

Modern Slavery Statement 2022



**People's
Choice**

Banking for life

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Managing Director's summary





People's Choice is a mutual organisation, meaning our customers are our members. We exist to meet the needs of our members in the delivery of products and services. At People's Choice, we care about people – our members, our staff and our communities.



As a mutual organisation, we consider that being proactive in assessing and addressing modern slavery is wholly consistent with our core values.

This is the third Modern Slavery Statement (**Statement**) pursuant to section 16 of the Modern Slavery Act 2018 (Cth) (**Act**) for Australian Central Credit Union Ltd ABN 11 087 651 125, trading as People's Choice Credit Union ('**People's Choice**', '**we**' or '**our**').

This Statement is submitted by People's Choice for the period **1 July 2021** to **30 June 2022** and covers its subsidiaries (which are not reporting entities in their own right):

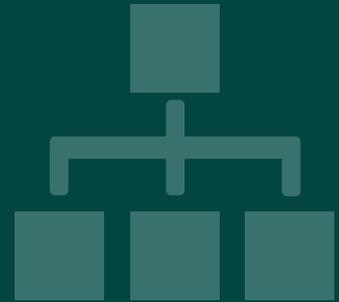
- People's Choice Community Foundation Limited
ABN 97 154 717 987
- Financial Solutions Australasia Pty Limited
ABN 36 008 939 599
- Australian Central Services Pty Limited
ABN 68 007 968 041

People's Choice and its subsidiaries have the same board of directors and operate with common systems, policies and procedures. Our Statement was developed for and is relevant to People's Choice and its subsidiaries.

The Board of People's Choice approved this Statement on 13 December 2022 and authorised me to sign it as Managing Director.

Steve Laidlaw
Managing Director

Approach, structure, operations and supply chains





Our Approach

People's Choice is committed to upholding fundamental human rights and believes that all human beings around the world should be treated with dignity, fairness and respect. We do not tolerate or condone modern slavery.

In preparing this third Statement, we have assessed modern slavery risks in our operations and supply chain and have provided further information regarding our progress.

Organisational Structure

People's Choice is an Australian based public company and member-owned credit union.

The following entities are wholly owned subsidiaries of People's Choice:

- People's Choice Community Foundation Limited ABN 97 154 717 987
- Financial Solutions Australasia Pty Limited ABN 36 008 939 599
- Australian Central Services Pty Limited ABN 68 007 968 041

Each subsidiary has a registered office in Adelaide, South Australia.

People's Choice has over 390,000 members across Australia, and around 900 employees. We have 33 branches located throughout South Australia, the Northern Territory and Victoria.

Operations

We provided our members with access to the following products and services during the Financial Year ending 2022 (**FY2022**) reporting period:

-  Home Loans
-  Personal Loans
-  Visa Credit Cards
-  Transaction Accounts
-  Visa Debit Cards
-  Savings and Investment Accounts
-  Insurance
-  Foreign Currency
-  Financial Planning & Advice
-  Business Transaction Accounts
-  Business Loans
-  Business Insurance
-  Business Financial Products
-  Business Services

During the FY2022 reporting period, the operations of our subsidiaries have included:

- Charitable Fundraising
- Wealth Management Operations
- Trust Management
- Trust Management Related Services.



Supply Chains

People's Choice business operations involve relationships with over 600 suppliers. These entities range from large corporations to smaller businesses and not-for-profits. The majority of our suppliers are Australian based or Australian subsidiaries of a global organisation. We expect our suppliers to demonstrate high standards of ethical conduct.

Mutual Marketplace Pty Ltd (**Mutual Marketplace**) was established as a joint venture between People's Choice and Credit Union Australia Ltd (trading as Great Southern Bank) to provide procurement services to the mutual banking industry. Mutual Marketplace is itself a mandatory reporting entity and will separately lodge its own Modern Slavery Statement in accordance with the Act.

All suppliers engaged through our strategic arrangements with Mutual Marketplace receive a supplier code of conduct which sets out expectations for those suppliers who form part of People's Choice's supply chain in relation to modern slavery. In considering our first tier suppliers, People's Choice includes those suppliers we engage directly, as well as the suppliers engaged via Mutual Marketplace as our first tier suppliers (**Tier 1 suppliers**).

Our key suppliers continue to be primarily based in Australia, however, we have a small percentage of key suppliers based overseas including the United States, United Kingdom and India. Our key suppliers operate in the following industry categories:

- Computers and Technical Services;
- Real Property Ownership/Landlord;
- Advertising Services; and
- Business Services.

Our investment portfolio during the FY2022 reporting period remains stable. Our key first tier industry categories as set out below, were also identified in our previous statements:

- Banking Services; and
- Non-Bank Finance.



Risks of modern slavery practices in our operations and supply chains



Risks of modern slavery practices in our operations and supply chains



Assessing Our Risk: Overview

People’s Choice’s overall exposure to modern slavery risks is low, particularly within direct business operations and our Tier 1 suppliers, and this has remained stable from our previous reporting periods.

People’s Choice has continued to engage external experts to assess potential risks of modern slavery in our operational supply chains and investment portfolios. The industries within our Tier 1 supply chains with high spend categories generally provide direct supporting functions to our business such as IT infrastructure that supports our banking services, building and maintenance services and marketing.

People’s Choice takes the potential for modern slavery risks within our business seriously.

We acknowledge that the risks of modern slavery may be increased due to the geographical locations of some of our supply chain, and we continue to work to identify and address those risks.

Operational Risks

In the FY2022 reporting period, we continued to evaluate our potential areas of modern slavery risk across the following categories, including in key third-party relationships:

1. The individual suppliers, industries and investments with the most elevated risk of modern slavery; and
2. The classification of the first tier of our supply chain and investments by country and industry, including relative modern slavery risk.

Supply Chain Risks

During the FY2022 period, Mutual Marketplace continued to use its supply chain platform which issued modern slavery surveys to our key suppliers for the FY2022 period. People’s Choice again engaged external subject matter experts to conduct an assessment of our business to assist in identifying the modern slavery risks that we may be exposed to from year to year. This analysis assists us to identify areas where we can continue to investigate and improve.

People’s Choice’s overall risk profile has again been assessed as low, particularly as our business and suppliers have largely not changed since our FY2021 statement. Importantly, no actual or suspected incidents of modern slavery were identified by People’s Choice in our operations and supply chains, or in our investment portfolio, during the reporting period.

The risks that we have identified are consistent with those risks highlighted in our FY2020 and FY2021 statements. Whilst these risks are not concentrated within our Tier 1 suppliers, we acknowledge that they lie within deeper tiers of our supply chain.

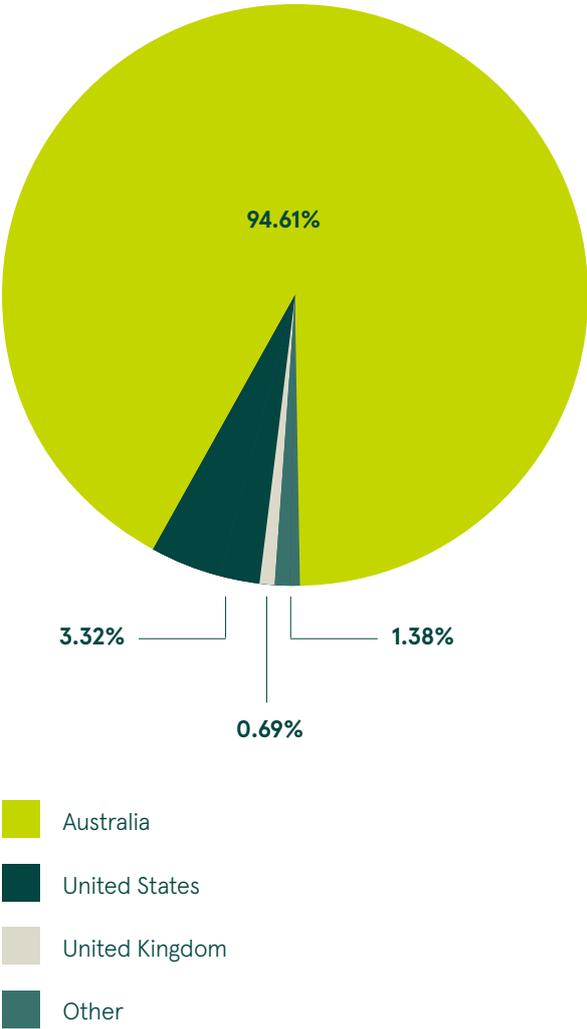
Risks of modern slavery practices in our operations and supply chains



Geographic Location

People’s Choice predominantly uses suppliers based in Australia and 94% of our spend for Tier 1 Suppliers is with Australian based entities.

The below chart demonstrates the geographical breakdown of our suppliers:



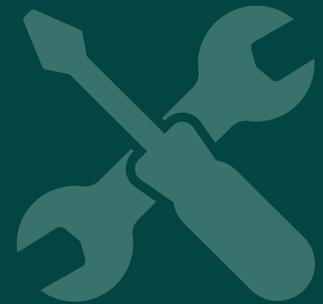
The analysis conducted has considered geographic indicators and has identified that there is a risk of the use of modern slavery within our supply chain. Suppliers in the Indian geographical region are considered to pose the highest risk. Our two key suppliers in this region prepare a modern slavery statement either under the Australian Act or the United Kingdom regime and neither have reported instances of modern slavery.

More globally, we recognise that modern slavery exists in the technology sector which forms part of our supply chain. Like most financial institutions, we use technology services and products, which include hardware, computers, phones and other technology software, equipment and services that may have supply chain risk, including through use of rare earth materials which are sourced from high-risk geographic locations.

We also recognise that certain goods and services that are sourced by our Tier 1 suppliers or subsequent tiers may also originate in higher-risk regions.



Actions taken to assess and address modern slavery risks





People's Choice works to strengthen and implement our practices and processes to identify, prevent, and mitigate any actual or potential adverse human rights impacts in our operations and supply chains. We continue our engagement with Mutual Marketplace who coordinate supplier engagement surveys and monitor supplier risk. We have also continued the approach of engaging external experts using multi-regional data to map our Tier 1 supply chain with respect to industries and countries and further map the theoretical risks in our supply chain up to 10 tiers.

Modern Slavery Working Group

Since its establishment in 2020, our Modern Slavery working group has continued to consider and improve our systems and processes to address modern slavery risks in our operations and supply chains, including a recent high level external review of our modern slavery practices.

Whistleblower Policy

The People's Choice Whistleblower Protection Policy sets out the responsibilities and accountability for individuals for reporting unethical or illegal practices. This provides a reporting and investigative process that is objective, confidential and protects employees from any repercussions or adverse impacts as a result of raising concerns.

Supplier Engagement and Risk Exposure

Mutual Marketplace continue to facilitate the engagement of suppliers including supplier questionnaires and by using the supplier engagement platform. The platform utilises numerous sources of information to determine a risk exposure for each of our suppliers. Included in the sources of information is corporate data obtained from judgements, lawsuits and incidents obtained from global media monitoring of hundreds of incident types including those related to modern slavery and forced labour practices.

The supplier risk exposure information provides People's Choice (via Mutual Marketplace) with media alerts with severity ratings relevant to our suppliers and links to relevant reports for review. This allows us to follow up any potential indicators of issues or items that pose a higher risk directly with the relevant supplier.



Third-party Risk Assessment Framework

We continue to review our third-party risk assessment process noting our enhancements will improve our focus on modern slavery risks. The revision of the third-party risk assessment includes the formulation of targeted criteria to assess the modern slavery risk during our initial assessment of prospective suppliers. There will also be appropriate analysis to ascertain requirements for reassessment and level of engagement with the supplier in respect of modern slavery risk.

Employee Education

We continued the deployment of training for key employees from departments across our organisation including functions that procure resources, risk, legal, technology and finance. We have continued to roll out online modern slavery risk training and education to relevant employees and will continue to do so.

Assessing the effectiveness of our actions





Our Approach

People’s Choice remains committed to deepening its understanding of the modern slavery risks within the extended tiers of the supply chain, as well as our operations practices. We continue to monitor our activity and also work closely with Mutual Marketplace in respect of the effectiveness of our actions and supplier arrangements.

Reporting and Accountability

We continue to monitor the effectiveness of our activity with respect to modern slavery on an ongoing basis and over consecutive reporting periods.

We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by:

- tracking our actions and outcomes;
- partnering with suppliers and other external partners; and
- undertaking regular internal governance and external assurance processes.

Based on the results of these processes we will adapt and strengthen our actions to continually improve our response to modern slavery.



Progress

In our previous statement, we outlined key objectives for the FY2022 and future reporting periods:

| Objective | FY2022 progress |
|--|---|
| Further engagement and onboarding of suppliers using the supplier risk module within the Mutual Marketplace procurement and supply chain platform. | With our engagement, Mutual Marketplace has continued to enhance assessments, monitoring and supplier engagements. Whilst key milestones have been reached, we consider that there will likely be further enhancements and revisions in future reporting periods. |
| Finalising the review and update of our third-party risk assessment process. | We have completed a high-level external review of our modern slavery arrangements and we are in progress with respect to the review of our third-party risk assessment process. |
| Continuous improvement to the modern slavery contract provisions within Mutual Marketplace and People’s Choice templates. | There has been continuous progress in respect of contracting provisions for both People’s Choice and Mutual Marketplace during the period which will likely continue in future reporting periods. |
| Delivery of appropriate training. | Delivered to key employees from our risk, legal, technology and finance teams (and ongoing throughout future reporting periods). |



Next Steps

We have focused on enhancing the capability of our people, systems, and processes to manage operational and supply chain risk, acknowledging that this work is undertaken with a view to continuous improvement.

Over the next reporting periods we will continue our efforts and will look to build on our achievements and focus on monitoring and reviewing progress as part of our commitment to continual improvement, including:

- Looking for opportunities to strengthen our policies, procedures and approaches to manage modern slavery risk.
- Considering the inclusion of a publicly available grievance mechanism.
- Considering the end-to-end process for reviewing and assessing modern slavery and allocating roles and responsibilities within the business.
- Incorporating modern slavery assessment questions in our third-party risk assessment process prior to supplier onboarding.
- Continuing to refine our technical risk assessment and due diligence activities particularly through ensuring accuracy and completeness of supply chain data used to conduct the risk assessment.
- Continuing to use a supplier engagement platform (via Mutual Marketplace) to send modern slavery surveys to key suppliers.
- Implementing regular reviews of survey results and any potential indicators of issues or items that pose a higher risk which can be followed up directly with the applicable supplier.
- Looking for opportunities to further enhance our frameworks for better identifying and responding to modern slavery risks and breaches within People’s Choice and our supply chains.
- Continuing modern slavery training and awareness for People’s Choice employees.
- Continuing our close engagement with Mutual Marketplace in improving practices for identifying, assessing and addressing modern slavery risks.

This statement has been prepared to meet the mandatory requirements of the Act:

| Mandatory Criteria | Page |
|--|-------|
| (a) Identify the reporting entity | 4 |
| (b) Describe the reporting entity’s structure, operations and supply chains | 5-7 |
| (c) Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities it owns or controls | 8-10 |
| (d) 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 process | 11-12 |
| (e) Describe how the reporting entity assess the effectiveness of these actions | 13-14 |
| (f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultations with the entity covered by the statement) | 6-7 |
| (g) Any other information that the reporting entity, or the entity giving the statement, considers relevant | 15 |

