



St Luke's Medical and Hospital Benefits Association Ltd

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 2020.

Purpose

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

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 operating in Australia, with its offices based in Tasmania. Our primary business is providing private health insurance products to Australians. Our health insurance products cover hospital, medical and general treatment services. St.LukesHealth is a not-for-profit organization which retains and invests members' funds into benefits on behalf of members.

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)*.

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.

St.LukesHealth has adopted, or is in the process of adopting, 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.

During the past year we have incorporated an additional vetting process into our contractor due diligence procedures used within Australia. It is our intention that St.LukesHealth approved contractors, whether based in Australia or overseas, will progressively be required to sign up to our Supply Chain Commitment. St.LukesHealth is in the process of reviewing these contractors.

However, we acknowledge there is still more work to do in this area. We need to gradually ensure that all our supplier groups, from wherever they are supplying services, are required to sign up to our Supply Chain Commitment.

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:** 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. The policy was implemented by St.LukesHealth in order to comply with the 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.
- **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.

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.

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.

Commencing this financial year the Risk Committee has begun explicitly considering the risks of modern slavery in the operations and supply chains of St.LukesHealth. This was completed during the annual review of the Risk Management Strategy.

As a result of this review it was identified that the highest risk of modern slavery at St.LukesHealth is deep within our supply chains where the products we use in our offices are made or raw materials sourced. There is a higher risk of modern slavery when products are sourced or produced in jurisdictions where labour laws are lax or not actively enforced.

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

Next Steps

St.LukesHealth is committed to continuous improvement with respect to its supply chain. St.LukesHealth considers it important to review and update its processes in order to minimise the risk of modern slavery occurring in its business and operations. As such, St.LukesHealth's is currently in the process of reviewing its functions to determine where improvements can be made and how they can be implemented.

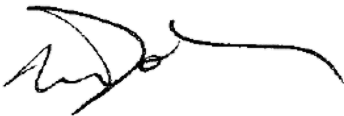
The Chief Risk Officer and the Risk Committee will continue to review current and emerging risks of modern slavery at St.LukesHealth on an annual basis and work with management to implement appropriate strategies to reduce the risk of modern slavery in our operations and supply chains.

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.



C Dockray
Chair, St.LukesHealth