

Modern Slavery Statement

2023/2024



Small things. Big difference.

Our Position

Auswide Bank is committed to developing, maintaining and improving systems and processes to avoid being complicit in human rights violations. We understand modern slavery 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.



This Modern Slavery Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and relates to the financial year 1 July 2023 to 30 June 2024 (the Reporting Period). The reporting entity is Auswide Bank Ltd ABN 40 087 652 060 ("Auswide").

This statement covers Auswide and its subsidiaries and related entities (which are not reporting entities in their own right):

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

During the reporting period Auswide 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, and these entities are wholly owned subsidiaries of Auswide.

Our Business

For over 50 years, Auswide 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 10th ASX listed bank in 2015 with a predominantly Australian customer base.

Auswide is Australian based with a branch distribution network across Queensland as well as Australia-wide lending via a broker network and provides its customers with access to the following products and services:

- > Transaction Accounts
- > Saving and investment Accounts
- > Personal loans
- > Residential Investment Loans
- > Commercial Loans
- > Business Loans
- > Visa Credit Cards
- > Visa Debit Cards
- > Insurance
- > Business Transaction Accounts

Our Staff

Auswide Bank employs over 300 staff members who are primarily located throughout our branch network and corporate offices located in Queensland, along 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 has both lending, investment and day to day banking operations. Our credit products are largely provided to individual retail customers for their residential homes or investment properties, motor vehicles and everyday living purposes.

Our retail banking services provide simple, convenient and affordable banking products to more than 85,000 retail customers who are predominantly located in Queensland.

Our Supply Chain and Operations

Auswide accesses a supply chain made up of around 200 contracted service providers necessary in order to provide us with goods and services that we need to support the provision of banking services to our customers.

Key services include:

- > ICT (computer, communication, IT and software) providers
- > Consumer credit reporting
- > Employment and recruitment services
- > Government services
- > Identify verification Services
- > Post and Telecommunications
- > Professional services including legal and audit services
- > Property services which includes services such as document shredding, air-conditioning maintenance, cleaning services etc;
- > Specialty services which includes settlement processing, chequebooks, card related services
- > Utilities
- > Other business services

Our supply chain and their services are provided through their operations based in Australia. Some of our major ICT service providers are international companies but deliver their services to Auswide through operations based in Australia and are fully aware of their modern slavery responsibilities and include relevant statements committing to these principles in their contracts.

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 modern slavery.

In contract negotiations, review and renewal we make sure our suppliers are aware of our policies and our requirement for them to adhere to the same high standards.

Policies have been developed by specialist staff, approved by the Board and implemented through our internal communication channels.

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 the purchaser of goods and services include:

- > Contract Management Procedure;
- > Modern Slavery Policy;
- > Risk Assessment Manual;
- > Outsourcing Policy.

Policies we have in place as an employer include:

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

Training and Employee Awareness

Auswide has developed and rolled out a training program to support its policies which includes a modern slavery training module that is provided to all employees. This training module highlights the importance of identifying the risk of modern slavery in Auswide's supply chains and customer base and Auswide's zero tolerance for modern slavery.

Auswide employees are required to undertake this training module within the first 4 weeks of employment and thereafter on an annual basis. It informs the trainee what constitutes modern slavery; how to identify it and assess the risk; and the escalation processes to report it.



Risks of modern slavery practices in Auswide's operations and supply chains, and actions taken to assess and address these risks

Auswide's potential exposure to modern slavery practices (through causing, contributing to, or being directly linked to modern slavery), may occur as a result of malpractice in three areas:

- > directly by Auswide to our employees, contractors and suppliers;
- > indirectly through practices by third parties engaged by Auswide; or
- > through our operations as a bank and as a credit provider

As a financial services organisation with a professional workforce based predominantly in Queensland, Auswide considers the risk of modern slavery within its direct business operations to be low due to the strong risk controls in place. These include:

- > Processes and procedures in place to ensure Auswide complies with all laws, including employment and labour laws. For example, Auswide complies with the Fair Work Act requirements when engaging employees.
- > Strong compliance and risk management practices, policies and systems which include controls to ensure compliance with obligations, such as labour laws, activities to provide assurance that this is occurring, and processes for identifying and rectifying incidents and issues. These include Auswide's external independent whistleblowing service, and vetting of potential employees.
- > Auswide's Values include a commitment to be Ethical and operate in a sustainable workplace
- > Auswide is an ASX listed entity, and subject to various regulatory licences, including holding an AFSL and ACL.

Auswide recognises however, that through its supply chains and customer base, it can be indirectly exposed to the risk of modern slavery.

Using information gathered in our risk assessment and due diligence processes, Auswide 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 holding 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 requests the inclusion of a contractual obligation on the service provider to comply with the legislation and to report any non-compliance to Auswide. We also undertake a modern slavery risk assessment on all new service providers to identify any inherent risks the service provider might be exposed to in their supply chain. Our service providers are reviewed on a regular basis and a modern slavery risk assessment undertaken as part of the review process.

Auswide appreciates that it may have customers who are at higher risk of modern slavery abuse, particularly those customers working in high-risk industries, such as agriculture. However, Auswide considers its exposure to the risks of modern slavery practices through its banking services, and its provision of credit, to be relatively limited.

This is based on a number of factors:

- > the services provided are predominantly focused in Australia
- > the nature of the products offered are for personal use, and thus unlikely to support or link to modern slavery practices
- > where Auswide lends to businesses or consumers it has controls in place to identify the purpose of the loan
- > Auswide has strong customer onboarding and screening controls in place to meet its Know Your Customer requirements under its AMLCTF obligations
- > Auswide's ongoing customer due diligence processes such as transaction monitoring includes rules to identify patterns that may fit those associated with modern slavery practices. These rules are reviewed on an ongoing basis based on our experience and that of others in the industry and feedback and typologies provided by the regulator.

Assessment of Effectiveness

Auswide assesses that the actions and approach to its assessment of its exposure to modern slavery practices to be effective and appropriate.

These include:

- > Auswide will use a number of indicators to help measure how effective our actions are in identifying and addressing modern slavery practices in any part of our operations and supply chains:
- > Staff completion rates for modern slavery training;
- > Through alerts generated from the changes made to our transaction monitoring rules which may show a typology considered indicative of potential modern slavery behaviour based on discussion with relevant regulators, external industry sources and forums, and media reports
- > Percentage of new and/or renewed agreements with modern slavery clauses included

Auswide will continue to review its assessment methodology, processes and controls and further develop these as needed over time.

Activity since previous statement

Auswide has reviewed its third party management and transaction monitoring rules during FY24. It has strengthened its controls over the management of third parties and made adjustments to and/or introduced additional transaction monitoring rules, specifically in the area of modern slavery. These changes are designed to ensure improved supplier due diligence ahead of engagement and identify customer behaviour that might be indicative of modern slavery practices.

Auswide requires suppliers to adhere to its position on modern slavery through the supplier selection process. Existing suppliers are required to respond to Auswide's requirements during their periodic reviews and/or contract rollover. Each new contract, or existing contract review must include a modern slavery risk assessment.

Future activity

Through 2025 Auswide will continue to investigate areas to enhance its reporting and mitigation of supplier risk.

For example via:

- > improved metrics to better identify the areas/services that might present Auswide Bank with the greatest risk to modern slavery
- > ongoing review and assessment as to whether the existing controls in place are sufficient or whether further controls should be implemented
- > review of existing suppliers against Auswide's modern slavery requirements and, as part of this review, to include external sources of information such as adverse media reports on suppliers identified as being of higher risk of modern day slavery
- > ongoing review and refining of our AMLCTF transaction monitoring and onboarding rules to ensure we reduce the risk of onboarding customers who may present increased risk of modern slavery
- > ongoing review and refinement of our training and communications to our staff.

Submission

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

Signed,



Doug Snell
Managing Director
December 2024





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1300 138 831 | auswidebank.com.au



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