Modern Slavery Statement

Modern Slavery Statement
1 July 2024 to 30 June 2025

StateCover
Mutual

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 third 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 a public company owned by our members and run for those members. As StateCover does not own or control any other entities, no consultation was required for the preparation of this statement. 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 are 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 operational modern slavery risk assessment is focused principally on our third-party suppliers.

3 Supply chains

Most of our suppliers are based in Australia with some located in New Zealand, Germany, Norway, the USA – and some with subsidiaries based in but not limited to: Hong Kong, Vietnam, Philippines, India and the United Kingdom. We maintain a register of current suppliers. Our major categories of procurement include:

- IT Software and managed services
- 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. – As part of our work to meet APRA's Prudential Standard *CPS 230 Operational Risk Management* that came into effect from 1 July 2025, we have enhanced our Third Party Risk Assessment process, and developed contract templates to address modern slavery risk. We have also developed a Supplier Code of Conduct requiring suppliers to adhere to Modern Slavery standards.

StateCover has a Board approved Risk Management Strategy Framework in place to identify and address 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. The framework is underpinned by a Risk Appetite Statement, through which the StateCover Board defines and endorses the level of risk it is willing to accept across various risk categories.

While we are confident that the risk of us causing, contributing to, or being directly linked to modern slavery is **low**, our assessment is that those risks may include:

- Engaging with suppliers that exploit their workers or have modern slavery practices in their supply chain, including:
    - information technology providers;
    - other business service providers, such as cleaning and waste management.

StateCover only provides insurance and injury prevention services to NSW local government, so is not at risk of insuring an entity that engages in or is linked to modern slavery practices.

The core elements of our approach to assessing the existence of these modern slavery risks are:

- Supplier due diligence through a third-party risk assessment that incorporates Modern Slavery requirements
- A supplier code of conduct (introduced in 2025) which covers specific values and behaviours including modern slavery standards
- A managed services template to be utilised for IT Service Providers that incorporates clauses covering modern slavery.

5 Due diligence, mitigation and remediation

In line with StateCover's risk-based approach to prioritise and apply mitigating strategies to higher-risk products and service providers, our key mitigation activities during 2024/25 have included:

- Improving staff awareness of modern slavery through our policies and training materials
- Enhancing procurement processes and strengthening contracts with material service providers and other significant suppliers in relation to their compliance with, and operations under, modern anti-slavery laws

- Obtaining evidence or warranty of compliance from suppliers with modern anti-slavery laws
- Checking the global slavery index for countries that our high-risk suppliers operate out of as part of the due diligence checks.
- Review Modern slavery statements register extract and examine our suppliers' statements, where they are available.

During 2025, StateCover is taking steps to introduce new consistent modern slavery provisions into contracts with all material service providers. Those include requirements that service providers take reasonable steps to ensure there are no modern slavery risks in their business or supply chains.

If StateCover identifies a modern slavery incident, its process for remediation includes promptly presenting the incident to the Board with a proposed course of action for appropriately addressing and remediating the incident.

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 monitors 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 are 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
- Completing the amendment and transition of material service provider and other significant supplier contracts to incorporate modern slavery clauses
- Further developing our service provider monitoring program
- Formalising reporting mechanisms
- Encourage suppliers to actively monitor and report on their own practices, as well as those of their supply chains, to ensure alignment with our modern slavery risk management principles and to promptly address any identified gaps.
- Share relevant knowledge and the StateCover Supplier Code of Conduct with suppliers to support their understanding and implementation of ethical practices.
- Conduct thorough assessments of new suppliers entering our supply chain to ensure confidence in their compliance with our standards.

8 Final provisions

This statement was written by StateCover Management and approved by the Board of Directors of StateCover Mutual Limited on 19 November 2025.

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Mario Pirone, Director and Chair

StateCover Mutual Limited