

# Modern Slavery Statement 2021



**People's  
Choice**

Banking for life

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## Part 1 | Chief Executive's summary



## Part 1 | Chief Executive's summary

**People's Choice is a proudly  
100% member owned credit union.**



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

This is our second Modern Slavery Statement (**Statement**) pursuant to section 16 of the Modern Slavery Act 2018 (Cth) (the **Act**). It covers the reporting period from 1 July 2020 to 30 June 2021.

The reporting entity is Australian Central Credit Union Ltd ABN 11 087 651 125, trading as People's Choice Credit Union (**People's Choice**).

This Statement is provided by People's Choice 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. Accordingly, our modern slavery response is relevant to both People's Choice and its subsidiaries.

The Board of People's Choice approved this Statement on 14 December 2021 and authorised me to sign it as Chief Executive Officer.

**Steve Laidlaw**

Chief Executive Officer  
and Managing Director

## Part 2 | Our approach, operations and supply chain



## Part 2 | Our approach, operations and supply chain

### Introduction

People's Choice remains committed to the approach set out in our first modern slavery statement for the period 1 July 2019 – 30 June 2020 (**First Statement**). Our response is sustained, holistic and tailored to our specific circumstances and consistent with our values as a mutual organisation. We are committed to continuous improvement and to tailoring our modern slavery approach through our frameworks, policies and procedures.

We understand that in order to contribute to the reduction and prevention of modern slavery in our operations and supply chains, it is important that we continue to maintain appropriate engagement with our suppliers. This engagement is intended to raise awareness, identify, assess and address modern slavery risks.

In keeping with our anti-slavery commitment, we have focused on implementing action in the following key areas during the current reporting period:

- i. Ongoing engagement with Mutual Marketplace Pty Ltd ("**Mutual Marketplace**") to broaden and enhance our supplier engagement and assessment;
- ii. Updating our supplier contracts to include provisions addressing modern slavery; and
- iii. Collaborating with key internal departments to review our third-party risk assessment framework and update our existing governance frameworks.

Since publishing our First Statement, there have been no substantial changes in our day-to-day business operations, the products and services that we offer, or the supply chains that facilitate those operations. Our overall modern slavery risk profile during the current reporting period remains very low. There have been no actual or suspected incidents of modern slavery identified during the current reporting period.

### Our operations

People's Choice has over 385,000 members across Australia, and around 1,000 employees. We have branches in South Australia, the Northern Territory and Victoria.

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
-  Financial Planning & Advice
-  Business Transaction Accounts
-  Business Loans
-  Business Insurance

The operations of our subsidiaries include charitable fundraising, wealth management operations and trust management and related services.

## Part 2 | Our approach, operations and supply chain

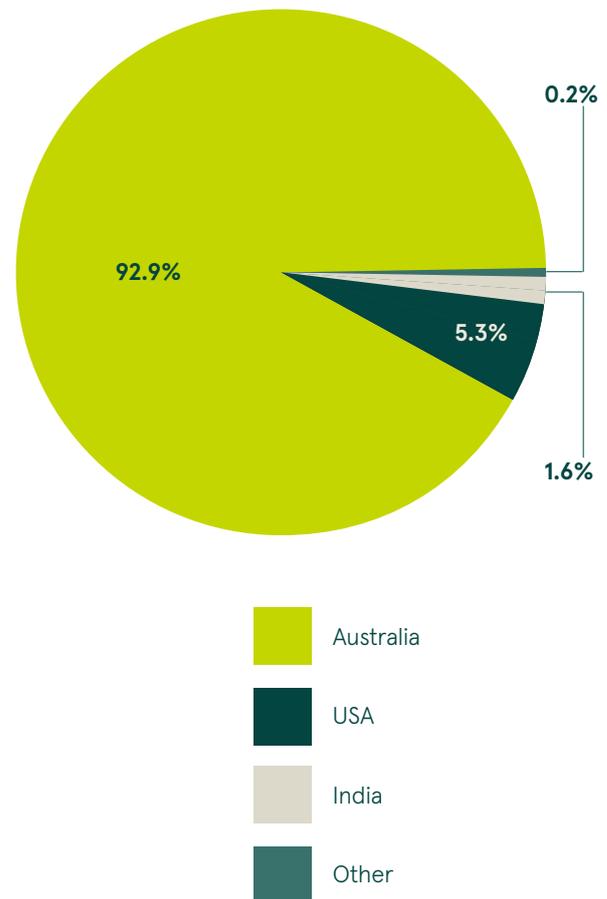
### Our supply chains

We recognise that a detailed understanding of our supply chain is key to helping us to identify where our modern slavery risks may lie and thereby shaping our modern slavery response. We recognise that we have relationships with businesses that supply us with goods and services and those suppliers have relationships with other businesses that supply them with goods and services. In this way, it is important that we consider the layers or 'tiers' within our supply chain.

People's Choice has relationships with over 600 suppliers and the majority of those are engaged and managed through Mutual Marketplace. 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. When we consider our first layer or tier of suppliers, (**first tier** or **Tier 1** suppliers), we consider Mutual Marketplace and also the suppliers directly engaged by Mutual Marketplace. We have considered our Tier 1 suppliers during the reporting period and note that there have been no material changes to the industry categories or locations since our First Statement was prepared. Our key suppliers continue to be primarily based in Australia (with a small percentage based in the United States, India and Singapore) and operate in the following industry categories:

- i. Computer and Technical Services;
- ii. Real Property Ownership / Landlord;
- iii. Advertising Services; and
- iv. Business Services.

The below chart demonstrates the geographical breakdown of our first tier suppliers:



Our investment portfolio during the current reporting period remains stable. We have the same key first tier industry categories that were identified in our First Statement, including:

- i. Banking Services;
- ii. Non-Bank Finance; and
- iii. Computer and Technical Services.

## Part 3 | Modern slavery risk assessment



## Part 3 | Modern slavery risk assessment

People's Choice has carried out a further risk assessment to identify the elevated areas of modern slavery risks in our business operations and supply chains. In conjunction with the baseline assessment undertaken in our first reporting period, we have been able to confirm that our areas of potential modern slavery risk in relation to both our operational supply chains and investment portfolios have remained stable.

People's Choice has continued to engage external subject matter experts to assess the potential risks of modern slavery in our operational supply chains and investment portfolios. The multi-faceted approach to modern slavery risk assessment has included examination and analysis<sup>1</sup> of the following:

- i. The individual suppliers, industries and investments with the most elevated risk of modern slavery;
- ii. The classification of the first tier of our supply chain and investments by country and industry, including relative modern slavery risk;
- iii. Supply chain and investment mapping for People's Choice's top 3 industries within our Tier 1 suppliers;
- iv. The relative slavery risk in the supply chain and investment by tier, up to Tier 10; and
- v. The cumulative risk of modern slavery across our supply chain and investments globally.

The risks that we have identified are consistent with those risks highlighted in our First Statement. These risks are not present within our Tier 1 suppliers, but lie within deeper tiers of our supply chain.

Our overall risk profile has again been assessed as very low. Importantly, no actual or suspected incidences of modern slavery were identified in our operations and supply chains, or in our investment portfolio, during the reporting period.



At the Tier 1 level, the Computer and Technical Services industry is considered to be a low risk to exposure to modern slavery, given that it is substantially a professional services category involving operations such as technical maintenance and IT consultancy.

The risk is, however, elevated deeper within the supply chain due to industry reliance on computer hardware and associated electronic equipment. A substantial proportion of technology imported into Australia is either directly sourced or has supply chain inputs from China and Malaysia, where it has been identified that many global technology brands potentially directly or indirectly benefit from the use of forced labour. This means that the risk of modern slavery is occurring deeper within our supply chain and is elevated at Tier 2 and beyond. It is important to note that this risk is common to all users of technology imports across all industries.

<sup>1</sup>This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in the supply chains, operations or investments of People's Choice. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

## Part 4 | Addressing modern slavery risks



## Part 4 | Addressing modern slavery risks

In our First Statement, we outlined our intention to develop a longer term plan for future modern slavery activities which would ensure our modern slavery response was holistic, practical and representative of our long-term commitment to addressing this critical human rights issue.

The following is a summary of the key due diligence actions we have undertaken to assess and address modern slavery risks during the current reporting period.

### Modern slavery working group

Our modern slavery working group is comprised of senior representatives from our risk, legal and vendor management functions. The working group has met regularly including with key internal stakeholders over the reporting period to formulate and implement our response to modern slavery, as detailed throughout this Statement. The key activities during the period included:

- i. Ongoing engagement with Mutual Marketplace to broaden our supplier engagement and assessment;
- ii. Updating our supplier contracts to include standard clauses addressing modern slavery; and
- iii. Collaborating with key departments to review our third-party risk assessment framework and update our existing governance frameworks.

The working group has flagged the following actions for future reporting periods:

- i. Onboarding modern slavery assessments for potential new suppliers;
- ii. Developing frameworks to assess our suppliers on an ongoing basis; and
- iii. Working to finalise and implement our updated third-party risk assessment framework.

### Risk assessment and supplier engagement

In our First Statement, we foreshadowed that the focal points for the current reporting period would be to conduct due diligence on suppliers in identified industry categories, and to improve supplier engagement through our relationship with Mutual Marketplace.

A new supplier engagement platform was utilised with supplier questionnaires issued by Mutual Marketplace to key suppliers. The purpose of the self-assessment questionnaire is to provide a broader understanding of where the most significant risks of modern slavery lie in our supply chain. Initial engagement from suppliers via this platform has been relatively low, although it is noted that several of the suppliers are themselves reporting entities and accordingly publish annual modern slavery statements.

To supplement the above activities, we have undertaken additional due diligence measures to monitor select suppliers through our media monitoring services. This platform provides People's Choice with current data and alerts of any reported incidents, including potential allegations of modern slavery associated with key suppliers.

Mutual Marketplace is working to adopt a supplier risk module within its procurement and supply chain platform that will facilitate comprehensive risk assessment practices throughout the procurement lifecycle. It is anticipated that this will include identifying where forced labour may exist in our supply chain, with reporting based on supplier countries, industries and products. The supplier risk module is anticipated to be implemented during the next reporting period.

## Part 4 | Addressing modern slavery risks



### Third-party risk assessment framework

People's Choice is in the process of conducting a thorough review of our third-party risk assessment process, which includes an initial risk assessment and periodic reassessment, or reassessment as the result of certain trigger events. The review includes the formulation of targeted criteria to assess the modern slavery risk of prospective suppliers. Implementation of the updated third-party risk assessment process will be facilitated through the supplier risk module within the Mutual Marketplace procurement and supply chain platform.

### Ongoing internal measures

To support our commitment to address modern slavery risks in our supply chains, our internal policies were updated during the current reporting period:

- i. Our Risk Appetite Statement now contains an expectation that People's Choice takes all reasonable measures to continually improve our processes in order to address modern slavery in our supply chains and operations.
- ii. Our Outsourcing and Vendor Management Policy now includes a requirement that our outsourcing arrangement renewal strategies ensure that our vendors share our commitment to undergo continuous improvement in addressing modern slavery in our supply chain.

Modern slavery provisions have been incorporated into the Mutual Marketplace template contract suite. Where People's Choice has entered into a contract with a supplier directly (rather than via Mutual Marketplace), we have also included modern slavery provisions.

## Part 5 | Measuring the effectiveness of our approach



## Part 5 | Measuring the effectiveness of our approach

We are monitoring the effectiveness of our response to modern slavery issues on an ongoing basis and over consecutive reporting periods. We will continue to tailor our practices giving effect to a continuous improvement approach to our modern slavery response.

People's Choice outlined several objectives for the current reporting period in our First Statement, as summarised in the following table:

Action	2021 Key Performance Indicator	Progress Indication
<i>Progress activity</i>	Working group to coordinate and steer activities	Completed (and ongoing throughout future reporting periods)
<i>Liaise with Mutual Marketplace</i>	Continued engagement and collaboration with Mutual Marketplace	Completed (and ongoing throughout future reporting periods)
<i>Continuous improvement of frameworks</i>	Develop appropriate risk indicators to address modern slavery	In progress (and ongoing throughout future reporting periods)
<i>Continuous improvement of supplier engagement</i>	Improving engagement with suppliers through Mutual Marketplace and individual suppliers to enhance risk identification and management	In progress (and ongoing throughout future reporting periods)

### Impacts of COVID-19

As for many businesses throughout Australia, the impacts of the ongoing COVID-19 pandemic have continued into the current reporting period. Some activities that we had intended to implement have been delayed due to operational constraints, for example, the roll out of training across our business.

### Next steps

To maintain continuity and consistency in our approach, some of the identified focus areas and priorities for the subsequent reporting period include:

- i. Further engagement and onboarding of suppliers using the supplier risk module within the Mutual Marketplace procurement and supply chain platform.
- ii. Finalising the review and update of our third-party risk assessment process.
- iii. Continuous improvement to the modern slavery contract provisions within Mutual Marketplace and People's Choice templates.
- iv. Delivery of appropriate training.

