



St Luke's Medical and Hospital Benefits Association Ltd

ABN 81 009 479 618

Modern Slavery Statement
(Statement)



Introduction

St.LukesHealth condemns modern slavery and is committed to ensuring that its global operations are free from all forms of modern slavery, such as forced labour, child labour and human trafficking.

This Statement applies to the financial year ended 30 June 2021.

Purpose

This Statement is published on behalf of St Luke's Medical and Hospital Benefits Association Ltd and its subsidiaries (St. LukesHealth).

This statement has been prepared in consultation with the relevant companies that we own or control.

The Statement sets out information regarding:

- St.LukesHealth's structure, operations and supply chain
- St.LukesHealth's policies and practices; and
- the steps taken by St.LukesHealth to prevent modern slavery in its business and operations.



About St.LukesHealth

Organisational structure

St.LukesHealth is a public not for profit entity incorporated in Australia and has private company subsidiaries.

St.LukesHealth is governed by a board of directors, all of whom are non-executive directors, that provides oversight and challenge to management. This includes ensuring that modern slavery is not present in our direct operations and that steps are being taken to eradicate modern slavery from our supply chains.

Operations

St.LukesHealth is an Australian private health insurer with offices based in Tasmania. We have been providing health insurance nationwide since our inception in 1952 with a strong focus on supporting the Tasmanian community. Our primary business is providing private health insurance products to Australians covering over 80,000 people. Our health insurance products cover hospital, medical and general treatment services.

St.LukesHealth is a not-for-profit organisation which retains and invests members' funds into benefits on behalf of members. This enables us to have a strong community focus on supporting measures that benefit both our members and the wider community as we do not need to manage shareholder interests.

Our promise is to help our members stay healthy, get well, live better and deliver peace of mind.

St.LukesHealth also has subsidiaries that work to provide additional health related services for the benefit of our members which work towards delivery of our member promise. This includes Salveo Healthcare which provides healthcare services to St.LukesHealth members via the services of registered nurses, these services are also 100% based within Tasmania. Salveo Healthcare's purpose is deceptively simple. It exists to keep Tasmanians out of hospital, enabling them to live a healthy life at home in their community.

The highly regulated nature of the private health insurance industry in Australia means that St.LukesHealth has a variety of people, policies, systems and practices (discussed in more detail below) that work together to ensure that we comply with regulatory requirements, including the Modern Slavery Act 2018 (Cth).

In addition to our private health insurance operations St.LukesHealth invests funds for the purposes of providing member benefits. These investments are made in accordance with a documented Investment Strategy which is overseen by the Board Investment Committee. Social considerations including the risk of modern slavery are considered when investments are selected.

Risk of Modern Slavery in Operations

The St.LukesHealth Board has assessed the modern slavery risk in the direct operations of the business and its subsidiaries as low. This assessment is based on all operations being based in Australia and the governance structures that the Board has implemented to ensure that all employees, contractors and suppliers directly engaged by St.LukesHealth are remunerated and treated equally, fairly and in accordance with applicable labour laws.

Supply chain overview

The business operations of St.LukesHealth work in partnership with a large number of providers, contractors and other suppliers to fulfil the commercial and contractual obligations to members. In common with many companies operating in the private health insurance industry, our supply chain is complex; there are often many tiers of suppliers between St.LukesHealth and the source of the raw materials, manufacturing and labour used.

Our first tier suppliers are primarily located within Australia and each supplier is vetted through a due diligence process that includes assessment of the corporate social responsibility of the supplier. This focus on using Australian based suppliers where possible aligns with our values as a not for profit organisation committed to supporting our local community.

Where we cannot or it is impractical use suppliers based within Australia our preference is to source products or services from jurisdictions with strong rule of law and labour laws which protect the interests of workers throughout the supply chain.

St.LukesHealth does not always have clear visibility of suppliers more than one to two steps down the supply chain.

As St.LukesHealth pay benefits towards medical devices we are indirectly exposed to modern slavery risk in these supply chains as well. Our ability to impact these supply chains is somewhat limited by private health insurance regulation which prevents private health insurers from directly influencing the decisions of providers on what device to use. These restrictions are in place to protect the interests of members by ensuring their medical care is not unduly influenced by their insurer.

Risk of Modern Slavery in Supply Chains

The assessment of supply chains has determined that there is a higher risk of modern slavery in the supply chains associated with information technology equipment, furniture and uniforms. This is due to these items having multiple components which it can be difficult to determine the ultimate source of origin. In addition many of these items are constructed or made in jurisdictions where there is a higher inherent risk of modern slavery due to instability in the rule of law, lax labour laws or other factors.

Actions Taken to Address the Risks of Modern Slavery

During the 2021 financial year St.LukesHealth has continued its adoption of various procedures to ensure that both our existing and potential supply partners understand our values, standards and requirements regarding the prevention of modern slavery within supply chains. We are aware that the biggest slavery and human trafficking risks for St.LukesHealth lie in our supply chains, particularly the supply chains of providers who source materials in higher risk jurisdictions.

We have taken steps to ensure that employees responsible for procurement activities are aware of our Modern Slavery Policy and its requirements for vetting new and existing suppliers. As we review agreements we are adding in modern slavery clauses to highlight our commitment to removing modern slavery from our supply chains.

Other steps St.LukesHealth takes to prevent and protect against modern slavery include the following:

- St.LukesHealth negotiates Enterprise Agreements with the employees and provides all employees with the right to bargain their employment terms; and

St.LukesHealth seeks to ensure that its Services Agreements with third parties contain provisions with respect to the treatment of those parties' employees.

St.LukesHealth's policies and practices

St.LukesHealth believes in the fair treatment and remuneration of employees and complies with all applicable employment legislation and industrial awards, where no employees are paid less than the minimum wage in their relevant jurisdiction. St.LukesHealth also invests in the safety, health and wellbeing of its employees.

St.LukesHealth seeks to do business with suppliers that have similar values, ethics and sustainable business practices, including those related to human rights. St.LukesHealth expects the organisations with which it deals to have ethical workplace practices, where employees are treated fairly and equally and remunerated in accordance with the law.

St.LukesHealth has policies in place to assist in ensuring that modern slavery is not taking place in its business or operations, as described in further detail below. Internal policies are available on the intranet for employees to access and peruse at their convenience including:

- **Modern Slavery Policy:** this policy was implemented in May 2020 and in its first year of operation has been used to support employees involved in procurement activities to identify and address the risks of modern slavery. The policy outlines St.LukesHealth's commitment to core human and labour rights, fair compensation, the prevention of child and forced labour, freedom of association and other employment requirements and standards. This policy forms part of our Business Social Compliance Initiative.
- **Ethics and General Code of Conduct:** describes St.LukesHealth's principles of business conduct and basic legal and ethical obligations which bind the directors, officers and employees of St.LukesHealth. The code provides guidelines for acceptable behaviour in ethical decision making, addressing issues such as compliance with laws and regulations and the reporting of unlawful and unethical behaviour.
- **Remuneration Policy:** is in place to ensure that St.LukesHealth appropriately compensates employees for the services they provide to St.LukesHealth, determines their remuneration in a way that ensures a level of equity and consistency across St.LukesHealth and complies with all relevant legal requirements.

- **IT Vendor Management Policy:** is in place to ensure that IT Vendors are appropriately assessed before St.LukesHealth enter into an agreement with them. This includes an assessment of any relevant risks and a due diligence process that takes into account the risks of modern slavery.
- **Our People and Culture Policies:** affirm St.LukesHealth's commitment to treating employees and prospective employees fairly, irrespective of their personal characteristics, such as race, age, physical or mental disability and religion.

Assessment of the Actions being taken to address the Risks of Modern Slavery

We have found our vetting processes for new suppliers and contractors can continue to improve in terms of assessing and minimising the risk of modern slavery in our supply chains. During the 2021/2022 financial year we will roll out additional training to employees responsible for procurement. There is also more work to be done in rolling out modern slavery attestations into contracts.

The actions we are currently taking are a step in the right direction however it is acknowledged that the use of contractual terms and discussions with tier one suppliers may not be effective to reduce the risk of modern slavery deep in supply chains.

In future statements St.LukesHealth will endeavour to discover and implement actions which may better permeate through our supply chain to create meaningful change for those impacted by modern slavery. These actions may include modern slavery questionnaires for suppliers to complete or greater assurances that our suppliers are taking appropriate actions to identify and combat modern slavery.

Monitoring and Management of Risk

The Risk Committee, governed by the Risk Committee Terms of Reference and St.LukesHealth Governance Charter, monitors and reviews the system of risk management which St.LukesHealth has established to identify, assess and manage operational and compliance risks.

The Committee is responsible for, among other things, St.LukesHealth's risk profile, overseeing and approving risk management strategy and policies and internal compliance. This includes monitoring compliance with applicable legislation, regulations and the aforementioned policies, and ensuring procedures, controls and reporting mechanisms are in place to prevent breaches.

Each department of St.LukesHealth has its own set of risks and controls which are monitored and reported to the Committee throughout the year. This includes the human resources and supply chain functions. There are mechanisms in place for risks and issues to be reported to the Chief Risk Officer and the Committee.

The Risk Committee has begun explicitly considering the risks of modern slavery in the operations and supply chains of St.LukesHealth. This assessment is completed annually during the review of the Risk Management Strategy.

The Chief Risk Officer and the Risk Committee will continue to review current and emerging risks of modern slavery at St.LukesHealth on an annual basis and work with management to implement appropriate strategies to reduce the risk of modern slavery in our operations and supply chains.

To combat these risks a process for vetting suppliers has been implemented.

Cases of Modern Slavery

During the 2020/2021 financial year St.LukesHealth did not discover any cases of modern slavery in our operations or supply chains meaning we have not needed to activate procedures for addressing known modern slavery incidents. Our intention if we were to discover or become aware of direct evidence of modern slavery in our supply chains we would work with the relevant suppliers and other organisations to address the incident. Whilst this may lead to the termination of the relationship with that supplier it will not be the default response as more meaningful outcomes may be reached through discussions with the supplier and gaining the assistance of other organisations such as relevant government departments.

Raising Concerns

St.LukesHealth takes modern slavery very seriously. The People and Culture department is available to discuss any concerns or queries with employees in relation to the employment policies and practices of St.LukesHealth and the Chief Financial Officer is available to discuss any concerns relating to modern slavery in St.LukesHealth's supply chain. Any reported concerns will be addressed and action taken as required.

Approval

This Statement has been approved by St.LukesHealth's Board of Directors.

M Lukianenko
Chair, St.LukesHealth

