

## MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2020/2021

This statement discloses the actions taken by Auswide Bank Ltd ABN 40 087 652 060 (“Auswide Bank”) to mitigate slavery and human trafficking in our business and supply chain, during the reporting year ended 30 June 2021. This statement has been prepared to comply with the requirements of section 16 Modern Slavery Act 2018 (Cth).

### Our Position

Auswide Bank is committed to developing, maintaining and improving systems and processes to avoid being complicit in human rights violations. We understand that slavery and human trafficking can occur in many forms and we aim to identify and manage risks related to human rights abuse across our organisation and our supply chains.

### Our Business

For over 50 years, Auswide Bank has been providing an extensive range of retail and commercial banking products and services to our valued customers. We have grown from a regional building society, becoming Australia’s 10<sup>th</sup> ASX listed bank in 2015 with a predominantly Australian customer base made up of approximately 85,000 customers. Auswide Bank is Australian based with a branch distribution network across Queensland. Auswide Bank has the below related entities:

- Auswide Performance Rights Pty Ltd ABN 19 096 925 736 is the trustee company for the Auswide Performance Rights Plan, set up to assist in the retention and motivation of executives, senior managers and qualifying employees; and
- Widcap Securities Pty Ltd ABN 67 010 578 202 is a wholly owned subsidiary which acts as the manager and custodian for Auswide Bank’s Warehouse Securitisation programs.

During the reporting period this statement covers, Auswide Bank actively engaged and consulted with the above entities to address the requirements of the Modern Slavery Act 2018. The directors of the above entities are also directors and board members of Auswide Bank and these entities are wholly owned subsidiaries of Auswide Bank.

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## Our Staff

Auswide Bank employs over 250 staff members who are primarily located throughout our branch network and corporate offices located in Queensland and with broker representatives located in NSW and Victoria.

## Our Workplace

Auswide Bank is committed to complying with relevant local and national laws in relation to workplace conditions. This includes a zero tolerance for any form of discrimination or harassment in the workplace. Auswide Bank is committed to ensuring workplace conditions meet at least minimum standards in relation to wages, hours of work, leave provisions and the health, safety and wellbeing of employees, contractors and visitors. Auswide Bank also supports diversity in the workplace and has outlined how it will achieve and maintain this through its' Diversity Policy.

For complaints relating to bullying and harassment employees are encouraged to lodge complaints with their Reporting Manager or through the use of Auswide Bank's whistleblower mechanism which is provided through an external service provider to ensure anonymity is maintained.

## Our Customers

Auswide Bank has both lending and investment operations. Our services are largely provided to individual retail customers for their homes, cars and everyday living purposes.

Business Banking – serves the needs of our business, corporate and agribusiness customers across the full range of financial service solutions. Our commercial loan portfolio makes up approximately 2.7% of Auswide Bank's loan book. Auswide Bank has recently changed its' strategy in relation to business lending and has put in place a pause on this type of activity until further notice.

Retail Banking Services – Auswide Bank provides simple, convenient and affordable banking products to more than 85,000 retail customers predominantly located in Queensland.

Mortgage Lending – 97.8%

Personal Lending – 0.7%

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## Our Supply Chain and Operations

Auswide Bank accesses a supply chain made up of around 105 contracted service providers, in the following sectors:

- 38% - Property services which includes services such as document shredding, air-conditioning maintenance, cleaning services etc;
- 34% - Specialty services which includes settlement processing, chequebooks, card related services ;
- 15% - Information, Communications and Technology (“ICT”);
- 8% - Human Resources services
- 5% - Professional services including legal and audit related services.

The majority of our supplier base comprises property or specialty services in support of our direct banking operations.

## Policies & Governance

Auswide Bank is committed to high standards of corporate governance. Our commitment to human rights is supported by policies and processes that mitigate risks of slavery and human trafficking.

Policies we have in place as a licensed financial services provider:

- AML/CTF Compliance Plan;
- Fraud and Corruption Control Plan;
- Customer Experiencing Vulnerability Policy;

Policies we have in place as a licensed credit provider:

- Consumer Credit Policy;
- Business Banking Lending Policy

Policies we have in place as the purchaser of goods:

- Contract Management Manual;
- Modern Slavery Policy & Risk Assessment Manual;
- Outsourcing Risk Management Manual;

Policies we have in place as an employer:

- Diversity Policy;
- Remuneration Philosophy and Performance Management Framework;
- Code of Conduct and Ethics;
- Whistleblower Protection Policy.

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## Training and Employee Awareness

Auswide Bank has sourced and rolled out a modern slavery training module to all employees involved in the contract management process. This training highlights the importance of identifying risk of modern slavery in Auswide Bank's supply chains, how to identify and assess that risk and the action we may require to mitigate that risk.

These Auswide Bank employees receive annual training on what constitutes modern slavery, how to identify it, escalation processes to report it and Auswide Bank's zero tolerance for modern slavery in its' workplace, customers and supply chains.

## Modern Slavery Risk Management and Due diligence Process

As a financial services organisation with a professional workforce based predominantly in Queensland, Auswide Bank considers the risk of modern slavery within its direct business operations to be low. Auswide Bank complies with the Fair Work Act requirements when engaging employees. Auswide Bank however recognises that through its supply chains it can be indirectly exposed to the risk of modern slavery.

Using information gathered in our risk assessment and due diligence processes which we undertook Auswide Bank has identified which high risk suppliers or sectors of our supply chain we are best positioned to influence in a positive way. We achieve this by making our suppliers accountable for assessing modern slavery in their own supply chains.

For all agreements being entered into since the commencement of the Modern Slavery Act 2019 Auswide Bank requests the inclusion of a contractual obligation on the service provider to comply with the legislation and report any non-compliance to Auswide Bank. We also request service providers to complete a Modern Slavery Risk Assessment to identify any inherent risks the service provider might be exposed to in their supply chain.

## Assessment of Effectiveness

Auswide Bank uses key performance indicators (KPIs) to measure how effective our actions are in identifying and addressing modern slavery practices in any part of our operations and supply chains.

Since the previous 2019/2020 reporting year Auswide Bank assesses its effectiveness in four key performance areas:

- Staff completion rates for modern slavery training;
- Percentage of new agreements with modern slavery clauses included;
- Number of suppliers completing the modern slavery risk assessment; and
- Number of suppliers with published Modern Slavery Statements.

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100% of Auswide Bank staff who have been nominated to complete the modern slavery training have successfully undertaken and completed the module.

Auswide Bank has now assessed 76% of its' contracted service providers and note the following:

- 41% of Auswide Bank's service providers have now been assessed as low risk based upon completion of a Modern Slavery Risk Assessment identifying no inherent risk for modern slavery, or inclusion of a contract clause, or a published Modern Slavery Statement evidencing the service provider's modern slavery commitment;
- 35% of Auswide Bank's service providers have provided a Modern Slavery Risk Assessment which indicates some inherent indicia of modern slavery, such as engaging service providers in higher risk jurisdictions or industry sectors. Auswide Bank will review each of these service providers over the next reporting period to gather additional information in relation to the risk associated with each service providers supply chain. Auswide Bank will also work with each of these service providers to have contractual obligations included in the service provider agreement during the next contract review cycle.

The remaining 24% of Auswide Bank's service providers have not returned a Modern Slavery Risk Assessment as per our request, nor do they have a published Modern Slavery Statement. These service providers are from the following supply chain areas:

- 45% - Specialty services;
- 30% - ICT
- 5% - Property Services.

The expenditure ratio for these service providers represents 2.25% of Auswide Bank's total outsourced service provider expenditure.

Auswide Bank will continue to contact these service providers until such time as it is able to obtain the required information and form an assessment of the residual risk.

Over subsequent reporting periods Auswide Bank will continue to review and enhance these KPI's and develop further metrics to assess the effectiveness of our actions. This will be particularly relevant to the agreements where risk assessments have been completed and which have indicia that may indicate a higher inherent risk of modern slavery in that supply chain.

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## COVID-19 and our Modern Slavery Response

The impact of COVID19 has been widespread around the globe. Auswide Bank appreciates that this has increased vulnerability for those who were already in a vulnerable position and has placed many others into a position of vulnerability as a result of the pandemic. Our COVID-19 response has been focused on keeping our staff safe in their work environments and at home. Staff were authorized to work from home and additional sick/carer leave days were provided for anyone who had to undergo COVID-19 testing.

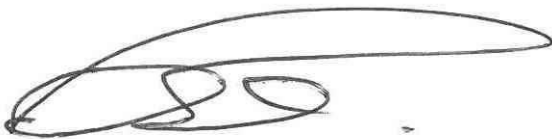
Within our supply chain we acknowledge during this period there have may have been an additional risk of modern slavery in products which experienced a rapid increase in demand during this period. This included products such as personal protective equipment.

During this period we also identified there would be a number of customers who, as a direct or indirect result of COVID-19 would experience financial hardship. Auswide Bank had all available staff redirected to providing support to these customers during this time.

Auswide Bank also developed and rapidly deployed alternative services to allow for customers to undertake their everyday banking needs without having to physically attend a branch. Electronic customer identification services were deployed, Customer Hub staff increased and internet banking facilities supported during this period.

This Statement was approved by the Board of Directors of Auswide Bank.

Signed,



**MARTIN BARRETT**  
Managing Director

**Dated: 14 December 2021**

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