundraiser

Southern Cross's North Harbour Hospital staff raised funds with a bake sale for charity CanTeen



Nurses join global campaign

Southern Cross Healthcare is taking part in a worldwide effort to inspire and support the next generation of nurses. The Nightingale Challenge aims to have 20,000 young nurses around the world benefit from leadership and development training this year. The campaign marks the 200th anniversary of the birth of Florence Nightingale, the founder of the modern nursing movement who has inspired thousands to join the profession. Southern Cross Healthcare was among the first in New Zealand to sign up for the initiative, which also coincides with 2020 being named International Year of the Nurse & Midwife by the World Health Organisation.

Diversity and inclusion

We remain committed to ensuring all our people feel safe and comfortable to be themselves within the workplace. We embrace the differences a diverse range of people bring to Southern Cross regardless of gender identity, ethnicity, disability, age, sexual orientation or religion.

Southern Cross Healthcare and Health Society are official members of Diversity Works NZ.

LGBTQI++

In 2017 Southern Cross Health Society was awarded the Rainbow Tick which gives independent endorsement of our inclusive and welcoming culture for those who identify with the LGBTQI++ community. In 2020, this accreditation was renewed.

Supporting New Zealand's health workforce

We actively support registered nurses in our hospitals with their professional development.

In fact, we're one of the very few non-public organisations that have their own Nurse Entry to Practice (NETP) programme, which provides a supportive first year of practice for newly graduated registered nurses.

We have also developed a competency framework to support registered nurses to undertake the role of anaesthetic assistants; increasing this much needed workforce.

The initiative has required a minimal level of financial investment and has been shared across both private and public health systems, with many DHBs taking advantage of the training programme.

Gender balance

There is strong representation of women across the Southern Cross group, as well as in senior positions.

Seventy percent of Southern Cross Health Society's workforce are women. We are proud to have gender equality in our senior leadership team which is 60 per cent women, and six of the 10 people in our executive leadership team are women.

Looking at Southern Cross Healthcare, 86% of our organisation is female and within our Executive Leadership Team, 40% are female and 60% are male. Of our 10 wholly owned hospitals, eight of the General Managers are female.

In Southern Cross Travel Insurance, 57% of people in the business are female. Two out of five of our senior leadership team are female.

Our customers

We serve our customers and their families, and the partners and colleagues we work alongside. For example, in our Travel business we responded quickly to the new travel situations generated by COVID-19 by proactively waiving our cancellation fees.

Supporting Kiwis through the pandemic

Our Health Insurance, Travel and Healthcare businesses all stepped up to provide meaningful assistance during the pandemic.

A significant decrease in claims under lockdown prompted Southern Cross Health Insurance to return \$50 million in premium credits to its policyholders and business customers.

Health Insurance members were also able to put their policies on hold for three months if they were experiencing financial hardship, and up to six months if they were no longer in paid work.

Southern Cross Healthcare also responded quickly, activating its pandemic response plan in January, and ensuring our hospitals were on standby to support the public sector through lockdown. We made sure services were available to help clear the surgery backlog for private, DHB and ACC-funded patients in need of elective surgery as the nation emerged from lockdown.

While no sector was untouched by the pandemic, the impact on the travel industry in particular was considerable. Southern Cross Travel Insurance was significantly impacted but moved quickly to support its customers at a time when they needed them the most. We responded to an

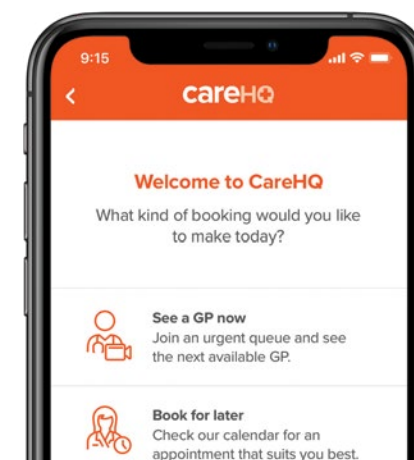
overwhelming demand for assistance with the number of customer enquiries trebling overnight, and our team worked tirelessly to help bring stranded Kiwis home. We also contacted customers who were unable to travel because of COVID-19 and gave them the option of cancelling their policies and receiving a full refund.

We were proactive in offering refunds for policies and waiving cancellation fees for customers who have not been able to travel due to the ongoing global travel restrictions.

\$50 million

premium credit

Lockdown prompted us to return \$50 million in premium credits to policyholders and business customers



CareHQ – meeting the changing needs of Kiwis through virtual healthcare

CareHQ offers New Zealanders a virtual consultation with a General Practitioner (GP) when they can't see their regular doctor and need an appointment. CareHQ is the result of a partnership between Southern Cross Health Insurance and ProCare.

Investing in workplace wellbeing

Our Healthcare business acquired a stake in EAPworks, a leading New Zealand owned and operated mental health provider that offers a wide range of professional services including counselling and psychological assistance, mental health training, career planning, mediation, trauma and crisis support. The partnership enables us to reach more people and underlines our commitment to preventative and holistic care.

3 million

claims in FY20 including*:

481,000

specialist consultations

254,000

surgical procedures

628,000

prescriptions

701,000

GP visits

*The numbers quoted above are for the Health Society only.





Southern Cross wishes to thank Baverstock Oaks School and photographer Carmen Bird

Pause Breathe Smile



Brought to schools by Southern Cross

Flagship programme

Southern Cross joined forces with the Pause Breathe Smile Trust and the Mental Health Foundation to offer a mind health programme to any primary and intermediate school in New Zealand. Together we want to equip every child in New Zealand with the tools to achieve positive mind health.

Funded by Southern Cross Healthcare, Pause Breathe Smile is our flagship social responsibility programme and one we are incredibly proud to be a part of. Our not-for-profit ethos and focus on health and wellbeing are an excellent fit with the mind health programme delivered by the Pause Breathe Smile charitable trust.

No cost to schools

Our involvement makes it possible for Pause Breathe Smile to be available free of charge to any primary and intermediate school in the country.

Our communities

Partnerships play a critical role in helping us interact with New Zealanders in their communities.

Charity is close to our heart

Every year, people who are not able to be seen in the public system within an appropriate timeframe, and who cannot fund the surgery themselves, can receive surgeries with the support of the Southern Cross Health Trust. In the past five years, more than \$1.3m of charitable surgeries have been performed.

White Island eruption

Following the Whakaari White Island eruption, we answered the emergency call-out for staffing assistance by funding a registered nurse from our Invercargill hospital to support Whakatane Hospital over the New Year. We also provided surgical dressings to Waikato Hospital as they cared for patients injured on the Island.



\$25k

Bariatric bed donation

We donated a much-needed bariatric bed worth more than \$25,000 to Mercy Hospice Auckland, as part of our support for health-related charitable causes.



Time to smile

Smile NZ is a joint initiative between Southern Cross Health Trust and the New Zealand Dental Association (NZDA). The sixth annual Smile NZ Free Dental Days ran from 14 to 27 September 2020. Eighty five dentists from 52 clinics across New Zealand volunteered to treat more than 1,000 people in need of dental care.



1 million

Kiwis used our online library

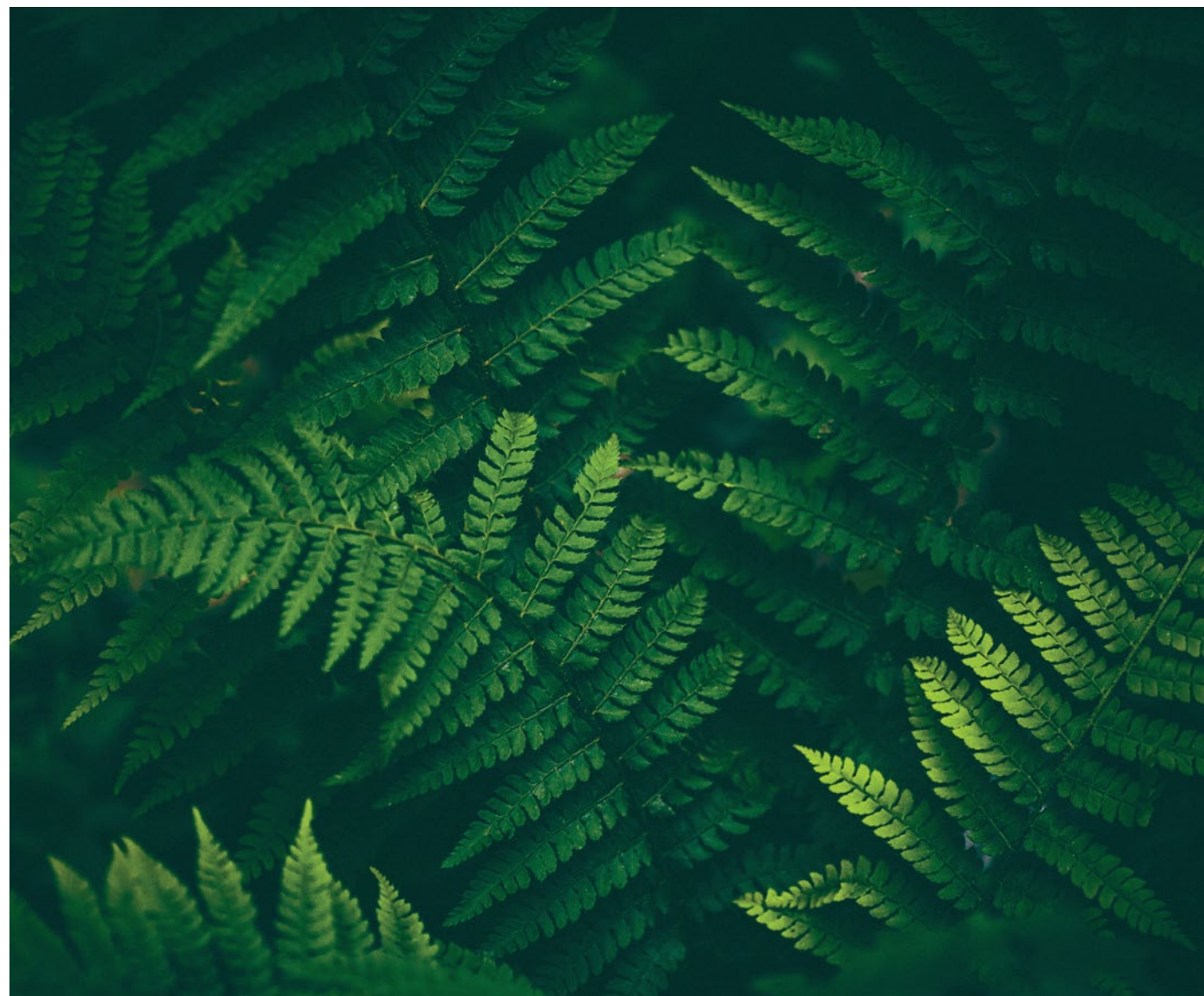
Medical Library - our wealth of knowledge

We operate one of New Zealand's most popular online medical libraries, with more than 3.4 million visits during the last financial year (including many from overseas). Almost 1 million Kiwis used our library to better understand medical conditions affecting them and their families. Among the most popular searches were queries about eczema, bronchitis, menopause, measles and sinusitis.

www.southerncross.co.nz/group/medical-library

Partnerships





Our environment

Like all major New Zealand organisations, we have a responsibility to ensure our operations are as environmentally responsible as possible and that we are working to minimise the impacts we have on air, water and land degradation. This will be a significant journey for us.

Environmental sustainability

Southern Cross is committed to ensuring the health and wellbeing of New Zealanders is our core focus today and tomorrow for all future generations.

We are working with Toitū Envirocare to understand our carbon impact, starting with our hospitals and then expanding into our Travel and Health Insurance businesses.

Southern Cross Healthcare is making a difference in the areas of waste stream management, energy conservation and medical gas consumption; all while ensuring patient care and safety remain paramount.



Move to Te Kupenga

After 10 years our Pet Insurance, Health Insurance, and Life Insurance businesses have relocated to Wynyard Quarter. The new premises are purpose-built and have a six Green Star rating. The building's environmental sustainability matches our financial and social sustainability ambitions.



Our new building in Wynyard Quarter has a market-leading Six Green Star rating.



Our hospitals are actively adopting meaningful sustainable practices; such as reprocessing single use devices, replacing plastics with biodegradable hollowware, developing custom surgical packs, and rethinking the approach to anaesthetic delivery systems. By incorporating reusable sharps containers into our hospitals we have prevented over 5.19 tonnes of plastic from going to landfill; receiving recognition from Waste Management Technical Services.

Our commitment to increasingly sustainable ways of working is further demonstrated by the mahi of our procurement team to consolidate deliveries; and by our property team to ensure our facilities evolve in line with our sustainable commitments.

Sustainability is strongly supported by the leadership team, a newly established National Sustainable Committee, and Sustainability Champions to progress initiatives within our hospitals.

Making the most of what we no longer need

Recycled materials from our businesses find their way into everything from bicycle frames (made from discarded aluminium anaesthetic bottles sent to Tiwai Point) and playground mats (made from old hospital PVC bags that held saline solution) to amazing sculptures.

To find out more about what Southern Cross is doing to deliver positive impacts in the community, visit southerncross.co.nz. There you can read more about our history, the charities we support and our latest community initiative, Pause Breathe Smile.

Southern Cross wishes to thank all staff members who appear in our report.
All figures relate to the financial year ended 30 June 2020 unless stated otherwise.