



St Luke's Medical and Hospital Benefits Association Ltd

ABN 81 009 479 618

Modern Slavery Statement
(Statement)



Introduction

This Statement relates to St Luke's Medical and Hospital Benefits Association ABN 81 009 479 618 (St.LukesHealth) and the subsidiaries it owns or controls. It applies to the financial year ended 30 June 2022 and addresses the mandatory criteria in section 16 of the Modern Slavery Act 2018. The statement has been prepared in consultation with the relevant companies that we own or control and was approved by the Board of St.LukesHealth on 14th December 2022.



About St.LukesHealth

Organisational structure

St.LukesHealth is a public, not-for-profit entity, incorporated in Australia which owns three private company subsidiaries. It also has effective control of two private companies and a public company, limited by guarantee. Only 1 each of the owned and controlled entities are operating companies, the others are investment vehicles and holding companies. St.LukesHealth is governed by a Board of seven Directors, all of whom are non-executive Directors. Some of those Directors are also Directors on the Boards of the entities we own or control. As at 30 June 2022, St.LukesHealth employed 116 people with a further 46 employed by the entities we own or control.

Operations

St.LukesHealth is an Australian private health insurer with offices based in Tasmania. As a not-for-profit organisation we retain and invest our members' funds to provide benefits for those members.

We have been providing health insurance nationwide since our inception in 1952 with a strong focus on supporting the Tasmanian community. Our purpose is to enable Tasmanians to take charge of their

own health and wellbeing. Our core business is in providing private health insurance products to over 80,000 people. Our health insurance products cover hospital, medical and general treatment services. Our strong Tasmanian presence also enables us to influence and advocate for better health services in Tasmania.

Our subsidiaries and controlled entities are also 100% based within Tasmania and work to provide additional health related services for the benefit of our members and are aligned with our purpose.

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

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

Supply chains

St.LukesHealth utilises a broad network of providers, contractors, and other suppliers to enable us to meet our members expectations from our services. The range of resources that we utilise in our operations makes our supply chain deep and complex; similar to other private health insurance providers. Many consumables and fixtures used in our operations, whilst sourced by us from a tier one supplier based in Australia, have their origins or have passed through multiple other entities and jurisdictions.

Our tier one suppliers are primarily located within Australia and each material 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 to 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.

Risk of modern slavery in operations and supply chains

The risk of modern slavery in the direct operations of the business is low as all operations are based in Australia under the Fair Work legislation and the governance structures that the Board has implemented 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. However, St.LukesHealth does not always have 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 restricted by private health insurance regulation which prevents private health insurers from directly influencing the decisions of providers on what device to use. This restriction is in place to protect the interests of members by ensuring their medical care is not

unduly influenced by their insurer.

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, promotional items, office consumables 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 2022 financial year St.LukesHealth has focused on raising awareness of Modern Slavery amongst our employees. This has been achieved through the roll out of an eLearning module on our Modern Slavery Policy and Statement to all employees.

As we review agreements with suppliers, where it is judged appropriate, 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:

- negotiating Enterprise Agreements with its employees and providing all employees with the right to bargain their employment terms; and
- ensuring wherever practicable that its Services Agreements with third parties contain provisions with respect to the treatment of those parties' employees.
- undertaking appropriate due diligence with new suppliers to assess modern slavery risks

St.LukesHealth's policies and practices

St.LukesHealth:

- Is committed to 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.
- 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.
- 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:** 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 considers the risks of modern slavery.
- **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.

Of the operating entities that St.LukesHealth owns or controls, one has standard contracts in place with its corporate customers which reference the obligation to adhere to the conditions of the Modern Slavery Act (2018) and in relation to suppliers, has a limited number with Microsoft, Macquarie and Telecom being the principle one. These corporations will undoubtedly have exposures to modern slavery within their own supply chains but in so far as we have been able to assess, take appropriate actions to identify and manage modern slavery risks.

The other operating entity has similar policies and controls to St.LukesHealth in terms of its employment practices and its supply chain risks and controls relative to its size and complexity, albeit that the size and complexity of that organisation is significantly less than St.LukesHealth.

How the effectiveness of actions being taken is assessed

St.LukesHealth's policies and practices referred to above are deeply embedded in its day-to-day direct operations and any deviation or control failure is reported as an incident through the enterprise-wide governance, risk, and compliance system. Each incident is investigated, and remediation actions developed where necessary, including in relation to any incidents that might have resulted from modern slavery control failure. All incidents and outstanding actions are reported to Executive Management monthly, and a summarised version is reported to the Board Risk Committee quarterly.

The Executive Management group review current and emerging risks of modern slavery at St.LukesHealth regularly along with other operational risks.

Performance against material outsourced contracts is assessed annually and includes consideration of any modern slavery issues.

The Chair of the Board of entities owned or controlled provides a monthly report to the St.LukesHealth Board in relation to key operational matters, which would include issues related to modern slavery if these were to arise.

Process of consultation with entities owned or controlled

The Chief Risk Officer of St.LukesHealth liaises with the CEOs of both operating entities that St.LukesHealth owns or controls, to determine the controls in place within those entities to manage the risks of modern slavery and to determine the extent of modern slavery risks within direct operations as well as supply chains.

Approval

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



M Lukianenko
Chair, St.LukesHealth

