

# Modern Slavery Statement

Financial year 23-24

# Introduction

## Acknowledgement of Country

Latrobe Health Services acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation. We proudly recognise Elders past and present as the Traditional Owners and Custodians of the lands on which our operations are located, the Gunaikurnai and Wurundjeri peoples. Latrobe Health is committed to supporting self-determination and envision a future where all Australians embrace Aboriginal and Torres Strait Islander histories, cultures and rights as a central part of our national identity.

## About us

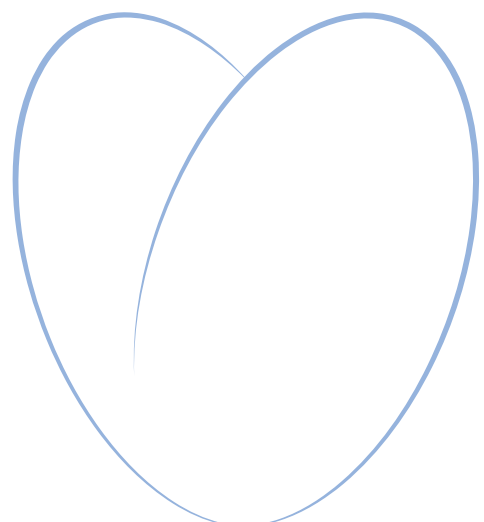
Latrobe Health Services (Latrobe Health) is an Australian-owned not-for-profit registered private health insurer, established in 1950 in the Latrobe Valley, Victoria, with more than 100,000 members across Australia. We pride ourselves on providing quality cover for our members, and exceptional services when our members need us.

Founded in 1950, Latrobe Health was established by power industry workers to provide for the health care needs of residents in the Latrobe Valley, Victoria, and at the time focused on providing medical services such as hospitals and ambulances. Much has changed since 1950, with Latrobe Health now providing hospital and extras coverage for members Australia-wide. However, the spirit of our founders remains.

Latrobe Health is still a regionally focused and based private health insurer that exists to benefit and support its members and the communities in which they live.

We're also proud to invest in our communities. In 1991 we established Maryvale Private Hospital (Maryvale), Gippsland's only private not-for-profit acute medical and surgical hospital. Since its inception, Maryvale has cared for more than 65,000 patients in the Gippsland region. Today, as a 65-bed hospital, it's a key health hub contributing to education and clinical programs through medical, surgery and consulting services

Our commitment to the regions also includes support for community medical clinics and sponsorship of programs aimed at improving access to health services for rural and regional communities.



# A Message from our Board Chair



I am pleased to present Latrobe Health Services' fourth Modern Slavery Statement, which demonstrates our commitment to preventing modern slavery and human trafficking within our operations and supply chain.

According to the Walk Free Global Slavery Index 2023, nearly 50 million people worldwide are victims of modern slavery. Australia is not immune, with an estimated 41,000 individuals living in modern slavery. Latrobe Health recognises its vital role in fostering fair and proper treatment of people across our operations and supply chains.

Over the past year, Latrobe Health has continued to evolve and strengthen our management of modern slavery risks through;

- Detailed assessment of modern slavery risks within our supply chain, to create a risk-based categorisation of a supplier base;
- Significant refresh of our Procurement Policy and associated processes to identify and assess modern slavery risks during procurement;
- Established a monitoring program to review the progress and actions of key suppliers in addressing modern slavery risks

We are proud that since our initial statement, we have consistently strengthened our governance and due diligence practices related to modern slavery and raised awareness both internally and externally.

Building upon these foundations, we will continue to refine our supplier onboarding process and expand our training programs to ensure that all corporate employees receive mandatory training of modern slavery.

The Latrobe Health Services Board approved this Statement on behalf of Latrobe Health Services and its wholly owned subsidiary Maryvale Private Hospital at its board meeting on 28th November 2024.

A handwritten signature in black ink, appearing to read 'Ormond Pearson'. The signature is fluid and cursive, written over a light grey rectangular background.

Ormond Pearson  
Board Chair

# Introduction



## Introduction

The modern slavery statement is made pursuant to the Commonwealth Modern Slavery Act 2018 (the Act) by Latrobe Health Services and Maryvale Private Hospital and relates to the financial year 2023 – 2024.

## The Reporting Entity

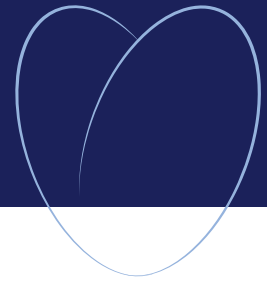
This Modern Slavery Statement is made on behalf of Latrobe Health Services ABN 94 137 187 010 and on behalf of its subsidiary, Maryvale Private Hospital ABN 44 007 374 629 in accordance with section 14 of the Modern Slavery Act 2018 (Cth).

It is submitted by Latrobe Health Services on behalf of itself and Maryvale Private Hospital in respect of the period 1 July 2023 to 30 June 2024 (FY24).

For the purpose of this statement, the “Group” or “Latrobe Health” refers to both reporting entities.



# Our Employees



## Our employees

Latrobe Health recognises the important role we play in contributing to our communities. This starts with our commitment to our people, ensuring they work in an environment that is safe, equitable and rewarding.

### As at 30 June 2024:

Latrobe Health's workforce consisted of 342 people, comprising 140 (41%) full time, 127 (37%) part time, 68 (20%) casual and 7 (2%) fixed term full time employees & contractors. Employees, independent contractors, and casuals are retained directly by Latrobe Health, with limited use of work hire agencies

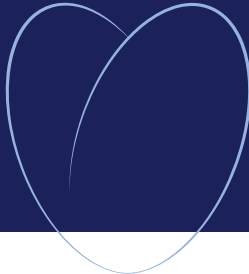
To meet the demands of 24/7 service delivery within the healthcare sector (Maryvale Private Hospital), we do employ a number of part-time and casual staff (54% of the workforce). All employment contracts are in accordance with the relevant legislations.

Latrobe Health employees work in a flexible hybrid working environment, from both our head office in Gippsland and our Melbourne office, with all staff at Maryvale Private Hospital working from the hospital site in Morwell. A small number of staff work within our branch network in Gippsland.

All healthcare practitioners including casual staff employed by Maryvale Private Hospital are registered and verified by the Australian Health Practitioner Regulation Agency (AHPRA). We do not hire medical staff from overseas who have not undergone this registration process.



# Structure, Operations & Supply Chains



## Latrobe Health Service’s structure, operations, and supply chains

Although Latrobe Health serves members nationwide, our historical connection to the Latrobe Valley in Victoria remains a key aspect of our identity. This local focus allows us to maintain strong ties with the community and cater to specific regional healthcare needs. We thus, only operate within Australia and take pride in making a regional impact on the communities.

Our operations consist of Latrobe Health Services (ABN 94137187010 ), a registered private health insurer, and Maryvale Private Hospital (ABN 44007374629), a fully owned subsidiary, providing acute surgical and medical care to Gippsland.

## Our Supply Chain and Procurement operating models

Latrobe Health operates a decentralised procurement and supply chain model. While most procurement transactions are managed by our executives/managers, strategic direction and governance are overseen by respective Boards.

Latrobe Health takes a risk-based approach to supplier sourcing and engagement. We prioritise resources and actions based on each supplier’s risk profile. This approach allows Latrobe Health to target suppliers and regions where modern slavery risks are statistically higher, using risk indicators to guide supplier audits, contract clauses and compliance/ performance monitoring.

This decentralisation is balanced by central oversight by the Chief Risk officer, Chief Financial Officer and Chief Executive Officer, which ensures that findings and high-risk suppliers are reported and addressed at an organisational level, facilitating a cohesive approach to mitigating modern slavery across the our supply chain. Our operations and supply chains are exclusively domestic. All our key suppliers are located in Australia.

Our primary spending areas include IT services and infrastructure, medical supplies, medical and health services, and health insurance brokerage services.

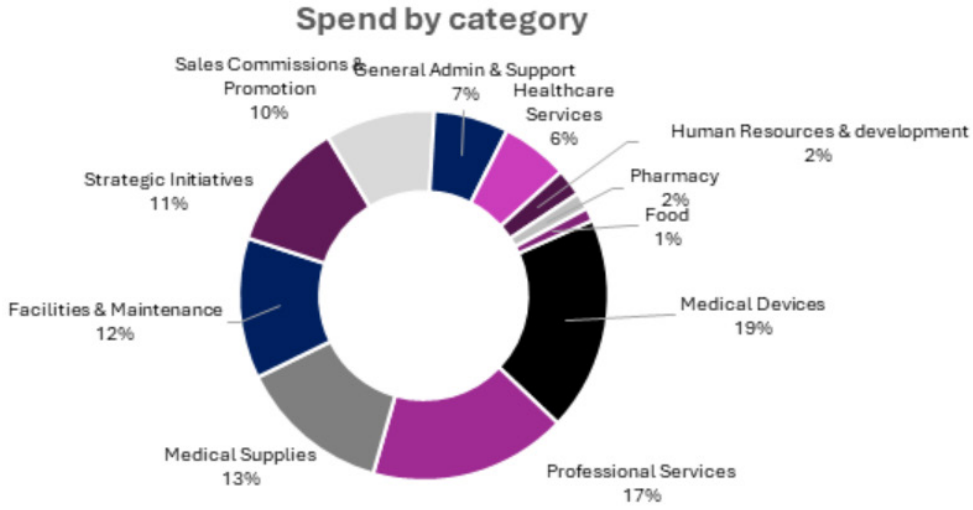
The top 20 suppliers at the group consolidated level operate within these spending categories, and we have maintained long-standing relationships with many of them for over a decade.

**100%**   
Tier 1 suppliers are based in Australia

**\$25m+**   
Total spend across the Group

**525+**   
Suppliers and operational partners

# Structure, Operations & Supply Chains



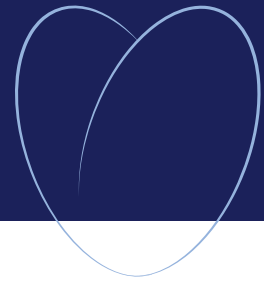
**What we buy:** medical consumable products, implants, medical equipment (including maintenance), food & nutrition, linen services, utilities, agency labour, laboratory & pathology services, pharmaceuticals, PPE, textiles, travel, consultancy services, facility management, IT and marketing, as well as sales promotion services among other categories.

**Who we buy from:** We only buy from Australian based suppliers and do not import directly any of our products or services. Over 51% of our Group consolidated spend is with our top 20 suppliers and over 25% of our medical spend is with our top 10 suppliers. Our key partners include (but not limited to)

- IT consultants
- Hosting services providers
- Implants & prosthesis manufacturers
- IT services providers
- Medical consumables wholesalers & manufacturers.

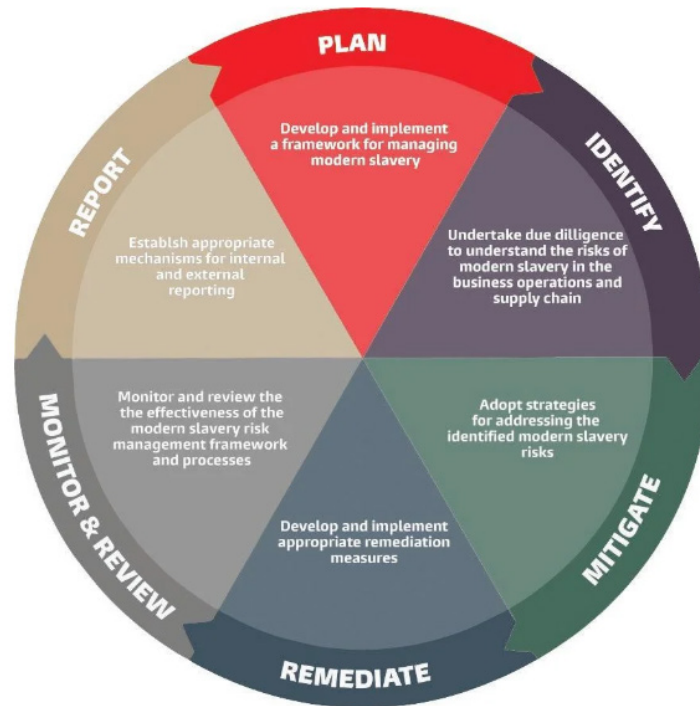


# Risks & Actions



## Identifying potential risks of modern slavery

Latrobe Health is committed to identifying possible instances of modern slavery within our supply chains & operations and utilises a risk management framework to manage these risks.



Addressing modern slavery requires a collective effort from everyone within our organisation, from the board level to our casual employees. We are proud to use the below framework to identify risks that are caused by Latrobe Health, directly linked to Latrobe Health, or for which Latrobe Health contributes.

<b>Cause</b> Modern slavery through our own actions or omissions.	<b>Contribute</b> to modern slavery through our actions or omissions that facilitate or incentivise an entity we engage with to cause modern slavery.	<b>Directly linked</b> to modern slavery through a business relationship with an other entity that is causing modern slavery.
Examples of where Latrobe has potential to be linked to modern slavery		
→ <b>As an employer</b> through our own actions	→ <b>As a procurer of goods and services</b> through actions that impact our contractors, strategic partners, employees and suppliers.	→ <b>As a provider of insurance products &amp; services</b> to our customers → <b>As an investor</b> through our relationship with investee companies → <b>As a procurer of goods and services</b> through our relationships with operational partners



# Risks & Actions

## Current potential risks as an employer

The Fair Work Act 2009 provides a legal framework governing Australian employment relationship, including the effective enforcement of employment standards. They provide a balanced framework to secure the health and safety of workers and workplaces, including the proactive identification and management of risks to ensure employees are protected against harm to the health, safety and welfare.

Latrobe Health has implemented a comprehensive framework to address modern slavery, including a Whistleblower Protection policy, a Whistleblower Reporting & Response Procedure, an employee code of conduct, a Modern Slavery Policy, and an employee assistance program. These policies provide a platform for raising concerns related to potential modern slavery risks, offering assurance to our stakeholders, employees, and clients of our commitment to combating this issue.

As of June 2024, our entire workforce is domestic, with the majority of employees being Australian citizens or permanent residents. Australia is classified as a low-risk country according to the Walk Free Global Slavery Index 2023.

While our nurse recruitment agencies source AHPRA-registered candidates with full working rights in Australia, we maintain vigilance due to the potential risks associated with nurses originating from countries with higher prevalence of modern slavery.

## Current potential risks as a procurer of goods and services

Through years of experience, supplier mapping, and knowledge sharing with industry peers and stakeholders, we have developed a nuanced understanding of modern slavery risks. Our insights have revealed the dynamic nature of these risks, which can shift in response to supply shortages and global economic pressures.

This evolving landscape has influenced our modern slavery management agenda and program, enabling us to effectively monitor our impact and real-time risks. While our stable business activities did not lead to significant changes in our modern slavery risk profile this year, we are exploring the implementation of a third-party risk management platform to enhance scrutiny of high-risk suppliers and gain a deeper understanding of our Tier 2 suppliers.

Our procurement & supply chain consolidated risks largely align with the entity-specific risks, primarily concentrated among medical supplies wholesalers, catering companies, cleaning services providers, and nurse recruitment agencies.

Despite the consolidated spending with a limited number of suppliers for repairs, maintenance, and security services, these categories still present significant risks due to their labour-intensive nature and the relatively low qualification requirements.

Our approach to this analysis is to Tier our Suppliers:

Tier 1: These are direct suppliers of the final product

Tier 2: These are suppliers or subcontractors for our tier 1 suppliers

Tier 3: These are suppliers or subcontractors for our tier 2 suppliers

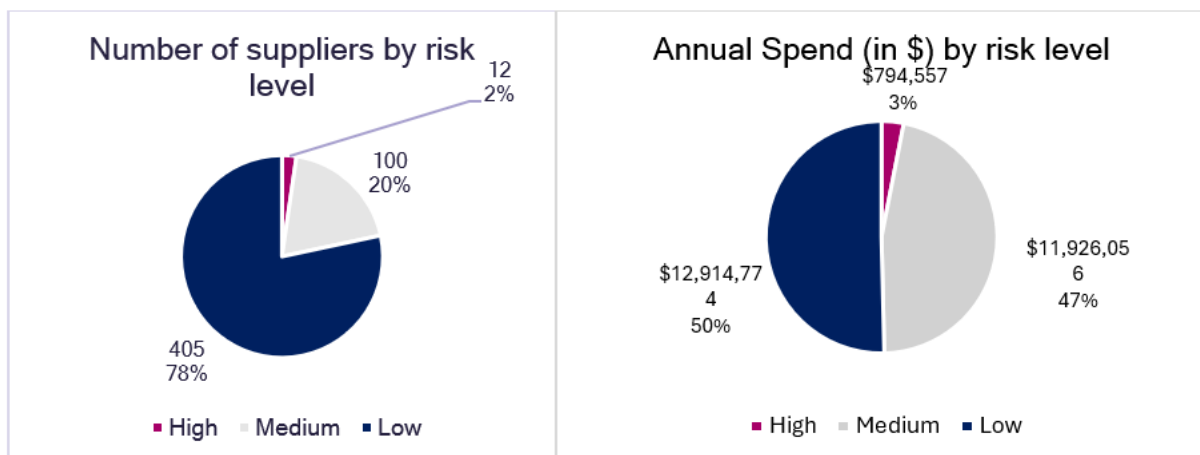
# Risks & Actions

Tiering suppliers allows us to manage risks, allocate resources, and focus on strategic partnerships more effectively. By categorising suppliers, we can prioritise critical ones, ensuring they meet stringent standards and mitigating potential disruptions. This approach enables better resource allocation, with high-tier suppliers receiving focused performance monitoring and support, while lower-tier suppliers are managed more efficiently.

We have identified the key high risks categories of spend following a detailed Tier 1 supplier analysis:

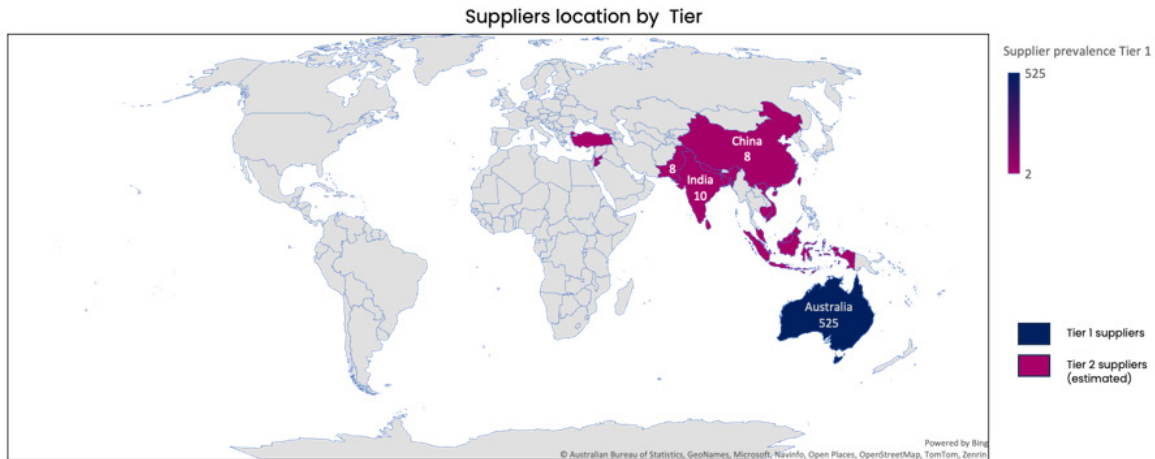
Spend Category	High risk - prevalence by category
Medical Supplies Stock Items	21%
Medical Supplies Non-Stock Items	15%
Meals & Catering	11%
Cleaning	11%
Uniforms	6%
Agency Staff	6%
Staff amenities	6%
Strategic Initiatives	4%
Staff Training	4%
Security	2%
Other Expenses	2%
Community Support	2%
Repairs	2%
Printing & Stationery	2%
Software Maintenance & Support	2%
Security Expenses	2%
<b>Grand Total</b>	<b>100%</b>

Among 12 suppliers categorised as High Risk, 5 relate to the medical supplies category, 4 to facilities management (cleaning, office furniture and waste management), 1 provides uniforms, 1 sources nurses, and 1 sells promotional items (merchandising).



# Risks & Actions

The picture below demonstrates that Latrobe Health's Tier 1 suppliers are all sourced through Australia, whilst a small number of Tier 2 suppliers are located outside of Australia.



**Note:** Only High risk and Medium risk Tier 2 suppliers have been mapped.

The high risks linked to Tier 2 suppliers relate to the low value medical consumables which are generic commodities. These includes but are not limited to tongue depressors, examination gloves, vomit bowls, cotton balls, tourniquets, catheters, patella hammers etc. These medical consumables are so far provided by 3 key Australian wholesalers which represent approximately 72% of our medical consumable spend.

Despite representing 17% of our spending, prostheses and implants spend are generally considered low-risk due to the Tier 2 suppliers' predominantly European & USA locations.

We also analysed our spend data based on the top 20 suppliers in terms of their compliance with Modern Slavery Legislations.

For Latrobe Health Services, 55% of our top 20 vendors (spend) have lodged Modern Slavery Statements or have mechanism in place to ensure business practices are consistent with the Act. For Maryvale Private Hospital, 70% of our top 20 vendors (spend) have lodged Modern Slavery Statements or have mechanism in place to ensure business practices are consistent with the Act.

The remaining do not have visible policies or procedures in the public domain that can be viewed. These will be captured in future periods as part of our next Modern Slavery Statement.

## Current potential risks as an investor & operational partner

Latrobe Health believes that successful long-term investing aligns with supporting enterprises that prioritise sustainable business practices. We integrate material Environmental, Social, and Governance (ESG) factors into our investment processes to effectively manage long-term risks and returns.

Our objective of long-term value creation and investment decisions consider the following:

- Environmental Impact Management: Including climate change mitigation and adaptation.
- Human Capital Practices: Focusing on labour practices, diversity, and safety.
- Human Rights Standards: Adhering to international human rights standards.
- Community Impact: Considering the positive or negative effects on communities.

# Risks & Actions

To further reinforce these principles, Latrobe Health has implemented a Responsible Investment Policy that advocates for sustainable practices.

Over the past year, we have continued to engage with our operational and investment partners, encouraging them to demonstrate their efforts to monitor and reduce modern slavery risks within their operations and supply chains.

During the financial year 2024, all our investments and operational partners were domestic, and our Risk Committee has not identified any concerns related to potential modern slavery risks.

## How we assess and address those risks

### Risk and governance

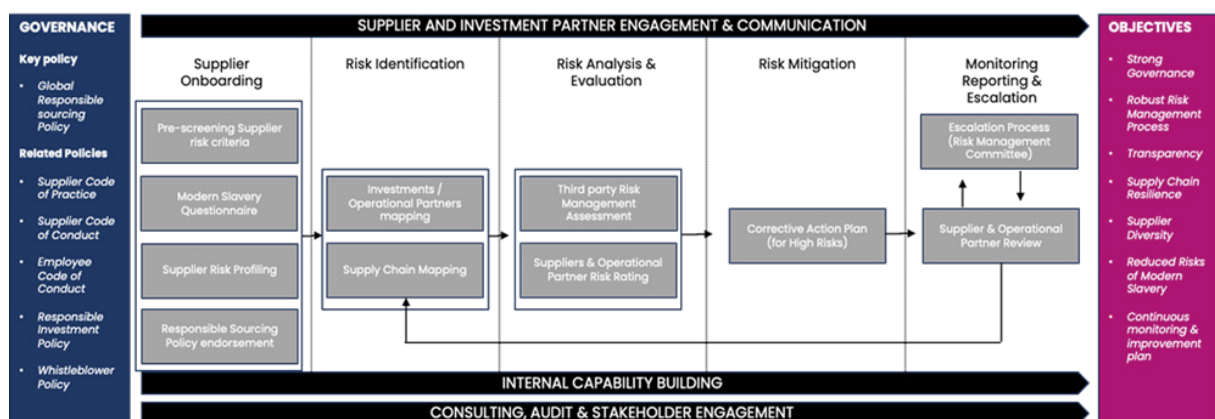
Latrobe Health continues to make steady progress towards our goal of combatting modern slavery.

Our efforts are underpinned by our Core Values and Medical Leadership Principles, which act as a guiding force for our employees and relate to modern slavery eradication and human rights protections.

We take pride in our 3 line of defence model which helps us identifying, assessing and addressing the risks:



To address modern slavery comprehensively, we employ a risk management framework that considers various perspectives and enables ongoing monitoring of high-risk suppliers, investments, and operational partners.



# Risks & Actions

Latrobe Health has integrated modern slavery into its core risk management framework, ensuring robust governance. The Risk Committee, reporting directly to the Board, enables active participation from the executive team and board members in reviewing and addressing modern slavery risks.

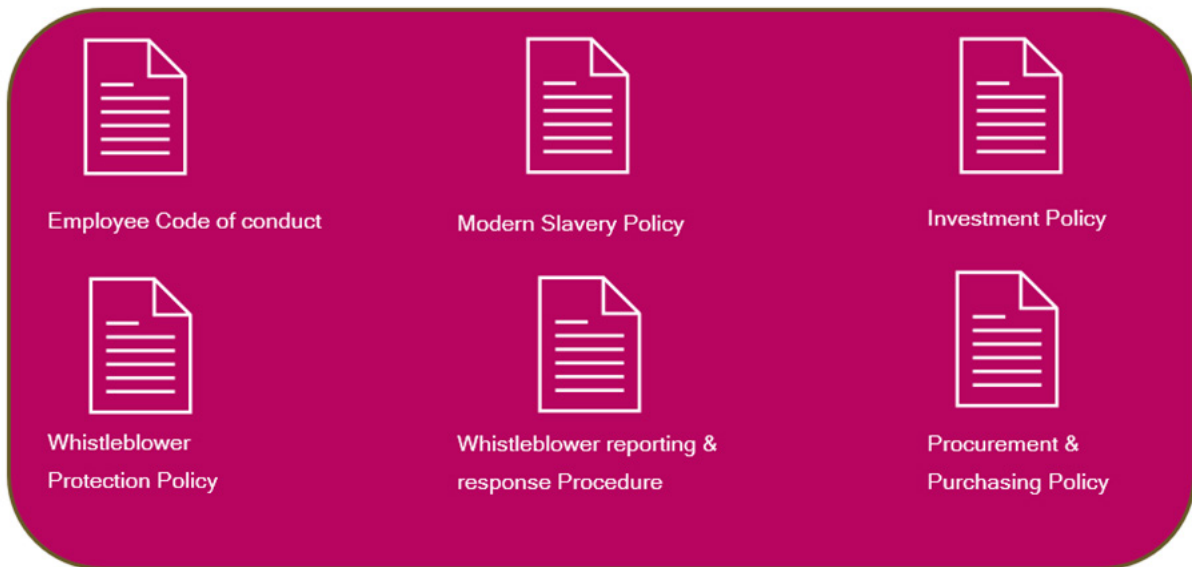
## Board of Directors

- Oversees the overall strategy and direction of the organisation.

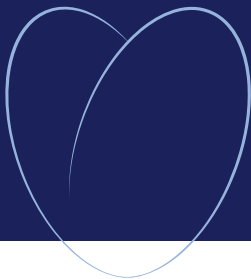
## Risk Committee

- Provides oversight and guidance on risk management matters.
- Reports directly to the Board.

Latrobe Health has several policies & procedures in place to manage our risks and opportunities linked to modern slavery. This allows us to manage our risks through standards and expectations set for our people and organisations we interact with.



# Assessing the effectiveness of our actions



As part of our commitment to eliminating all forms of modern slavery within our influence & control, we conduct ongoing reviews of the effectiveness of our actions.



Our recent review has highlighted opportunities to enhance our action plan on modern slavery. Specifically, we need to refine our supplier onboarding process and foster greater collaboration with Tier 1 suppliers to map Tier 2 high-risk suppliers.

For instance, we’ve discovered that one of our medical consumable wholesalers, sources private label goods from potentially high-risk regions. While their 2023 Modern Slavery Statement mentions a Responsible Sourcing Program, we believe further investigation is necessary. Latrobe Health will delve into the manufacturing processes and assess whether our Tier 1 supplier has conducted social audits.

In addition, the success of our modern slavery training for new joiners and key procurement stakeholders underscores its effectiveness. We will expand this training to our entire corporate workforce.



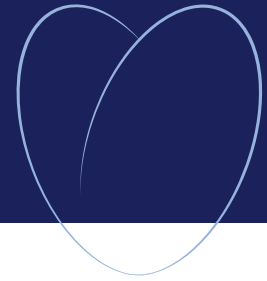
# Assessing the effectiveness of our actions

## Next Steps

In FY2025, we will prioritise three strategic initiatives to combat modern slavery within our supply chains and operations. These pillars will require sustained effort and will be implemented over time. They are:

PILLARS	FOCUS AREA
 <p><b>Governance</b></p>	<ul style="list-style-type: none"> <li>• Establish a ESG Working Group’s operations with a structured initiative log, action tracker, and regular meeting cadence.</li> <li>• Design and implement a Supplier Code of Conduct.</li> <li>• Incorporate forced marriage and other modern slavery-related issues into the Whistleblower policy.</li> </ul>
 <p><b>Training &amp; Awareness</b></p>	<ul style="list-style-type: none"> <li>• Continue to raise awareness of modern slavery and human rights with our corporate employees and third parties.</li> <li>• Extend our modern slavery training and awareness module to all corporate employees and monitor compliance.</li> </ul>
 <p><b>Due Diligence</b></p>	<ul style="list-style-type: none"> <li>• Continue risk assessment of our supply chains and operational partners, including prioritising the mapping of Tier 2 suppliers for our high-risk Tier 1 suppliers.</li> <li>• Update the supplier onboarding form to include more in-depth questions about modern slavery prevention measures.</li> <li>• Explore options to use a subscription based, third party risk management platform to streamline assessments.</li> <li>• Send annual questionnaires to suppliers to gather information on modern slavery incidents and mitigation strategies.</li> </ul>

# Closing Statement



## Consultation Process & Approval

This statement has been prepared by Latrobe Health in consultation with Maryvale Private Hospital and it has been approved by the Board of Latrobe Health Services on 28 November 2024.

The process of consultation involved:

- review by the Executive Leadership Team, which is comprised of the functional leads with key responsibility for the day-to-day management of the Group
- input via email from the various relevant internal stakeholder groups (including Finance, Risk and Human Resources).
- inputs from a consulting firm, specialised in procurement and its associated modern slavery risks.

This statement is made in accordance with section 14 of the Australian Modern Slavery Act 2018 (Cth). It represents the two Reporting Entities' statement on modern slavery for the financial year ended 30 June 2024.

**Ormond Pearson**

**Board Chair**

**28 November 2024**



## **MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE**

### **Principal Governing Body Approval**

This modern slavery statement was approved by the *principal governing body* of

Latrobe Health Services

as defined by the *Modern Slavery Act 2018 (Cth)*<sup>1</sup> (“the Act”) on 11/24/2024

### **Signature of Responsible Member**

This modern slavery statement is signed by a *responsible member* of

Latrobe Health Services Board

as defined by the Act<sup>2</sup>:



Ormond Pearson

Chair

### **Mandatory criteria**

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

<b>Mandatory criteria</b>	<b>Page number/s</b>
a) Identify the reporting entity.	4
b) Describe the reporting entity’s structure, operations and supply chains.	6-7
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	8-11
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	12-13
e) Describe how the reporting entity assesses the effectiveness of these actions.	14-15
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	16
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	16

\* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own or control any other entities' instead of a page number.

\*\* You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

1. Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

2. Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.



### Keep in touch

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W: [www.latrobehealth.com.au](http://www.latrobehealth.com.au)

A: download the app