



Queensland Country Bank

Modern Slavery Statement

1 July 2023 – 30 June 2024

This Modern Slavery Statement has been approved by the Board of Directors of Queensland Country Bank Limited as the reporting entity's principal governing body on 24 October 2024.

Pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)*, the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

This statement is signed by Lewis Ramsay, Chair of the Queensland Country Board on 24 October 2024.

A handwritten signature in black ink, appearing to read 'L. Ramsay', followed by a stylized flourish or checkmark.

Lewis Ramsay
Chair of the Board,
Queensland Country Bank Limited
24 October 2024

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Reporting Criteria #1: The reporting entity

The reporting entity covered by this modern slavery statement is **Queensland Country Bank Limited - ABN 77 087 651 027** (referred to throughout this Statement as “QCB”, “the Bank”, “we” and “our”).

QCB has been a mandatory reporting entity since the commencement of the *Modern Slavery Act 2018* (“the Act”). This is our fifth modern slavery statement and covers the 2023-2024 financial year.

All numbers, statistics and facts described in this Statement are as at 30 June 2024, unless otherwise stated.

Reporting Criteria #2 & 6: QCB’s structure, operations, supply chains, and consultation

Many of the descriptions in this year’s statement about static aspects of the mandatory reporting criteria (our corporate structure, operations, core supply chains and response framework) remain the same, or substantially similar, to last year’s statement. Due to the consistency in our core business operations and procurement activities, these descriptions continue to accurately reflect the information required in meeting our reporting obligations under the Act.

Our Internal Structure and Controlled entity

The single controlled entity under QCB’s ownership and control is MTG QCB Trust Repo Series No. 1. This is a trust for supporting QCB’s liquidity management. The Bank is the sole residual income unit holder of the Trust.

As it is wholly integrated within, and dependent upon, QCB’s operational leadership and processes, there is full consultation with, and coverage of, the Trust to implement our ongoing modern slavery response, and in relation to the contents of this Statement.

Our Operations

QCB is a member-owned Australian bank that is based in Queensland and has been operating for over 50 years.

The Bank is an authorised deposit-taking institution, regulated by the Australian Prudential Regulation Authority and ASIC for the provision of financial services and credit. During the reporting period, QCB provided financial services, banking, and insurance products to over 100,000 members.

QCB continues to offer the following core products and services:

Personal Banking

Home Loans (Fixed and Standard Variable Rate)	Home Equity Loans	Lines of Credit & Credit Cards
Savings Accounts	International Transfers, Payments & Foreign Exchange	Transaction Accounts

Personal Loans

Car Loans	Secured and Unsecured Personal Loans	Renovation Loans
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Business Banking

Platinum, Basic and Online Saver Accounts	Fixed Term Deposits	Business Loans
Commercial Overdrafts	Business Visa Credit Cards	Business Payment Solutions

Insurance

Home and Contents Insurance	Car Insurance	Caravan Insurance
Travel Insurance	Landlord Insurance	Boat Insurance

Our workforce

QCB had a total workforce of 423 direct employees during the reporting period. We did not use any contractors, agency placements, outsourced positions and/or temporary/seasonal positions.

The following table provides a proportional breakdown of roles within the Bank

Position	Proportion of QCB team (total positions)
Member Facing (Retail Service)	50% (213 staff)
Head Office (Administration)	12% (52 staff)
Professional Service Roles	37% (158 staff)

Our Investments

Once again, we consider that our investments remain materially unchanged from a modern slavery risk perspective, with continued holdings solely in Australian companies or Australian-based arms of global financial institutions.

Our community initiatives

One of the reasons that our Bank is successful is because of the support we receive from the communities we operate in. One way we repay this support is via our *Good for Good Community Grants* program, which provides funds to eligible non-for-profit projects. We focus on supporting projects that enable people to participate, experience, grow, learn, reach out, connect, make a difference and be safe.

During the year we approved twelve (12) community grant applications with a total value of \$144,738, covering key areas of sport & recreation, health, education, environment and arts & culture, and spread across our operating locations. Other community initiatives that we undertook included the upgrading of a local sports facility in Cairns, the construction of a community educational facility (Youth Shed) in Mount Isa, and investment in a public messaging initiative to encourage road safety and responsible driving.

Our Supply Chains

QCB's procurement data indicated direct engagement with a total of 264 key suppliers¹ over the reporting period. As anticipated, we saw a decrease in the number of individual direct suppliers, which we primarily attribute to the sale of the Queensland Country Health Fund in 2023 (and as described in our last Statement). Other impacts included additional consolidation of contracts and no major expansion projects (such as new branch locations or major office fit outs).

Overall, the supplier industry categories for our procurement activities remains consistent across multiple reporting periods. Core services and products that support our day-to-day operations are outlined in the following Table:

Computer and Technical Services	Cleaning Services	Catering and Food Suppliers
Building, Property and Facilities Maintenance and Management Services	Education Services	Market Research
Finance and Investment Services	Telecommunication Services	Advertising
Business, Insurance and Legal Services	Logistics, Postal and Transport Services	Printing and Stationery Services

In terms of the geographical breakdown, our direct suppliers remain entirely Australian based, except for a single New Zealand-based provider of online corporate travel and expense technology.

¹ QCB shifted to supplier information based on the calendar year to enable more detailed reporting and analysis. We used data from 1 July 23 – 31 Dec 23. We then doubled the value of the half year spend to identify key suppliers for which risk assessment was undertaken (see below). All suppliers with a spend of \$1000 for these first two quarters were then assessed.

Reporting Criteria #3 & 4: Identifying, assessing and addressing areas of potential modern slavery risk

Our supply chains

As with previous reporting periods, we engaged external consultants to use proprietary technology to trace the economic inputs required to produce the products and services that QCB obtains from our direct suppliers. In performing this risk assessment, a balanced, global Multi-Regional Input-Output (**MRIO**) table drives supply chain mapping, which links data from 208 countries, and 37,318 unique industry/country combinations. Our external consultant's data universe comprises over 35,000 local industries categories, which represents more than 98% of global GDP.

The MRIO is regularly updated and draws from the most comprehensive and credible global data inputs available, including 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 official statistical data from many national agencies worldwide, including the Australian Bureau of Statistics. The synthesis of global economic supply chain data is overlaid, via a proprietary algorithm, with the leading research and estimates of modern slavery incidences at the national and industry levels, including the Walk Free Foundation's Global Slavery Index (last updated in May 2023); the International Labour Organisation's Global Estimates of Modern Slavery; official reports published by the United States on International Child Labour, Forced Labour and Human Trafficking, and our external consultant's internal database of modern slavery risk factors by country and sector.

The relevant industry categories assessed as having, in relative terms, the most elevated supply chain risk exposure were identical to the previous reporting period. These are all Australian industries in the following broad categories:

- **Business services:** including professional service providers such as consultants, auditors, payroll providers, recruitment, and risk advisory services.
- **Computer related services:** including electronics products, software technicians, software services and subscriptions.
- **Retail Trade services:** including office consumables / stationery and related suppliers.

The actual assessed areas of potentially elevated modern slavery risk continue to be almost entirely concentrated beyond the first tier of our supply chain. Deep-tiered modern slavery risk inherent in computer related services remains the most consistent feature across the reporting periods.

In last year's Statement, we described QCB's policy implementation for prioritizing procurement of electric fleet vehicles. We indicated a baseline commitment to factor modern slavery due diligence into major future procurement decisions of this kind. We also acknowledge (and continue to recognise) the elevated risk in global supply chains

that are universal in electric and hybrid vehicle manufacturing, including cobalt mining and other key stages and raw material inputs in the production of the latest technology batteries and electrical vehicle power systems. This reporting period, QCB changed its preference (in terms of vehicle brand and model) when purchasing hybrid vehicles for our company fleet. As part of this process, we undertook a review of key aspects of our new preferred provider's modern slavery response framework. Our findings indicated that the preferred company demonstrates a strong public stance on human rights, a comprehensive internal governance and policy framework, robust supply chain due diligence processes, and an appropriately implemented remedial framework.

Our operations

QCB did not become aware of any actual or suspected incidents of modern slavery in our supply chains or operations during the reporting period. QCB continues to be low risk for modern slavery - with our operations remaining entirely within Australia in a highly regulated, professional sector. As noted above, our whole workforce is directly employed, predominantly tertiary educated, employed under written enterprise bargaining agreement ("EBA") and staff employment contracts and receive full employment protections under Australian workplace laws and regulations. We have previously described the process of developing and implementing QCB's EBA, which is approved by the Fair Work Commission. All measures described in our previous Statements remain in place to support and encourage the role of trade unions at QCB.

As previously reported, all our providers of essential day-to-day office services such as cleaners, caterers, and security staff are reputable companies engaged under long-term contractual relationships.

As a provider of Australian retail banking and financial transactional services, we also understand the potential for our products to be covertly misused as part of certain modern slavery practices. Our third-party provider for facilitating international transfers from our customers' accounts continues to maintain vigorous and up-to-date screening protocols to detect and prevent the occurrence of such criminal activity. We continue to strictly adhere to all applicable Australian Anti-Money Laundering / Counter Terrorism Financing regulatory obligations.

Our investments

The modern slavery risks associated with our investments has continued to be assessed as being relatively low. Areas of potential risk associated with QCB's investment portfolio largely mirror those identified supply chain risks in connection with Australian Business Services and Australian Computer Services. Investment management services, as is virtually ubiquitous with any professional service sector, has an unavoidable reliance on higher-risk electronics and computers. These risks stem from the mining of key minerals including cobalt, gold and lithium, which are characterised by a high proportional reliance on forced and/or child labour at the extraction stage. There are also significantly elevated risks associated with the manufacture/assembly stage of essential electronic components in South-East Asian countries such as Malaysia, and in China.

Consistent with the identified risk across the entirety of our supply chain and investments, the Walk Free Foundation's updated 2023 Global Slavery Index confirmed that recognised electronic products are the single highest risk product imported into Australia.²

United Nations Global Compact Network Australia (UNGCNA) – Modern Slavery Working Group

QCB has continued its external engagement with the UNGCNA. Our Sustainability Manager and Company Secretary participated in the two meetings that were held during the reporting period (in November 2023 and March 2024).

The Bank also delivered its first public report to United Nations Global Compact under the annual reporting scheme: "Communication on Progress". Modern slavery issues in the report were addressed under the key pillars of Human Rights and Labour.

The focus at one of the UNGCNA events was exploring the future of communications by companies about their human rights performance. As a direct outcome from this event, QCB's Sustainability Committee has implemented an internal initiative to better understand the current and future role of different teams within the Bank in safeguarding human rights and addressing modern slavery risks.³

Governance and Policy Updates

During the reporting period, QCB undertook a significant review and update of its policy and governance framework relating to modern slavery, including:

- **Modern Slavery Code of Practice** - (updated June 2024)
- **Sustainability Policy** - updated to include specific reference to modern slavery issues
- **Risk Management Strategy** - updated to include human rights complaints as falling within the defined scope of a serious breach for the purposes of reporting on and measuring organisational risk.

Education and training

QCB continued its established practice of annual, organisation-wide training on modern slavery issues. This internal education is mandatory, with a very high completion rate being demonstrated across successive reporting periods.

² <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

³ This was facilitated at a Sustainability Committee Meeting shortly after the conclusion of the reporting period but prior to submission of this Statement.

Further internal education and capacity building initiatives on modern slavery issues were completed by our Sustainability Committee, and our newly appointed Sustainability Officer.

Continuing to implement steps to address modern slavery issues as a “business as usual” practice in our Contract and Procurement Processes

Binding contractual provisions that specifically address modern slavery issues in our supply chains continue to be incorporated in all new service contracts and sponsorship agreements.

Our internal contract checklist (for procurement and other team members involved in the day-to-day activities relating to supplier / service contracts) was also updated to specifically refer to our Supplier Code of Conduct relating to Modern Slavery issues.

Ongoing Leadership of Our Modern Slavery Working Group and Sustainability Committee

Our Modern Slavery Working Group continued to meet throughout the reporting period.

The Working Group was formally adopted (by the QCB Board) as part of the Sustainability Committee Charter.

The Working Group is the driving force behind QCB’s development and implementation of its long-term modern slavery response, and it operates under the broader umbrella of QCB’s Sustainability Committee. The Committee is comprised of senior leadership, including the Sustainability Manager, and Executive team members including our Head of People & Culture, Company Secretary and Head of Governance, Head of Human Resources, CFO, Chief Risk Officer, Head of Member Support, Head of Credit, Head of Facilities, Head of Retail, Head of Third-Party Distribution, Head of Commercial Lending, Head of Data and AI, Head of Marketing and PR.

During the reporting period, the Sustainability Committee engaged the Company Secretary to undertake a comprehensive Modern Slavery Gaps Analysis of all internal policies and procedures that refer to, or should cover, issues relating to modern slavery risk. In parallel with this Gaps Analysis, the Bank’s management team developed and established a new procurement function to ensure improved supply chain business activity. This included a lengthy procurement recruitment process, which eventually resulted in the appointment of a newly created Procurement Manager role, commencing shortly after the conclusion of the reporting period.

Reporting Criteria #5: How QCB measures the effectiveness of our modern slavery response

The key means by which QCB measured the effectiveness of its modern slavery response throughout the reporting period is through our Modern Slavery Working Group's 2024 Action Plan and Measuring Effectiveness Tracker.

The following Table provides a summary depiction of the results obtained under that Tracker. Some of the described progress in these initiatives occurred after the conclusion of the reporting period, but prior to submission of this Statement.

Area	Activity	Status	Comments / further information
Commitment & Governance	Key internal roles provided with additional training on our Supplier Code of Conduct	Complete	This includes the newly created role of QCB's Procurement Manager, which commenced shortly after the end of this reporting period. Updated Modern Slavery Training program delivered.
	Continue annual staff training	Complete	Based on a calendar year requirement such that full completion had not been reached by the end of the reporting period.
	Specialised modern slavery training for Board members, Working Group members, and Senior Management staff.	Complete	Internal Modern Slavery Training modules provided to all Directors, and all employees (updated to ensure currency in June 2024). Specific training provided to Sustainability Committee Members.
	Continued membership of all industry bodies and collaborative groups.	Complete	Yes, through UNGCNA

Traceability & Risk Assessment	Maximise the number of suppliers assessed for modern slavery risk.	Complete (and continuing)	<p>All suppliers with annualised purchase over \$2,000 submitted for external modern slavery risk assessment.</p> <p>Our new Procurement Manager is further developing the supplier onboarding process to integrate modern slavery risk assessment.</p>
	Introduce measures and controls for Modern Slavery Policy with regards to Procurement	Partially complete	This is part of our new Procurement Manager's role, following on from the Company Secretary's Gaps Analysis of the current procurement policies and process as they relate to good practice for addressing Modern Slavery.
	Formalise governance of Modern Slavery Working Group within the Sustainability Committee Charter.	Complete	The Sustainability Committee Charter was updated to include the reference to Modern Slavery at the 25 July 2024 Board Meeting.
	Implement a standard modern slavery risk assessment framework to review new suppliers.	Partially complete	This is part of our new Procurement Manager's role. It has (so far) only been completed to GAP analysis stage. Continue into next reporting period
Purchasing Practices	All new and renewing suppliers are issued with standard contract templates containing modern slavery provisions.	Complete	QCB's internal legal checklist ("Contract Preparation Checklist" includes specific reference to Modern Slavery issues.

	Assess (relatively) higher-risk suppliers for modern slavery as part of the procurement process.	Partially complete	This is part of the new Procurement Manager's role so was only completed to GAP Analysis stage. Continue in next reporting period.
	Existing material supplier agreements not due for renewal within the following 12 months reviewed for Modern Slavery Provisions.	Not complete	Our internal contract checklist specifically covers modern slavery and applies whenever we are dealing with new or renewed contracts. We decided that additional review processes at other stages was not best use of internal resources. Preference has been given to improving contract processes and build into existing control measures.
	Engage with a certain percentage of suppliers to review their modern slavery action. Some of these suppliers will not be mandatory reporting entities.	Partially complete	Review of publicly available Modern Slavery statements by key suppliers undertaken in the first quarter of the reporting period.
	Provision of training to suppliers during the process of issuing self-assessment questionnaires.	Not complete	The underlying purpose of this planned action was to share knowledge and increase participation in our supplier self-assessment initiatives. QCB chose not to send out our modern slavery-related training leaflet this year as we moved instead to an electronic process for issuing supplier self-assessment surveys. With this change in communication format, a significant

			increase in response rates occurred.
Recruitment	Update QCB's internal Management Policy to reflect best practice recruitment principles.	Partially complete	An internal decision was made that the most appropriate area for this kind of update is in procurement and contract processes. Review of terms and conditions and the Modern Slavery Code of Conduct to be completed as part of larger procurement overhaul. Internal recruitment policy already aligns our recruitment practices to best practice so the work with most impact will be within our supply chains. Aspects of this planned action are expected to continue over multiple reporting periods as it is a complete overhaul of current procurement processes.
Worker Voice	Facilitate all trade union access to worksites.	Complete	Yes
Remedy	Undertake remedial action where any confirmed instances of modern slavery are identified.	N/A	No actual or suspected incidences of modern slavery identified during the reporting period.
Monitoring	Modern Slavery Working Group to track development of planned actions in last year's Statement and provide progress / priority report to Sustainability Committee.	Complete	Yes, standing agenda item at all Sustainability Meetings.

Reporting Criteria #7: Other information about QCB's modern slavery response

This final part of the Statement contains descriptions which are “forward-looking”. These forward-looking statements reflect the expectations reasonably held by QCB at the date of submitting this Statement. These are only predictions and are subject to inherent risks and uncertainties which can cause actual actions to differ materially from those expressed or implied in any forward-looking statement. Forward-looking statements are also based on QCB's current expectations and reflect assumptions and information available as at the date of submitting this Statement. Actual and future events may vary materially from any forward-looking statement.

For the next reporting period, QCB plans to focus on the following key areas as part of our long-term efforts in seeking to continuously improve our overall modern slavery response:

Area	Planned Focus Action for Next Reporting Period (FY25)
Commitment & Governance	Continue annual staff training
	Specialised modern slavery training for board members, working group members, and senior management staff.
	Continued membership of all industry bodies and collaborative groups.
Traceability & Risk Assessment	Continue to maximise the number of suppliers assessed for modern slavery risk.
	Implement supplier evaluation form for new suppliers. Commence in Facilities in 2025 and whole of business 2026/27 to provide assurance controls.
	Provisions of Modern Slavery inbuilt into our contract template.
	Legal assessment to provide mandatory/non-mandatory requirements of modern slavery/ human rights.
Purchasing Practices	Process developed for purchase orders to include reference to Modern slavery as these currently fall outside of contract terms and conditions.
Recruitment	Engage with a certain percentage of our suppliers to review their modern slavery action. Some of these suppliers will not be mandatory reporting entities.
	Our supplier evaluation process to include references to recruitment involving Modern Slavery.
Worker Voice	Facilitate all trade union access to worksites.

Remedy	Queensland Country Group to undertake processes to provide remedial action where any instances of modern slavery identified.
Monitoring	Working Group to track development of all commitments in FY25 Statement and report to Sustainability Committee on progress.