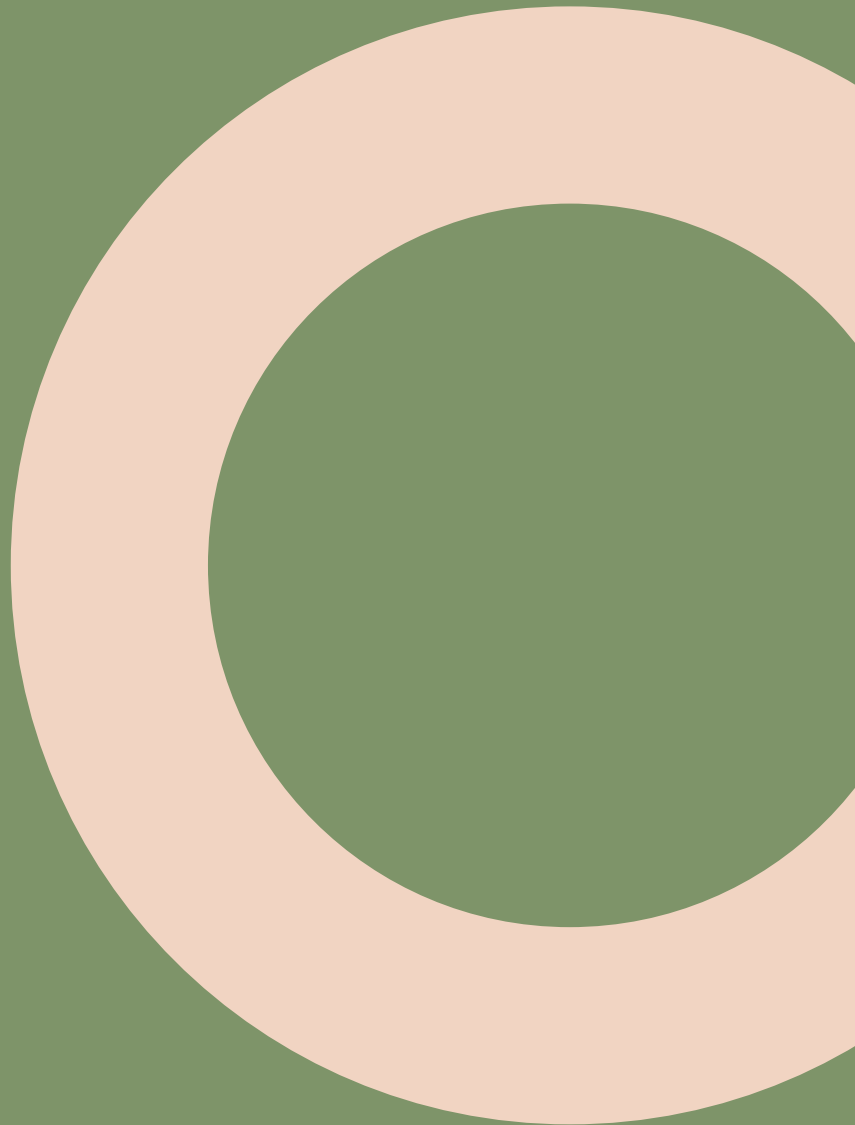


Modern Slavery
Statement 2021



Modern Slavery Statement 2021

Introduction

This Modern Slavery Statement (Statement) is made on behalf of Westfund Limited ABN 55 002 080 864 (Westfund), which operates under the trading name of Westfund Health Insurance, in relation to the financial year ended 30th June, 2021.

The Statement is issued in accordance with the requirements of the Modern Slavery Act 2018 (Cth) (the Act).

The purpose of this Statement is to outline our approach to ensuring that Westfund has robust frameworks and systems in place to identify and manage the risk and prevent modern slavery in our business operations and supply chain.

Modern slavery

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. The Act defines modern slavery as including trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour and services, and the engagement of children for slavery or hazardous work.

Our business

Westfund is based in Lithgow NSW and is a not-for-profit, member owned business. Our primary business activity is to provide health insurance and healthcare services to our members. Westfund is an ethical and values-based organisation.

Our values include:

- We genuinely care
- We are open and honest
- We act with integrity and respect
- We co-operate and work together
- We always have empathy

Westfund is committed to sound corporate governance practices to best protect the interests of all stakeholders. A major focus of these practices is an expectation that all behaviour and decision making will be based on sound ethics and integrity.

We believe that the principles and intent of the Modern Slavery Act are well supported and embraced by our existing values and corporate governance practices.

Westfund is committed to conducting business responsibly and ethically and to ensuring that all aspects of our business practices, including our supply chains, are free from any form of modern slavery.



Our structure, operations and supply chain

Structure

Westfund is a not-for-profit, unlisted public company, limited by guarantee and owned by its members. Westfund operates under the trading name of Westfund Health Insurance. Westfund does not own or control any other entities, nor is it owned or controlled by another entity. Westfund's registered office is located at 59 Read Avenue, Lithgow, NSW, 2790.

Operations

Westfund is a registered Private Health Insurer operating under the requirements and provisions of the Private Health Insurance Act 2007, and regulated by the Australian Prudential Regulation Authority (APRA) in accordance with the Private Health Insurance (Prudential Supervision) Act 2015. Westfund provides private health insurance and health care services to its members.

The health care services are provided via specialist dental care and eye care centres.

Westfund operates only in regional areas of NSW and Qld and employs over 190 staff members. We are committed to supporting our regional communities and demonstrate this with our funding support to community groups including schools, sporting groups, and welfare support groups. We have no operations outside of Australia.

We provide our health insurance policies and manage the related claims via a range of service channels including face-to-face service centre, telephone call centre, and on-line. We have twelve face-to-face service centres, four eye care centres, and one dental clinic.

Westfund's operations include investment activities. The value of total investments at 30th June 2021 was \$210 Million, of which 9% was managed in-house by Westfund, and 91% was externally managed by fund managers.

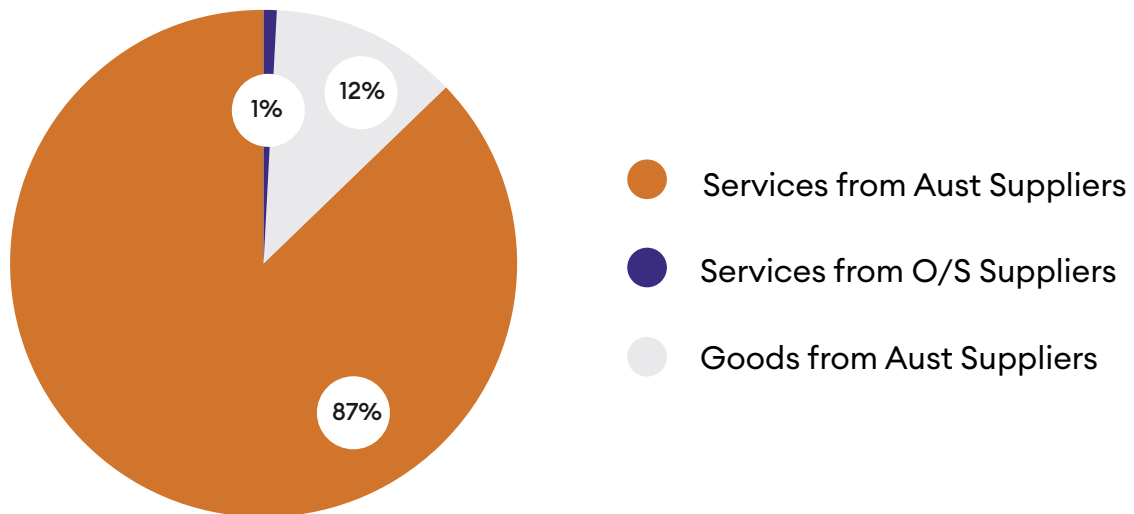
Supply chain

Goods and Services

In the normal operation of its business Westfund procures goods and services across the following categories:-

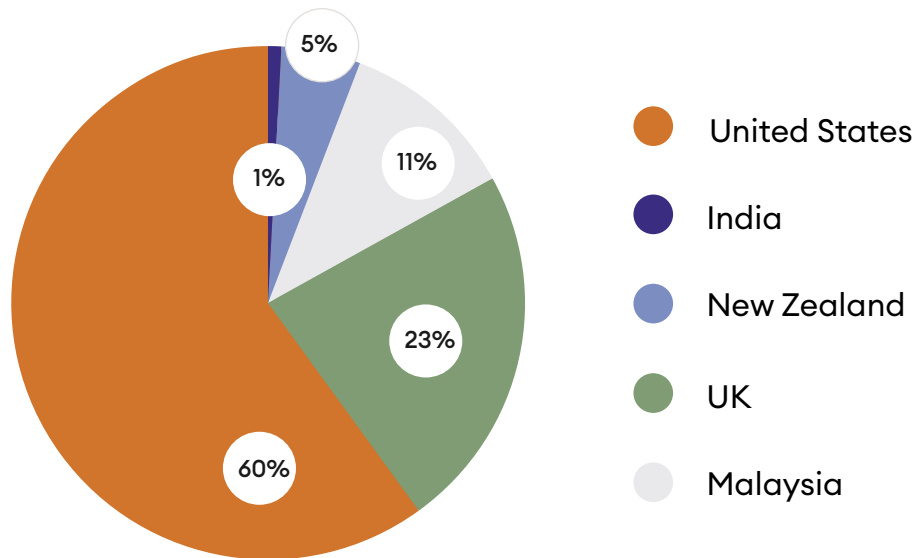
- Office occupancy
- Utilities
- Marketing
- IT support and network
- IT Hardware and Software
- Health Services
- Medical Supplies
- Vehicles and fleet management including running costs
- Office supplies
- Furniture, fittings and equipment
- Staffing and Director costs and utilities, including training & development.
- Travel and Accommodation
- Professional services including legal and audit
- Insurance and Finance
- Advocacy and Governance

A detailed analysis of Westfund's \$23 Million procurements from its 640 direct suppliers during the year ended 30th June 2021 reveals the following:



Supply chain - continued

The analysis of direct suppliers indicates that \$0.3 Million of procurements relate to a small number of overseas located service providers. The overseas services (by amount) were geographically sourced as follows:



Investment Funds

Westfund's supply chain also includes its externally managed investment funds. As at June 2021 Westfund held \$190 Million in such Investments and these were managed by Westfund's principal Investment Manager - Credit Suisse AG Australia.



Risk of modern slavery practices in operations and supply chain

Westfund has conducted a thorough modern slavery risk assessment of its operations and direct (Tier 1) suppliers for the year ended 30th June 2021.

The risk assessment methodology employed involved analysing the business operations and direct suppliers, and then with reference to the findings of the Global Slavery Index (2018) evaluating the likelihood of modern slavery risk based upon:

- Sector and Industry of operations and suppliers.
- Type of Products and Services purchased.
- Geographic location of operations and suppliers.
- Entity risk of business partners and suppliers.

Based upon the findings of this risk assessment exercise, Westfund has formed the opinion that the risk of modern slavery

practices in its operations and direct supplier base is very low. This opinion is based on several factors including:

- Westfund's business operations are fully conducted within Australia. Australia has a very strong and stable Government structure, it has no internal conflict wars, it has very strong labour protection laws (including for migrant workers), it has very strong Corporate laws and regulations, it has very strong consumer protection laws and regulations, it has a very strong law enforcement structure, and it is fully committed to eliminating all forms of modern slavery.
- 88% of Westfund's total procurements from Suppliers were for Services as opposed to Goods. Further, 99% of the services procured were from Australian suppliers who are supported and regulated by strong labour protection laws and standards.
- All of the Goods procured were from Australian based suppliers.

Risk of modern slavery practices in operation and supply chain - continued

- 1% of Westfund's Services procured were sourced from Overseas based suppliers. An analysis of the countries involved and with reference to the findings from the Global Slavery Index (2018) indicated that the countries involved did not represent high risk to modern slavery practices. The estimated prevalence (persons/1000 population) to modern slavery in Westfund's overseas located service providers is:

- o United States 1.3
- o United Kingdom 2.1
- o Malaysia 6.9
- o New Zealand 0.6
- o India 6.1

(For comparative purposes – Australia = 0.6, North Korea = 104.6).

- Westfund's externally managed investment funds are managed by Credit Suisse AG Australia who opposes all forms of modern slavery and this is supported by activities including:

- o It is a signatory to the United Nations supported Principles of Responsible Investment
- o It has an ESG Strategy and a Sustainable Investment Framework.
- o It has a Credit Suisse Statement on Human Rights, forming the basis of its commitment to human rights.
- o Lodged a Modern Slavery Statement in early 2021

Indirect supply chain risk

Westfund does acknowledge that it may be exposed to some forms of indirect modern slavery risk via the operations or supply chains of our direct (Tier 1) suppliers.

Based upon the modern slavery risk assessment methodology adopted by Westfund, the supplies that we have identified as potentially having increased likelihood of modern slavery risk include:



- Electronics (including IT equipment and phones).
- Garments (including office and medical uniforms).
- Medical Supplies (including dental and optical).
- Office Cleaning Services.

These items represent a potential risk due to the likely geographic location of raw materials and production facilities and/or the likely involvement of low cost and low skilled labour.

Westfund also acknowledges that its externally managed Investment Funds may indirectly expose it to the possibility of modern slavery risk.

This is particularly the case if the Investment Fund managers invest in Companies (typically via bonds and equities) that operate in high-risk overseas countries and/or in high-risk sectors and industries.



Actions to address modern slavery risks

Westfund is committed to taking appropriate actions to manage and minimise the risk of modern slavery in its business and has commenced the implementation of the following processes:

Supplier management

- Include Modern Slavery assessment as part of screening of new suppliers
- Update Supplier Agreements to include Modern Slavery provisions.
- Engage existing potential high-risk suppliers in a Modern Slavery Assessment Questionnaire
- Include Modern Slavery assessment as part of Procurement Tender Process.
- Regularly review engaged external Investment fund managers to ensure that they follow Responsible Investment Principles including the management of Modern Slavery Risk

Board and staff

- Conduct relevant training on Modern Slavery and relevant business risk management processes.
- Incorporate Modern Slavery in the Westfund Whistle-Blower Policy.

Risk management

- Implement a Modern Slavery Policy and review regularly.

Public communication

- Publish a Modern Slavery Statement on an annual basis.

In the event that Westfund does identify incidents of Modern Slavery in its operations or supply chains it will take immediate steps to remediate. The form of remediation will depend upon the nature of the situation but will most likely involve engaging with suppliers to review and change their practices and/or discontinuing the particular supplier arrangement.



Assessing the effectiveness of actions taken

Westfund will assess the effectiveness of implemented measures to manage and reduce the risk of Modern Slavery via ongoing activities including:

- Include Modern Slavery measures in Risk Register and Risk Appetite Statement
- Include Modern Slavery measures in Risk Reporting to the Board Risk and Compliance Committee.
- Inclusion of a review of Modern Slavery processes in Internal Audit Program.
- Monitoring of Modern Slavery questionnaire feedback from potential high-risk suppliers.
- Monitoring of the Modern Slavery risk profile of supplier base on an ongoing basis.

- Monitoring of the Modern Slavery risk profile of the Investment Portfolio on an ongoing basis.
- Monitoring of the status of Modern Slavery remediation plans with suppliers.
- Regular review of the Modern Slavery Policy by the Board.

Continuous Improvement

Westfund acknowledges that it is only in the early stages of its Modern Slavery risk management journey.

Our intention is to complete the integration of those actions noted in this Modern Slavery Statement in a timely manner and then to further develop and enhance these processes to ensure that the risk of modern slavery in our business operations and supply chains is minimised with a goal for total elimination.

Board authority

This Modern Slavery Statement has been prepared and issued under the authority of the Westfund Ltd Board of Directors.

Date 8 December 2021



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Graeme Osborne
Chairman



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Mark Genovese
Chief Executive Officer

