



MODERN SLAVERY STATEMENT 2023



About Us

At Regional Australia Bank we live and breathe that regional Australian spirit. We take pride in calling Regional Australia our home. From small business to big dreamers, we are truly customer-owned. It is our mission to empower regional Australians by investing back into our communities because when our members grow, our regional Australia will prosper too.

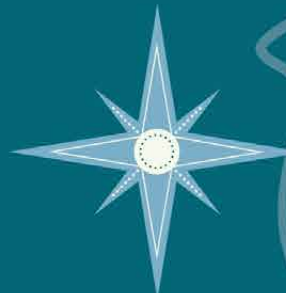
Our Vision

We want to play an active and influential role in our communities and empower the people and businesses of regional Australia to achieve great things.

Our only shareholders are our customers, which means our motivation is purely on delivering value to our customers – our Members.

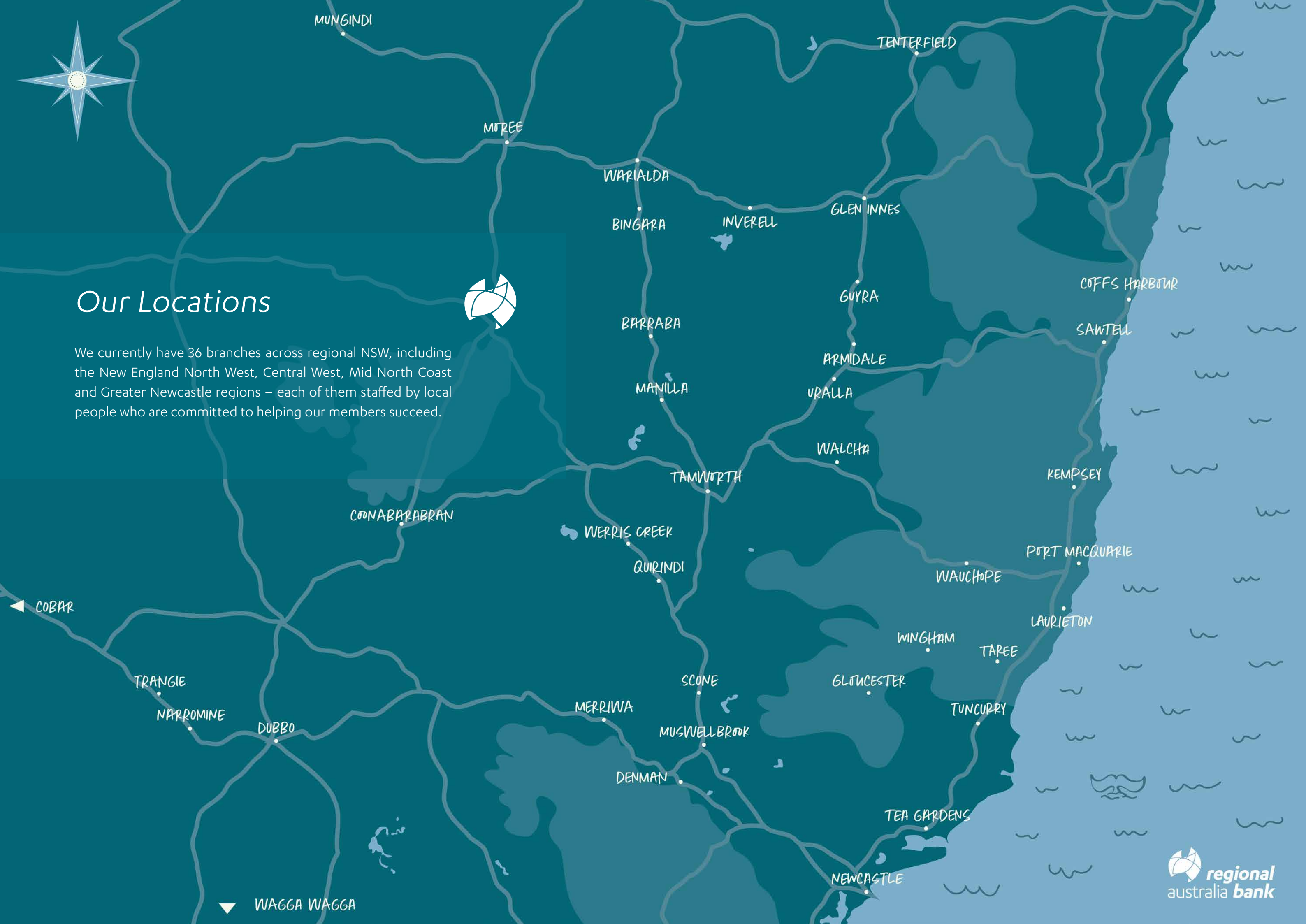
We aim to provide accessible and responsible financial services that empower individuals and communities to thrive. We understand the unique challenges and opportunities that come with living in regional Australia and we're here to help our members achieve their financial goals, no matter where they call home.





Our Locations

We currently have 36 branches across regional NSW, including the New England North West, Central West, Mid North Coast and Greater Newcastle regions – each of them staffed by local people who are committed to helping our members succeed.



MUNGINDI

TENTERFIELD

MOREE

WARIALDA

BINGARA

INVERELL

GLEN INNES

COFFS HARBOUR

Our Locations

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BARRABA

GUYRA

SAWTELL

MANILLA

ARMIDALE

URALLA

CONABRABRAN

TAMWORTH

WALCHA

KEMPSEY

WERRIS CREEK

QUIRINDI

PORT MACQUARIE

◀ COBAR

WAUCHOPE

LAURIETON

TRANGIE

NARROMINE

DUBBO

MERRIWA

SCONE

GLUCESTER

WINGHAM

TAREE

NARROMINE

DUBBO

MERRIWA

SCONE

GLUCESTER

WINGHAM

TAREE

MUSWELLBROOK

TUNCURRY

DENMAN

TEA GARDENS

NEWCASTLE

▼ WAGGA WAGGA





Our Values

We believe in integrity, respect and fairness. And we live and breathe those values every single day. After all, that's the mindset of regional Australians – relationships built on trust and reliability, a strong sense of community and the feeling of unity and belonging. We bring regional Australian values to you.

We recognise the integral part we play in local and regional communities. Whether it's giving back to the community through our Community Partnership Program, which financially supports 1900 community organisations every year, keeping our branches open, or choosing not to pass on full interest rate rises to our members, we do everything we can to support our members, every step of the way.

We're driven by doing right by our Members.

Regional Australia Bank's Modern Slavery Statement



As a reporting entity with an annual consolidated revenue of more than AU \$100 million in the financial year 2023, Regional Australia Bank is proud to issue this statement to identify and address modern slavery risks in our operations, pursuant to the Modern Slavery Act 2018 (Act).

This statement outlines our efforts in recognising, evaluating, and minimising the risks associated with modern slavery within our operations. Within this statement, we address the concept of 'modern slavery', encompassing human trafficking, slavery, servitude, debt bondage, forced marriage, and child labour. Our primary objective is to pinpoint these risks and consistently enhance our methods for their identification.

This statement has been prepared to comply with the requirements of the Act and as such includes the following mandatory information:

- The identification of the reporting entity
- A description of the reporting entity's structure, operations and supply chains
- A description of the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities it owns or controls
- A description of 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
- A description of how the reporting entity assesses the effectiveness of these actions
- A description of the process of consultation with any entities the reporting entity owns or controls
- The provision of any other relevant information

This statement has been prepared with input from Regional Australia Bank's Executive Team and subject matter experts from within the bank.

The Board of Regional Australia Bank has approved this Modern Slavery Statement and has authorised me, as Chair, to sign this statement on behalf of Regional Australia Bank.



Graham Olrich
Regional Australia Bank Ltd
Board Chair
24th November 2023





Identifying the Reporting Entity

The reporting entity is Regional Australia Bank Limited (ABN 21 087 650 360 AFSL & Australian Credit Licence 241167). Regional Australia Bank does not hold any subsidiaries or control any other entities.

Our Supply Chain and Operations

Within our supply chain, we acknowledge the potential exposure to modern slavery risks. Our supply chain encompasses a wide range of services that cater to our members needs and directly support our banking operations.

Through the utilisation of our supply chains, we provide our members with access to the following products and services:

- Home Loans
- Personal Loans
- Visa Credit Cards
- Transaction Accounts
- Visa Debit Cards
- Savings & Investment Accounts
- Insurance
- Foreign Currency
- Business Loans

We also offer a Banking as a Service product where we partner with organisations to offer selected financial products and services with our oversight and compliance regime.

Assessing Modern Slavery Risks

We are a regional customer owned bank. By delivering quality, competitively priced products, superior service and by investing back into our communities, we are focused on what is important: the prosperity of regional Australia.

As a financial services organisation with a professional workforce, our overall exposure to modern slavery risks are low as we:

- only operates within the financial services industry within Australia;
- have an Australian-based workforce;
- only provide products and services to Australian citizens, residents or visa holders;
- do not outsource any or part of our workforce from labour intensive industries overseas; and
- have no direct exposure to extractive or other high-risk industries;

However, we acknowledge that we are still exposed to modern slavery risks through our dealings with third parties in obtaining goods and services necessary to deliver our functions as a bank.

As a retail bank and lender

There is a risk we could lend to businesses that are involved in modern slavery or our members may use our products and services for activities involving modern slavery.

We provide a range of retail banking products and services to our members. Our primary business is providing everyday banking, savings and term-savings accounts, credit cards, home loans, personal loans, and business loans. We also act as a distributor of third-party issued insurance products.

All of our customers are Australian citizens or residents, with all our banking and lending products only available to either Australian citizens or people who are Australian residents.

As an employer

There may be a risk of exploited labour within our workforce or recruitment practices, employment arrangements and terms which are associated to modern slavery risk.

All our employees are located within Australia and are permanent full-time, permanent part-time or casual workers. They are qualified or skilled in the provision of financial services or support functions. We comply with the requirements of Fair Work Act when engaging employees. Where we have employed staff from overseas, they comply with the visa and other requirements of the Department of Home Affairs.

As an investor

There is a risk we could invest in businesses that are involved in modern slavery.

As a financial institution, we have capital invested with other financial institutions in Australia. We invest in a portfolio of liquid assets to ensure we have access to enough funds to meet our liquidity needs and obligations to our members and third parties. Our investments are primarily held in other banks and financial services providers and semi-government securities with Australian-based operation.

As a sponsor and community partner

There is a risk that our grants or sponsorships recipients support organisations linked to modern slavery or have a third party relationship (e.g. business partnership or joint ventures) that may be exposed to modern slavery, or that have modern slavery in their supply chain.

Our Sponsorship and Donation Program provides support to grassroots organisations such as sporting clubs and school parents and citizens associations. We only provide sponsorship to organisations or events that are located or held in the regional areas we operate.

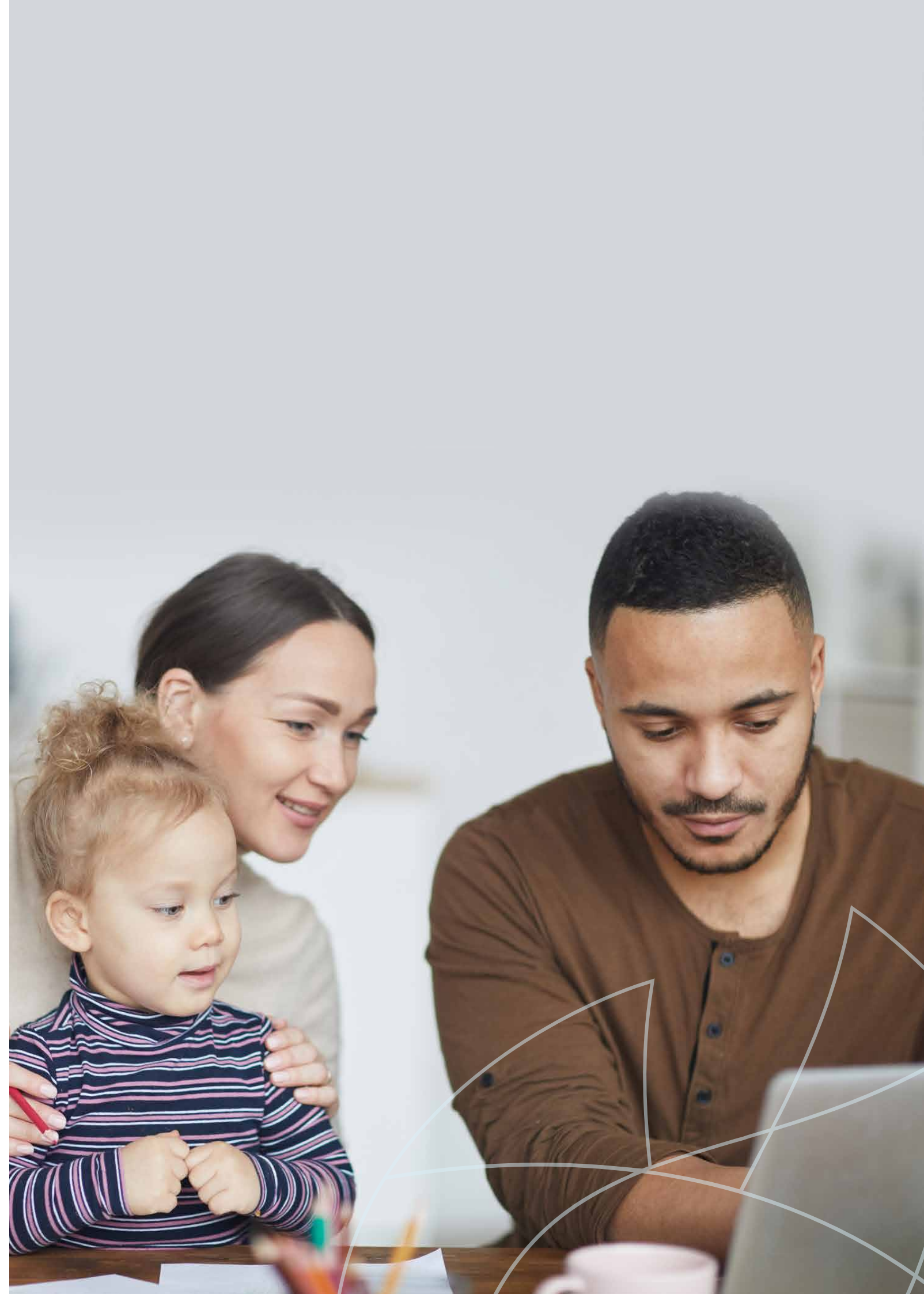
Supply chain

There is a risk that we may procure goods and services where modern slavery or other forms of exploitation was utilised in their creation or delivery.

As an Australian-based public company, most of our procurement activity occurs in Australia with our key suppliers primarily based in Australia.

To support our core business as a bank we procure a range of goods and services from suppliers within the following industries:

- IT (Information Technology) Hardware and IT software;
- Professional consultancy services such as internal audit, legal, risk, training, etc.,
- Merchandise including stationery, promotional goods, and corporate uniforms;
- Office consumables,
- Cleaning, property maintenance, and security services;
- Contracted employees via an agency or consultancy; and
- Food and beverage



What actions do we take to assess and address modern slavery risks

A strong risk culture is critical to our business. We are responsible for adhering to, and promoting, high standards of ethical behaviour, values, and decision making.

We are committed to maintaining an organisational philosophy and culture that ensures effective risk management is an integral part of Regional Australia Bank's activities.

We operate using a Three Lines of Defence approach to risk management which assist in building a strong risk culture. All employees at Regional Australia Bank are responsible for managing risk and operating within the set risk profile of the bank.

There are established policies for oversight and management of our material risks.

- Code of Conduct – reflects and instils the highest standards and level of behaviour and practices as well as providing a guideline for ethical behaviour
- Conflict of Interest – Directors and all employees are required to disclose to the Board and/or management any material matters (whether actual or perceived) in which they may have an interest
- Management Delegation – are designed to enhance the empowerment of decision-making by individuals and to improve efficiency in member service and experience as well as managing business risks
- Whistleblower Protection – enables individuals to voice concerns or escalate serious matters on a confidential basis, without fear of reprisal, dismissal, or discriminatory treatment

As a retail bank and lender

Our members facing staff have been on-boarded and trained to put the members first and to ensure the provision of excellent service with a genuine desire to understand and support members with their financial needs.

We ensure staff are provided with ongoing development of their customer service skills, product knowledge, changes or updates to regulations as well as providing the opportunity to connect and add value in the local community.

We utilise technology to detect unusual and suspicious activity against a range of risk-based triggers (e.g. customer behaviours, account activity and participation of other parties), and typologies to identify fraud, potential money laundering, terrorism financing and other financial crime offences.

We update our detective control mechanisms in our system infrastructure regularly. This is based on our experience, guidance from regulators, authorities, and industry peak bodies.

We have in place a complaint management process to ensure we address members complaints within the recommended time frame. All staff can raise risk events and incidents that have occurred in all areas of the bank and have independent channels for reporting concerns outlined within our Board Whistleblowing policy.

We have in place the following policies for our customer facing staff:

- Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Policy
- Vulnerable Persons Guidelines
- Fraud Policy
- Complaint Handling and Dispute Resolution Policy
- Credit Risk Policy
- Product and Credit Underwriting Guide
- Non-Financial Risk Events Procedures



As an Employer

To ensure that our staff are aware of our values and expectations and to assist with the identification of possible modern slavery risks, we have regular mandatory learning programs for our staff in relation to the following areas and policies:

- Code of Conduct
- Respect Work Policy
- Remuneration Policy
- Work Health and Safety Policy
- Bullying, Discrimination and Harassment Prevention Policy
- Anti Money Laundering/Counter Terrorism Financing Program
- Financial Crime
- Whistleblowing Policy
- Privacy Policy

As an investor

We have a prudent Investment Policy in to assist with managing our investment portfolio. Investments are managed with the care, diligence, and skill that a prudent person would exercise in managing the affairs of other persons. This includes having in place appropriate reporting requirements that ensure the investments are being reviewed and overseen regularly. We do not invest in securities or investment issued in currencies other than Australian dollars.

As a sponsor and business partner

Sponsorship and donation are managed by our staff in line with our sponsorship guidelines. Delegations are also in place to ensure each sponsorship is assessed, reviewed, and approved at the appropriate level.

Our business strategy drives the type of business partners we engage along the way. To minimise our modern slavery risk, all agreements are reviewed by our Governance team and a risk assessment of the proposed business arrangement is completed and reviewed prior to engaging. We also include a modern slavery provision in all our agreements that require our partners to comply with the modern slavery requirements.

Supply chain

We support Australian based suppliers where possible. We review each supplier based on their initial risk assessment category using our Enterprise Risk Assessment model.

In 2023, we commenced the implementation of a new supplier tiering system to effectively manage third party relationships. This supported in managing risks from third-party vendors and streamlined oversight of vendor relationships, establish controls and processes to quickly understand and prioritise manage risks.

For our high risk vendors, we require the following to be completed:

- A detailed business case;
- Formal tender process;
- Prudent due diligence;
- Regular engagement;
- Quarterly performance monitoring

We support Australian based suppliers where possible. We review each supplier based on their initial risk assessment category using our Enterprise Risk Assessment model.

We recognise that some third-party providers may be assessed as containing a higher risk to our operations and therefore require more rigid requirements and monitoring.

A suite of policies such as the Procurement and Delegation Authority Policy, Outsourcing Policy, Third Party Arrangement Guidelines are also in place to support our supply chain framework.



Our Modern Slavery Commitment

As a customer-owned bank, we are committed to a long-term effort to reduce the incidence of modern slavery by continually updating our frameworks, processes, and practices to reflect Modern Day Slavery concepts by working to implement the following initiatives:

- A Modern Slavery Policy will be created and circulated to all our staff;
- Our Modern Slavery Statement will be made available in our website;
- Modern slavery concepts will be incorporated into our policies and practices within our People and Culture, Credit, Finance, Marketing, Procurement, Sales, and other department as we deem necessary;
- Training and awareness sessions on Modern Day Slavery will be provided to all our staff;
- Completion of the Modern Slavery and Human Trafficking questionnaires will be required from our third-party service providers prior to engagement;

How do we evaluate our efficiency around our combating Modern Slavery

We regularly review the effectiveness of actions and will continue to improve our methodology as we make changes to our modern slavery framework.

Our current effective measures are as follows:

- Monitoring of staff compliance to mandatory training and awareness modules;
- Annual Employee Engagement and Risk Culture Surveys;
- Hindsight reviews are regularly completed to post-approved loans to check compliance with established underwriting guidelines;
- Fraud, AML/CTF metrics are regularly monitored and reported to Senior Management and the Board
- Quarterly scorecards for our third party material contracts
- Setting risk appetite for modern slavery

The provision of any other relevant information

This statement is current as at the date of execution and no additional or relevant information is available.

