

# Joint Modern Slavery Statement

Under the **Modern Slavery Act 2018 (Cth)**

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MyStateLimited 

This statement is also applicable to MyState Bank Limited  
ABN 89 067 729 195 and TPT Wealth Limited ABN 97 009 475 629.  
which are wholly owned subsidiaries of MyState Limited ABN 26 133 623 962.

## Part One

# Executive Summary

1. This Joint Modern Slavery Statement is made pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)* ("the Act").
2. The mandatory reporting entities under the Act are:
  - MyState Ltd – ABN 26 133 623 962
  - MyState Bank Ltd – ABN 89 067 729 195
  - TPT Wealth Ltd – ABN 97 009 475 629

("referred to collectively, unless separately differentiated throughout this Statement, as **"MyState"**").
3. This is MyState's second Modern Slavery Statement. The measures we have taken in the current reporting period represent our continued efforts towards developing an effective and holistic modern slavery response, the framework for which we established during our inaugural reporting period.
4. Various aspects of our First Modern Slavery Statement are discussed throughout this Statement, particularly in relation to the actions undertaken in the current period to address modern slavery risks.
5. The following is a brief summary of some of the key activities that we have undertaken in the current reporting period:
  - Continued and increased risk assessment of our supply chains and investment portfolio to better understand our modern slavery risk profile.
  - The continued engagement of external modern slavery subject matter experts.
  - Targeted and bespoke training on industry specific modern slavery issues.
  - Implementing internal governance frameworks and policies that were developed in the previous reporting period.
  - Review of our assessing effectiveness framework established in our inaugural reporting period.
6. MyState has earmarked the following priority areas for future reporting periods:
  - Increasing supplier engagement;
  - Further due diligence efforts in relation to identified high risk suppliers and investments;
  - Increasing our industry collaboration on modern slavery;
  - Review and update of our risk, operational and compliance management strategies and frameworks; and
  - Continued specialised training and education.

## Part Two

# Addressing Mandatory Reporting Requirements

The reporting entities

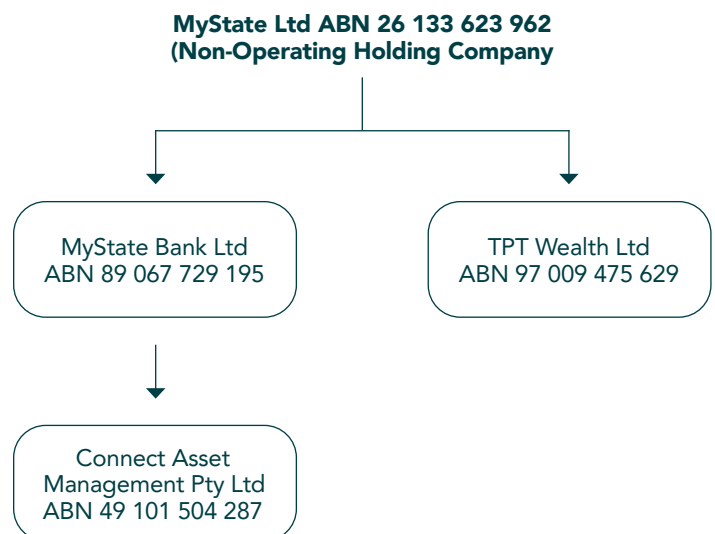
7. The following are mandatory reporting entities based on the Act's annual revenue threshold.
  - MyState Ltd – ABN 26 133 623 962
  - MyState Bank Ltd – ABN 89 067 729 195
  - TPT Wealth Ltd – ABN 97 009 475 629
8. MyState Bank Ltd also controls **Connect Asset Management Pty Ltd** ABN 49 101 504 287, which is not, itself, a mandatory reporting entity under the Act. As a controlled entity, the appropriate consultation between MyState Bank and Connect Asset Management Pty Ltd has occurred for the preparation of this statement, and in relation to our modern slavery response generally.

Who we are

9. MyState is a Tasmanian based, diversified financial services group that strives to be a leading provider of banking, trustee, and wealth management services to our broad range of customers.

Our structure, operations and supply chains

10. MyState Limited is a Non-Operating Holding Company for the following wholly-owned subsidiaries:
  - MyState Bank Limited; and
  - TPT Wealth Limited.
11. The MyState executive management team shares responsibility for key operational areas across all subsidiaries.
12. MyState structure is as follows:



13. MyState Limited was formed in 2009 through the merger of MyState Financial and Tasmanian Perpetual Trustees. MyState Financial changed its name operational name to MyState Bank once approval was granted in 2014 from the Australian Prudential Regulation Authority (APRA).
14. MyState Limited employs 362 people throughout Australia

### MyState Bank Limited

15. Bank Limited ("MSB") is an authorised deposit-taking institution. MSB offers online banking products and services throughout Australia. It also maintains a network of physical branches in Tasmania, at the following locations:

- Glenorchy
- Hobart
- Kingston
- Rosny
- Launceston
- Burnie
- Devonport

16. MSB is regulated by APRA and complies with APRA's Liquidity and Capital requirements. MSB is also regulated by the Australian Securities and Investment Commission (ASIC) for the provision of financial services.

17. MSB's core business activities include:

#### Banking Services

- Transaction, savings and term deposit accounts
- Home loans
- Business Banking
- Agribusiness
- Plenti – personal loan referral partner

#### Insurance Services

- CGU General insurance – referral partner
- Referral Health Insurance – distribution partner

18. During the subject reporting period, and ongoing as of June 2021, MSB ceased providing personal loan products as part of its banking services and operations. This change is not considered to materially impact upon MyState's overall modern slavery risk profile.

### Connect Asset Management Pty Ltd

19. MSB operates using retail deposits, wholesale deposits and securitisation as a funding source and manages a number of securitisation trusts via its wholly owned subsidiary company, Connect Asset Management Pty Ltd.
20. Connect Asset Management Pty Ltd (CAM) provides program administration services and trust management to the MyState's Residential Mortgage Backed Security (RMBS) trusts. Services include administration in relation to the assets of each RMBS trust under the ConQuest Master Trust Deed.

21. CAM is also regulated by ASIC for the provision of financial services.

### TPT Wealth Limited

22. TPT Wealth Limited (TPTW) operates as a Trustee Company, product issuer of Managed Investment Schemes and provides mortgage finance for personal, business and commercial purposes.

23. TPTW is one of Australia's oldest providers of wealth solutions. As highlighted in our initial Statement, TPTW has embraced a focus on mortgage funds and digital funds management.

24. TPTW's key operations are as follows:

1. Trustee Services
  - (a) Estate Planning, Trust and Administration
  - (b) Corporate & Custodial Trustee
2. Wealth Management Services
  - (a) Managed fund investments
  - (b) Portfolio Advisory and Administration Services

25. TPTW is also regulated by ASIC for the provision of financial services.

26. MyState's direct (first tier) suppliers continue to be primarily Australian based.

27. Our direct supply chain includes 123 direct suppliers. We procure a range of goods and services in support of our operations and services, including;

1. Computer and technical services;
2. Services to finance and investment;
3. Advertising services
4. Telecommunication services;
5. Postal services;
6. Market research
7. Business services;
8. Employment placement;
9. Legal Services

### Our Investments

28. Our investments primarily consist of banks and other financial service providers that operate within Australia, with a small number of investments based in Asian based financial entities.

### Part Three

## Modern Slavery Risks in our Operations and Supply Chains

29. MyState's operations and services remain primarily focused on the provision of financial products and services.

30. No actual or suspected incidents of modern slavery were identified in our supply chains or operations during the reporting period.

31. MyState has continued to engage external subject matter experts to assess the potential modern slavery risks of both our supply chains, and our investment portfolios during the current reporting period.

32. Our updated risk assessment has again identified the same priority areas of potential modern slavery risk within our operations and supply chains, namely:

- Computer and technical services; and
- Advertising services.

33. The updated risk assessment undertaken in the subject reporting period, has also led to us designating additional priority areas in the categories of:

- Services to Finance and Investment, and
- Domestic telecommunication services.

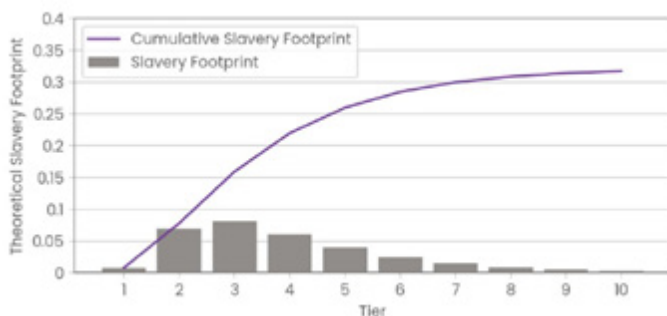
34. These two areas replaced the previously identified priority industry category of *wholesale trade*, which is reflective of this being comprised of suppliers providing goods and services that were not of an ongoing nature to our day-to-day operations.

35. However, given the original flagging of wholesale trade as a potential risk area, MyState has implemented modern slavery due diligence measures for the onboarding of future significant procurement contracts that fall within this general industry category.

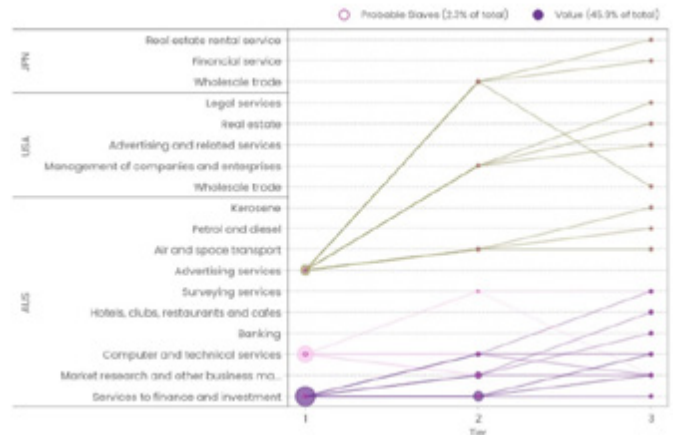
36. Relative spend amount has been identified as the primary reason for changes in the areas of potential risk between the first and second reporting periods. There have, however, not been any major changes in the nature of our business operations, and the supply inputs necessary for those operations, such that our modern slavery risk profile has changed significantly.

37. Our overall risks profile remains, in relative terms, very low. Again, this indicates that the elevated risk of modern slavery begins only at Tier 3 and proceeds into the more remote tiers.

38. The following graph depicts a visualisation of our modern slavery risks by tier:



39. The following plot graph depicts a visualisation of the supply chains of our top three industries in the first tier of our supply chain:



### Computer and Technical Services

40. Computer and technical services was assessed as having one of the highest relative risks for modern slavery within our supply chain over the reporting period, as was the case in the previous reporting period.

41. This industry category is a professional services industry that consist of operations such as technical maintenance, software and IT consultancy services. It represented a significant proportion of our overall direct supplier spend over the reporting period.

42. An overwhelming number of these direct suppliers are based in Australia. Combined with the relative skill levels that characterise the industry as a whole, these direct suppliers are, themselves, considered low risk.

43. The main identified risk of slavery within the computer and technical services industry relates to the overseas manufacturing components of computer hardware and related electronics parts and equipment.

44. A significant share of Australian imports for technology products are sourced, or have supply chain inputs from the Asia region, particularly China and Malaysia.

45. Insofar as Chinese componentry is a specific risk area, and consistent with the current global concerns relating to forced labour amongst Uyghurs and other ethnic minorities in the Xinjiang region, we have determined that a focus area as part of our current and ongoing due diligence in relation to this industry category is to remain abreast of the latest information and advice in relation to potentially tainted electronics and manufacturing supply chains.

46. As an additional step in our due diligence process for this reporting period, our external consultants on modern slavery issues have reviewed our direct supply against the published list of specific companies that are alleged to be directly or indirectly benefiting from the use of Uyghur workers outside Xinjiang through labour transfer schemes<sup>1</sup>.

47. We note that two of our direct suppliers, who have global operations, have been identified as having possible links to the reported instances of forced labour. Both entities are reporting entities under the Act and other additional foreign legislation.

48. We are aware that one of these entities has reported in their most recent modern slavery statement multiple instances

<sup>1</sup>As catalogued in the Australian Strategic Policy Institute's (ASPI) 2020 report: Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang: <https://www.aspi.org.au/report/uyghurs-sale>

of various forms of modern slavery in supplier factories, arising from onsite third-party audits and complaints made to whistle-blower hotlines. This entity has not confirmed the location of these factories and complaints.

49. We are deeply concerned by these reports. However, we note that this identified entity has introduced extensive and significant due diligence and remediation policies to address the risks inherent in their operations and supply chains. These responses include direct engagement with the identified supplier factories and provision of remediation payments to affected workers.
50. The other entity identified has not publicly responded to the allegations in the Report. Nor does the entity's most recent modern slavery statement indicate that there has been targeted risk assessment or due diligence in relation to the issue.
51. MyState is committed to undertaking enhanced due diligence in relation to these identified suppliers as a focus area for the subsequent reporting period, to determine whether further direct supplier action is required. We are also committed to ongoing and close monitoring of the situation, given the increasing scrutiny on electronic products tainted by forced labour of the Uyghur people.

## Services to Finance and Investment

52. This industry category, one of two additional priority areas identified during this reporting period, represented over one third of our overall total spend over the subject reporting period. Whilst financial and investment services is generally a low-risk industry category for modern slavery, especially at the lower tiers in Australia, it is our relatively high spend in this area that primarily results in an increased potential risk profile.
53. As with our own direct day-to-day operations, finance and investment service providers have a relatively high reliance on computer and technical services. Accordingly, particularly at Tier 3 and beyond, exposure to modern slavery risk within the supply chain increases.
54. Due to this commonality of risk factors, our approach to ongoing due diligence and remediation measures in relation to this industry category is the same as for *Computer and Technical Services*.

## Investment Portfolio

55. In keeping with the aims set out in our inaugural statement, MyState has also broadened the assessment of modern slavery risks during the current reporting period to incorporate a comprehensive review of our investment portfolio. Further details of the methodology and proprietary technology utilised for our modern slavery risk assessment is set out in the Appendix to this statement.
56. The most significant identified potential risk area for modern slavery in MyState's investment portfolio arises from investments in foreign diversified banking institutions, particularly those with a nexus to China and Hong Kong. These investments in Chinese and Hong Kong banks represent approximately 9% of MyState's total investments.
57. Our external modern slavery consultants have undertaken a rudimentary due diligence analysis of the flagged Chinese and Hong Kong banking entities and we note the following findings.
58. The identified Chinese banking company is not a reporting entity either under the Act or under any other foreign reporting legislation. This entity does not have any publicly available policies addressing modern slavery risks either directly or indirectly. While one parent company of this entity does have ESG policies in operation, they do not address modern slavery or broader human rights issues.

The second parent company is an investment company controlled by the People's Republic of China. This Chinese banking entity has limited transparency over their direct supply chains. It is concerning that the banking entity has detailed strong financial relationships with the manufacturing sector via multiple partnership agreements, given the reported existence of modern slavery in the Chinese manufacturing industry.

59. The second flagged entity is a Hong Kong based banking company. This entity is required to publish a Statement in accordance with the Act and report under similar United Kingdom legislation. This banking entity has published several policies and factsheets concerning modern slavery, with a specific subset of policies regarding financial crime and anti-money laundering initiatives. The board of this entity is aware of modern slavery issues and a cross-global working group has been developed in response.
60. Given the concerns raised in relation to our investment portfolio, we have undertaken initial further due diligence assessments of these entities, detailed below at Part Four.

## Part Four

# Ongoing Action to Address Modern Slavery Risks

61. The following is a summary of the key actions that we have undertaken to assess and address potential modern slavery risks during the current reporting period.

## Risk Assessment and Analysis

62. Within the current reporting period, a key focus area was a broader assessment of the modern slavery risks within our operations and supply, including within our investment portfolio.
63. We recognise that moving from a 'macro level' risk analysis to a 'micro level' examination of specific suppliers and investments is an important step in tailoring our ongoing response to modern slavery whilst accounting for unique industry and category factors.
64. MyState is committed to annual risk reviews to assess our modern slavery risk in supply chains, with a particular focus on new suppliers and other material changes arising within the subject period.
65. In addition to the risk assessment set out at Part Three, MyState undertook an internal desktop audit of the following:
  - The 10 highest risk by spend investments in the MyState Bank portfolio;
  - The 10 highest risk by spend investments in the TPTW portfolio; and
  - The top 15 highest risk by spend suppliers for the MyState group.
66. Our desktop audit focused on reviewing the following sources:
  - The modern slavery statements (reported under either the Australian or UK legislation) for all reporting entities.
  - Industry reports, including ESG and sustainability reports.
  - Media alerts for negative reviews or reports of modern slavery instances.

67. MyState intends to focus upon developing a framework to assess the findings of our desktop audit during the subsequent reporting period.

## Education and Training

68. MyState recognises that increasing employee awareness in relation to the realities of modern slavery is an important due diligence action.

69. MyState engaged our external subject matter experts to deliver specialised and industry targeted training to the fraud team within our risk division on financial crime and financial tracing in modern slavery which focused on the following key topics:

1. General indicators of modern slavery;
2. Screening tools to identify money laundering-type indicators of modern slavery;
3. The effectiveness of financial tracing in relation to detection of online sexual exploitation of children;
4. Macro and high-level financial tracing in relation outputs as an indicator of modern slavery;
5. The nexus between modern slavery and organised criminal activity;
6. The efficacy of elimination based financial tracing as part of modern slavery risk assessments; and
7. The use of financial tracing in assisting modern slavery prosecutions.

70. A financial crimes typology report was also provided to staff as a supplement resource to the training seminar.

71. Our subject matter experts also provided vulnerable customer training to our retail and back-office staff.

72. Internal training was provided by our subject matter experts to all staff responsible for procurement and outsourcing across MyState, focusing on a modern slavery framework within third party risk management. We intend for this training to be delivered annually to all outsourcing and procurement staff across future reporting periods.

73. Further online modern slavery training has been provided to all staff across MyState. The training material included the following e-learning modules:

- Introduction to the prevention of modern slavery;
- Preventing the use of modern slavery in supply chains; and
- Australian modern slavery legislation and regulations.

74. The learning modules were allocated to staff in accordance with their employment role within MyState. We intend to undertake annual e-learning training within future reporting periods.

## Internal Governance and Policy Updates

75. The review and update of our existing internal governance framework to specifically address modern slavery requirements for the entire MyState Group was identified as a focus area in our First Modern Slavery Statement.

76. We have now implemented our **Supplier Code of Conduct**, which expressly addresses numerous key modern slavery indicators. Our existing suppliers are required to comply with the supplier code of conduct in line with contractual renewal or extension timelines. Agreement to comply with the terms of the Supplier Code of Conduct is now a requirement of all new direct suppliers who are on-boarded.

77. MyState has also introduced model provisions that address modern slavery into all new or renewed supplier contracts, including express requirements for:

- due diligence in investigating modern slavery risks and labour practices of subcontractors and other similar commercial engagements;
- a requirement to disclose any breaches of modern slavery standards; and
- a requirement to complete self-assessment questionnaires upon request from MyState and assist MyState in providing information relevant to risk assessments.

78. MyState has published our Human Rights Statement, which incorporates relevant pre-existing mechanisms for dealing with grievances, such as customer advocates and whistleblower protection.

79. We remain committed to the previously foreshadowed intention to update and review other policies<sup>2</sup> that are currently operating on a '2-year cycle', which, accordingly, have been allocated resources for comprehensive review during the upcoming reporting period.

<sup>2</sup>Operational Risk management framework; and Compliance management framework.

## Part Five

# Measuring Effectiveness

80. We recognise the importance of ongoing monitoring over consecutive reporting periods in relation to the implementation of our modern slavery response so that we are best utilising our efforts and resources and are covering all key areas of due diligence and remediation.
81. Our continuous improvement approach is grounded through regularly updating our Measuring Effectiveness Framework, as set out in the following Table.

	Key Performance Indicator	Progress indication
1	Initial assessment of all direct suppliers undertaken by external subject matter experts	Completed (and ongoing throughout future reporting periods)
2	Expansion of comprehensive modern slavery risk assessment to our investment portfolios	Completed and ongoing throughout future reporting periods)
3	Increasing the number of specific suppliers (direct and indirect) that are assessed, at an individual level, for modern slavery risk	Ongoing
4	Increasing supplier engagement on modern slavery issues, including the provision of self-assessment surveys to suppliers identified as high risk	In progress, earmarked as a focus area for the next reporting period
5	Ongoing internal review of supplier self-assessments with challenge and verification of responses carried out where required	In progress, earmarked as a focus area for the next reporting period
6	Targeted and ongoing internal education and awareness raising activities on modern slavery issues	Completed, ongoing throughout future reporting periods
7	Increasing industry-group collaboration on modern slavery issues. For example, membership of the Australian Banking Association's Modern Slavery Working Group	In progress, earmarked as a focus area for the next reporting period
8	Update and development of risk, operational and compliance management strategies and frameworks	Earmarked as a focus area for the next reporting period

82. In accordance with our long-term commitment to effectively address modern slavery, we acknowledge that a significant number of our KPIs require ongoing implementation into future reporting periods.

## Part Six

# Consultation with Controlled Entities

83. As noted above, MyState Limited is the Non-Operating Holding Company of its wholly owned subsidiaries - MyState Bank Ltd and TPT Wealth, which operate as separate entities. However, MyState Limited executive management structure shares responsibility for key operational areas across all of its subsidiaries.
84. Under an established Third-Party Risk Management framework, comprehensive consultation on modern slavery issues has occurred across the full scope of the MyState group.
85. The comprehensive supply chain assessment for modern slavery risks, along with other due diligence and remediation measures that are discussed throughout this Statement, have been undertaken for the supply chains and operations for each of these separate entities. Most suppliers are common across MyState.

## Part Seven

# Other relevant Information

86. Since the arrival of the COVID-19 in Australia during March 2020, MyState has continued to see both financial and operational uncertainties arise across the industry.
87. Staff safety continues to be a priority, and staff from our back office and corporate services areas continue to work across a model of both remote working and office-based operations, whilst minimising any customer impact on account of this work model. The Customer Care Centre and Branch network has continued to remain open throughout the pandemic, notwithstanding individual Branch closures in response to localised community outbreaks.
88. In relation to the nexus between the COVID-19 pandemic and modern slavery concerns regarding our suppliers during the current reporting period:
- All suppliers deemed critical to the business were requested to provide additional assurance as to their capability to deliver continued service to MyState.
  - All suppliers were subject to review against adverse or negative news media as part of enhanced due diligence activities undertaken.



## Appendix

# Initial Risk Assessment Methodology Summary

MyState has carried out an initial risk assessment to identify the elevated areas of modern slavery risk in our supply chains. This baseline exercise provides the foundation for our subsequent focus for ongoing due diligence and remediation activities across not only the present reporting period but for upcoming years.

Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of MyState's top suppliers by spend.

This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:

- The United Nations' (UN) System of National Accounts;
- UN COMTRADE databases;
- Eurostat databases;
- The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
- Numerous National Agencies including the Australian Bureau of Statistics.

The MRIO is then examined against the following international standards:

- The UN Guiding Principles on Business and Human Rights;
- The Global Slavery Index;
- International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
- The United States' Reports on International Child Labour and Forced Labour.

A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier for MyState.

This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence of non-existence of slavery in MyState's supply chains or operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:

- The individual suppliers and industries with the most elevated risk of modern slavery.
- Supply chain plots to provide a visual representation of the supply chain for MyState's top 3 first tier industries.
- Plotting the relative slavery risk in the supply chain by tier, up to tier 10.
- Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world.
- An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk.

Suppliers and investments in our supply chains and operations that posed the highest calculated risks in relation to modern slavery were identified.

Pursuant to the requirements of the Act, authorised persons have reviewed the contents of this Statement and confirmed its accuracy for lodgement.



**Melos Sulicich**  
Managing Director and CEO

MyStateLimited 

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This statement is for reporting period of 1 June 2020 to 30 June 2021