



**GreaterBank** 

**2022 Modern Slavery Statement**

This statement is for Greater Bank limited. (ABN: 88 087 651 956)

## Introduction

Greater Bank Limited supports human rights as set out in the United Nations Guiding Principles on Business and Human Rights. We are a member organisation of the Customer Owned Banking Association (COBA) and conduct our business operation in accordance with the COBA Code of Practice. This code gives our customers the confidence of knowing they are covered by an industry commitment to fair and responsible banking. As a customer owned bank, we respect the duty to protect human rights.

We are invested in and focused on our customers and the communities we operate in.

We respect human rights across all our operations, and it is important to us that we ensure our operations are run ethically and that we contribute positively to our communities.

Modern slavery describes serious forms of human exploitation and takes many forms including: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services and the worst forms of child labour. We recognise that the nature of our business may expose us to the risk of modern slavery in our supply chain (our people, our investments, our suppliers, and our policies), and we are committed to identifying and mitigating these risks.

This Modern Slavery Statement outlines the actions undertaken by Greater Bank Limited to identify and mitigate the risk of modern slavery in our supply chain for the financial year ending 30 June 2022 (FY2022). This is our third Statement issued under the Modern Slavery Act 2018 (Cth) ("The Act"). It outlines the steps we continue to take to identify, avoid, manage, and mitigate the risks of modern slavery that may exist in our operations and supply chains. We continue to be committed to ensuring that our operations and supply chains do not contribute to or accept any forms of slavery.

## Acknowledgement of Country

*Greater Bank acknowledges and pays respect to past, present, and future traditional custodians of the lands on which we operate. We acknowledge the stories, traditions and living cultures of Aboriginal and Torres Strait Islander peoples on this land and commit to building a brighter future together.*

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## Greater Bank structure, operations, and supply chains

Greater Bank is a Newcastle, NSW-based customer owned bank and commenced operations in 1924. The Greater Bank Group ("GBG") is comprised of Greater Bank Limited and its wholly owned subsidiaries and related entities including Greater Investment Services Pty Ltd, Greater Charitable Foundation Pty Ltd, Greater Charitable Foundation, GBS Receivables Repo Trust, and GBS Secured Funding Trust No.1.

Greater Bank has approximately 900 employees and operates a Head Office in Newcastle, a Customer Contact Centre in Lake Macquarie, and 53 branches located throughout New South Wales and South-East Queensland. Greater Bank's main operations cover the provision of personal and business banking and financial products and services. These products and services are delivered through several channels including face to face in branches, telephone, and the internet. Ancillary activities include investments and support for the community through our charitable foundation activities such as volunteering and donations.

In undertaking these activities, Greater Bank has sourced supplies and services in the following industries:

- Corporate uniforms
- Office/Branch Premises (rentals, maintenance, cleaning, renovations)
- Technology (hardware, software, cloud services)
- Office supplies and consumables
- Professional services (IT, legal, consultants, communications)

## Modern Slavery Risks Faced by Greater Bank

The degree of modern slavery risk exposure for Greater Bank across its total procurement activities is still assessed as low.

Following the UN Guiding Principles on Business and Human Rights, in 2020 we applied a risk-based approach to review our supply chain and have continued to apply this approach when reviewing new and existing supply arrangements.

The continued application of this approach has confirmed that most of our suppliers continue to be Australian based with only a small proportion based offshore in the United States, United Kingdom, and some in Asia. Offshore suppliers used are mainly in the provision of uniforms, IT services and subscriptions, and IT equipment.

Reflecting the mostly local composition of our supply sources, we have determined that Greater Bank has a predominantly simple supply chain, with the most complex related to the provision of IT hardware and corporate uniforms. These are both areas already flagged for ongoing monitoring for potential impact on our modern slavery risk exposure.

## Our people

The risk of modern slavery risks across our employee base is low as Greater Bank only hires employees who live and are permitted to work in Australia, and ensures it is compliant with the Fair Work Act and applies the National Employment Standards.

## Our investments

To ensure it has sufficient cash to meet the needs of our customers and to meet our regulatory obligations, Greater Bank invests in a portfolio of liquid assets. This portfolio consists of investments in securities issued by Australian Banks and a selection of Residential Mortgage Backed Securities (RMBS) and Commercial Mortgage Backed Securities (CMBS) secured over pools of Australian-only real property and premises.

Given the composition of the investment portfolio is Australian based, it is considered that the risk of modern slavery exposure is low for this activity.

## **Our suppliers**

We undertake detailed due diligence activities on potential suppliers throughout the procurement process to ensure our chosen suppliers demonstrate the values we look for in a trading partner. Our Procurement unit conducts a risk assessment on our suppliers utilising Greater Bank's risk management framework, which includes modern slavery management.

## **Governance: Key Actions taken to address Modern Slavery Risk**

We continue to recognise that combatting modern slavery requires ongoing efforts and we are committed to continuing our efforts in this area.

## **Our policies**

Greater Bank has processes, frameworks, and policies in place to assist us in identifying, assessing, managing, and mitigating the actual and potential risks of modern slavery within its supply chain. These include Greater Bank's:

- Procurement Policy
- Outsourcing Policy for Material Business Activities
- Code of Conduct
- Whistleblower Protections Policy
- Enterprise Risk Management Policy
- Compliance Framework Policy

## **Procurement process**

In FY2022, Greater Bank has continued to improve the procurement process using a risk based approach. We understand that mitigating the risks associated with modern slavery is an ongoing process and requires continued work. From the initiation of a procurement activity to the conclusion of a contract, Greater Bank continues to work towards implementing anti-slavery and anti-corruption management into its agreements with third parties.

Based on the outcomes of an initial supply chain risk assessment process, we have continued to review contracts with suppliers to identify contracts at risk of modern slavery in their supply chain and engage with those suppliers to investigate and assess the risk. We have also incorporated a specific consideration of modern slavery risks into our procurement process, and we will continue to incorporate modern slavery protections into new and renewed contracts.

## **Ongoing training**

In FY2022, targeted training has been provided to the Procurement unit to support the identification and management of labour and human rights issues in Greater Bank's supply chains. A key element of our ongoing plan to reduce modern slavery risks within our organisation revolves around employee awareness. The more employees are alert to the risks, the more likely we are able to detect those risks within our supply chains and third party agreements.

As the Procurement unit continues to grow, this training will be provided to new staff members, as well as to other key personnel across the organisation.

The ongoing training of the Procurement unit supports contract owners within the organisation to understand and identify modern slavery risk in procurement activities.

## Modern Slavery Framework

To support employee awareness and increase effectiveness, it is important to have a robust and accessible management document that sets out our obligations, processes, and role responsibilities with respect to modern slavery risk.

In FY2022, Greater Bank developed a Modern Slavery Framework document to assist the Procurement unit to:

- Ensure a uniform approach is taken across the organisation for mitigation of modern slavery risks presenting through procurement activities;
- Enable us to adapt our approach in response to new risks as they arise;
- Increase employee awareness of activities completed to date, and proper processes to follow; and
- Encourage visibility and awareness of modern slavery as a serious issue that we, as an organisation, are dedicated to addressing.

## Supplier governance

We continue to use our procurement initiation tool to help us identify any modern slavery risk in our supply chains, including ongoing modern slavery management. This tool allows our business to indicate whether their new procurement has any modern slavery risks associated with it or identify any risk that may exist within the supply chain. This allows us to continue to monitor for new higher risk procurement activities, as well as understand the general level of employee awareness of modern slavery risk within supply chains.

## Assessing Effectiveness

We recognise that modern slavery is a complex issue and occurs within a changing landscape, which heightens the importance of continued monitoring and update of anti-slavery measures.

In FY2022, Greater Bank created the Contract Management Procedure (CMP) to assist contract owners to manage their contracts in accordance with our policies and procedures and ensure we are conducting business which comply with our legal and regulatory obligations, and within risk appetite. The CMP provides a clear and standardised approach to managing procurement contracts, commensurate with the risk and value they present to Greater Bank. It sets out the processes and tools to be used by contract owners (in conjunction with the Procurement unit) to enable them to effectively manage their procurement contracts. Greater Bank has adopted a risk-based approach to contract management. The extent of risk mitigation required and the specific activities that need to be undertaken to manage a particular procurement contract are dependent on the risk classification and value of the engagement.

Procurement contracts are classified into the following categories:

- High Risk BCM (Business Critical Supplier)
- High Risk
- Medium Risk BCM (Business Critical Supplier)
- Medium Risk
- Low Risk

Each category requires a level of governance to ensure that the contract and the services provided are compliant with Greater Bank's policies and procedures.

## Reporting

In FY2022, Greater Bank implemented internal monthly reporting on Third-Party management to report to the Greater Bank leadership team on compliance with Greater Bank policies.

The Procurement unit present a reporting pack which includes:

- Updates on 'Outsourcing of a Material Business Activity' arrangements;
- Service Level Agreement performance;
- Risk Incidents; and
- Non-compliance issues with internal policy related to other APRA Standards.

## Continuous Improvement

Greater Bank is still committed to strengthening our modern slavery risk management framework and will continue to identify, avoid, manage, and mitigate the risks of modern slavery that may exist in our operations and supply chains.

The key areas of focus for the upcoming year include:

- Formation of a corporate governance initiative to create an Environment Social Governance (ESG) Framework. This initiative will encompass many activities across the organisation alongside modern slavery management such as sustainability, green energy procurement, First Nations engagement and social procurement;
- Focus on social procurement initiatives that support the communities in which we operate;
- We will continue to further improve and embed the Modern Slavery Framework across the organisation for new and renewed contracts, which will enable us to adapt our approach to new risks as they arise; and
- Ongoing supplier due diligence as part of the procurement process to assess, identify and remediate modern slavery risks as they arise.

## Ongoing impact of COVID-19

Greater Bank is not experiencing any major disruption in terms of supply of consumables required to ensure ongoing operations, and the reduction in office consumables has to some extent been offset by increased use of personal protective equipment (PPE), cleaning supplies and related services. In consideration of this, our procurement practices have been amended to ensure modern slavery awareness is included in supplier due diligence (commencement and ongoing) as noted above.

## Approval

This Modern Slavery Statement was approved by the Board of Greater Bank Limited in December 2022.

The Board of Greater Bank Limited is ultimately responsible for Greater Bank's Risk Management Strategy. The Board has considered and approved this Statement prior to publication.



Signed, Wayne Russell, Chairman



Signed, Scott Morgan, Chief Executive Officer

**GreaterBank** 

Greater Bank Limited. ABN 88 087 651 956. AFSL/Australian credit licence 237476.