



Latrobe Health Services

Modern Slavery Statement

2021

Introduction

Latrobe Health Services Limited (Latrobe) is committed to ensuring its operations are free from modern slavery and this statement outlines the steps taken to assess and prevent modern slavery in its supply chain and operations. This statement is applicable to Latrobe as well as our controlled entity in respect of Latrobe's financial year ended 30 June 2021.

About Latrobe Health Services

Latrobe Health Services is an Australian-owned not-for-profit registered private health insurer with more than 81,000 members across Australia. We pride ourselves on providing quality cover for our members, and exceptional service 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 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, Gippsland's only private acute medical and surgical hospital. Since its inception, Maryvale has cared for more than 44,000 patients in the Gippsland region. Today, it's a key health hub contributing to education and clinical programs such as diabetic care, cancer services, palliative care, breast care and men's health.

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.

What is modern slavery?

Modern slavery is an international crime, affecting millions of people around the world - a growing global issue that transcends age, gender, and ethnicities. Sadly, vulnerable people are forced to work illegally against their will across many different sectors from agriculture, construction, hospitality, retail, manufacturing, and more.

Our policies in relation to slavery and human trafficking

Latrobe is committed to support all efforts to stop modern slavery

Latrobe's Board and management are committed to our Staff Code of Conduct, The Latrobe Way, which is based upon our core organisational values and provides a guide to positive behaviours. It outlines the expectation of staff behaviour with both internal and external relationships. Success measures linked to each value support every staff member to reflect, test and manage performance consistent with our values over time. The Latrobe Way is reinforced through our policies, procedures and processes and applies to Directors, Executive, Management and Staff.

Latrobe has policies and procedures in place and under development to assist in ensuring that modern slavery is not taking place including:

- A Modern Slavery Policy which sets out the key issues and how we should respond including a process for raising concerns internally.
- A Procurement Policy for how we manage procurement and a Preferred Supplier list for key purchases.
- All Master Service and Service Level Agreements reference the requirements of partners and suppliers under the Modern Slavery Act as a condition of the contract.
- A Remuneration Framework to ensure staff are rewarded financially for the outcomes they achieve through remuneration designed to promote effective management of all risks (financial and non-financial) and achieve sustainable performance.
- Employment processes that protect our staff from unfair treatment and promote a fair and inclusive workplace.
- Robust recruitment processes in line with relevant employment laws.
- Market-related pay and rewards reviewed annually.
- Wellbeing strategy and initiatives to support our people's physical and mental wellbeing and lifestyle choice.

Risk assessment findings

Modern slavery risk for Latrobe is low given almost 100% of the Funds revenue is generated through contribution income rather than through the sale of good and services with complex and high modern slavery risk supply chains. Added to this, acquisition of goods or services to support the health benefits fund is low in volume and value with close to 70% of management expense accounted through salary and sales commission costs. The remaining 30% is from a base of approximately 400 suppliers with the majority rated as low risk due to the provision of services and goods from within Australia.

The controlled entity supply chain consists of a range of local and global providers, both via direct relationships and through intermediaries. The range of goods and services includes medical equipment and critical medical consumables.

The initial assessment identified that Latrobe is low risk in causing, contributing to, or being deliberately linked to modern slavery practices. The highest risk is in the early stages of our supply chains where raw materials are sourced and products manufactured.

Computer & technology equipment

Conflict materials may be used or goods may be manufactured using forced labour in the early stages of their supply chain

Medical equipment & supplies

Goods may be manufactured through worker exploitation including child, forced or indentured labour in the supply chain.

Having been identified as higher risk, further development of our procurement policies and processes will address due diligence of our suppliers to understand their policies, procedures and maturity so we can identify if any proactive remediation is required.

Evaluating the effectiveness of our actions

Latrobe assesses the effectiveness of our actions in respect to modern slavery risks through the following:

Incidents of modern slavery

Capture any reported incidents of modern slavery within Latrobe as well as within our supply chain and prioritise investigation and remediation processes as appropriate.

Training & awareness of modern slavery

A modern slavery policy has been developed which will be published on our intranet and rolled out to all staff with training provided. The policy defines what constitutes modern slavery and outlines Latrobe's view, stance, and expectations of our team regarding modern slavery.

Raising Concerns

The modern slavery policy outlines the pathways in which Latrobe staff can report and escalate concerns around modern slavery confidentially.

Review and Develop

The modern slavery policy will be reviewed on an annual basis to update and reflect issues surrounding modern slavery to understand latest best practices and data.

Next Steps

In the financial year ending 30 June 2022, we will continue to develop our response to addressing potential modern slavery risks occurring in our operations and supply chain. It is intended that these responses could include:

- Assessing the impact of COVID-19. The economic impacts of the pandemic may increase the prospect of exploitation in certain jurisdictions and while the full ramifications of COVID-19 are not yet known, this will be considered in a future risk assessment.
- Continuing to assess and monitor the risks in our operations and supply chain and implement any recommendations from the assessment.
- Development of a Supplier Code of Conduct (by December 2022)
- Review of the overall purchasing and procurement process including further development of the procurement policy and preferred supplier list to effectively evaluate our key suppliers on a range of areas including modern slavery commitments.
- Provide training on modern slavery awareness and prevention to Latrobe and Maryvale staff (by December 2022).

Approval

This statement has been approved by Latrobe Health Services Board of Directors.