

BENDIGO AND ADELAIDE BANK

Modern Slavery Statement 2022

This Modern Slavery Statement (Statement) has been prepared in accordance with the Australian Modern Slavery Act 2018 (Cth) (the Act) on behalf of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) (the reporting entity) and the entities it owns or controls (the Group). The Statement does not apply to the Group's joint ventures.

Bendigo and Adelaide Bank Limited is the parent company of the Bendigo and Adelaide Bank Group. The principal activities of the Group were the provision of banking and other financial services including lending, deposit taking, leasing finance, superannuation and funds management, insurance, treasury, foreign exchange services (including trade finance) and trustee services.

The Statement sets out the actions taken by the Group during the year ended 30 June 2022 to assess and address the risks of modern slavery in its operations and supply chains.

References to 'modern slavery' are as defined in the Act.

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Message from our Managing Director

Modern slavery is a complex global humanitarian issue that can only be tackled collectively and collaboratively by businesses, not for profit organisations, and governments. At Bendigo and Adelaide Bank, we are committed to playing our part.

As Australia's most trusted bank, we recognise we have a responsibility to respect human rights and to proactively seek out ways to make a positive impact through our operations and supply chain.

Given the nature of our operations, financial institutions can become unwitting participants to modern slavery. The financial sector's integration with the rest of the economy and its connection with every industry means it has an influential role in driving the global economy to address modern slavery and protect human rights.

For this reason, we support a unified approach where businesses, not for profit organisations and governments work together to address the serious impacts of modern slavery on communities across the globe.

While the past year has seen the return of uncertain economic conditions, it has also seen our Bank continue to build on creating policies and procedures to ensure we are doing our part to tackle modern slavery.

We have been working hard to further develop our understanding and management of key risks associated with modern slavery, along with embedding a clear process to identify and report scenarios where modern slavery may be prevalent. This work has helped inform our first Modern Slavery Roadmap.

The development of our Modern Slavery Roadmap has enabled the Bank to set out key actions to continuously improve our approach to identifying, mitigating, and addressing modern slavery risks across the Bank's operations, products, and services.

In addition to the roadmap, Bendigo and Adelaide Bank will progress the development of our Human Rights Position Statement which will set out our commitment to protecting and respecting human rights and remedying any violations. We

look forward to sharing this Statement with our stakeholders in the 2023 financial year.

We have also advanced how the Bank deals with suppliers, developing a Supplier Code of Conduct which sets out our values and the minimum requirements expected of our suppliers.

We are Australia's most trusted bank, and we remain focussed on our purpose of feeding into the prosperity of the community, and not off it. While this past year has seen continuous improvement in the Bank's efforts to identify and report instances of modern slavery, we know there is more work to be done and I look forward to building on our progress in the 2023 financial year.

Marnie Baker
Managing Director

FY22 key highlights

- Developed a Modern Slavery Roadmap
- Progressed the development of our Human Rights Position Statement
- Developed a Supplier Code of Conduct
- Incorporated modern slavery provisions into supplier contracts
- Implemented a third-party modern slavery risk monitoring platform to help detect the presence of modern slavery in our supply chain
- Commenced developing our approach to modern slavery risks for our employment and community investment activities
- Implemented actions to uplift our understanding and management of modern slavery risks in our agricultural lending activities

Our business structure, operations and supply chain

OUR STRUCTURE AND ENTITIES

For more than 160 years, we have actively listened and responded to the needs of our customers and their communities. Over this period, more than 80 different organisations have come together to become the bank we are today – an Australian owned, top 100 ASX listed company, with more than 95,000 shareholders.

Bendigo and Adelaide Bank Limited is the parent company of the Bendigo and Adelaide Bank Group. All Group subsidiaries are wholly owned, operate under the direction and governance of Bendigo and Adelaide Bank Limited and all share the same executive management.

We are one of Australia's biggest banks, with around 7,000 employees helping over 2.2 million customers achieve their financial goals. Our operations also include indirect workers including contractors and sub-contractors that support our business with labour or the provision of services.

Our vision is to be Australia's bank of choice, and we believe our success is driven by our purpose – to feed into the prosperity of our customers and communities, not off it.

Through our portfolio of brands, our principal activities are the provision of banking and other financial services including lending, deposit taking, leasing finance, superannuation and funds management, insurance, treasury, foreign exchange services (including trade finance), and trustee services.

Our reach comprises a national network of proprietary and Community Bank owned branches, joint ventures, partner distribution networks, wealth release products for senior Australians, and a network of mutual financial institutions to release capital and service members.

In FY22 the Group's brands and their operations were:

 **Bendigo Bank**

Providing a diverse range of personal banking, business banking, community banking, wealth management and insurance products and services to retail and business customers across Australia.

Community Bank

Through our Community Bank model, we partner with Community Bank companies across Australia to provide Bendigo Bank branded banking services, while sharing the revenue with the local communities.

 **RURAL BANK**

Dedicated provider of agribusiness banking services to farmers across Australia, with tailored lending products, personal banking and savings and investments accounts.



A digital bank delivering personal banking services to consumers in Australia.

 **AdelaideBank**

A specialist in providing home loans for the mortgage broker and mortgage manager market.

 **Alliance Bank**

Through our Alliance Bank model, we partner with established mutual companies across Australia to provide banking services, to enable our partners to invest earnings into initiatives that support their members and deliver positive social change within their communities.

Community Enterprise Foundation™

Part of the Bank's philanthropic arm, Community Enterprise Foundation™ offers communities and not-for-profit organisations across Australia the opportunity to raise and distribute tax-effective donations to benefit their own communities.

DelphiBank

Serving local Hellenic communities across Victoria, New South Wales, South Australia and Queensland with personal and business banking products and services.

 **Leveraged**

Provider of margin lending to Australian customers.

 **SandhurstTrustees**

Offers wealth management solutions including managed funds, commercial loans, corporate trustees and custodial services.

OUR SUPPLY CHAIN

The Group procures a large variety of goods and services from suppliers both locally and internationally. These suppliers range from small businesses to large multinational corporations and our arrangements with them range from one-off purchases to long-term contracts.

In FY22, we sourced goods and services from more than 2,000 direct suppliers and had a total procurement spend of close to \$700 million. Over 95% of our suppliers and over 94% of our spend is in Australia.

The majority of our overseas suppliers are in the United Kingdom, Singapore and the USA and our suppliers utilising offshore locations do so from countries that are predominantly assessed as low risk of modern slavery. The map below illustrates the main countries from which our procured goods and services are sourced or produced:

The major categories of goods and services we procure on an ongoing basis are information technology (IT), professional services and property, banking services (includes lending and transaction services), and corporate and marketing. Our procurement spend is highly concentrated with 87% of our spend being with 10% of our suppliers.

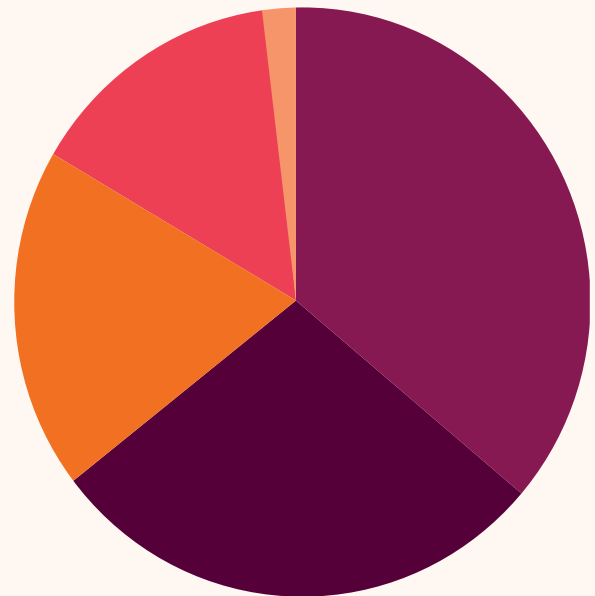


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Spend by Category



- INFORMATION TECHNOLOGY 36%
- BANKING SERVICES 28%
- CORPORATE & MARKETING 15%
- PROFESSIONAL SERVICES & PROPERTY 19%
- OTHER 2%

Our modern slavery risk exposure

We understand modern slavery can occur in many forms and encompasses eight types of serious exploitation including trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work) such as forced labour, child labour, domestic servitude, sex trafficking, and human trafficking. We also note that Asia Pacific is the highest risk region globally for modern slavery occurrence. Fundamentally, we acknowledge that modern slavery is about risk to people.

As a financial institution, there is a risk we may be connected to modern slavery and human trafficking through our own operations, but also through our business relationships.

Our approach to identifying modern slavery risk aligns to the continuum of involvement outlined in the UN Guiding Principles on Business and Human Rights which specifies companies can be involved with adverse human rights impacts either through their own activities or as a result of their business relationships.

Cause	A risk that we directly cause modern slavery through our own operations
Contribution	A risk that we contribute to modern slavery through our operations and/or actions in the supply chain
Direct link	A risk that our operations, products and services may be directly linked to modern slavery through the activities of entities with which we do business.

Our assessment of where our potential to cause, contribute or be directly linked to modern slavery is considered across the following five key areas within the Group's operations and supply chains.

Business area	Description of risk	Assessment of our potential to cause, contribute or be directly linked to modern slavery
Financial products and services	There is a risk that customers may use our products or services for activities that involve modern slavery	Moderate risk
Lending and investment	There is a risk we could lend to or invest in businesses involved in modern slavery, in particular through the agriculture and horticultural sectors	Moderate risk
Procurement	There is a risk that we could purchase goods and services where modern slavery was used in their creation or delivery	Higher risk
Employment	There is a risk of labour exploitation in our own workforce, particularly in our contracted workforce	Lower risk
Community investment	There is a risk that we support, directly or indirectly, via advocacy, donations, grants, sponsorships and/or partnerships, organisations involved in modern slavery	Lower risk

OUR MODERN SLAVERY RISK EXPOSURE CONTINUED

While we are exposed to the above key areas of risk in relation to modern slavery, our assessment is that our risks mainly arise from purchasing goods and services from third parties and being associated with customers' illegal activities. This process also informs our understanding of where we need to focus our controls.

In our operations

FINANCIAL PRODUCTS AND SERVICES

Through the provision of financial products and services to customers, there is a risk that we could be involved in modern slavery if our customers use our products and services for activities that involve modern slavery. For example, perpetrators of modern slavery practices, such as exploitation, could use our bank accounts to facilitate their criminal activities by transferring funds from victims or to themselves, or to launder the proceeds of these activities. Similarly, we could be connected to modern slavery if our customers themselves are the victims of modern slavery practices.

LENDING AND INVESTMENT

We recognise that there is a risk that through our lending activities we could lend to businesses involved in modern slavery, or those that have modern slavery in their supply chains. In our lending activities, the risks of modern slavery may be higher where the customer is associated with industries or countries that present a higher risk for modern slavery. Our customers and their operations are primarily based in Australia, which is considered to have a low risk of slave labour due to its robust legal frameworks and their high levels of implementation. We lend to customers operating or employed in a range of industries, some of which have a high risk of people being exposed to modern slavery. The industries with high risks of modern slavery include horticulture, construction and property. Modern slavery risks may also exist where our business customers source goods and services from countries with a high risk of slavery.

In the context of our investment activities, our subsidiary Sandhurst Trustees Limited manages our customers' investment portfolios by investing either directly in the market or indirectly through investment vehicles managed by a variety of

expert asset managers, including Sandhurst itself. Investments are made in a wide range of companies and assets – across asset classes, industries and jurisdictions. Where we invest directly in the market, there may be a risk of us investing in businesses involved in or with links to modern slavery. In the case of investments made indirectly through investment vehicles managed by third-party asset managers, there is also a risk of being exposed to modern slavery through the asset managers themselves or the industries, companies and projects in which they invest. Our ability to influence the level of modern slavery risks associated with the underlying investments in this instance is lower. The risks of modern slavery may be heightened where an investment is associated with industries or countries that are high risk for modern slavery.

EMPLOYMENT

There is a potential risk of modern slavery, in particular labour exploitation, in both our own workforce and our indirect (contracted) workforce. The financial services industry is generally considered to have a lower modern slavery risk, due to its highly skilled workforce typically employed directly and under employment terms and conditions governed by Australian employment laws.

Conversely, contracted workers present a higher degree of modern slavery risk. The frequent presence of outsourced service arrangements and offshore operations associated with contracted workers, means that the Group has less visibility and control over how workers are engaged. There tends to be a higher prevalence of subcontractors and independent contractors as well as migrant and unskilled workers who may have low awareness of their rights and available protections and are therefore more susceptible to exploitation.

COMMUNITY INVESTMENT

The Group is a proud community focused bank and has long history of engaging with, contributing to and supporting communities. Community investment activities are carried out through sponsorships, grants, donations, scholarships, appeals and community partnerships.

We acknowledge that through these community investment activities there exists a risk that we support, directly or indirectly, organisations involved in modern slavery.

In our supply chain

PROCUREMENT

Across the Group, we deal with a diverse range of Australian and overseas suppliers.

The Group recognises that through its supply chain it can be exposed to modern slavery through purchasing goods and services from suppliers who are either involved in modern slavery themselves or have modern slavery activities occurring within their own supply chains.

Examples of goods or services we procure where modern slavery has been identified to be a risk include:

- IT hardware and devices
- Office products and furniture
- Promotional merchandise
- Staff uniforms
- Low skilled labour such as cleaning and catering

As is the case in our lending and investment activities, the risks of modern slavery in our supply chain may be heightened where the goods or services we procure are manufactured in or with raw materials that are sourced from industries or countries that have a higher assessed risk of modern slavery. We recognise the risk is not limited to goods or services sourced from overseas and could also occur within Australia.

Our approach to addressing modern slavery risks

The Group is committed to continuous improvement and to ensuring that adequate policies, processes, systems and controls are in place to identify and mitigate modern slavery issues and risks within our business operations and supply chains.

Our approach to assess and address modern slavery is grouped into the following areas:

- Risks in our operations – further split into financial products and services, lending and investment, employment and community investment
- Risks in our supply chain
- Governance
- Training and awareness building
- Grievance and remediation
- Engagement and advocacy

At the core of our approach are efforts focused on training to uplift understanding and awareness of modern slavery, improvements to policies and processes and due diligence.

During the reporting period, we continued to take steps to strengthen our practices to identify and address the risks of modern slavery in our operations and supply chain. Our monitoring of the broader modern slavery risk environment was informed through a combination of third-party risk assessments, employee insights, reports published by industry and relevant civil society organisations, and our participation in industry networks and working groups.

Our cross-functional Modern Slavery Working Group continued to meet monthly to drive our approach to identifying and addressing modern slavery. During FY22 the working group developed the Modern Slavery Roadmap – an action plan and a key component of our strategy to drive forward and elevate our approach. Several actions from the roadmap have already been progressed. This roadmap will be reviewed on an ongoing basis as our approach develops and matures over time.

In addition to developing the Modern Slavery Roadmap, we continued to focus on further improving our understanding of where modern slavery risks exist in our operations and supply chain as well as further developing and integrating modern slavery management practices into our policies and processes. In particular, we concentrated on the following opportunities to improve our approach as identified in our FY21 Modern Slavery Statement:

- Development of an overarching human rights position
- Connectivity of modern slavery governance into our broader ESG governance
- Development of a Supplier Code of Conduct
- Inclusion of modern slavery contractual obligations in vendor agreements

In the following section we explain how we assess and manage modern slavery risks within our operations and supply chains.

In our operations

FINANCIAL PRODUCTS AND SERVICES

At the core of our approach to identifying and assessing modern slavery risks in our provision of financial products and services to customers, is the integration of modern slavery considerations within our financial crime processes.

FINANCIAL PRODUCTS AND SERVICES CONTINUED

There is a link between financial crime (particularly money laundering) and modern slavery. For example, criminal activities involving modern slavery such as child exploitation or human trafficking, often underpin the practice of money laundering. Our financial crime processes including customer due diligence, payment and customer screening and transaction monitoring activities, incorporate a risk-based approach to identifying, managing and mitigating the risk that our products and services might be used for money laundering or terrorism financing activities. These activities may also identify modern slavery activity by the Group's customers.

Our Financial Crime Risk function is responsible for performing transaction monitoring and analysis to identify money laundering and terrorism financing activities. This is performed through account monitoring techniques designed to identify red flags relating to modern slavery and additional due diligence investigations on customers deemed to be high risk of money laundering or terrorism financing. For example, key risk indicators of child exploitation form part of our transaction monitoring program. The Financial Crime Risk function also collaborate closely with the AUSTRAC Fintel Alliance, law enforcement agencies and other industry partners.

The team reviews all relevant financial crime risk typologies on an ongoing cycle including the Human Impact Typology which covers modern slavery. The function of these typology reviews is to record all known risk factors associated with the typology and review how these indicators can best be identified through our existing operational environment. In some cases this can result in the inclusion of rules within our transaction monitoring program as well as training and education to uplift employee ability to identify and report such instances to the Financial Crimes Risk team for investigation.

In addition to the activities undertaken by our Financial Crime Risk team, we have the following processes in place to help identify potential instances of modern slavery or human trafficking in our operations:

- Through our Know Your Customer (KYC) and due diligence processes we may identify concerns that require investigation.
- All our employees are required to report unusual customer activities or transactions detected through their interactions with customers or non-customers by submitting an Unusual

Activity Report (UAR). UAR forms are used to capture details about the customer/person that an employee interacted with; the transaction performed; and the details of the employee's concern/suspicion. All submitted UARs are investigated by the Financial Crime Risk team who carry out all required customer due diligence checks. This includes performing an investigation into the customer/persons involved, the transaction which triggered the concern, past transaction history and other elements of the customer relationship and behaviour. The outcome of the investigation completed by the Financial Crime Risk team determines the action that follows. This could include the closure or ongoing monitoring of a suspicion, recommendation to exit the customer through collaboration with relevant business units and risk teams, or the lodgement of a Suspicious Matter Report (SMR) with AUSTRAC where the investigation finds evidence of suspicious activity. In FY22, the investigations performed by our Financial Crimes Risk team identified that one UAR had a potential link to modern slavery and the underlying customer activities were associated with the labour supply industry.

We recognise our employees' ability to identify, detect and report modern slavery and financial crimes is dependent on their knowledge and awareness of modern slavery risks and management. We have a range of mandatory training modules aimed at building our employees financial crime obligations capability. In addition to these, this year a Modern Slavery Refresher Training module was developed with input from our Financial Crimes Risk, Business Banking and Consumer Banking teams. The rollout of this module is scheduled for early FY23. Our suite of training modules is designed to cover all types of financial crime, KYC obligations and processes, sanctions, as well as reporting responsibilities and processes.

LENDING AND INVESTMENT

Lending

The Group's credit risk policies help us to identify and manage modern slavery risk during the lending process. The policies require that modern slavery risks factors are considered during onboarding and ongoing review of our customers.

We know a higher risk of modern slavery exists within the agricultural and particularly horticultural sectors, so this year we focused on uplifting our understanding and management of modern slavery risks in our agricultural lending activities through the following actions:

Area of work **Modern slavery enhancement action**

Policies**Credit and lending policies**

A requirement has been introduced for all submissions for agricultural lending to consider factors related to labour practices and workplace conditions of our agribusiness customers. The following factors are required to be fully considered by our Relationship Managers in preparing lending submissions for both new borrowings and review of existing facilities:

- Seasonal, casual, and permanent labour utilisation at customers operation
- Tenure of individual labour – short term, long term
- High labour turnover
- How labour is sourced – direct/contractor
- Proximity of contractor – local/non-local
- Contract labour residence – i.e., on property/off property
- The living conditions for labour residing on property
- Whether cost of labour recorded in cashflows/financial statements reasonably reflect anticipated numbers/costs.

Any suspicions that may arise through the above process are required to be reported to the relevant Head of Sales and through the UAR process.

New policy requirements have been introduced to help identify and manage modern slavery risk in the credit process associated with the review of existing customer facilities. Modern slavery risks are required to be considered as part of each credit submission and Relationship Managers are required to attest that they have no suspicion that the customer is involved or associated with modern slavery. The policy also contains a provision whereby any indication of a customer's involvement in modern slavery practices forfeits their eligibility to be reviewed under our automated review process and a full review of their facilities is required to be undertaken.

The above policy changes were communicated to staff via the Rural Bank Business Bulletin and virtual training sessions.

Training

Targeted modern slavery training was delivered to Rural Bank sales and credit employees as part of a broader compliance obligation training workshop. This training reinforced modern slavery obligations and relevant policy updates including factors to consider when addressing modern slavery risks, high risk industries, staff obligations and their role in identifying modern slavery and process and reporting modern slavery. The training content from this session is available on the Group's intranet for ongoing staff reference.

Process enhancements

Sales and credit checklists have been updated to require an assessment of modern slavery risk for new lending and during facility reviews. Where modern slavery is suspected, confirmation that a UAR has been submitted is required.

These process enhancements were communicated to relevant employees through Rural Bank's internal business bulletin.

In addition to the above enhancements, this year we have continued our efforts to uplift the risk assessment capability across our lending portfolios through the development of a Modern Slavery Refresher Training module. The rollout of this module is scheduled for early FY23.

During the reporting period, we engaged a third-party specialist to undertake modern slavery risk assessments across our operational divisions (Business Banking, Consumer Banking and Rural Bank) and entities (Alliance Bank, Sandhurst Trustees and Leveraged). These assessments have informed and validated our understanding

of the high modern slavery risk industries in our lending activities.

In FY23 we will use these risk assessment results to validate and enhance our understanding of modern slavery risks across our operations and to inform our approach to effectively addressing those risks.

Investment

Our key funds management business Sandhurst Trustees has its own robust investment governance frameworks and risk management framework in place. The internal investment team uses a range of methods to analyse counterparties and make investment decisions, and where relevant consider ESG factors.

Sandhurst Trustees may be involved in investment decisions made by external asset managers where these are used to invest and manage portfolios on behalf of our customers. Sandhurst Trustees is committed to gaining a greater understanding of its investment partners' approach and processes in place to consider and mitigate modern slavery risks.

This is a more emergent aspect of our modern slavery program and we have committed to establishing and implementing robust processes to assess and address modern slavery risks under our Modern Slavery Roadmap.

EMPLOYMENT

The Group considers the risk of modern slavery within our direct employee workforce to be low. The vast majority of our workforce is employed directly with their employment terms and conditions set out in employment contracts governed by Australian laws. Furthermore, our direct workforce is predominantly employed on a permanent or maximum term basis.

In addition to this, we have a comprehensive employee policy framework which sets expectations regarding modern slavery, workplace behaviour, speaking up on misconduct and financial crime. These policies are communicated to our workers through training, ongoing monitoring and grievance mechanisms and include those listed in the table below. All employees are expected to abide by the strict requirements of our Code of Conduct, and applicable policies and procedures. Human rights and modern slavery references will be progressively incorporated in relevant people policies through our policy review process from FY23.

Nonetheless, we recognise that there may still be a risk of labour exploitation in our workforce and particularly in our contracted workforce. We consider our contracted (indirect) workforce to present

a relatively higher risk of modern slavery due to known labour rights issues with outsourced business operations, in particular those based offshore. Where we engage with external partners for the provision of services either under a statement of work or as a contractor, they are onboarded as part of the Group's procurement due diligence processes which incorporate modern slavery considerations.

Although the risk of causing, contributing or being directly linked to modern slavery through our employment practices is relatively low, we continue to take steps to manage the potential risks.

Policy	Description
Code of Conduct	Our Code of Conduct is a statement of our corporate ethics, philosophy and values, and underpins our business and individual decisions, actions and behaviours. The Code provides clear guidelines to all employees and directors of companies in the Group so that there is a common understanding of the values and expected standards of behaviour for all. The objectives of the Code are to make sure high standards of corporate and individual behaviour are observed in conducting the business of the Group, and to provide support for those behaviours. The Code guides us in making sure we conduct ourselves in a way that is respectful and that delivers fair outcomes for our customers, colleagues and stakeholders. Our Code of Conduct applies to all employees and directors of companies in the Group.
Whistleblower policy	<p>Our Whistleblower Policy is at the core of our risk management and corporate governance framework. The Policy outlines the processes and protections eligible whistle-blowers are entitled to if they raise a whistleblower concern, including any in relation to slavery or human trafficking.</p> <p>Both the Whistleblower Policy and Code of Conduct have been developed to promote a culture where people feel safe to report any issue or behaviours that are of concern. We encourage all members of the Group to be bold and open in challenging the way we do things as this is a fundamental part of our culture.</p>
Group Anti-slavery and Human Trafficking Policy	We have embedded our modern slavery risk management approach through our Group Anti-slavery and Human Trafficking Policy. This policy outlines our commitment and process for managing modern slavery risks in our business activities and operations and the governance and oversight in place to support these commitments.
Modern Slavery Policy	Our modern slavery risk management approach is also embedded in our lending activities through the Modern Slavery Policy. This policy is applied by employees involved in all stages of the credit lifecycle including credit applications, credit decisioning and reviews, and credit reporting.
Anti-bribery and Corruption Policy	<p>The Anti-bribery and Corruption Policy outlines our commitment not to engage in bribery or corruption and required compliance with State and Federal anti-bribery and corruption laws. It also details the Group's expectations of conduct to protect the reputation of the Bank and staff. The Policy covers four key areas:</p> <ul style="list-style-type: none"> · Bribes and corruption · Gifts and entertainment · Political donations · Inaccurate records
Customer Feedback Management Policy	Our Customer Feedback Management Policy welcomes both Group employees and members of public to record expressions of dissatisfaction or concern.

COMMUNITY INVESTMENT

To identify the risks of modern slavery in our community investment activities, we conducted an initial risk assessment of the Community Enterprise Foundation's community investments based on geographic risk. With 100% of community investments currently in Australian communities only, we assess the overall risk of modern slavery in our community investments as relatively low. The Foundation does not make direct community investments outside of Australia and indirectly funds overseas charitable projects solely through Australian

registered charities where their purpose is to support overseas aid and development. While it can fund overseas projects, the Foundation predominantly focuses on helping and investing in Australian communities in the first instance.

The following characteristics of our approach to community investment also lessen the likelihood of modern slavery risk:

- Recommendations for funding are often made by our Community Banks in respect of projects in their local communities which are characterised by existing relationship connections and close insight of project objectives
- A large proportion of our community investment is directed toward funding grass root community groups which are often volunteer run and operated

The Foundation's Community Development Policy sets out how it meets its compliance obligations in relation to the making of donations and administration of grants. Under this policy all new fundraising appeals are subject to a legal and reputational review before being approved by the Group Managing Director.

During the reporting period, we engaged a third-party specialist to undertake a modern slavery risk assessment across our community investments more than \$100,000.

In FY23 we will use the risk assessment results to enhance our understanding of modern slavery risks in our community investments and to inform the development of our approach to effectively addressing those risks. This includes undertaking an in-depth review of our community investment due diligence and relevant policies to integrate modern slavery risk considerations into our existing processes and policies.

In our supply chain

PROCUREMENT

The Group has a range of controls to assess and manage the risk of modern slavery in its supply chain. Most of the goods and services procured by the Group are managed through the Group's centralised Enterprise Procurement function. When sourcing goods or services, all suppliers are subject to due diligence activity to some extent. We take a risk-based approach meaning that the greater the supplier's inherent risk, the greater the extent of risk assessment and the more controls we have in place.

Due diligence and risk monitoring

Our consideration and assessment of modern slavery risk initially occurs during the supplier selection process. At this stage of the process, an initial, high-level consideration of modern slavery risk is carried out by the relevant business unit as part of their request to make a new purchase and engage a supplier. In FY22, additional modern slavery evaluation criteria have been included in our tender documentation. The extent of this criteria is determined based on the assessed modern slavery risk profile associated with a supply arrangement. If deemed to be required, a third-party supply chain consultant is engaged to undertake a further assessment of modern slavery risk in relation to a specific supplier.

In addition to undertaking an assessment of modern slavery risks during the supplier selection and onboarding processes, assessments are also conducted throughout the supplier engagement lifecycle. During the reporting period we worked with a third-party globally recognised supply chain consultant to enhance our supplier risk assessment approach by implementing a modern slavery risk monitoring platform. This tool facilitates the detection of modern slavery presence and activity in our supply chain and has helped us identify those suppliers and contracts with a high and medium modern slavery risk. The underlying assessment criteria consider factors including industry, geography and product risk. As a result of this process, approximately 0.7% of our total suppliers have been assessed as high inherent risk suppliers. We are undertaking a retrospective review and additional due diligence in relation to these suppliers to confirm if modern slavery practices exist within the supply arrangements and to ensure supplier contracts contain relevant modern slavery clauses.

Key actions in FY22

In FY22 we undertook a number of activities to embed enhanced controls into our contracting and procurement practices to mitigate the risk of modern slavery in the Group's supply chains. In addition to continuing our efforts to enhance our understanding of risks associated with our medium and high-risk suppliers and investing in technology, we also improved various due diligence processes; and further uplifted the capability of our procurement team members. Further detail about these enhancements is outlined below:

We have developed and published our [Supplier Code of Conduct](#) (SCC), which sets out our minimum expectations for suppliers including in relation to modern slavery. The SCC is required to be acknowledged by all our high and medium modern slavery risk suppliers. In FY23, we will commence the implementation of the SCC by embedding it into our governance and processes.

Modern slavery clauses have been inserted into the Group's standard tender evaluation and vendor agreement templates. These require suppliers to confirm their commitment to not using forced labour, slavery or servitude and to have in place policies and processes for managing modern slavery risks and ensure compliance with relevant modern slavery laws.

In addition to the supplier risk assessment capability provided through the modern slavery risk monitoring platform outlined above, the platform also provides supplier tracking and alerts where modern slavery issues are identified on an ongoing basis. The supplier population monitored through this platform includes our medium and high-risk suppliers as well as most of our low-risk suppliers. In relation to the low-risk suppliers the process currently monitors 1,500 out of 2,000 active suppliers, with the remaining 500 having a modern slavery risk assessment rating of very low. This dashboard alerts system is monitored by our Enterprise Procurement team. There have been no material issues identified in FY22 relating to the Group's suppliers that have warranted action by us.

In addition to some of the commitments delivered above, last year we made several additional supply chain commitments which we planned to operationalise during FY22. We have made good progress in relation to a number of these, however some are still in progress and have been identified as priorities for FY23 and outlined in the 'Ongoing commitment and future focus' section of this Statement.

Where an instance of non-compliance with the Group's Supplier Code of Conduct is identified or we become aware of a supplier's involvement in an incidence of modern slavery, our approach is to partner with the supplier in the first instance and engage with them to establish a clear action plan to remedy the breach and provide an outcome for affected workers. If the non-compliance is

sufficiently serious or the supplier does not cooperate in remediation, we may terminate our business relationship with the supplier.

During this reporting period, no suppliers were identified to require a specific remedy to address modern slavery concerns.

Supply Chain Case Study

CORPORATE UNIFORM SUPPLIER REVIEW

In 2021, we undertook a review of the supply chain of our corporate uniform providers. The intent of the review was to understand and manage key risks associated with modern slavery. A modern slavery risk exists when we use suppliers who rely on offshore supply chains, as we have limited visibility of their operations and factories. This risk is heightened when goods are made by base skilled workers on a demand basis (e.g. the textile industry).

As part of the review, we:

- Sought information regarding the location where goods or services are being provided from (the specific overseas province/state/city)
- Confirmed the name and details of sub-contractors used, including the specific province(s)/state(s)/city(ies) they each operate in
- Reviewed recent audits conducted on sub-contractors by independent third parties regarding the presence of slavery and human trafficking (including how frequently audits are carried out, risks, corrective actions, and receipt of a copy of the audit where practicable)
- Uplifted our modern slavery clause to ensure the supplier is accountable for: the acts or omissions of sub-contractors; and apply an appropriate level of rigor in their own sub-contractor agreements
- Set a precedent on the information and frequency of the audits going forward (i.e. findings, corrective actions, and status of action delivery – with progress to be advised on a quarterly basis)

In summary, we have found our suppliers have been willing to work with us to minimise modern slavery risks and have provided us with information requested as part of the review. Going forward, we will continue to conduct due diligence checks to track the progress of any risks and ensure best practice is adhered to.

Modern slavery governance

Our modern slavery modern slavery program of work is operationalised at business division level. The governance approach facilitated through our central Modern Slavery Working Group which meets monthly, promotes ongoing consultation with these business divisions and entities on modern slavery due diligence and the outcomes of these activities are reported annually in our Modern Slavery Statements.

The Group has established the following governance structure to engage senior leaders and business divisions in addressing modern slavery and to ensure appropriate oversights over the Group's management of human rights.

Board Audit Committee (BAC)	This year we have enhanced our governance of modern slavery by connecting it into our broader ESG governance processes. As a result, BAC is responsible for monitoring and providing oversight of actions under the Group's Modern Slavery Roadmap. This committee is the primary conduit to the Board for all ESG matters and reporting. To date, modern slavery updates of a general nature have been reported to the committee as part of our regular ESG reporting at every meeting. We will commence providing the committee with a quarterly progress update against our Modern Slavery Roadmap in FY23.
Board Risk Committee (BRC)	Responsible for reviewing and approving of the Group's Anti-slavery and Human Trafficking Policy and reviewing the Group's Modern Slavery Statement and recommending it to the Board for approval.
Operational Risk Committee (ORC)	Responsible for reviewing the Anti-slavery and Human Trafficking Policy and recommending it to the BRC for approval.
Boards of subsidiaries	Responsible for reviewing and endorsing the Modern Slavery Statement for approval by the Group Board.
Executive and Business Unit Heads	Responsible for: <ul style="list-style-type: none">· Identification and assessment of modern slavery risks in the Group's operations and supply chain· The appropriateness of remediation activities· Implementation of the Modern Slavery Roadmap· Endorsing the Modern Slavery Statement for approval by BRC and the Board
Modern Slavery Working Group	Communicates modern slavery roadmap updates to the BAC which reviews, approves and discusses information in relation to the program of work, its outcomes and controls.

Training and awareness building

Building the capacity of our teams through education is part of our approach to continuous improvement. Our modern slavery awareness raising approach currently comprises the following initiatives:

- A general modern slavery awareness online leaning module (Anti-Money Laundering and Counter-Terrorism Financing Awareness). This is mandatory training for all Group employees and is required to be completed on commencement of employment and every two years thereafter. The training helps inform broader awareness of modern slavery, the red flags or key indicators to alert of potential risks of modern slavery, and how to appropriately report the matter. In FY22, 1,373 employees completed this module. In addition to this, our Financial Crimes Risk, Business Banking and Consumer Banking teams participated in the development of a Modern Slavery Refresher Training module which will be rolled out to all employees during FY23.
- The Group's procurement training program includes modern slavery information specifically targeted at business unit heads and procurement employees that engage with third-party suppliers.

This year our Enterprise Procurement team participated in an externally facilitated modern slavery risk and awareness training workshop to increase their capabilities and understanding of modern slavery risks in our supply chain. Plans are underway to roll out this training to other key stakeholders across the Group.

Additionally, sales and lending employees in our Rural Bank division received targeted modern slavery training as part of a broader annual training workshop. This training reinforced modern slavery obligations, factors to consider in addressing modern slavery risks, employee obligations and their role in identifying modern slavery and process and obligations regarding how to internally report suspected unusual activity. The training content from this session is available on the Group's intranet for ongoing employee reference.

Grievance mechanisms and remediation

We know that effective grievance mechanisms and remediation are essential to identifying and addressing modern slavery risk.

The Group is committed to promoting a culture of integrity and ethical behaviour, where all of our decisions, actions and behaviours reflect and reinforce our corporate values and Code of Conduct. We encourage all our employees to 'speak up' if they see or hear something that concerns them. We have multiple channels through which concerns about modern slavery can be raised:

	Employees	Suppliers	Customers	Community
Whistleblower Service	Our Whistleblower Service is available by phone, email, post and online through a secure online portal, to internal and external stakeholders to report an activity that may involve unethical or illegal behaviours. The service is operated by an external provider to allow to anonymity, if desired. All reports are investigated and responded to by the Group. For our internal stakeholders, whistleblower concerns can also be raised internally to several dedicated roles including Directors, Executives, Group audit team, the Company Secretary or the Whistleblower Program Officer. For our Community Bank and Alliance Bank employees and Directors, whistleblower concerns are raised under their individual company policies, unless it is not appropriate to do so, in which case the concern may be raised under the Group Whistleblower Policy.			
Group Procurement Team	Our business units and suppliers may raise queries or concerns directly with our Group Procurement team who will then assist with determining an appropriate remedy.			
People Advisory Centre	Our employees can contact our People Advisory Centre to seek advice on any 'speaking up' matter.			
Financial Crime Risk	Our employees may report concerns related to any form of financial crime including fraud, corruption, or abuse of position to our Financial Crime Risk team.			
Customer Feedback Team	<p>In addition to dedicated customer feedback channels for each of our brands, our Customer Feedback Team is accessible to all Group customers to listen and represent their voice. Whilst this is a general customer feedback service, it can also be used to report concerns related to modern slavery.</p> <p>All complaints are acknowledged, assessed, and investigated and responded to.</p>			

We recognise that we need to continually strive to improve opportunities for workers to raise issues through our grievance mechanisms and we are also committed to engaging in remediation where appropriate.

Engagement and advocacy

During the year, the Group continued to participate in the Australian Banking Association Human Rights Working Group and contribute towards the development of practical responses to instances of modern slavery in the banking industry. We have also started to explore joining the United Nations Global Compact initiative and to this end have attended (in an observer capacity) the Global Compact Network Australia Modern Slavery Community of Practice.

We recognise the importance of working with peers and across industry to address modern slavery, add value by sharing our approach and experience, and learn from others. We will continue to seek out new partnerships which contribute to these aims.

We endorse the ambition of the United Nations Sustainable Development Goals (UN SDGs) as a global pathway to end poverty, protect nature and ensure peace and prosperity. We support customers and communities by contributing across four SDG areas (SDG 5 Gender equality, SDG 10 Reduced inequalities, SDG 11 Sustainable cities and communities and SDG 13 Climate action) that are aligned to our material ESG topics. Our work on modern slavery is one part of actioning our commitment.

Assessing the effectiveness of our approach

We understand that assessing the effectiveness of our actions to manage and mitigate modern slavery risks in our operations and supply chain is key in knowing that we are genuinely managing our risks. Furthermore, this process informs areas of future focus to improve on our approach.

We have several processes in place to ensure effective modern slavery risk management. These include:

- **The Modern Slavery Roadmap:** which sets out our plan of action to respond to modern slavery risks.
- **Modern slavery governance:** we have strong and established governance frameworks in place to oversee and report on modern slavery risks.
- **Assessment processes:** Various processes in place to ensure effective assessment of modern slavery risks across our operations and supply chain including our internal reporting process for suspicious or unusual activity detected by our employees.
- **Stakeholder engagement:** Engaging with our employees and suppliers ensures awareness of modern slavery and understand obligations.

Our current indicators of the effectiveness of our approach to identifying, assessing, managing, mitigating and reporting modern slavery risk include the following:

Focus area	Indicator
Governance	% policies reviewed and updated to include modern slavery considerations
	Number of Board engagements during the reporting period
Training & awareness	Number of employees who completed the modern slavery general awareness training online module: 1,373 in FY22
	% modern slavery training completion rate for relevant employees: 94% in FY22
Procurement & supply chain	Number of suppliers with medium and high modern slavery risk that have undergone additional due diligence. FY22: Assessment currently underway
Grievances & reporting	Number of reports of slavery or trafficking through the Whistleblower Service. FY22: 0
	Number of modern slavery issues raised via our transaction monitoring processes. FY22: 0

We recognise we have more work to do to effectively measure and assess our actions and are committed to continuing to work on the best approach to achieve this. This commitment is embedded in our Modern Slavery Roadmap under which we are currently refining an agreed set of effectiveness measures to start monitoring and reporting on in FY23.

Consultation with Group entities

Our Modern Slavery Working Group is the key engagement and consultation mechanism across the Group. The working group's cross-functional representation includes Risk, Compliance, Enterprise Procurement, Financial Crime, Human Resources, Social Purpose, ESG and Sustainability, Corporate Affairs, as well as our consumer, business banking, agribusiness and wealth businesses. The working group meets monthly to collaborate on the requirements of the Modern Slavery Act, the Group's approach to assessing and addressing the risks of modern slavery in its operations and supply chains and to enable members to contribute content for the preparation of this Statement.

Our ongoing commitment and future focus

We intend to strengthen our response to modern slavery by undertaking the following actions in FY23 onwards:

Continue to uplift our investments and community investment response to modern slavery by conducting an in-depth review of due diligence and relevant policies and integrating modern slavery factors into our existing processes and policies

Implement new procurement software tools to consolidate a number of existing supplier management processes including tender documents and contract templates

Embed the Supplier Code of Conduct in our existing governance and operational processes

Introduce regular modern slavery supplier survey requirements for high-risk suppliers

The Group Anti-slavery and Human Trafficking policy will be reviewed

Finalise and implement our overarching corporate position on Human Rights

Continue to identify further industry collaboration opportunities

Continue to deliver our Modern Slavery Roadmap principles and embed across our business, with partners and suppliers.

This Statement has been approved by the Board of Bendigo and Adelaide Bank on 29 November 2022 in their capacity as principle governing body of the Bendigo and Adelaide Bank Group.



Jacqueline Hey

Chair

29 November 2022



Marnie Baker

Managing Director

29 November 2022

APPENDIX 1: MODERN SLAVERY ACT MANDATORY CRITERIA

The table below sets out where each criterion under section 16 of the Act is addressed within this Statement.

Mandatory criteria	Modern Slavery Statement 2022 section reference
1) Identify the reporting entity.	Disclosure notes (p.2)
2) Describe the reporting entity's structure, operations and supply chains.	Our business structure, operations and supply chain (p.5)
3) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Our modern slavery risk exposure (p.8)
4) 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	Our approach to addressing modern slavery (p.10)
5) Describe how the reporting entity assesses the effectiveness of these actions.	Assessing the effectiveness of our approach (p.19)
6) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	Consultation with Group entities on developing this Statement (p.20)
7) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Our ongoing commitment and future focus (p.21)



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1814707-1814295 (12/22)