

# Modern Slavery Statement 2023

This statement has been prepared on behalf of American Express Australia Limited and the other reporting entities<sup>1</sup> in accordance with section 13 of the Modern Slavery Act 2018 for the period ending 30 June 2023.

This statement sets out American Express' actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its business and supply chains. American Express recognises that it has a responsibility to take a robust approach to slavery and human trafficking and is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

## Our Business

American Express is a global payments network connecting consumers, businesses and merchants. It provides innovative payment, travel and expense management solutions for individuals and business of all sizes. With a 173-year history built on service, trust and security and with one of the most recognised brands globally, American Express aspires to provide the world's best customer experience every day and be known for the highest set of ethics and standards in delivering that service.

In Australia, the American Express business is primarily carried out by American Express Australia Limited (AEAL) which is incorporated in Australia and is wholly owned and controlled by its parent entity, American Express Company. There are around 1,300 employees located throughout Australia.

Whilst American Express does not manufacture goods or commodities; we do source products and services from suppliers both locally and globally in the following categories:



Marketing & Promotions  
(56%)



Technology  
(7%)



Professional Services  
(2%)



Financial & Insurance Services  
(11%)



Real Estate  
(6%)



Travel & Entertainment  
(1%)



Customer Services  
(11%)



Print  
(5%)



Colleague Experience Services  
(1%)

## Modern Slavery Risks

We generally consider the risk of modern slavery within our business and supply chains as low, due to the nature of our business as a payment service provider, and the suppliers we engage to deliver our services.

We know that our modern slavery risks through our supply chain can be impacted by various factors, including the strength or weakness of the policies, laws, and governance practices in the places where we operate.

To improve our understanding of the different modern slavery risks we may face in different locations and the exposure to related issues such as broader human rights risks and corruption, we continue to consider and utilise tools such as Transparency International Corruption Perceptions Index, Global Slavery Index and Verisk Maplecroft Human Rights Indices. We may also use the US Department of State's Trafficking in Persons report and country narratives, 'KnowTheChain industry benchmarking' and the 'Modern Slavery Registry'. We also request and have regard to our business partners' modern slavery statements and best practices where available.

Some goods and services we procure may be higher risk than others. We have assessed our production (including card manufacturing and printing services), shipping, cleaning and catering services to be among these due to the use of sub-contracting, migrant workers and lower-skilled labor. Accordingly, we conduct additional due diligence when onboarding suppliers in such industries.

We also recognise that increased due diligence is needed when suppliers bring employees or contractors to American Express locations. We ensure that we mitigate against these risks by retaining strict requirements within our supplier contracts and corresponding policies and procedures.

## Business Management

Actions Taken	Description
<a href="#">Culture &amp; Code of Conduct</a>	American Express has a strong compliance and ethics culture. Our Code of Conduct makes clear our commitment to preventing acts of human trafficking and modern slavery within our business, supply chain and partners. It sets the highest ethical standards and requires employees to report any suspicion of non-compliant and/or unethical behaviour (including a breach of the Modern Slavery Act) either by American Express or any of its business partners, clients or suppliers.

<p>Governance</p>	<p>The Board has ultimate responsibility for governance and oversight of modern slavery risks and approval of this Statement.</p>
<p>Anti-Corruption &amp; Whistle Blower Policy</p>	<p>The Anti-Corruption Due Diligence program is designed to prevent the misuse of American Express funds to further corruption; to protect American Express and its employees from criminal and civil liability by prohibiting activities that violate applicable laws; and to prevent employees and third parties from engaging in bribery on American Express' behalf.</p> <p>American Express also supports a culture of transparency and has clear whistle-blowing procedures should any employees suspect that bribery or corruption may have taken place.</p>
<p>Australian Supplier Payments Code</p>	<p>American Express adheres to the Australian Supplier Payment Code. This code aims to ensure small business suppliers are paid at least 30 days from receipt of an invoice and enabling better cash flow for small businesses which may impact the payment of their employees. In FY21, American Express mandated small business payments to 20 days from the receipt of an invoice.</p>
<p>U.S. and Asia Pacific Banks Alliances</p>	<p>American Express participated in the U.S. and Asia Pacific Banks Alliances to develop a toolkit for tackling human trafficking, which includes specific information on child exploitation.</p> <p>American Express has also been invited to join a new Working Group between the North America Banks Alliance and Mekong Club (an NPO) to look at the following:</p> <ul style="list-style-type: none"> <li>• set up a human trafficking SCAM response effort which includes a working document and a training approach (for North America);</li> <li>• develop standardised risk assessment tools for bank portfolio assessment, and banking procurement (ongoing effort);</li> <li>• identify new typologies related to modern slavery; and</li> <li>• identify additional needs within the banking/financial transaction sectors.</li> </ul>

<p>Employee Standard of Care</p>	<p>American Express maintains the highest standard of care for its employees, satisfies all laws as they relate to employee conditions and minimum pay, and ensures no employee may feel under any obligation to remain employed against their wishes. American Express also carries out compliance checks on all new employees to ensure they have the appropriate right to work in Australia.</p>
<p>Employee Due Diligence</p>	<p>The Colleague Experience Group is responsible for employee vetting, and policy development. Our employees undergo various background checks to verify their identity, their skills and experience and to ensure they are the right fit for our culture.</p>
<p>Employee Training &amp; Education</p>	<p>All employees at American Express are required to complete Code of Conduct training on an annual basis. Failure to do so constitutes a disciplinary offence. The Code of Conduct sets the highest ethical standards and requires employees to report any suspicion of non-compliant and/or unethical behaviour (which would include breaches of the Act) either by American Express or any of its business partners, including but not limited to suppliers.</p>
<p>Customer Due Diligence</p>	<p>American Express assesses the risk of customers and merchants for illegal activity such as slavery. Each line of business has a detailed set of Know Your Customer (KYC) onboarding, Enhanced Due Diligence (EDD) and KYC refresh procedures. We conduct EDD on customers that are deemed to pose a higher Money Laundering/Terrorism Financing risk. EDD generally includes a more detailed analysis of the customer's (and beneficial owners') KYC Information, such as source of wealth, source of funds, and negative news screening.</p>
<p>Customer Transaction Monitoring</p>	<p>Our Global Financial Crimes Compliance organisation manages the Company's Transaction Monitoring Rule Program, in which we monitor for, investigate, and report potentially suspicious matters globally, and for Australia, in accordance with the Anti-Money Laundering/Counter Terrorism Financing (AML/CTF) Act 2006. Transaction Monitoring Rules monitor for activity that may indicate the facilitation of criminal/illicit acts, or terrorism financing in which American Express is not the primary target for such activity. American Express continues to explore new opportunities to enhance the Program to address risks associated with predicate offences such as human trafficking.</p>

<p>Compliance</p>	<p>Our Legal and Compliance teams monitor for broader compliance with laws relating to modern slavery and our Statement. In Australia, we liaise with our regulators to meet our reporting obligations, such as International Funds Transfer Instruction and Suspicious Matter reporting. AEAL must comply with the AML/CTF Act, the Anti-Money Laundering Counter-Terrorism Financing Regulations, and the Anti-Money Laundering Counter- Terrorism Financing Rules. In addition to domestic regulatory requirements, each Line of Business is expected to comply with Enterprise requirements for AML/CTF and Sanctions, to collect and verify where appropriate, information that is required to operate an effective AML/CTF Program including an ML/TF Risk Assessment, Screening, and Transaction Monitoring programs.</p>
<p>Grievances &amp; Remediation</p>	<p>If we become aware of an incident of modern slavery in any of our customer interactions, we immediately investigate and, together with the relevant customer, develop corrective action plans to resolve detected issues.</p> <p>If we become aware of an incident of modern slavery with any of our employees, appropriate disciplinary action would be taken.</p>

### Supply Chain Management

Actions Taken	Description
<p>Supplier Selection &amp; Ongoing Monitoring</p>	<p>American Express has a third-party lifecycle management (TLM) Centre of Expertise. The TLM program is a comprehensive and rigorous approach to managing third-party relationships throughout their entire lifecycle. The program ensures that we appropriately oversee our third party relationships, and comply with strict regulatory requirements in relation to governance, oversight and documentation. The risk assessment model covers several risk categories ranging from strategic risk to reputational risk and operational risk.</p>
<p>Governance</p>	<p>American Express has a team of procurement experts called Global Supply Management (GSM) which is responsible for governance of the American Express third-party lifecycle management program. This program is responsible for performing risk assessments, collecting and reviewing the sufficiency of due diligence, based on risk, required from suppliers (including anti-corruption due</p>

	<p>diligence), selective validation of ongoing oversight documentation and reporting on third-party risk. The GSM team are adequately trained on risks of modern slavery and human trafficking and can identify where some suppliers carry higher risk than others.</p> <p>Additionally, TLM are responsible for performing risk assessments, collecting and reviewing the sufficiency of due diligence required from suppliers, selective validation of ongoing oversight documentation and reporting on third-party risk.</p>
<p>Procurement Terms</p>	<p>We have contractual language to manage modern slavery risk. When GSM contracts with a supplier it stipulates inter alia that: (1) suppliers must comply with all applicable laws when providing goods and/ or services to American Express; (2) appropriate background checks must be carried out on all supplier personnel; and (3) sub-contracting is generally prohibited without the express consent of American Express.</p> <p>GSM has also developed a comprehensive Approved Supplier List (ASL) and where possible seeks to use ASL suppliers instead of new suppliers. ASL status means that at a minimum there is a valid contract in place with a supplier and that the supplier has been approved via our risk assessment process which includes, where applicable, verification that the supplier has in place an adequate Code of Conduct, background check and compliance policies as well as all required business licenses. Through the ASL, we can minimise the risk of unethical practices (including slavery and human trafficking) from being introduced into the supply chain.</p>
<p>Questionnaires</p>	<p>American Express requests critical suppliers complete an annual modern slavery questionnaire which includes specific questions on modern slavery and labour rights, among other human rights considerations. The questionnaire helps us identify any material areas of concern on an ongoing basis. American Express is in the process of rolling out the questionnaire to all suppliers.</p>
<p>Grievances &amp; Remediation</p>	<p>If we became aware of an incident of modern slavery in any of our supply chains, we would immediately investigate and, together with the relevant supplier, develop corrective action plans to resolve detected issues.</p>

## Effectiveness of Modern Slavery Risk Management

We assess the effectiveness of the steps taken to address modern slavery risk through the following indicators:

<p>Governance &amp; Due Diligence</p>	<ul style="list-style-type: none"> <li>• Escalations to the Board related to modern slavery risk.</li> <li>• Requests for enhanced customer due diligence.</li> <li>• Twice annual reviews of our adherence to small business payments requirements.</li> </ul>
<p>Procurement &amp; Supply Chain</p>	<ul style="list-style-type: none"> <li>• Deviations from our Standard Procurement Terms reported to our General Counsel’s Office.</li> <li>• The failure of a supplier to complete our annual modern slavery questionnaire.</li> <li>• Requests for enhanced supplier due diligence.</li> </ul>
<p>Employee training &amp; Education</p>	<ul style="list-style-type: none"> <li>• Failure of any employee to complete the annual Code of Conduct training.</li> <li>• Any Code of Conduct breaches by employees related to modern slavery risks.</li> </ul>
<p>Grievances &amp; Reporting</p>	<ul style="list-style-type: none"> <li>• Any Anti-Corruption and/or Whistle Blower reports relating to modern slavery risks.</li> <li>• Suspicious matter reports where the activity reflects red flag indicators relating to modern slavery/human trafficking.</li> <li>• Grievances and remediations involving modern slavery risk.</li> </ul>

Over subsequent reporting periods, we will continue to review and enhance these indicators and develop further metrics to assess the effectiveness of our actions, in line with continuous improvement.

## Modern Slavery Consultation

During FY2022, engagement and consultation occurred with each of the reporting entities to ensure they were aware of their modern slavery obligations by way of ad hoc updates and Board meetings.

Each reporting entity Board including, American Express Australia Limited, Centurion Financial Limited (Australia Branch) and Centurion Finance Limited has also been consulted on the contents of this Statement. We note that American Express Wholesale Currency Services Pty limited was deregistered on 14 December 2022.

## Final Notes

We are proud of the work we have done, and continue to do, to prevent modern slavery practices in Australia and beyond. There is always more to be done and we look forward to collaborating with others in our industry, with our partners, and our colleagues globally, in developing best practice to eliminate all risk of modern slavery in Australia and around the world.

Of particular focus next year will be:

- Continuing to enhance our transaction monitoring capabilities.
- Continuing to enhance employee awareness of modern slavery risks.
- Continuing to improve the opportunities around assessing the effectiveness of our risk mitigation strategies.
- Continuing to increase awareness of modern slavery risks as the means and tactics of the crime continue to evolve.

This Statement was approved by the Board of Directors of American Express Australia Limited on 25 May 2023.



Corrina Davison  
Managing Director  
American Express Australia Limited

1. American Express Australia Limited (ACN 108 952 085); American Express Wholesale Currency Services Pty limited (deregistered on 14 December 2022), Centurion Finance Limited (ACN 141 874 482), Centurion Financial Limited (Australia Branch).



#### CAUTIONARY NOTE REGARDING OUR MODERN SLAVERY STATEMENT

When we use the terms “American Express,” “company,” “we,” “us,” or “our” in this document, we mean the American Express Company and its subsidiaries, on a consolidated basis, unless we state, or the context implies, otherwise. This Statements includes trademarks, such as American Express®, which are protected under applicable intellectual property laws and are the property of the American Express Company or its subsidiaries. Solely for convenience, our trademarks and trade names referred to in this report may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.