

Beyond Bank Australia Limited

Modern Slavery Statement.

UNDER THE MODERN SLAVERY ACT 2018 (CTH)
REPORTING PERIOD: 2023–2024



Beyond Bank
AUSTRALIA

1. Message from our Chair.



Ms Sandra (Sam) Andersen

Modern slavery in its various forms refers to situations of exploitation in which a person cannot refuse or leave because of threats, violence, coercion, deception, or abuse of power¹. Eradicating modern slavery and creating a society free from exploitation requires action by all actors in society, from the private sector to government and non-government organisations (NGOs).

At Beyond Bank, we strive to act with high standards of integrity and responsibility across all that we do, and this includes our commitment to preventing the risks of modern slavery across our operations and supply chain.

This report covers how we assess any risks of modern slavery to our business, the actions we are taking, and how we measure the effectiveness of those actions. Some highlights across each of these areas include:

Assessing our risks

We outline how we assess our risks including those relating to:

- **Our customers and financial value chain:** for example, who our customers are and how we monitor the use of our banking products and services to prevent criminal activity that might be associated with modern slavery.
- **Our supply chain:** our suppliers and where the greatest risks to people are within our supply chain so that we can take actions to reduce this risk.

Actions we are taking

Each year we strive to strengthen the way we identify, monitor and prioritise actions to address modern slavery risks within our operations and supply chain. This year, we concentrated our efforts in several areas:

- **Supplier due diligence** – pursuing suppliers who didn't reply to our requests to complete a supplier assessment questionnaire in the last reporting period to improve our understanding of potential risks within our supply chain.
- **Supplier engagement** – establishing a Supplier Engagement Working Group and developing resources to build the capacity of selected suppliers to strengthen their responsible supply chain practices.
- **Grievance mechanisms** – specifying how our internal grievance mechanism can be used to report instances of modern slavery that may potentially arise from our operations.
- **Collaboration** – exploring how Beyond Bank in collaboration with other mutual sector peers can apply leverage to collectively engage with suppliers to request information and encourage better practices.

Assessing the effectiveness of our actions

We recognise that more can be done and have outlined the areas that we will be working towards during the next financial year in Appendix 2.

Our FY24 modern slavery statement for Beyond Bank Australia was approved by the Board of Directors on 26 November 2024.

A handwritten signature in black ink, appearing to read 'Sandra Andersen', followed by a period.

Ms Sandra (Sam) Andersen
Chair, Beyond Bank Australia

1. Walk Free Foundation website: walkfree.org/what-is-modern-slavery/

2. About us.

2.1 Beyond Bank values

At Beyond Bank, we are committed to acting with high standards of integrity and responsibility across all that we do. This year we refreshed our organisational strategy and refined further our purpose: to change the lives of our customers and communities through financial wellbeing. Our purpose sits alongside our vision to be Australia’s best relationship bank.

Our values guide our purpose as an organisation: from our commitment to doing what is best for our customers, to making decisions that balance what is good for our people, customers, community and business.

Our efforts to eliminate modern slavery are entirely consistent with these values.

As a customer-owned bank, our values and behaviours are guided by the International Cooperative Alliance Principles and the standards of conduct outlined by the Customer-owned Banking Association’s Code of Practice.

To embed a culture of acting with integrity, we have the following policies and practices in place.

- Our Code of Conduct establishes a common understanding of the standards of behaviour expected of all Directors and employees of Beyond Bank. This includes requirements to behave in a manner that is honest, professional, and respectful.
- Our Human Rights policy outlines our approach to respecting human rights for all our stakeholders. This includes our people, suppliers, customers, and our community and our expectations of them as employees, employers, or partners of our business.

Figure 1: Our values.

Values



2. About us.

2.2 Identification and structure

The Beyond Bank Australia Group (hereafter referred to as 'Beyond Bank', 'the Group', 'we', 'our' or 'us') consists of Beyond Bank Australia Limited (ABN 15 087 651 143) and our wholly owned and controlled subsidiaries.

These subsidiaries are Eastwoods Group Ltd and its wholly owned subsidiary Eastwoods Wealth Management Pty Ltd (both now non-operating companies), the Beyond Bank Australia Foundation Ltd, Beyond Employee Benevolent Fund Pty Ltd, Community CPS Services Pty Ltd, and AWA Mutual Ltd (also a non-operating company). All these subsidiaries are in Australia.

- The Beyond Bank Australia Foundation has been operating since 2007 and works with like-minded partners to give back to the community through initiatives connected to housing affordability, financial wellbeing and disaster relief.
- Beyond Bank Australia Master Support Fund and Beyond Bank Australia Master DGR Fund sit underneath Beyond Bank Australia Foundation Ltd to facilitate these initiatives.
- The Beyond Bank Employee Benevolent Fund provides financial support to our people in times of acute financial need, and
- Community CPS Services provides trust management services to our Securitisation Trusts.

We have also established securitisation trusts for funding purposes. These are: The Barton W Warehouse Trust, The Barton A Warehouse Trust, The Barton Series 2013-1R Trust, The Barton Series 2014-1 Trust, The Barton Series 2017-1 Trust, The Barton Series 2019-1 Trust and The Barton Series 2023-1 Trust.

Our registered office is located at 100 Waymouth Street, Adelaide, SA 5000.

We are also a shareholder in technology and payments organisations that help us deliver our full suite of banking services and products to our customers. These key partners are:

- **Data Action Pty Ltd:** Our key partner in providing digital and core banking services. Data Action is a leading provider of banking software and services primarily to the customer-owned banking sector in Australia.
- **Cuscal Ltd:** A leading Australian payment solutions provider including mobile and digital payments, BPAY, PayTo, card and other banking services.

2.3 Our operations

As a customer-owned bank and Certified B Corp located in Australia, we have been providing banking services to local customers for over 65 years. We exist to provide our close to 320,000 customers with a range of services to support their financial wellbeing. This includes providing:

- traditional over-the-counter banking services when our customers come into one of our branches
- telephone banking
- digital banking via our award-winning mobile banking app and internet banking platforms and
- a website for accessing information about our products and services.

In addition to providing banking services to individuals, our operations also include serving small and medium-sized business customers and offering insurance. We also have a Community Division that supports our community sector customers through banking, salary packaging, fundraising, financial wellbeing services and volunteering.

As a local bank with a national footprint, we have six corporate offices, three hubs, and over 45 branches across WA, SA, ACT, NSW, and VIC. Through a merger with AWA Alliance Bank and First Choice Credit Union over the past 12 months, we are proud to now be serving customers in regional VIC and NSW with a branch presence in Geelong, Orange, and Portland.

We employ over 750 people across our organisation including in our Australian-based call centres.

Certified



Corporation

2. About us.

2.4 Our supply chain

Our operations depend on having a stable network of suppliers that provide us with the products and critical business inputs and services to support our customers each day.

Beyond Bank is proud to support Australian businesses through our supply chain, with approximately 99% of our first-tier suppliers located in Australia, noting a number of these suppliers are Australian subsidiaries of international companies.

The industries we work closely with to deliver services to our customers and our proportion of spend are detailed in Figure 2.

The supply chains of our Tier One suppliers for our top six industry sectors extend into countries including the USA, India, China and Singapore.

The 6% of our spend from all other sectors comprises a range of suppliers from different industries. Some of these suppliers are from sectors where there are perceived higher risks to people such as hotel and restaurant services and apparel sectors. Here, the source countries for these products and services differ depending on the company and sector but extend into countries including Indonesia, Bangladesh, and Vietnam. We provide more detail on our supply chain risks in section 3.2.

Additionally, we have an investment chain where we invest our liquid assets into various debt instruments. Our investment chain refers to the companies we invest in and the supply chains of the companies we invest in. More details about our investment chain can be read in section 3.3.

Figure 2: The key industries we source from and our proportion of spend.

Industry categories	How we work with suppliers from within that industry	% Spend
Computer and related services	To provide our core banking system, software, online forms, digital technology and phone systems.	35%
Financial intermediary services	For digital payments, loan processing, transactional banking via Australia Post and credit reporting.	19%
Property services	For the lease of branch sites across Australia and services needed to help them and our owned sites run smoothly, such as cleaning services, repairs and maintenance.	17%
Other business services	To support us in navigating the rapidly changing regulatory environment through services such as consulting, legal, creative and other advisory services to the financial sector.	14%
Post and telecommunication services	For the mailout of customer communications, courier services and phone and internet services.	5%
Insurance services	To enable us to protect our business assets responsibly.	4%
All other sectors	A combination of other services to support our operations from machinery and equipment rental to hospitality costs.	6%

Tiering

Tiering refers to different levels of suppliers in our supply chain e.g., Tier One are our direct suppliers.

Tier Two suppliers refer to our direct suppliers' (Tier One) suppliers or contractors that supply to them.

Tier Three suppliers are the direct suppliers of our Tier Two suppliers etc.

2.5 Our approach to procurement

Our approach to procurement is overseen by our Procurement team and guided by our Procurement Framework and Policy.

Our business leaders initiate supplier relationships according to the Framework, guided by the level of due diligence required depending on the type of products or services supplied, the level of perceived risk posed by the supplier and the spend amount.

The composition of our supply chain remains relatively steady year-to-year, with this year around 70% of our suppliers remaining the same as FY23.

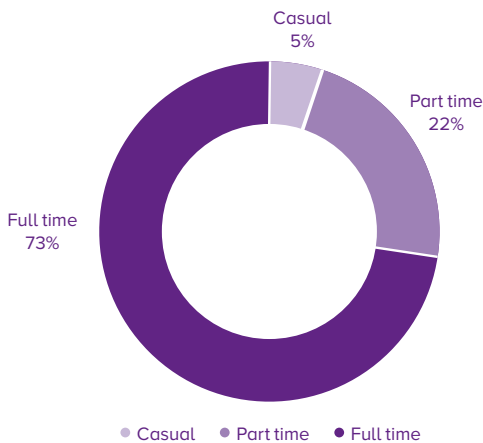
3. Assessing our risk.

We have a responsibility to understand any risks of modern slavery that might exist across our operations. This includes awareness of:

- how our people may be at risk due to the nature of the recruitment process or through their employment with us
- who our customers are and how they are using our banking products and services.
- Our suppliers and the risks associated with their industry and how their products or services are manufactured or provided to us
- the organisations we invest in and how that money is used
- our community partners to ensure they are not directly or indirectly involved in activities that support or fund modern slavery.

We partner with Fair Supply, a leading environmental, social and governance (ESG) data provider and consultancy, to help us understand the modern slavery-related risks associated with our supply chain and investments. This gives us visibility into the geographies used by our broader global supplier and investor network and where the greatest risks to people are.

Figure 3: Employment status of our people.



3.1 Risks of modern slavery in our operations

Our people.

At Beyond Bank, all our employees (over 750) are based in Australia.

We are dedicated to offering excellent working conditions. Annual remuneration reviews are completed to ensure that the salary bands within which we are paying our people are commensurate with others in our industry.

To support our people and their health, safety, and wellbeing, we also have the following policies and initiatives in place.

<p>Enterprise Bargaining Agreement (EBA):</p> <p>We have a three-year rolling EBA on which we work closely with our people and engage with the Finance Sector Union and Australian Services Union, to ensure our working conditions and benefits remain fair and equitable, covering 90% of our employee base. Our people can also choose to enter into their own Individual Flexibility Arrangement.</p>
<p>Remuneration Policy:</p> <p>Our remuneration policy allows Beyond Bank to establish and maintain a competitive and financially sustainable remuneration framework and ensure a level of pay equity, transparency and budget integrity.</p>
<p>Gender Equality:</p> <p>We annually report on the gender equality of our pay, treatment, and fairness of opportunities among our people as required by the Workplace Gender Equality Agency.</p>
<p>Work, Health and Safety (WHS) Committee and Policy:</p> <p>We are committed to providing a safe and healthy working environment for all employees and visitors to our premises. Our WHS Committee meets quarterly and our Wellness Committee monthly to prioritise the health, safety and wellness of our workers.</p>

Based on the above considerations, we are confident that the risks of modern slavery to our people are very low.

3. Assessing our risk.

Our customers and the financial value chain

We are aware that there is a risk that our customers may use our banking products and services for criminal activities linked to modern slavery. Financial crimes such as money laundering and modern slavery are linked because the profits generated from modern slavery need to be laundered to appear legitimate. Traffickers and exploiters may use a variety of means to hide their activities such as using stolen identities and fraudulent accounts, which may be perpetrated via scams.

As a bank, we have a duty to our customers and the wider community to strive to prevent financial crimes. We strictly follow the Anti-Money Laundering (AML)/Counter-Terrorism Financing (CTF) Act and Rules, which impose a significant range of obligations on our employees and customers to prevent, monitor and report expected instances of money laundering.

Like many banks, we have seen an increase in instances where our customers are being exploited or where online behaviour indicates that financial crimes are potentially being committed. This year we, along with other financial institutions joined together to commit to actions we will take to safeguard our customers from scams via the Scams Safe Accord.

We take a risk-based approach to reduce risk and harm to our customers and others through:



Due diligence:

Identification and 'Know your customer' (KYC) checks embedded into our new customer onboarding processes for individuals and non-personal entities to ensure our customers are who they say they are.

AML, suspicious matters and fraud-based training:

Our employees receive annual training to alert them to suspicious customer behaviour and ask pertinent questions to detect potential fraud and suspicious matters.

Transaction monitoring:

Our transaction monitoring system uses flags to identify customers and delivery channels we suspect may be involved in suspicious activity, including behaviours that could be linked to modern slavery-related crimes, such as large cash transactions and domestic and international transfers. We follow any suspicious activity closely and report related matters to the Police and AUSTRAC if required.

Monitoring financial or elder abuse:

We are aware that modern slavery may present in a variety of complex ways relating to broader social issues in the community, such as financial or elder abuse. When instances of suspected elder abuse occur, our Prevention of Financial Abuse Policy and Procedures guide our branch and Call Centre employees to act appropriately to reduce the likelihood of harm to our customers.

Fraud Detection Systems:

Fraud and scam criminal enterprises are becoming one of the fastest-growing forms of modern slavery in the digital age. Criminals are using online platforms that falsely advertise high-paying jobs with ideal working conditions. In some cases, workers are trafficked from undeveloped countries or from at-risk or vulnerable communities. By identifying unusual and/or high-risk transactions through a risk-scoring methodology, our systems are designed to detect, disrupt, and stop fraudulent transactions, reducing the financing of criminal enterprises associated with cybercrime and human trafficking.

3. Assessing our risk.

3.2 Risks of modern slavery in our supply chain

As described in section 2.4, almost all our Tier One supply chain is based in Australia, focused on six key industry sectors that support our delivery of banking products and services to our customers.

We understand the risks to our business of modern slavery are likely to be the greatest where our operations and supply chains are 'directly linked' to human rights risks and impacts. This could be through connections we have to our suppliers, customers, investees/counterparties, or community partners whose activities involve, facilitate, or incentivise modern slavery.

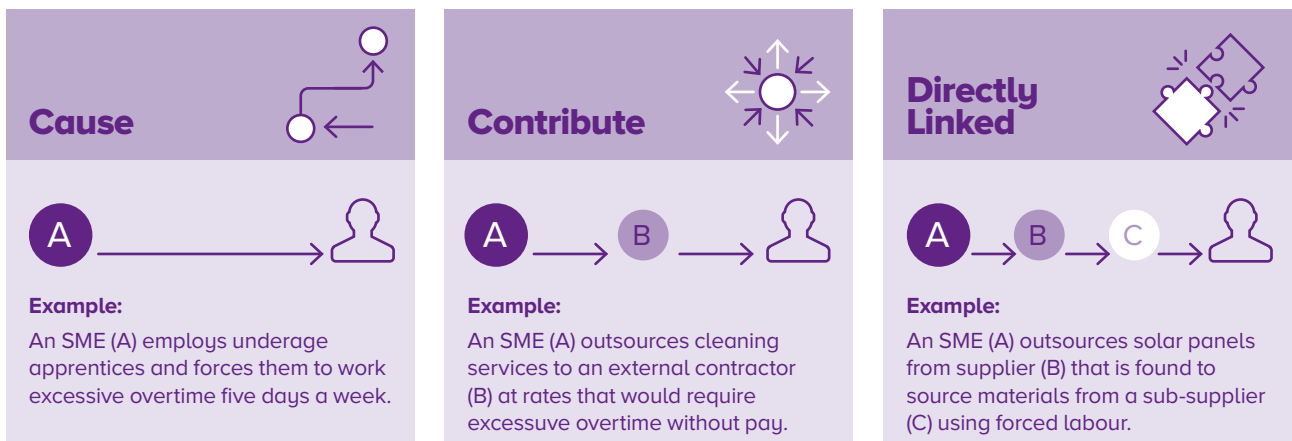
Regarding risks in our supply chain, we consider a combination of factors when assessing where we think the greatest likelihood of risks of modern slavery are. This assessment is informed by data from Fair Supply³ and takes into consideration:

- Our top material suppliers and those who provide business critical services to support our business activities year-to-year
- Country of operation
- Industry risk rating
- Estimated number of people in forced labour for that supplier as a proportion of spend
- Estimated number of people in forced labour as a proportion of the total supplier list assessed.

We also layer additional due diligence over suppliers who are considered higher risk based on their sector or industry, the product or service they provide to us, and those that source from locations deemed higher risk due to various factors:

<p>Sector and industry risks</p> <p>For example, the fashion and apparel industry where we purchase our corporate uniforms from is considered higher risk due to its reliance on migrant workers and the challenges associated with traceability of raw materials, such as cotton.</p>
<p>Product and services risks</p> <p>IT hardware sector where we purchase our laptops and mobile phones for our people to perform their work is considered to be a higher risk of modern slavery due to factors such as the countries where the products are manufactured and the raw materials involved in their production such as minerals reported from 'conflict zones'.</p>
<p>Geographic risk factors:</p> <p>We are aware that in cases where our suppliers manufacture or source products from countries that have weaker governance systems or rule of law, or low-paid labour, they are at higher risk of modern slavery. This is a risk area that we have less visibility into and which we are seeking to understand more through our due diligence activities, starting with our Tier One suppliers.</p>

Figure 4. How businesses can cause, contribute, or be directly linked to human rights risks and impacts².



2. UN Global Compact Network Australia, 2023, Modern Slavery Risk Management, <https://unglobalcompact.org.au/wp-content/uploads/2023/06/UNGCA-Modern-Slavery-Risk-Management-2023.pdf>

3. Refer Appendix 3 for more information on our risk assessment methodology.

3. Assessing our risk.

Figure 5. Our FY24 supply chain risk profile.

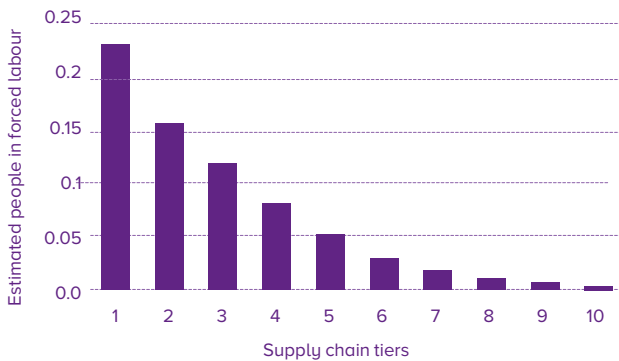


Overall, the perceived risks of modern slavery in our supply chain are estimated to be very low with around 7% of our suppliers (based on our risk assessment) showing as having a moderate-low risk. More information on how we are seeking to understand those risks is detailed in section 4.2 Supplier self-assessment questionnaires.

To express these risks as estimated risks to people, they translate into an estimated 0.7087 people in forced labour in our supply chain based on our risk assessment, or 0.0091 people in forced labour in our supply chain per million dollars spent⁴. We reference estimations of people in forced labour per million dollars spent to give us visibility into where the risks are irrespective of spend.

The greatest potential for exposure to modern slavery risk in our supply chain is found in Tier One, where it is estimated there are 0.2299 people in forced labour or 0.029 people in forced labour per million dollars spent⁵.

Figure 6. Estimated people in forced labour across our supply chain by tier.



■ Estimated people in forced labour

Understanding our supply chain risks beyond Tier One continues to be a challenging area for us due to the indirect relationship we have with our Tier One suppliers' supply chains. More information on our actions to understand these risks is in section 4.2 Supplier self-assessment questionnaires.

This reporting period we also conducted an ESG double materiality assessment. This assessment is a widely used approach to help companies identify, assess and prioritise ESG risks, opportunities and impacts for the purposes of sustainability strategy and reporting. Responsible Procurement and Supply Chain was one of the issues included in this assessment. This topic was ultimately not included in our top ten material ESG issues but was highlighted as an important ESG issue for our business that we will continue to actively manage and monitor.

3.3 Investment risk

As a financial institution, we invest our liquid assets with major, regional, and mutual authorised deposit-taking institutions in Australia, Australian branches of international banks and Australian government and semi-government bonds. Of the international banks, our investments are with banks in Canada, Japan, the Netherlands and Singapore. We have an investment policy that is reviewed at least annually; however, the composition of our investments remains stable and similar year-on-year.

Like the last reporting period, we performed a risk assessment on our investment portfolio based on the country where the issuer is located, the instrument category and the spend amount. This provides us with information on where the highest risk of modern slavery is likely to occur within our investment chain.

The industry risk ratings for our investments this year were classified as low for 31 out of 32 of our investments, with only one issuer considered moderately low. This investment will be divested early in the next reporting period.

Overall, our portfolio indicates a low level of modern slavery risk with the estimated number of people in forced labour per million dollars invested being 0.0011, the same as FY22 and a minor decrease from FY23. The total estimated number of people in forced labour (cumulatively) across our investment chain remained the same as FY23 at 1.436.

4. This does not illustrate a known population. Estimates are based on calculations from our online dashboard generated by Fair Supply.

5. Ibid.

3. Assessing our risk.

Figure 7. Our FY24 investment risk profile.



	FY22	FY23	FY24
Total estimated people in forced labour per million dollars spent	0.0011	0.0012	0.0011
Total estimate of people in forced labour	1,302	1,436	1,436

The most potential for exposure to modern slavery risk in our investment chain is in Tier Two, as shown in Figure 7.

Figure 8. Estimated people in forced labour by investment chain tier.



3.4 Risks of modern slavery among our community sector banking customers and partnerships

We are aware that the risk that our customers may use our banking products and services for criminal activities linked to modern slavery also extends to our customers in the community sector.

The proceeds of crime from modern slavery-related activities such as human trafficking are typically cash-based in nature and to appear legitimate, criminals must launder their proceeds through the financial system.

The non-profit sector has long been regarded as exposed to risks of money laundering and counter-terrorism financing due to:

- the typically high-cash nature of their operations and fundraising activities that can more easily disguise money laundering or other illegal activities like terrorism financing
- their size, with smaller organisations often having less formal governance structures, protections and controls in place
- the nature of oversight and regulation in place for the nonprofit sector, and
- the likelihood that they may use more informal systems for funds transfer, such as through partner organisations.

We have approximately 5,000 community partners comprising different types of non-profit organisations who bank with us. These partners include incorporated and unincorporated associations, public and proprietary companies and co-operatives.

Our approach to customer KYC for our community organisations is as stringent as for other customer types and involves checks that confirm registration and ownership, as well as additional due diligence checks in some cases to understand the entity purpose and intent.

The Beyond Bank Australia Foundation provides grants to community organisations with programs that support the financial wellbeing of our customers and communities. We also have partnerships that support housing affordability for these groups.

We work for and with our community partners to understand their organisation’s purpose, governance structures, ownership structure as well as other requirements which help us to guard against anti-money laundering and counter-terrorism financing.

Our grants process involves steps that seek to uncover details of the program or project an organisation is seeking to have funded. The Beyond Bank Foundation generally fund Deductible Gift Recipient (DGR) registered charities or organisations registered with an ABN.

4. Actions we're taking.

We've undertaken a range of actions to assess and address modern slavery risks in our operations, investment chain and supply chain:

Figure 8. Actions to assess and address modern slavery-related risks



4. Actions we're taking.



4.1 Supplier screening

Our supplier screening process takes different forms based on the size of the contract and the degree of importance of the product or service being procured to Beyond Bank's operations. For larger contracts that go out to tender, suppliers must respond to questions regarding their ESG performance, including providing details on their modern slavery practices.

This year we introduced two checklists to assist business leaders to onboard new suppliers to strengthen the information we collect to support procurement decision-making:

- A **Pre-Contract Checklist** to improve our procurement practices and simplify procedures for medium and large contracts (contracts exceeding \$25K annual spend).
- A **Contract Checklist** designed to ensure critical requirements in the contracting process are not missed.

We also introduced a step to screen our suppliers for modern slavery risks using an online screening tool from our partner, Fair Supply. As this was introduced late in the year, we have not yet performed an internal review of the effectiveness of this process, however, this will form part of our planned activities for FY25, along with how this can be incorporated into risk assessments for tenders.

4.2 Supplier self-assessment questionnaires

Supplier self-assessment questionnaires (SAQs) are an important part of our supplier due diligence activities.

This year, we again used the supplier risk assessment information from Fair Supply to inform which suppliers would be selected for this reporting period to receive supplier assessment questionnaires (SAQs).

Our due diligence activities this year focused on:

- Understanding the 7% of our suppliers classed as 'medium-low' risk. Upon review many of these suppliers were those which we had a one-off relationship with, those with a lower spend where we believe we have a limited ability to influence supplier behaviour, and those which are reporting entities that are considered to have more mature modern slavery responses in place.
- Following up with suppliers that did not complete the SAQ the previous reporting period to try to improve our response rate.
- Scrutiny of our Tier One supply chain to identify suppliers we can include in the SAQ process. Here we identified a relationship with a Tier One third-party intermediary through which we engage multiple insurers. This resulted in us identifying a non-reporting entity among this group who we issued a supplier assessment questionnaire.

4. Actions we're taking.

- Setting a 50% minimum threshold for responses to questions related to two topic areas of the SAQ: (1) risk assessment; and (2) internal training and awareness raising. We set these thresholds as we consider it important that our direct suppliers are screening their suppliers for modern slavery risks and conducting internal training so that their business has an awareness of what modern slavery and how to prevent it. Setting these thresholds enabled us to focus our supplier engagement activities with suppliers whose SAQ scores in these categories were below 50%. More details are outlined in the next section 4.3.

4.3 Supplier engagement

Last year we made two commitments to strengthen our supplier engagement practices. These were:

Repurpose our Modern Slavery Working Group (MSWG) to become a Supplier Engagement Working Group (SEWG) and regularly convene meetings.

- Our SEWG chaired by our Sustainability Manager brings together our Procurement team and staff members who are relationship holders for suppliers with practices classified as 'moderate' or 'needs improvement'.
- This year the SEWG met regularly to discuss how relationship holders are integrating conversations on modern slavery into their regular supplier meetings, to identify opportunities to support suppliers in improving their modern slavery practices, and to share learnings.

We leveraged the SEWG to identify 12 suppliers with practices not meeting our desired 50% threshold of performance across two categories in the SAQ: (1) assessing modern slavery risks and (2) internal training and awareness raising. Here we developed resources to build the capacity of our suppliers on these topics to share with them.

While this process was generally well-received by our suppliers, during the next reporting period we will continue to:

- Explore different methods for supplier engagement to maximise our leverage.
- Re-engage with these suppliers to understand whether they have adopted any of our recommendations.
- Review the objectives and membership of the Supplier Engagement Working group for effectiveness.

Launch pilot projects as part of a supplier engagement 'deep dive':

In consideration of where the greatest risks of modern slavery lie within our supply chain, and how best we can use leverage to influence supplier behaviour, we identified two suppliers to engage with to pilot an approach to supplier engagement:

A strategic partnership:

We selected a business-critical, strategic supplier to engage with on modern slavery where the supplier is deemed to have modern slavery practices categorised as 'moderate' or 'needs improvement'. Here, we collaborated with two other mutual-sector banks to collectively meet with this supplier and request more information on their ESG and modern slavery practices. We will be continuing to engage with this supplier during the next reporting period.

A supplier from a high-risk sector:

We selected a supplier from the fashion and apparel sector which is considered a higher-risk industry within our supply chain. Pleasingly, this supplier had the strongest of all our SAQ responses in FY23. This year we requested additional information from the supplier and will also continue to engage with this supplier during the next reporting period.

4.4 Investment due diligence process

During this reporting period, we continued to implement the due diligence process put in place during FY22 to better understand modern slavery risk and ESG performance across our investments. This process uses our internally created methodology to rank our investments using ESG rating information sourced publicly through ESG and corporate governance research, ratings and analytics firm Sustainalytics.

Each month, we analyse the balance of our investment portfolio by applying the ratings to determine a weighted average ESG score across the portfolio. The ESG performance of our portfolio is reported monthly to the Assets and Liabilities Committee (ALCO) for monitoring.

In FY24, our weighted ESG rating fluctuated slightly throughout the year across practices we consider as 'better practice' to 'tolerable', finishing the year in the 'better practice' range.

4. Actions we're taking.

Last year we reported that we would be amending our policies to include modern slavery risk screening on counterparties before making new investments or reinvesting with them. This decision was endorsed, and we are in the process of updating our processes to reflect this change.

Next year, we will track investees that are publishing their own Modern Slavery Statements to provide deeper insights to how they assess modern slavery risk and identify key themes and risks.

We also expect the volume of our investments with other mutual sector banks will begin to decrease over the coming years to improve the level of diversification in our portfolio. We will be reviewing how any anticipated changes in our investment portfolio will affect our modern slavery risk profile of our portfolio and make recommendations to our Asset and Liability Committee.

4.5 Governance and policy framework

The Deputy CEO oversees our modern slavery activities including risk identification, due diligence, supplier engagement and reporting requirements.

Our Risk and Compliance team continued to provide a second line of risk oversight for modern slavery.

Activities to strengthen our modern slavery-related governance activities throughout the year included:

Regular meetings of the Supplier Engagement Working Group:

This group provided a regular forum for discussing our supplier due diligence activities including engagement with perceived higher-risk suppliers or those identified for engagement due to SAQ performance.

Reviewing our internal risk management processes associated with modern slavery:

We identified that supplier pre-screening is a control we can formally include in our enterprise risk management system. This will be introduced during the coming reporting period.

Consideration of Responsible Procurement as part of our first ESG materiality assessment:

Responsible procurement, including attention to and prevention of modern slavery-related risks, was considered as part of our recent ESG materiality assessment. This assessment provided us with additional stakeholder insights into this topic and recommendation for active ongoing management.

Activities planned for next year include:

- Updating our Human Rights Policy which includes our commitment to modern slavery.
- Introducing a Sustainability Committee at management-level to monitor ESG risks and opportunities, including risks of modern slavery to our business.

4.6 Internal education and training

Increasing employee awareness about the prevalence and nature of modern slavery risks within our supply chain is one of the eight action we take to reduce modern slavery risks in our operations.

Our modern slavery training module is issued to all new employees who manage contracts over \$25,000. We also require all staff members who are supplier relationship holders or initiate contracts as part of their role to complete refresher training every three years.

Early this reporting period, we updated our employee onboarding measures so that employees with certain procurement delegations are automatically assigned our internal modern slavery training module. How we assess the effectiveness of this process is outlined in section 5.2.

Next year, we will be developing some modern slavery 'information bites': brief communications on different aspects of modern slavery to continue to educate and keep our staff aware of risks of modern slavery as it relates to their role, with a focus on our customer-facing staff.

4. Actions we're taking.

4.7 Collaboration

Collaboration on modern slavery during this reporting period took several forms:

- Active participation in two streams of the SA Modern Slavery Network: the Business Leads group, comprising representatives from the private sector; and the Leads group, bringing together stakeholders from academia, NGOs, private sector and unions. The SAMSN is a collaborative cross-sector initiative to share learnings and best practices on modern slavery prevention and response in South Australia.
- Collaboration with other mutual-sector organisations facilitated by Mutual Marketplace, to update a supplier ESG survey including a component on modern slavery. The purpose of the collaboration is to strengthen due diligence processes for suppliers procured via Mutual Marketplace.
- Collaboration on supplier engagement: As discussed in section 4.3, we partnered with two other mutual sector banks to collectively engage a strategic supplier we had in common and request further information on their modern slavery and ESG practices.

We will continue our involvement across all three activities during the coming reporting period as we seek to deepen our leverage to improve responsible supply chain practices.



4.8 Grievance mechanisms

Our grievance mechanisms for modern slavery sit alongside our existing processes for identifying, investigating, and remedying actual or suspected misconduct.

This year there were no reports of Beyond Bank employees or suppliers using our independent third-party service provider during the reporting period to report any grievances associated with modern slavery.

This year we took the following actions to strengthen our grievance mechanisms in respect of modern slavery considerations:

- Updated our Group Whistleblower Policy to make specific reference to modern slavery. This informs our suppliers that they can access the policy and our third-party, independent service provider to anonymously report grievances observed within our supply chain should they occur.
- Used the information gathered during the SAQ process to identify which of our material and higher-risk suppliers have practices relating to grievance mechanisms that we classify as requiring support. With our focus this year on building the capacity of our suppliers on the topics of risk assessments and training, we didn't conduct any outreach specific to grievance mechanisms but will be exploring how best to engage our suppliers on this topic during FY25.
- Updated our Supplier Code of Conduct including making a specific reference to our third-party service provider to make our suppliers aware of this.

In last year's statement, we mentioned that we would review the contracts for our material and higher-risk suppliers entered into before modern slavery clauses became embedded into our procurement processes to identify any gaps. This activity has been scheduled for next year along with the following actions:

- Developing posters to display internally to increase employee awareness of our grievance mechanism including the relationship to modern slavery.
- Issuing our updated Supplier Code of Conduct to all our material suppliers, requesting acknowledgement of our grievance mechanism among other updates.

5. Assessing effectiveness.

We track the effectiveness of our modern slavery practices using a KPI framework to help us continue to improve.

5.1. Supplier engagement effectiveness

This year we sent SAQs to 34 suppliers and received 20 responses, or a 59% response rate. This was 6% higher than last year’s 53%. These suppliers were selected based on consideration of their risk profile as identified as part of the risk assessment process described in section 3.2.

We also received an additional eight surveys from the previous year in FY24. Taking these into account, last year’s response rate increased to 67% from 53%.

5.2 Internal training and education effectiveness

This year, we achieved a 100% completion rate of our internal training module, an improvement from last period’s 52%.

As mentioned in section 4.6, to streamline the allocation of the training module to relevant staff, we integrated this into our employee onboarding process. However, a review of the effectiveness of this process part way through the year revealed that not all staff were being captured. Manual intervention was still required for part of the year, but automation was reactivated late-FY24.

We will continue to monitor this during the next reporting period to ensure that employee training on modern slavery is allocated to our people in the appropriate roles.

5.3 KPI tracking

The following table summarises our progress against our FY24 KPIs:

Pillar	Goal	FY24 Performance
Supplier risk management	Maintain supplier SAQ at >50% response rate	Achieved - 59%
Investment risk management	100% of new investments are screened for modern slavery risks	No new investment counterparties were taken by Beyond Bank in FY24. However, through our merger with FCCU, one of their existing investment counterparties was retained by Beyond Bank.
Supplier engagement	<ul style="list-style-type: none"> Establish a Supplier Engagement Working Group (SEWG) to drive supplier engagement activities Implement two pilot projects to support key suppliers in improving their modern slavery practices to shape future activities 	Achieved
Internal education and training	<ul style="list-style-type: none"> Automate and integrate modern slavery training into the employee onboarding process Achieve a 100% completion rate of modern slavery training 	Achieved 100%
Collaboration	Explore collaboration opportunities with our third-party procurement intermediaries in supplier risk assessment information gathering and sharing.	Ongoing

Last year we also said we would develop customised engagement plans with selected suppliers based on the analysis of our FY23 SAQ survey results. This was partially completed and will continue into the next reporting period. This is described in section 4.3 Supplier Engagement.

5. Assessing effectiveness.

Our FY25 KPIs continue our focus on supplier and investment risk management and internal training along with our commitment to continuous improvement via the activities outlined in Appendix 2. Here are our KPIs for FY25:

Pillar	Goal
Supplier risk management	Maintain supplier SAQ at >50% response rate
Investment risk management	100% of new investments are screened for modern slavery risks
Internal education and training	Achieve a 100% completion rate of modern slavery training

6. Consultation with entities we own or control.

Our supply chain includes subsidiaries under our group structure. Therefore, our modern slavery work, including our risk assessment and due diligence processes, applies to the subsidiaries we own and control. This year we merged with AWA Mutual Ltd and First Choice Credit Union (FCCU).

This reporting period we reviewed the suppliers we gained through our mergers with AWA and FCCU and identified a small number to review in more detail. This work will continue into the next reporting period, along with work to continuously improve how supplier due diligence can be further embedded into our merger processes.

7. Other relevant information.

All relevant information has been incorporated into the body of this report.

⁶ Refer section 5.2 for more information.

Appendix 1

Our progress against last year's actions.

No.	Report section	Topic area	What we said we'd do	Comments	Status
1.	3.2	Risks of modern slavery in our supply chain	Assess material sustainability risks and opportunities across our value chain. in consultation with internal and external stakeholders to our business.	Completed as part of our ESG materiality assessment.	Completed
2.			Identify opportunities to collaborate with other mutual organisations with whom we may share common suppliers to enhance influence.	Refer item 7.	Ongoing
3.			Embed supplier pre-screening and actively encourage the completion of our responsible procurement checklist as part of our new contract management system being introduced in 2024.	<ul style="list-style-type: none"> Supplier pre-screening was included in our procurement process. Work on our responsible procurement checklist was postponed to next year. 	Partially completed
4.	4.1	Supplier screening	Incorporate an online risk assessment of future suppliers as part of our vendor selection process; and Perform an internal review of the effectiveness of our supplier screening processes.	<ul style="list-style-type: none"> Refer item 3. Postponed to next year given the screening process was implemented late FY24. 	Partially completed
5.	4.2	SAQs	Ongoing analysis of SAQ results. Continue to send SAQs as a key part of our supplier due diligence process.	<ul style="list-style-type: none"> Both activities are important to us and ongoing. 	Ongoing
6.	4.3	Supplier engagement	Repurpose our Modern Slavery Working Group (MSWG) to be a Supplier Engagement Working Group.	The SEWG was established, and four meetings held during the year.	Completed
7.			Launch pilot projects as part of a supplier engagement 'deep dive' with a strategic supplier.	This commenced in collaboration with two other mutual sector banks and is ongoing.	Ongoing
8.			Launch pilot projects as part of a supplier engagement 'deep dive' with a supplier from a high-risk sector.	This commenced and further follow-up will continue next period.	Ongoing
9.			Develop customised engagement plans with selected suppliers based on the analysis of our FY23 SAQ survey results.	Engagement plans for created for the 12 suppliers identified who were below our minimum threshold across two categories. Engagement with several remaining suppliers will carry over into the next period.	Partially completed
10.	4.4	Investment due diligence	Use our investor screening tool to inform future investment decisions made by ALCO.	This change has been embedded into our investment decision-making process.	Completed

Appendix 1 Our progress against last year’s actions.

No.	Report section	Topic area	What we said we'd do	Comments	Status
11.	4.5	Governance and policy framework	Evolve the previous Working Group into a Supplier Engagement Working Group.	Refer item 7.	Completed.
12.			Review the internal risk management processes associated with modern slavery, including risk identification and mitigation so that modern slavery is more deeply embedded into our risk management processes.	A new risk was created relating to our supplier pre-screening process and will be updated in our Enterprise Risk Management System next period.	Partially completed
13.			Review how our organisation manages sustainability risks and opportunities as we seek to meet the requirements of and prepare for reporting under the newly introduced International Sustainability Standards Board’s general sustainability disclosures.	Commenced via the establishment of our new Sustainability Committee at management-level.	Ongoing
14.	4.6	Training and awareness raising	Explore how to automate the delegation of modern slavery training to the appropriate staff according to their onboarding timeline.	Achieved and will be monitored for effectiveness.	Completed
15.	4.7	Collaboration	Continue our involvement in SAMSUN over the coming reporting period to identify opportunities for collaboration and information exchange to improve our practices.		Ongoing
16.	4.8	Grievance mechanisms	Use the information gathered during the SAQ process to identify which of our material and higher-risk suppliers have practices relating to grievance mechanisms that we classify as requiring support and to engage with them.	Postponed as the focus of our supplier engagement activities was on suppliers who did not meet our minimum thresholds across two other SAQ topic areas.	Not yet started
17.			Review the contracts for our material and higher-risk suppliers, which were entered into before modern slavery clauses became embedded into our procurement processes to identify any gaps.	Postponed to the next reporting period.	Not yet started
18.			Review how we communicate about our independent, third-party service provider to our people and suppliers to increase awareness of the service.		Completed
19.	6	Consulting with entities we own or control	Meet with internal project teams that lead our merger work to review how our modern slavery risk assessment processes are embedded into the merger process with a focus on procurement processes.		Ongoing
20.	7	Other relevant information	Leverage the data from our surveys to create supplier engagement plans for FY24.	Refer item 9.	Partially completed
21.			Strive to connect with our peers and other organisations, like our third-party procurement intermediary, to identify ways to assist one another to support our suppliers.	Refer item 7 on peer collaboration. Engagement with our third-party procurement intermediary commenced and is ongoing.	Ongoing

Appendix 2

Our planned activities for the next reporting period.

No	Report section	Topic area	What we'll do
1.	4.1	Supplier screening	Perform an internal review of the effectiveness of our supplier screening process and incorporation into the tender process.
2.	4.2	SAQs	Continue to send SAQs as a key part of our supplier due diligence process.
3.	4.3	Supplier engagement	Continue to explore different methods for supplier engagement to maximise our leverage.
4.			Re-engage with the 12 suppliers not meeting our minimum thresholds to understand whether they have adopted any of our recommendations.
5.			Review the objectives and membership of the Supplier Engagement Working group for effectiveness.
6.			Continue to engage with our strategic supplier.
7.			Continue to engage with our supplier from a higher-risk industry.
8.	4.4	Investment due diligence	Track our investees that are publishing their own Modern Slavery Statements to provide deeper insights to how they assess modern slavery risk and identify key themes and risks.
9.			Review how any anticipated changes in our investment portfolio will affect our modern slavery risk profile of our portfolio and make recommendations to ALCO.
10.	4.5	Governance and policy framework	Update our ERM to include a new risk on modern slavery (supplier pre-screening).
11.			Update our Human Rights Policy including our modern slavery commitments.
12.			Introduce a Sustainability Committee at management-level to monitor ESG risks and opportunities, including risks of modern slavery to our business.
13.	4.6	Training and awareness raising	Develop modern slavery-related 'information bites': brief communications on different aspects of modern slavery to continue to educate and keep our staff aware of risks of modern slavery as it relates to their role, with a focus on our customer-facing staff.
14.	4.7	Collaboration	Continue participation in the SA Modern Slavery Network.
15.			Continue collaboration with our third-party procurement provider.
16.			Continue to identify opportunities for collaboration with mutual sector peers to increase our leverage.
17.	4.8	Grievance mechanisms	Explore how best to engage our higher-risk suppliers on the topic of grievance mechanisms.
18.			Review the contracts for our material and higher-risk suppliers entered into before modern slavery clauses became embedded into our procurement processes to identify any gaps.
19.			Develop posters to display internally to increase employee awareness of our grievance mechanism, including the relationship to modern slavery.
20.			Issue our updated Supplier Code of Conduct to all our material suppliers, requesting acknowledgement of the Your Call service among other updates.
21.	5.2	Internal training and education effectiveness	Monitor to ensure that employee training on modern slavery is allocated to our people in the appropriate roles.

Appendix 3

Annual Risk Assessment Methodology Summary.

1. As discussed in section 3.2 of this Statement, we apply an initial risk assessment methodology each year to our material and perceived higher-risk suppliers. This baseline exercise provides the basis for ongoing due diligence and remediation activities across the present reporting period and in future years.
2. Incorporating company spend data throughout global markets, we used external consultants, Fair Supply, 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 our supply chain's top suppliers by spend.
3. 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:
 - a. The United Nations' (UN) System of National Accounts;
 - b. UN COMTRADE databases;
 - c. Eurostat databases;
 - d. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - e. Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
 - a. The UN Guiding Principles on Business and Human Rights;
 - b. The Global Slavery Index;
 - c. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - d. The United States' Reports on International Child Labour and Forced Labour.
5. A proprietary algorithm was then 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.
6. This analysis was performed for the purposes of risk identification under the Act. It does not purport to confirm the actual existence (or non-existence) of slavery in our supply chains and operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region, or product level.
7. 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 chains for our top three 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; and
 - f. Suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.

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