

# SOVEREIGN CORPORATE SOCIAL RESPONSIBILITY REPORT

## Our commitment to New Zealand

An overview of the 2017 calendar year.



# CONTENTS

---

## About Sovereign 3

---

## CEO Statement 4

---

## 2017 at a glance 5

---

## Our pledge to New Zealand 6

---

## Our people 7

Mental Health	8
Diversity and inclusion	8
Organisational culture	10

---

## Our community 11

Youthline	11
Sweet Louise	12
Look Good Feel Better	13
Volunteering	14

---

Christmas appeal	14
Sponsorship	15
Advocacy	15
Sustainability	15
Distribution networks	15
In the news	15

---

## Our customers 16

Michelle's Moment of Truth	17
Discover the different proactive case management makes for our customers	17
Customer Experience	17
Complaints	18
Employee training	18

---

## The future 19

---





# ABOUT SOVEREIGN

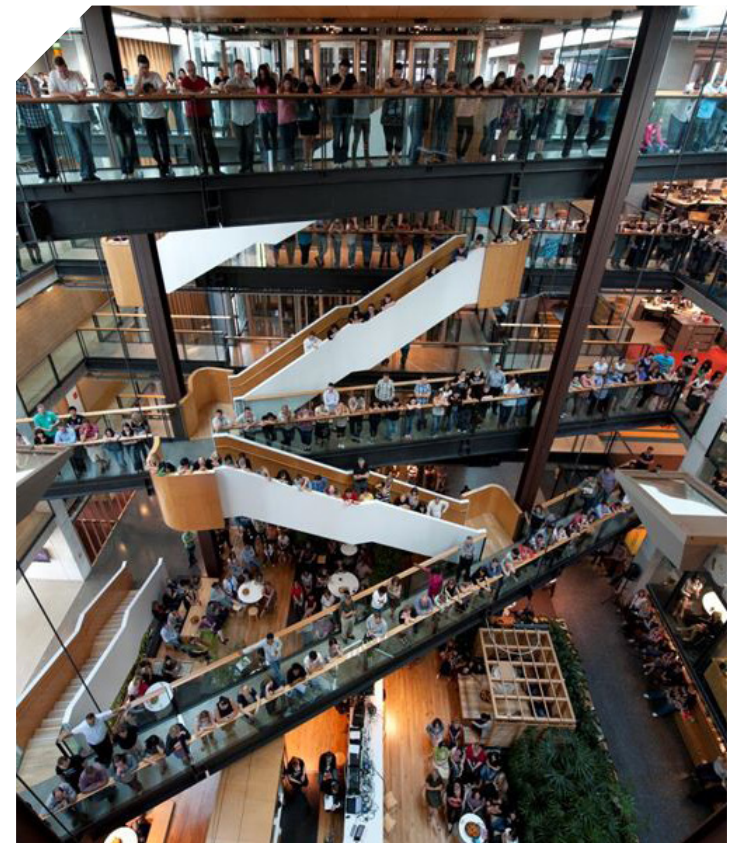
[Sovereign](#) is the country's largest life insurer and one of New Zealand's leading private health insurers, protecting more than 550,000 New Zealanders and their families.

In the past financial year, Sovereign paid out more than \$330 million to support New Zealanders, allowing them to get access to the best treatment and ensuring their families can continue to pay the bills if the main income earner can't work or dies unexpectedly.

Sovereign has an A+ (Superior) financial strength rating from [AM Best](#). The financial strength rating is an assessment of an insurer's ability to meet obligations to policyholders.

In September 2017, [AIA Insurance](#) entered an agreement to acquire Sovereign and CommInsure (Australia) from [Commonwealth Bank of Australia](#). Subject to regulatory approvals this acquisition is expected to be completed in 2018.

Find out more at [www.sovereign.co.nz](http://www.sovereign.co.nz)





# CEO STATEMENT

It's all about our people.

Sovereign's Corporate Social Responsibility (CSR) programme is a commitment to bringing people and communities together to make a difference.

We connect with organisations that are providing practical support across New Zealand, giving them the time, resource and support they need to expand services to more people.

Through our well-established volunteer programme, staff can connect with each other, learn new skills and improve their happiness.

A commitment to wellbeing is further embedded through our celebration of awareness weeks, free workshops, discounted event entries, guest speakers, team building, flexible working practices and community sponsorships.

Over the years, Sovereign has developed a reputation for its commitment to diversity, inclusion and flexible working. We believe in developing a workforce that is reflective of our community and being there for our customers when they need us the most.

In particular over the last year, our focus on mental health has increased as we recognise the important role Sovereign plays as an insurer and employer. It is an area that I am particularly keen to support because there will always be more we can do to further our understanding and increase our efforts.

We also believe in supporting employee wellbeing and providing opportunities where people can learn skills that improve their health and happiness.

All of the above and a leader-led approach makes Sovereign one of the most caring, supportive, exciting and connected workplaces that I have ever seen and our energy spills over into the communities that we serve.

In 2018, Sovereign will join the AIA family and become part of the largest life insurer in Asia Pacific. The transaction will bring the best of the best together to reimagine life. The opportunities are endless and we're embracing the future with open arms.

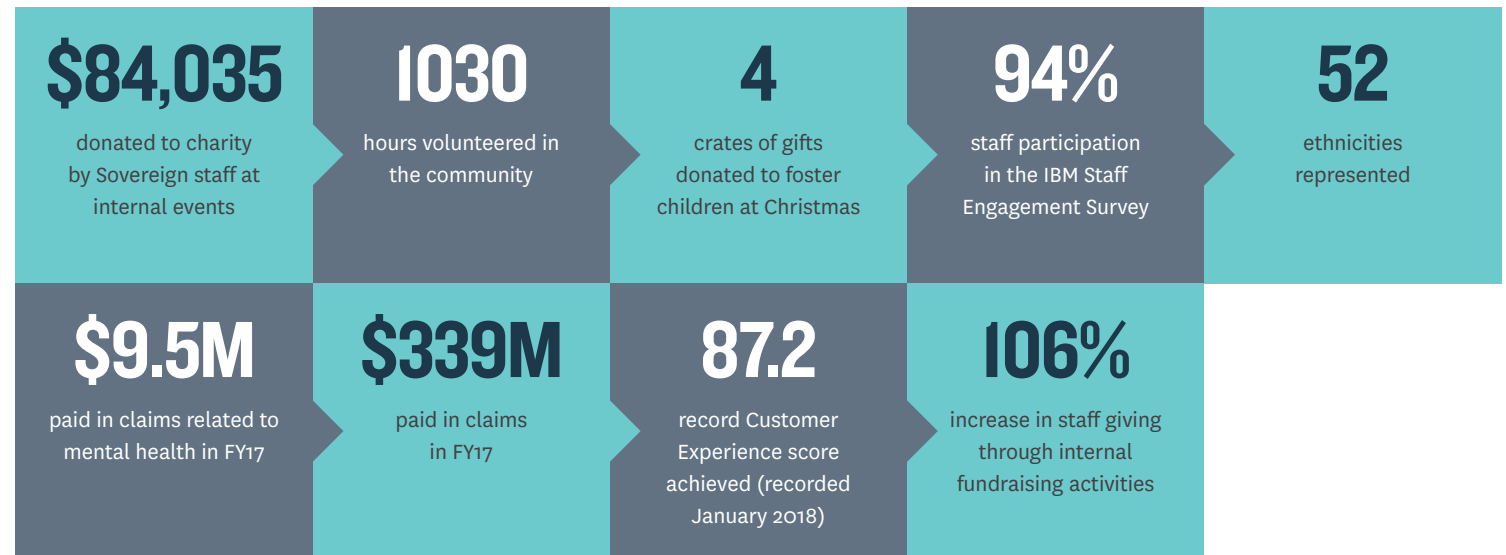
This annual report summarises the contribution that Sovereign has made to our community in 2017. We hope that in sharing the details of our programme it will help other companies to develop a sustainable and impactful approach too.

Working together we can achieve great things.

**Nick Stanhope**  
CEO, Sovereign



## 2017 AT A GLANCE



# OUR PLEDGE TO NEW ZEALAND

As New Zealand's leading life and health insurance provider, Sovereign is committed to supporting the future health and wellbeing of communities and caring for the environment through sustainable business practices.

Sovereign's corporate social responsibility and sustainability policies outline the requirements for community engagement, sponsor selection and sustainable business practices.

Sovereign is committed to the respect and protection of international human rights protocols.

As a member of the United Nations Global Compact, Sovereign aligns strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and takes actions that advance societal goals.



*Larissa Jamieson and Kelly Magalogo from the Distribution team taking part in the Takapuna beach clean-up with Sea Cleaners.*





*The Colour Run.*

## OUR PEOPLE

Sovereign provides a range of formal and informal initiatives designed to support the safety, wellbeing, continuous learning and engagement of all staff.

Formal policies including Health and Safety; Harassment, Discrimination and Bullying; Code of Conduct; Flexible Working; Leave; and Volunteering provide an essential risk framework that protect and support all staff. These policies are regularly reviewed.

The Employee Assistance Programme (EAP) has been implemented to assist employees who may be experiencing personal or professional difficulties. EAP provides access to free counselling and support for staff and their family members.

Sovereign also provides a range of professional development offerings to staff covering topics such as mentoring, wellbeing, coaching, personal development, and conflict management.

In 2017 our free staff activities included Pilates, yoga, painting, mindfulness sessions and quizzes.

A culture of recognition is firmly entrenched within Sovereign's DNA in the form of our quarterly CEO Awards, which recognise the exceptional performance of teams and individuals. Sovereign's e-card system also enables staff to recognise each other with a small gesture of thanks.

*93% of staff agree that Sovereign cares about their wellbeing (April 2018, Staff Engagement Survey).*



*Chief People and Culture Officer Angela Busby (pictured second from left in back row) celebrating health and safety with her team.*

## Mental Health

Mental health issues affect every single New Zealander in some way, Sovereign is doing what it can to provide support for staff, customers and the wider community.

Mental health is a factor in around 25% of Sovereign's income protection claims; on par with cancer and heart disease.

In the last financial year (June 2016 to June 2017) we paid out \$9.5 million in claims for mental health and around \$1 million on rehabilitation services such as psychological support, occupational physicians, and even exercise programmes to support our customers.

Encouraging people to talk about mental health is the first step in building awareness and [we were proud to support Mental Health Awareness Week](#) in 2017 with a range of activities designed to get staff and customers (via social media) outside and connecting with nature.

Sovereign's staff could take their pick from a mindfulness talk, free chiropractor assessments, Pilates, yoga, backyard cricket and an outdoor treasure hunt. [Watch our free mindfulness series here.](#)

*"The yoga gave me time to turn the brain off and just be in the moment. I came back to my desk refreshed,"*

Risk Specialist Victoria Jensen says.



Staff taking part in a free yoga class for Mental Health Awareness Week.

## Diversity and inclusion

*"It is very important that people feel a sense of belonging at work - they are more engaged and productive and we want people to enjoy coming to work. Belonging means feeling accepted, appreciated and part of a team; it is a human need and increases health and happiness,"*

Sovereign CEO Nick Stanhope.

Diversity of thought and experience across all levels of a business improves the ability to thrive and grow, internally and externally. Sovereign is serious about achieving the goal of workplace diversity and takes seriously the challenge of being a role model and advocate for diversity in the industry.

Sovereign is a diverse business reflective of the community we serve with staff from 52 ethnic backgrounds and a gender balanced leadership team. According to our most recent data from April 2018, women represent 57% of managers and 49% of senior leadership.

Sovereign was the first insurance company in New Zealand to receive the Rainbow Tick in 2015 and we've been recertified every year since. It's not just a box ticking exercise; it's a continual improvement programme that ensures we are successful in providing a safe and inclusive workforce.

Rainbow Tick has a lot of visibility across New Zealand and by achieving it we are openly showing our support for the LGBTI community and demonstrating our commitment to diversity.

Sovereign has also integrated "MX" salutation and "X" gender reference into both our customer and people systems. These designations refer to individuals who either don't identify as being of a particular gender, or for people who don't want to be identified by gender.

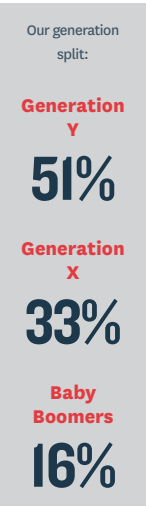
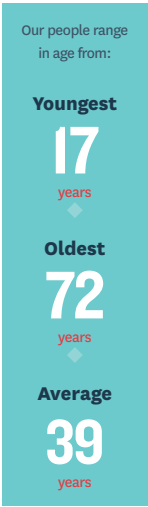
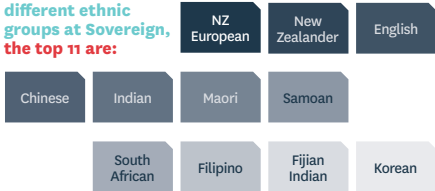


Sovereign CEO Nick Stanhope (centre) with members of Sovereign's Unity Group during the recent Pride celebrations.

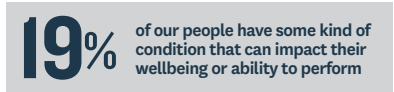
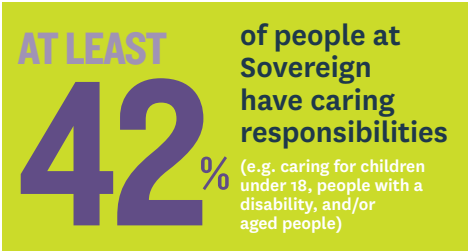
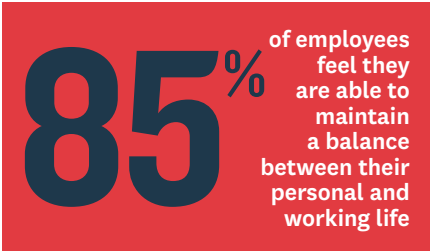




52



Based on employee data as at May 2018



**SOVEREIGN**

## Organisational culture

*“Overall I have to say the best thing is the culture here [at Sovereign]. I love the people and feel like Sovereign is a bit like a family. I have been impressed by my team mates pulling together and supporting each other when times are tough. We have had a hard year so far but I love my team and we work together to achieve what needs to be done. Working at Sovereign is one of the best jobs I have had and that is mostly because of the people.”*

Employee comment from IBM Staff Engagement Survey April 2018.

In the most recent staff engagement results (April 2018) 94% of Sovereign staff had their say.

There are four key questions that determine employee engagement – satisfaction, commitment, advocacy and pride – and Sovereign achieved a new high of 83, up from 78 in March 2017. Profoundly, these results were achieved during a time of significant change and disruption for Sovereign. In addition to department restructures, it was announced in 2017 that the company would be potentially sold by the Commonwealth Bank Group of Australia. The survey was completed through this transitional period.

Through their responses, staff have indicated that they feel part of a successful organisation, their voice is heard, they receive fair and timely recognition of their contribution and that they are cared about.

**84%** of staff are extremely satisfied with Sovereign as a place to work

**88%** would recommend Sovereign as a great place to work

**90%** are proud to work at Sovereign

**94%** of staff feel they are working for a successful organisation

**91%** of staff agree that Sovereign cares about the wellbeing of its staff



Members of the Customer Team receiving some wellbeing gift bags during winter.



*Sovereign staff helping out at the North Shore Special Olympics.*

# OUR COMMUNITY

As New Zealand's leading life and health insurance provider, Sovereign is committed to supporting New Zealand communities through volunteering, charitable partnerships and sponsorship.

Our charitable partners are family and we ensure they have a high level of visibility across the business. Our official charitable partners also gain exclusive benefit via payroll giving and charity parking in addition to the following activities.

## Youthline



Young people in New Zealand are facing unprecedented challenges. Depression, anxiety and stress are all amplified

within this new world where cyberbullying, social media anxiety and fear of missing out are very real to them. Meanwhile, our mental health services are stretched trying to assist increasing numbers of teenagers who are facing addiction, family violence and suicide.



*Members of the Community Crew visiting Youthline.*



Young people are our future, which is why Sovereign is proud to be a major supporter of [Youthline](#). At any given time, Youthline are working with as many as 30 young people at immediate risk of suicide and they help more than 40,000 individuals each year.

In 2017, Sovereign made more than \$80,000 in donations to Youthline and recognised Youth Week in May with a range of activities. Sovereign covers training costs for staff who wish to take the first step toward becoming a helpline counsellor.

Funds raised by Sovereign have assisted in funding counselling, mentoring, spoken word workshops and helpline services

*“We are incredibly fortunate for Sovereign’s investment as over the course of three years we have been able to achieve seeing 38 clients for face-to-face counselling and our youth work team have been able to fully support and mentor 50 young people when they needed it the most. We have supported 125 young people to complete the personal development course and been able to deliver 120 spoken word workshops around the country. In addition to all this, Sovereign has supported our helpline services in full for 20 days,”*

says Fundraising Manager Erica Mestrom.

## Sweet Louise



in trauma claims related to breast cancer, providing a lump sum to more than 100 customers.

Breast cancer is an important issue for Sovereign – in the last financial year we paid more than \$10.5 million



Corporate Social Responsibility Manager Rebecca Emery (left) with Nicola Biss and Rosalyn Lambert from the Communications team judging the Sweet Louise Beautiful Bust competition.

Sovereign is also there to support the ongoing impacts that breast cancer treatment can have. In 2017, we paid more than \$5 million dollars in health insurance claims to support 1,100 customers when they needed us most.

It is with this in mind that Sovereign is proud to be a major sponsor of Sweet Louise, providing the funds to support the family initiative which provides families with precious opportunities to enjoy time together.



*“The sponsors of Sweet Louise need to know that the small gifts they give to families like ours shows that in life, there is always hope and that life is meant to be enjoyed and for that, we are truly grateful for their generosity.”*

Sosefina and Kelly Tarltons

This year, Sovereign donated \$77,246 to Sweet Louise and we supported the annual member’s lunch, high tea and leadership series.

## Look Good Feel Better



the treatment such as hair loss and skin problems. These workshops are free to anyone with any type of cancer.

Look Good Feel Better (LGFB) provide free workshops for women, men and teens with cancer helping them to overcome the visible side-effects of



*A bake sale during Feel Good July helped to raise funds for Look Good Feel Better.*

Sovereign is a proud supporter of LGFB, providing both financial and volunteer support as well as a venue for workshops throughout the year.

In 2017, Sovereign provided the venue, volunteers and funds that enabled LGFB to extend their workshops to Auckland's North Shore.



We also raised more than \$14,000 during Feel Good July through bakes sales, raffles, auctions and pamper parties. This made it possible for an additional 116 people to take part in a workshop across New Zealand.

Sovereign also supported the LGFB gala and a number of other fundraising drives through the year.

## Volunteering

Sovereign promotes positive involvement in the community by giving all staff one day off per year (pro-rata equivalent for part-time employees), on full pay to volunteer in the community. A volunteer programme developed in partnership with Volunteering Auckland, Wellington and Christchurch delivers a wide range of activities to staff.



Customer Retention and Growth Manager Belinda Heunis helping out at De Paul House with her team.

In 2017, Sovereign staff completed more than 1,030 hours of volunteering in the community by helping organisations such as Hospice, Youthline, Graeme Dingle Foundation, Breast Cancer Awareness, Sea Cleaners, Conservation Volunteers, Heart Kids, The Hunger Project NZ, Look Good Feel Better and De Paul House.

More than 50 staff members are also active members of the Community Crew and assist with delivering awareness activities throughout the year.

## Christmas appeal

A gift drive by Sovereign staff across New Zealand ensured every child living in foster care within our community had a gift to open at Christmas.

In support of [Foster Hope NZ](#), our intention was to provide every child in emergency or foster care on Auckland's North Shore with a gift to open at Christmas. We collected so many donations that there was enough for every foster child in New Zealand as well as \$3,200 in staff donations.



Chief People and Culture Officer Angela Busby with Foster Hope NZ CEO Louise Allnutt.

*“This was my first Christmas at Sovereign and I was humbled to see the care and compassion from staff. It made a huge difference to young people aged from newborn right through to 16 who were in foster care over the festive season. I am proud to work at a place that cares so deeply for others.”*

Chief People and Culture Officer, Angela Busby.



## Sponsorship

In addition to our official charitable partners, Sovereign has supported a number of organisations in the community including the Mental Health Foundation, Breast Cancer Cure, Returned Servicemen Association, Hospice, SPCA and Heart Saver over the last year.

## Advocacy

Sovereign has close connections with a number of external organisations. Through collaboration, Sovereign works to improve the financial, physical and mental health of New Zealand. Advocacy relationships include Financial Services Council; Professional Advisers Association; and Best Doctors.

## Sustainability

Sustainability is about ensuring that what we do today helps us build a solid future for the generations to follow. Sovereign's Sustainability Policy have been developed and approved by the Executive Leadership Team. They include reporting guidelines that ensure ongoing compliance around procurement, motor vehicles, property, operational environment, travel and risk.

## Distribution networks

Sovereign operates through a network of independent financial advisers, banks and groups to provide long term peace of mind to New Zealanders.

We have operated as a Qualified Financial Entity (QFE) for seven years and put robust compliance, risk and monitoring systems in place to support the continued delivery of quality advice. This framework is available to all advisers through our Ascend programme.

Ascend is designed to support advisers to grow their business by offering simple, practical and effective such as compliance assistance, ongoing education, marketing support, networking events, business growth grants and technological tools.

Sovereign's Women in Business series was developed by Head of Retail Distribution Anna Schubert as a way to connect female advisers in the insurance industry through inspirational networking events.

This is all part of our commitment to making quality advice accessible to more New Zealanders, encouraging diversity in the financial advice sector and creating a sustainable future for insurance.

## In the news

Sovereign's subject-matter experts often share their knowledge and experience with the public to improve understanding of the issues affecting New Zealanders. Here are the most read stories of 2017:

- > [North and South](#) - High-tech procedures and lifestyle changes are transforming lives for sufferers of an increasingly common heart condition.
- > [North and South](#) - Advances in radiotherapy are cutting cancer treatment times dramatically and improving outcomes.
- > [Mindfood](#) - Surgical Oncologist Dr Richard Martin shares the latest on melanoma treatments and prevention methods.
- > [SovBlog](#) - Bowel cancer is a silent killer in New Zealand because we're afraid to talk about it. Get a unique perspective on the impact it can have on families.
- > [SovBlog](#) - The rise of low cost diagnostic testing has the capacity to transform the insurance industry in a number of ways.
- > [M2 Magazine](#) - Ironman CEO Nick Stanhope might well be New Zealand's healthiest executive leader but it's a philosophy that is core to the values the company he leads.

# OUR CUSTOMERS

*"We know first-hand how traumatic and life-changing cancer, for example, is on the patient and the people who love them. We are there for our customers throughout this difficult time in their life to help them achieve their goals, whether it's reaching a good quality of life, getting back to work or simply enjoying the time they have with their family."*

Chief Customer Officer Sharron-Moana Botica.



## Michelle's Moment of Truth

When the unimaginable happens, it's more than about just getting your claim paid. It's about having the ability to focus on getting well and the confidence of knowing that you have the resources to help you get back on your feet, and back to work. That's what sets Sovereign apart.

In FY17 we spent close to \$1 million proactively rehabilitating customers and our case managers made more than 800 home visits.

### Discover the difference proactive case management makes for our customers

Sovereign's rehabilitation process starts with dedicated case management and includes home visits, vocational assessments as well as bespoke rehabilitation plans developed in collaboration with health care specialists. We pay for treatment required as part of the rehabilitation plan and, if necessary, will fly the client to see the most appropriate specialist if there is not one available for them locally.

All of this is designed to help clients achieve a meaningful and sustainable recovery.



## Customer Experience

*"It is important to me that every single staff member, regardless of their role, understands the important contribution they make to our customers in their moment of truth."*

Sovereign CEO Nick Stanhope.

The Sovereign Customer Experience (CX) Survey is sent out to customers who have had a recent interaction with Sovereign.

For FY17 Sovereign achieved a company CX score of 83.4 against a target of 82.0. In January 2018, we set a new company record with a score of 87.2. This was a reflection of strong turnaround times and good communication skills from front-line teams.

- > *"I dealt with the same person each time which made it very personal. They kept me informed of the progress of my claim either through email or a phone call. I felt confident my claim was important whatever the outcome."* Lump Sum Claims, declined claim
- > *"I particularly appreciated the nurse coming to me for a blood test."* - New Customer ASB
- > *"The Clinic has been doing all the paperwork directly with Sovereign and it has been a smooth task to date. I have not had the added stress of having to arrange pre approvals etc. It has all been taken care of and this is awesome service. I thank Sovereign for the ease during this process"* - Health Claims customer



## Complaints

Sovereign takes feedback from its customers, employees and wider community seriously and has a robust internal complaints process to ensure that any concerns raised are fully responded to.

Sovereign views complaints as an opportunity to improve and has mechanisms in place to ensure a balanced complaint investigation is undertaken to enable appropriate resolutions to be found.

We make it easy for complaints to be made to us, in any number of forms, and look to provide additional support for any person who may come up against barriers in making their complaint, such as language or physical barriers.

The complaints process is outlined to the right:

All information obtained during a complaint investigation is treated as confidential ensuring that personal information is kept secure and treated with respect.

Sovereign has a Complaints Committee which completes a review of the complaint independent from the area of the business initially involved and forms the last step in its internal complaints process.

Sovereign stakeholders, including customers and staff, have access to a range of external sources of information on their rights and obligations, including the Human Rights Commission, IFSO (the Insurance and Financial Services Ombudsman), the Citizens Advice Bureau, Community Law Centres and the Privacy Commissioner.

## Employee training

To ensure that Sovereign employees provide an excellent customer experience and a high level of conduct mandatory learning is a focus for the Sovereign learning team.

Mandatory learning modules for all Sovereign employees include Health and Safety; Code of Conduct; Information Security; Privacy Act; Financial Adviser Regime; Anti Money Laundering; Anti Bribery and Corruption; Fraud (CBA Group); Productivity; Complaints at Sovereign; and Operational Risk.

### Frontline attempts resolution

Resolution at first contact is the most effective

### Frontline involves their Manager

The Manager will attempt resolution again usually by assisting the CSC

### Resolution & Privacy

If the Manager agrees that the business unit cannot resolve the complaint it should be escalated to Resolution & Privacy

### Complaints Committee

If Resolution & Privacy cannot resolve the complaint, they will present the case to Complaints Committee

### Insurance & Financial Services Ombudsman (IFSO)

If 'deadlock' is reached at Complaints Committee the customer may be able to lodge their complaint at the IFSO



# THE FUTURE

Subject to regulatory approvals, Sovereign will join AIA in 2018. This will create new and exciting opportunities for us to transcend the market through leadership and innovation.

We look forward to delivering on AIA's vision and helping New Zealand become one of the healthiest and most protected nations in the world.

## Connect with us

**Sovereign.co.nz**

## Email us

[community.partnershipSOV@sovereign.co.nz](mailto:community.partnershipSOV@sovereign.co.nz)

