

**MODERN SLAVERY STATEMENT
UNDER THE MODERN SLAVERY ACT 2018 (CTH)**

REPORTING PERIOD: 1 JULY 2019-30 JUNE 2020

PART ONE

Executive Summary

1. Mutual Marketplace Pty Ltd (“Mutual Marketplace”) is a reporting entity under the *Modern Slavery Act 2018 (Cth)* (the Act). Our first mandatory reporting period concluded on 30 June 2020.
2. Mutual Marketplace acknowledges that given the prevalence of modern slavery within global supply chains in general, modern slavery is likely to be occurring within its global supply chains.
3. Mutual Marketplace has resolved that our effort to reduce modern slavery from our supply chains and operations must be long-term and intelligent. As such, over the course of the first reporting period we have sought the counsel and collaboration of subject matter experts on modern slavery. This engagement is an important expression of our broader corporate social responsibility and human rights obligations.
4. Mutual Marketplace recognizes that this inaugural Statement is an early, formal step. The Statement contains efforts and measures that reflect our work to conduct uniform and evidence-based modern slavery remediation. The Statement should be read as a roadmap of initial steps taken to achieve the end goal of eliminating modern slavery within our supply chain.
5. In addition to meeting the specific legal reporting requirements under the Act, this Statement sets out Mutual Marketplace's methodology, key findings and planned framework for future action with regards to modern slavery risk identification and remediation in accordance with upcoming reporting periods.

PART TWO

Methodology and Outline of Specific Legal Requirements

6. Over the course of the reporting period, Mutual Marketplace took several key steps to both identify and address modern slavery risks in its supply chain, including:
 - a. Initial Risk Assessment;
 - b. Identification of Suppliers for Further Modern Slavery Risk Assessment;
 - c. Policy and Contract Review and Update;
 - d. Internal Education and Training;
 - e. Measuring Effectiveness Framework;

In accordance with government guidelines, this Statement also speaks to the potential impact of the COVID-19 pandemic globally upon modern slavery risks and how best to Identify and remediate those risks.

Acknowledgment of formal legal requirements

7. Mutual Marketplace is a joint venture between Credit Union Australia Ltd ACN 087 650 959 (CUA) and the Australian Credit Union Ltd ACN 087 651 125 (trading as People's Choice Credit Union), with each entity holding a 50% shareholding. This Modern Slavery Statement is separate to the Statements that are to be lodged by those separate corporate entities, which are reporting entities under the Act. The reporting period for Mutual Marketplace is 1 July 2019 to 30 June 2020.

Identify the reporting entity

8. Mutual Marketplace Pty Ltd: ABN 35 615 297 820 / ACN 615 297 820.

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

9. Mutual Marketplace is a provider of procurement and accounts payable services for the Australian credit union industry. Created by the industry for the industry, our mandate is to optimise procurement opportunities, apply best practice and deliver savings for the benefit of all members. We exist to ensure credit unions are able to grow and thrive in an increasingly complex, competitive and diverse marketplace.
10. Mutual Marketplace provides the following services:
 - a. **Procurement strategy and planning:** Assess client environment, perform spend analysis, idea generation and opportunity identification, set goals and objectives.
 - b. **Category planning:** Profile category, create category strategy, define, assess initiatives and prioritise.
 - c. **Category development:** Mobilise, improvement initiative, compliance initiative, strategic sourcing initiative, implement.
 - d. **Category management:** Managing issues relating to demand, supply, savings and compliance, manage supplier (contract), project-based sourcing.
11. Mutual Marketplace currently manages approximately 1,200 suppliers in all States of Australia (with the exception of Tas) and 10 different countries, with a total spend of approximately \$155 million annually.
12. Our procurement team, with approximately 12.4 fte employees in our offices located in Brisbane and Adelaide, manages the majority of this spend.
13. When measured by value, the majority of our payments are made to suppliers in Australia, India and USA. After Australia, India and USA, our next highest-spend countries are Ireland, UK, Singapore and New Zealand. These are the countries where purchase orders were raised and may not always represent the country of origin of goods or 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

14. A summary of Mutual Marketplace's processes for identifying the main risks of modern slavery in its supply chains is set out in Part 3 of 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.

15. Along with the Initial Risk Assessment, Mutual Marketplace took the following actions to assess and address these risks:
- a. Identification of Suppliers for Further Modern Slavery Risk Assessment;
 - b. Policy and Supplier Contracts Review;
 - c. Internal Education and Training;
 - d. Measuring Effectiveness Framework; and
 - e. Modern Slavery Risk Mitigation Strategy.

Describe how the reporting entity assesses the effectiveness of these actions

16. Mutual Marketplace has initiated a Measuring Effectiveness Framework to provide a scheme for the continued evaluation of its modern slavery response.
17. Mutual Marketplace established a modern slavery working group comprised of the General Manager, members of the the legal department and members of the procurement team.

Describe the process of consultation with any entities the reporting entity owns or controls or is issuing a joint modern slavery statement with

18. Mutual Marketplace has been in consultation with Credit Union Australia and People's Choice Credit Union in the provision of its modern slavery statement;
19. Mutual Marketplace does not own or control any other entities and is not issuing a joint modern slavery statement.

Provide any other information that the reporting entity, or the entity giving the statement, considers relevant.

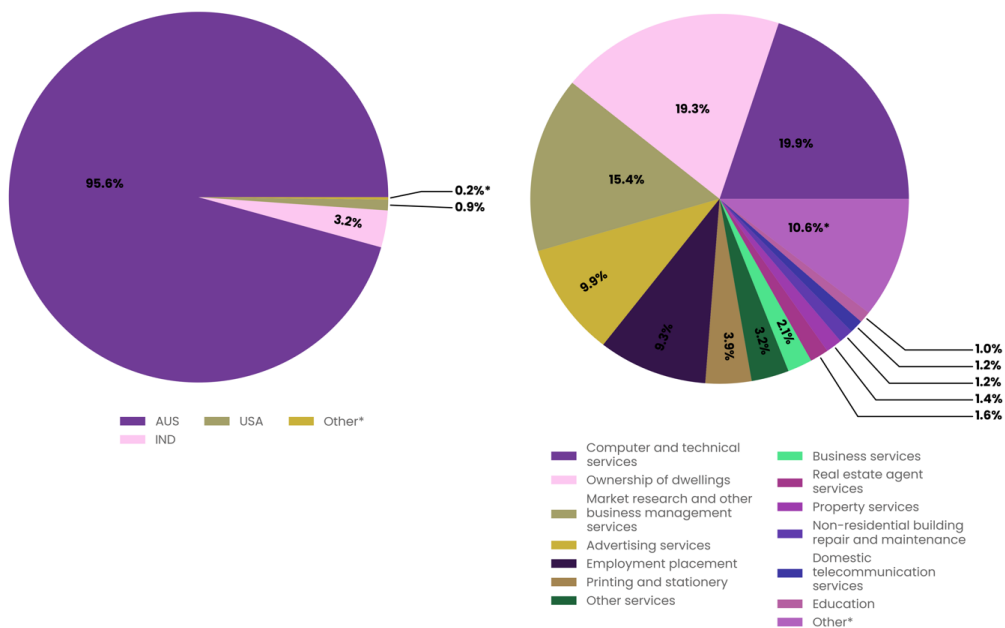
20. Mutual Marketplace considers all information relevant to its modern slavery statement is outlined herein.

PART THREE

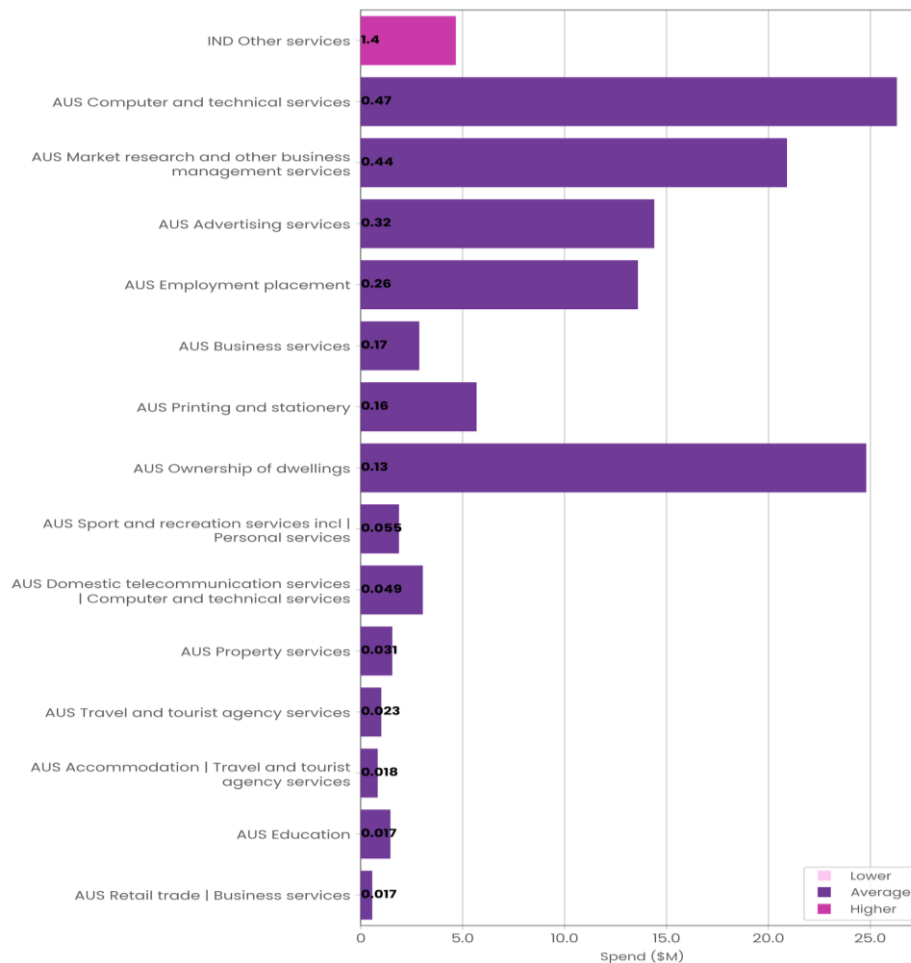
INITIAL RISK ASSESSMENT

21. The primary purpose of Mutual Marketplace's initial risk assessment was to identify areas of greatest modern slavery risk in its supply chain. This provided a baseline which informed the focus of all Mutual Marketplace's subsequent and ongoing modern slavery due diligence and remediation.
22. Incorporating company spend data throughout global markets, Mutual Marketplace has utilised the proprietary technology of external consultants 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 Mutual Marketplace's suppliers by spend.

23. 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:
- The United Nations' (UN) System of National Accounts;
 - UN COMTRADE databases;
 - Eurostat databases;
 - The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - Numerous National Agencies including the Australian Bureau of Statistics.
24. The MRIO is then examined against the following international standards:
- The UN Guiding Principles on Business and Human Rights;
 - The Global Slavery Index;
 - International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - The United States' Reports on International Child Labour and Forced Labour
25. 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 up to Tier 10 for each supplier for Mutual Marketplace.
26. The information obtained in the Initial Assessment was for purposes of risk identification under Section 16(1)(c) of the Act. Analysis was undertaken at the industry and country level. The information obtained does not account for variances at the entity, region or product level or confirm the actual existence or non-existence of modern slavery in Mutual Marketplace's supply chains or operations.
27. A summary of the results of some of the data analysis and other key components of the Initial Assessment is set out below.
28. By way of context, the illustration below provides a summary of the classification of Mutual Marketplace's Tier 1 supply chain.



29. The following illustration focuses on the top 15 identified risk categories, with the relative risk of each of the categories coloured. This plot is aggregated at the industry rather than supplier level.

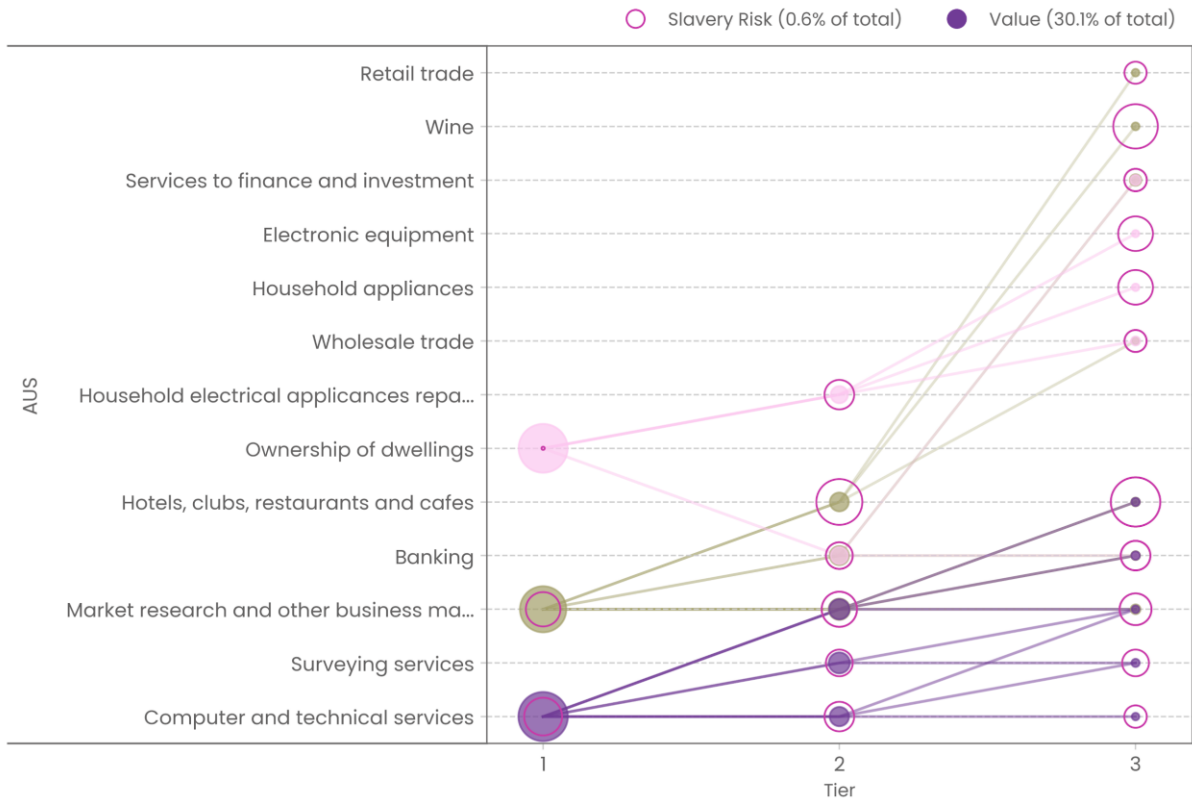


Supply Chain Mapping

30. An overview of the supply chains of the industries in the first tier of Mutual Marketplace's supply chain is depicted in the figure below. The bubble size is proportional to the amount spent on that line item at that supply-chain tier. The graph represents only a segment of the complete value chain mapped by Mutual Marketplace's external consultant's algorithm from which the risk values were derived. The 'Value' and 'Slavery risk' percentages indicate what percentage of the total value chain and slavery risk are represented by the industries and tiers that appear on the plot. In this case, 30.1% of the value spent in the first 10 tiers of Mutual Marketplace's supply chain is spent in the industries, countries and tiers shown in the plot below. However, only 0.6% of the total relative slavery risks in Mutual Marketplace's supply chain are likely to be found in those industries. This further demonstrates how remediation activities must, in order to be effective, reach well beyond a focus on only the direct activities of those entities with which Mutual Marketplace has a direct legal relationship (i.e. direct suppliers).

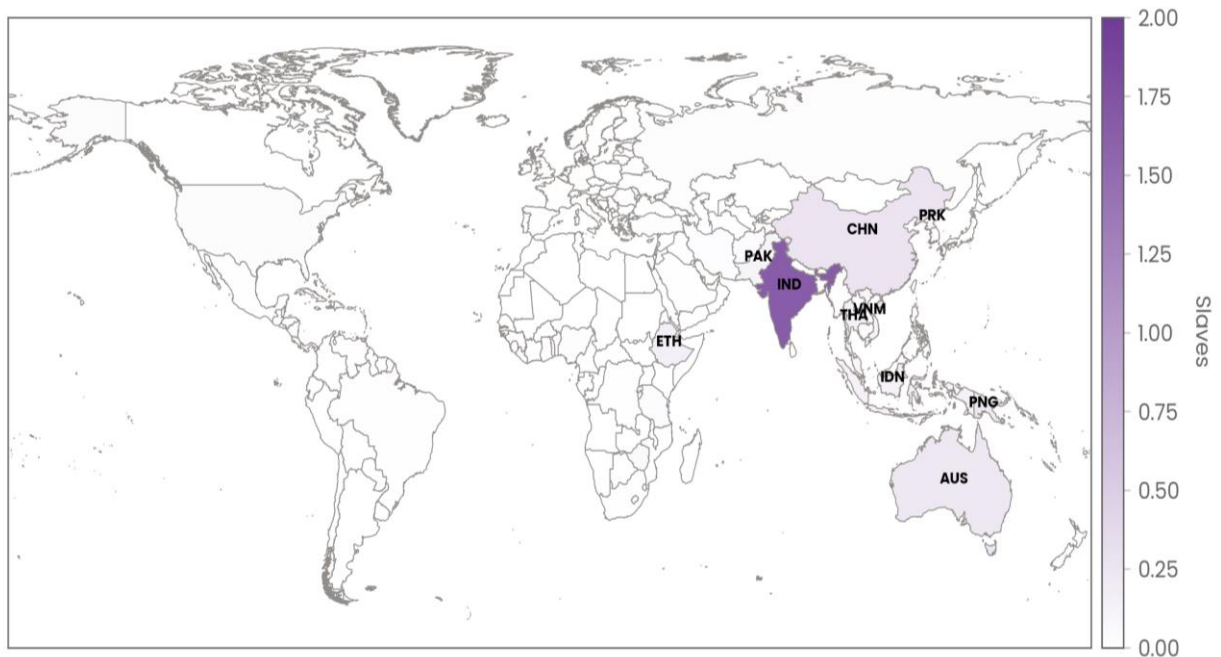
31. The first column denotes the top three industries by spend in Tier 1 of the supply chain. Each subsequent column shows the industries representing the top three inputs for the items in the previous tier. The population figures are pro-rated in accordance with spend. In other words, higher spends necessitate higher labour volumes. Each subsequent tier represents the inputs to the previous tier, based on the aggregated supply chain matrix the external consultant's algorithm uses. These do not represent strict contractor-sub-

contractor or producer–distributor relationships between each tier, because these supply chains are mapped at the industry level.

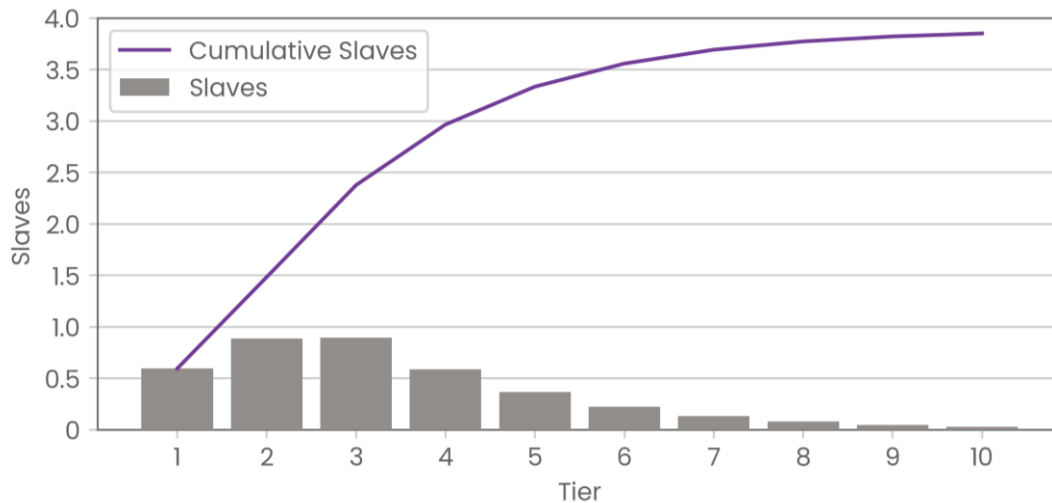


Modern Slavery Risks by Tier of Mutual Marketplace’s Supply Chains

- 32. Over the whole supply chain, the analysis indicates that the highest likelihood of slavery in the supply chain is occurring in India and is concentrated around Tiers 2 and 3 of the supply chain.
- 33. The following illustration depicts a country-by-country modern slavery risk throughout Mutual Marketplace’s supply chain.



34. The graph below depicts a comparative population of people working in slavery or slavery-like conditions within the depths of Mutual Marketplace’s supply chains. It by no means illustrates a known population but is rather an extrapolation for the purposes of risk identification for the purposes of ensuring compliance with the Act.



35. Further information in relation to the Initial Assessment process and methodology, including Spend Data Assumptions and Complete Supplier Tables are available upon request, if required for the purposes of ensuring compliance with the Act.

PART FOUR

POLICY AND SUPPLIER CONTRACTS REVIEW

36. Mutual Marketplace has undertaken a comprehensive update of its internal governance policies so as to specifically address its modern slavery risk.

37. The key policies that have been incorporated into Mutual Marketplace’s existing suite of policy documents include the following:

- a. Develop and Implementing our Supplier Code of Conduct,
- b. Partnering with a global ethical trade service provider, Sedex (Supplier Ethical Data Exchange), who provides practical tools, services and a community network to help Mutual Marketplace improve our responsible and sustainable business practices, and responsibly source our suppliers.
- c. Insertion of clauses addressing modern slavery in all new or varied supplier contracts as and when they fall due for renewal or variation;

Mutual Marketplace is presently exploring the viability of standard or ‘model’ provisions for potential inclusion in future agreements that it enters into with other entities that form part of its supply chains or operations.

The inclusion of these provisions in future agreements may be in the form of entirely new supplier contracts between Mutual Marketplace and another entity or may be achieved through the updating of existing contracts (as provided for in the modification provisions of those contracts or otherwise by agreement of the parties).

- d. Updating legal precedents to include modern slavery clauses;
- e. Uploading our policies on modern slavery to intranet for business-wide access;

PART FIVE

INTERNAL EDUCATION AND TRAINING

- 38. Mutual Marketplace is engaged in employee education and training on modern slavery risks within its supply chains and operations. Increasing institutional knowledge and vigilance around risks of modern slavery is an important risk and remediation strategy.
- 39. The curriculum involves the online modules including identifying modern slavery risks in operations and supply chains, due diligence, addressing modern slavery through supplier engagement, remediation and measuring effectiveness.
- 40. Given the current remote working arrangements due to COVID-19, virtual face-to-face training with relevant staff members from Mutual Marketplace has been provided in the current reporting period and it is anticipated that face to face training will be provided in future reporting periods.

PART SIX

MEASURING EFFECTIVENESS FRAMEWORK

- 41. Mutual Marketplace acknowledges that this inaugural Modern Slavery Statement, lodged during the first complete mandatory reporting period under the Act is only a first step. The efforts and measures described regarding modern slavery due diligence and remediation in the Australian context are embryonic.
- 42. Mutual Marketplace is assessing the nature and extent of modern slavery risks with the aim of prioritising risk mitigation and situation specific responses. The categorisation methodology is based upon whether a particular identified modern slavery risk has been caused by (most direct nexus), contributed to, or linked with (least direct nexus) Mutual Marketplace's direct business activities. Given the nature and geographic location of Mutual Marketplace's core business activities, it is inevitable that the majority of risks will lie within the latter categories. However, despite posing particular challenges, Mutual Marketplace does not consider that this means there is lesser obligation, to vigorously seek to measure the effectiveness of our modern slavery risk assessment and remediation activities.

The following Table summarises Mutual Marketplace's Measuring Effectiveness Framework.

Category	Nature of Involvement	Approach for Remediation
Caused	Mutual Marketplace's own acts or omissions and decisions, without contribution from others, caused the harm.	Immediately cease or prevent the action/omission causing the harm and provide appropriate remediation.
Contributed	Mutual Marketplace has incentivised or facilitated the harm, alongside another entity or through another entity. In all cases of contribution, the contribution must have made the harm more likely and must not be trivial.	Immediately cease or prevent the action, using leverage to mitigate the risk that any remaining impact continues or recurs. Play a direct role in remediation of the harm, sharing responsibility in it.
Linked	Mutual Marketplace has not caused or contributed to the harm but there is still a direct link between Mutual Marketplace's operations and the harm via a business relationship. There is no need for an immediate relationship; the link may be beyond the first tier of business relationships.	Use leverage to mitigate the risk of the impact continuing or recurring to the greatest extent possible. Mutual Marketplace may also play a direct role in remediation.

43. Specific actions Mutual Marketplace has undertaken or intends to undertake in response to the risks of modern slavery include:

- a. Training of employees, especially those working in procurement, to identify risks of modern slavery and the appropriate reporting processes if such risks are identified;
- b. Reporting any criminal activity raised by employee complaints to the appropriate law enforcement; and
- c. Collaborate with multi-stakeholder initiatives to develop responses to modern slavery.

PART SEVEN

COVID-19 PANDEMIC IMPACT ON SUPPLY CHAINS AND NEXUS WITH MODERN SLAVERY RISK

Mutual Marketplace acknowledges the impact that COVID-19 has had on its supply chain's most vulnerable workers. In particular, Mutual Marketplace has enquired of suppliers that appropriate subcontracting arrangements in high risk areas of their facility management and IT service providers abroad are being honoured. The COVID 19 pandemic has meant that

Mutual Marketplace was unable to conduct the planned face to face training as intended but at the time that this report has been signed has since undertaken that specific training.

PART EIGHT

NEXT STEPS FOR MODERN SLAVERY RISK ASSESSMENT AND REMEDIATION

In relation to next steps for modern slavery risk assessment and remediation Mutual Marketplace has set the following targets to be completed in the second reporting period:

- Engage in specific face to face modern slavery training for the procurement team.
- Continue to proactively engage suppliers to enquire of their modern slavery and other core labour rights issues;
- Perform quarterly reviews of links on our shared intranet to ensure that all aspects of the Mutual Market business as a whole, including both national offices, have access to information and reference materials around how to identify and address modern slavery;
- explore further technological solutions to further embed the Know Your Supplier procedure in procurement processes;
- The rolling out and implementation of modern slavery clauses in Supplier contracts as each of them are varied or renewed;
- Policies relating to modern slavery will be uploaded onto the Mutual Marketplace intranet for business wide access;
- Mutual Marketplace has partnered with a global ethical trade service provider, Sedex to utilise collaboration and due diligence tools to assist Mutual Marketplace in improving their responsible and sustainable business practices, and responsibly source their suppliers;
- Further review and development of Mutual Marketplace's Supplier Code of Conduct and other policies that address modern slavery.
- Continued engagement with stakeholders to support the implementation of the Modern Slavery Act by inviting Mutual Marketplace suppliers to join Sedex and eliminate the need for manual supplier self-assessment questionnaires for reporting and non-reporting entities.

PART NINE: CERTIFICATION BY DIRECTORS

This statement was approved by the board of Mutual Marketplace Pty Ltd

<p>Steven Chugg Director <i>Steven Chugg</i> <small>Steven Chugg (Dec 10, 2020 11:18 GMT+10)</small></p>	<p>Vincent Pace Director <i>Vince Pace</i> <small>Vince Pace (Dec 10, 2020 17:28 GMT+10.5)</small></p>
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