

Joint Modern Slavery Statement

Under the *Modern Slavery Act 2018* (Cth)



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

Mandatory reporting requirements

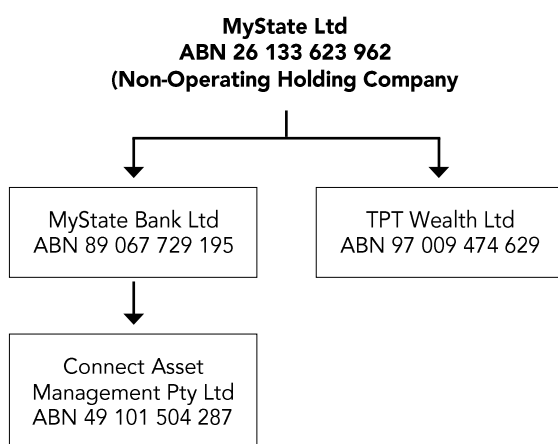
1. **MyState Ltd, MyState Bank Ltd and TPT Wealth Ltd** (referred to collectively in this Joint Statement as “MyState”, unless the context requires differentiation of individual entities) are reporting entities under the *Modern Slavery Act 2018* (Cth) (“the Act”).
2. Key details for each of the mandatory reporting requirements are addressed below

Identify the reporting entities

- MyState Ltd – ABN 26 133 623 962
- MyState Bank Ltd – ABN 89 067 729 195
- TPT Wealth Ltd – ABN 97 009 474 629

Describe the reporting entity’s structure, operations and supply chains

3. MyState is a Tasmanian based, diversified financial services group. MyState headquarters are at Level 2, 137 Harrington Street, Hobart, TAS 7000.
4. MyState Limited is a Non-Operating Holding Company (NOHC) for the wholly-owned subsidiaries MyState Bank Limited and TPT Wealth Limited. The MyState executive management team shares responsibility for key operational areas across all of its subsidiaries.
5. MyState structure is as follows:



6. MyState Limited was formed in 2009 through the merger of MyState Financial and Tasmanian Perpetual Trustees. In 2011, MyState acquired The Rock Building Society (The Rock) located in Central Queensland. In 2014, MyState Financial obtained approval from the Australian Prudential Regulation Authority (APRA) to alter its name to MyState Bank.
7. MyState Bank Limited (MSB) is an authorised deposit-taking institution operating a single brand MyState Bank. MSB offers banking products and services throughout Australia via online services and maintains a branch network in Tasmania.
8. MSB is regulated by the Australian Prudential Regulation Authority (APRA) and complies with APRA’s Liquidity and Capital requirements. MSB is also regulated by ASIC licence for the provision of financial services.

9. MSB utilises 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.
10. Connect Asset Management Pty Ltd (CAM) provides program administration services and trust management to the Group’s Residential Mortgage Backed Security (RMBS) trusts. Services include administration in relation to the assets of each RMBS trust under the ConQuest Master TrustDeed.
11. CAM holds an ASIC issued Australian Financial Services Licence (AFSL) required when conducting a financial services business.
12. MyState Bank has branches at the following locations:

Tasmania:

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

13. As at 7 November 2020, MyState Bank ceased branch operations in Central Queensland. Despite this, technology investments have facilitated the expansion of services to the wider Australian market.
14. The operations of MyState Bank include the following key product areas:

Banking Services

- Transaction, savings and term deposit accounts
- Home and personal loans
- Business Banking
- Agribusiness

Insurance Services

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

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

16. TPTW is regulated by the Australian Securities and Investments Commission (ASIC) for the provision of financial service.

Trustee Services

- Estate Planning, Trust and Administration
- Corporate & Custodial Trustee

Wealth Management Services

- Managed fund investments
- Portfolio Advisory and Administration Services

17. TPTW is one of Australia's oldest providers of wealth solutions. TPTW has recently shifted focus to mortgage funds and digital funds management, which is attracting a greater national market beyond TPTW's traditional geographical areas of operation.

18. The MyState supply chain is at the first tier primarily computer and technical services and market research and other business management services. At the second tier the industry inputs are again market research and other business management services, computer and technical services along with banking, hotels, clubs and restaurants and surveying services.

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns and controls

19. MyState's day-to-day business operations and client services lie well outside the most widely recognised risks of modern slavery - such as raw material intensive industries, or physical products that have a predominant overseas manufacturing and sourcing component. Despite modern slavery risk at our first tier being relatively low, the particular challenge, which we fully recognise, is that identified risks lie deep within supply chains rather than being at the first (or even second) tier with suppliers that we are in a direct contractual relationship with.

20. MyState's ongoing strategy seeks to automate, simplify, digitise and modernise operations. MyState is striving to become a leading digital business in Australia.

21. Artificial intelligence solutions have been introduced within the subsidiaries, with a plan to increase software robotics technology to deliver efficiencies in back-office, document-heavy tasks such as data entry.

22. Like many financial service providers, the increasingly digital face of operations involves the use of technological products that may have complex supply chains with globally sourced component parts, including microchips, electrical components, and high-tech lithium power sources.

23. MyState's modern slavery risk profile has been comprehensively assessed through detailed supply chain analysis conducted by external subject matter experts. We have not detected, or been informed of, any actual incidences of modern slavery in our supply chains.

24. MyState is committed to focusing on broader social risks, including issues relating to modern slavery. Whilst modern slavery may not directly impact MyState customers and staff, we recognise that it may be hidden deep within supply chains associated with our business operations.

25. MyState recognises that a complex network of issues interacts to create potentially increased modern slavery risk, including:

- (a) total supplier spend amount (i.e. the value of our direct supplier contracts);
- (b) industry category, including the industries that, in turn, feed into particular categories further down the supply chain pipeline;
- (c) geographic area of operation; and
- (d) depth or 'tiering' within the supply chain(s) - e.g. 3rd tier supplier, 5th tier supplier, etc.

26. MyState's comprehensive risk assessment has identified the following priority risk areas of modern slavery within the operational supply chains:

- (a) Computer and technical services;
- (b) Wholesale Trade;

- (c) Business services; and
- (d) Advertising services, predominantly in the Digital & Marketing category.

27. As noted above, the rollout of an increasingly digitised product and services base, and a high degree of dependence on technology products (even more so in the ever-evolving situation of the COVID-19 pandemic) is a notable feature of MyState's operational activities, as with many other financial services providers. Industry analysis highlights that there is an elevated risk of modern slavery within such supply chains, we intend to make this a focus area in relation to externally focused actions, including the updating of a supplier contracts and introduction of a Supplier Code of Conduct.

28. The reasons that the supply chains for the above industry categories have been identified as having a more elevated risk of modern slavery is because of factors that are not related or proximate to the end products or services that are being provided. Across these industries, it is usually the practice to have representative offices in Australia with the operations located in other countries. Recognising this, MyState undertakes effective due diligence and this will also be supported via the introduction of the Supplier Code of Conduct.

29. Relative spend amount is also another significant factor. Put simply, even though a particular industry category may not be within an inherently risky modern slavery 'hot spot', a high overall spend will result a heightened risk profile. However, from a remediation and collaboration perspective, we also recognise that the larger the spend footprint within a particular industry, the greater the potential leverage and negotiating power to affect positive change.

30. Product turnover and the planned useful lifespan for goods is also a relevant factor for our modern slavery response. Notably, a relatively high turnover of electronic and digital devices presents an ideal opportunity, across successive reporting periods, to engage in vigorous supplier screening, the implementation of express supplier terms that address modern slavery issues, and the monitoring of effectiveness of responses.

31. Further details of the methodology and technology, through external subject matter experts, utilised for our modern slavery risk assessment is set out in the Appendix to this statement.

Describe 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.

32. MyState's engagement with modern slavery risk assessment, due diligence and remediation has involved the review and update of the internal governance framework and policy documents to appropriately address modern slavery requirements.

33. MyState has partnered with external subject matter experts to prepare a holistic, organisation-wide modern slavery response. A summary of the actions undertaken to date, and those planned for subsequent reporting periods, is set out below.

34. MyState is committed to carrying out targeted steps to address identified modern slavery risks, both internally and externally.

35. MyState acknowledges that a substantial body of international standards now exist to facilitate the necessary level of corporate vigilance for an effective modern slavery response.

36. Independent external experts on modern slavery issues have reviewed MyState's internal policy framework. As part of that process, the Third Party Risk Management Framework has been updated. Further updates are underway for the following:

- (a) Risk Management Strategy and Framework
- (b) Operational Risk Management Framework
- (c) Compliance Management Framework

37. A focal point of the internal governance update during the reporting period has been the development of a Supplier Code of Conduct.

38. Once developed, MyState will require all new suppliers to comply with the Supplier Code of Conduct. These suppliers agree, in turn, to take reasonably practicable steps towards the implementation of anti-slavery requirements in their own supply chains, with the aim of achieving reach well beyond our first tier contractual relationships.

39. Substantive features of The Supplier Code of Conduct will address the following specific modern slavery indicators:

- (a) No unreasonable restrictions on workers freedom of movement
- (b) No illegal restriction of workers' access to their government issued identification documents, passports, work permits, travel documents
- (c) Child labour issues
- (d) Working hour restrictions
- (e) Wages and benefits
- (f) Humane treatment
- (g) Anti-Discrimination
- (h) Freedom of Association and Collective Bargaining
- (i) Grievance, Whistleblowing and Management issues

40. Another key component of MyState's modern slavery response at the governance level includes the development of our Human Rights Statement incorporating existing mechanisms for associated grievances (Customer Advocate, Whistle-blower protection).

41. MyState has developed and is in the processes of rolling out standard modern slavery provisions for incorporation into new (or renewed) supplier contracts.

42. These modern slavery-specific provisions will impose a number of robust obligations on suppliers, including:

- Due diligence to investigate modern slavery risks factors and labour practices of sub-contractors and other parties with which the supplier is engaged
- Disclosure obligations in relation to any breach of modern slavery standards
- Completion of supplier self-assessment questionnaires upon request by MyState to ensure up-to-date supplier information for more effective risk assessment

Future focus areas for modern slavery due diligence activities

Describe how the reporting entity assesses the effectiveness of these actions.

43. MyState recognises that, as addressing modern slavery within private business structures is a relatively recent feature of the good corporate citizenship landscape, it is particularly important to review the actual impact of implemented measures to ensure the best deployment of effort and resources.

44. In order to achieve this, MyState will develop an Effectiveness Framework as part of our modern slavery response. Key features of that Framework may include:

- (a) Initial assessment of third party suppliers undertaken by external specialist organisation Fair Supply to establish supplier's modern slavery risk profile
- (b) Expansion of comprehensive modern slavery risk assessment to our investment portfolios
- (c) Increasing the number of suppliers assessed for modern slavery risk
- (d) Increasing supplier engagement on modern slavery issues, including the provision of self-assessment surveys to suppliers identified as high risk
- (e) Ongoing internal review of supplier self-assessments with challenge and verification of responses carried out where required
- (f) Targeted and ongoing internal education and awareness raising activities on modern slavery issues
- (g) Increasing industry-group collaboration on modern slavery issues

Describe the process of consultation with any entities the reporting entity owns or controls

45. As referenced in paragraph 4, MyState Limited is the NOHC of its wholly owned subsidiaries; MyState Bank Ltd and TPT Wealth operate as separate entities. However, MyState Limited executive management structure shares responsibility for key operational areas across all of its subsidiaries.

46. Under an established Third Party Risk Management framework, comprehensive consultation on modern slavery issues has occurred across the full scope of the MyState group of companies.

47. The comprehensive supply chain assessment for modern slavery risks that are discussed throughout this Statement has been carried out for the supply chains and operations for each of these separate entities noting that the majority of suppliers are common across the MyState group of companies.

Any other relevant information – Impact of the COVID-19 Pandemic

48. Since the COVID-19 pandemic hit Australia in March 2020 MyState has seen both financial and operational uncertainties arise across the industry.

49. Staff safety has been prioritised and all staff were transitioned to a remote-working model across both the back office and corporate services areas, whilst minimising any customer impact on account of this transition. The Customer Care Centre and Branch network remained open throughout this period, notwithstanding individual Branch closures in response to localised community outbreaks.

50. The COVID-19 pandemic as it relates to modern slavery for suppliers is as follows:

- (a) All suppliers deemed critical to the business were requested to provide assurance as to their capability to deliver continued service to MyState
- (b) All suppliers were subject to review against adverse or negative news media as part of enhanced due diligence activities undertaken
- (c) The move to remote working required the purchase of additional technology and other associated equipment to facilitate collaboration across the organisation
- (d) The purchase of Personal Protective Equipment (PPE) for use in offices spaces and across the Branch network, in line with Worksafe guidelines, was required to sufficiently protect both our staff and customers

Appendix

Initial Risk Assessment Methodology Summary

51. MyState has carried out 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.
52. 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.
53. 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:
- (i) The United Nations' (UN) System of National Accounts;
 - (ii) UN COMTRADE databases;
 - (iii) Eurostat databases;
 - (iv) The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - (v) Numerous National Agencies including the Australian Bureau of Statistics.
54. The MRIO is then examined against the following international standards:
- (i) The UN Guiding Principles on Business and Human Rights;
 - (ii) The Global Slavery Index;
 - (iii) International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - (iv) The United States' Reports on International Child Labour and Forced Labour.
55. 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.
56. 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.
57. The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:
- (a) The individual suppliers and industries with the most elevated risk of modern slavery
 - (b) Supply chain plots to provide a visual representation of the supply chain for MyState's top 3 first tier industries
 - (c) Plotting the relative slavery risk in the supply chain by tier, up to tier 10
 - (d) Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world
 - (e) An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk
58. The top 50 suppliers in our supply chains and operations that posed the highest calculated risks in relation to modern slavery were identified.

Melos Sulicich
Managing Director and Chief Executive Officer

