



Great
Southern
Bank

Modern Slavery Statement

Reporting Period 1 July 2021 – 30 June 2022

1.0 About This Statement

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (**the Act**) for Credit Union Australia Ltd (ABN 44 087 650 959) trading as Great Southern Bank (**Great Southern Bank**).

1.1 Statement Period

This statement is relevant for the period **1 July 2021 to 30 June 2022**.

1.2 Contents

This statement has been prepared to meet the mandatory requirements of the Act.

Mandatory criteria	Page
(a) Identify the reporting entity	1
(b) Describe the reporting entity's structure, operations and supply chains	2
(c) Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities it owns or controls	5
(d) 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	7
(e) Describe how the reporting entity assesses the effectiveness of these actions	8
(f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls	2
(g) Any other information that the reporting entity, or the entity giving the statement, considers relevant	9

1.3 Approval

This statement is made pursuant to section 13(1) of the *Modern Slavery Act 2018*. It was approved by the Board of Directors of Great Southern Bank, being the *principal governing body* for the purposes of the Act, at its meeting of directors on 7 December 2022. It has been signed by a responsible member of Great Southern Bank.



Paul Lewis

Chief Executive Officer and Managing Director, Great Southern Bank

8 December 2022



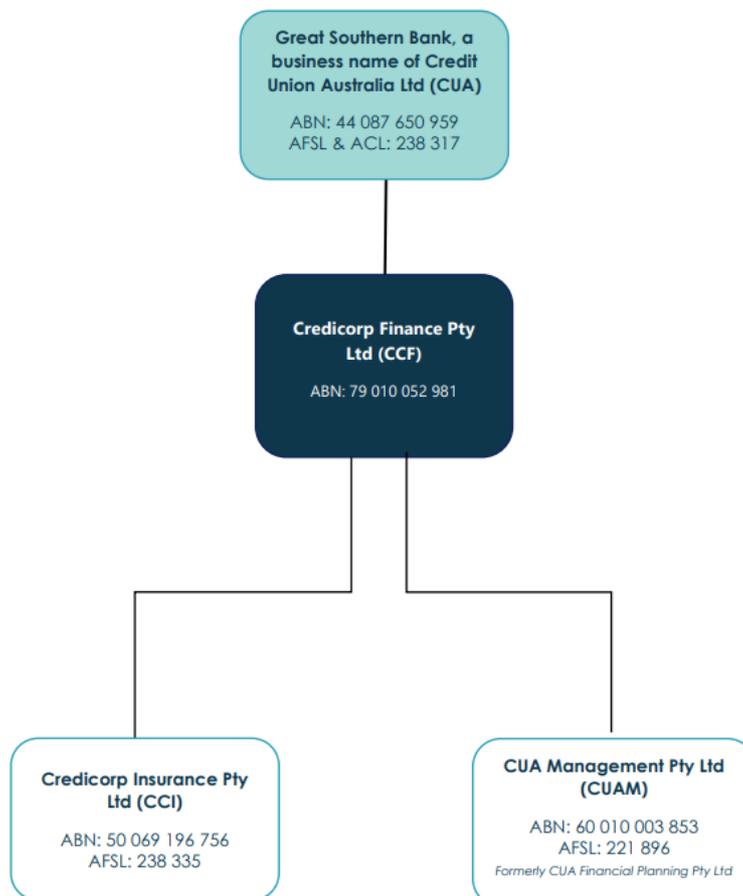
2.0 Great Southern Bank

Great Southern Bank began in 1946 as a small credit union aiming to challenge the banking status quo at the time by providing responsible and affordable lending. We were previously known as Credit Union Australia or CUA. In June 2021, we launched a new brand, operating under the trading name Great Southern Bank.

CUA Health Pty Ltd (ABN 98 098 685 459), a former related entity, is a registered health insurer under the *Private Health Insurance Act 2007* (Cth) and was part of the Great Southern Bank Group until 30 September 2021. This Modern Slavery Statement does not include CUA Health Pty Ltd, as the company was in a state of transition to its new ownership during the 2022 financial year and Great Southern Bank is no longer responsible for its reporting obligations under the Act.

2.1 Relevant Entities

During the 2022 financial year, the Great Southern Bank Group was comprised of the following entities.



CUA Health Pty Ltd ceased to be a part of the Great Southern Bank Group at 5pm AEST on 30 September 2021.



2.2 Consultation with controlled entities

The entities within the Great Southern Bank Group operate under a Management Services Agreement with Great Southern Bank. All employees are engaged by Great Southern Bank. This means that most frameworks and policies are developed and implemented Group wide, and key responsibilities are held across the Group, rather than at entity level.

This statement has been prepared with input from the following teams:

Team	Role
Strategic Partnerships	<p>Manage the direct procurement of goods and services for all entities across the Great Southern Bank Group. This includes leading the Group's actions in managing modern slavery risks faced as a purchaser of goods and services.</p> <p>The Strategic Partnerships team also works closely with Mutual Marketplace Pty Ltd (ABN 35 615 297 820) (Mutual Marketplace), which provides specialised procurement services for the Great Southern Bank Group. The Majority of the Bank's procurement is undertaken by Mutual Marketplace.</p>
Banking Operations	Manages customer due diligence for the Group's banking and lending operations and plays a key role in managing the Group's exposure to financial crime risks, including modern slavery risks as a banking provider and lender.
Financial Crimes	Manages transaction monitoring and enhanced due diligence. Together with the Banking Operations team, plays a key role in managing the Group's exposure to financial crime risks, including modern slavery risks as a banking provider and lender.
Subsidiaries	Responsible for the management and operations of CCF, CCI and CUAM (which are not reporting entities), in accordance with the Group's frameworks.
Treasury	Responsible for the management of investments for all Group entities, and the actions the Group will take to manage our exposure to modern slavery risks within our investments.

2.3 Our operations

Our core operations can be grouped as follows:



2.3.1 Retail bank & lender

Great Southern Bank provides a range of retail banking services to over 380,000 active customers. Our primary business is providing everyday bank accounts and savings accounts, credit cards, home loans and personal loans. We also act as a distributor, selling a range of third-party issued insurance products.



2.3.2 Purchaser of goods & services

To support our business as a bank and lender, Great Southern Bank procures a range of goods and services including:

- IT Hardware and IT software;
- Merchandise including stationery and uniforms;
- Cleaning and property maintenance services;
- Food, beverage and hospitality services;
- Professional consultancy services, including information technology consultancy; and
- Contracted employees via an agency or consultancy, including, for example, project management consultants.

Over 90 percent of suppliers engaged by Great Southern Bank are based in Australia. In addition to this, we engage suppliers located in the United States, Europe, India, New Zealand, Canada and South Africa. Our largest procurement spending (in order from most to least) is in India, Australia, Ireland, the United Kingdom and the United States.

Mutual Marketplace, as a mandatory reporting entity, will separately lodge a Modern Slavery Statement in accordance with the requirements of the Act.

2.3.3 Employer

Our direct operations for the Great Southern Bank Group, including our branches, call centres and head office operations, are all based in Australia. Our workforce comprises of Australian citizens and permanent residents, or people who otherwise hold a valid work visa. Our employment arrangements are all subject to Australian employment laws.

2.3.3.1 Contractors

Contractors are engaged as either day rate via an agency, consultants via a consultancy agreement or under a max term arrangement.

Our employment conditions remain consistent across all employment types.

Agencies and consultancies are vetted as part of our procurement practices with Strategic Partnerships and Mutual Marketplace.

2.3.4 Investor

Great Southern Bank has a dedicated Treasury department to support the operational and strategic needs of the bank, the activities include but not limited to:

- Debt Raising via secured and unsecured markets;
- Management of financial risks including interest rate, liquidity and funding risks; and
- Investment of liquid funds in bank and Australian government issued bonds.



3.0 Risks of Exposure

3.1 Risk of Exposure to Modern Slavery

Great Southern Bank's overall exposure to modern slavery risks is low, particularly within the line of direct business operations.

This low risk exposure assessment reflects the following characteristics of Great Southern Bank:

- our Australian-based workforce;
- that our operations are limited to the Australian financial services industry;
- that the Bank does not have direct exposure to raw materials intensive industries; and
- that we have limited exposure to overseas manufacturing and sourcing.

Notwithstanding this low risk assessment, we recognise that we are still exposed to modern slavery risks, particularly through our dealings with third parties. We have considered our potential exposures within our four operational groups.

3.2 Risks by operational group

3.2.1 Retail bank and lender

As a retail bank and lender, we understand that there is a risk that Great Southern Bank may be exposed to transactions that may support or finance modern slavery conduct through the transactions that our customers undertake using our payment platforms or the funds we provide to our customers.

We recognise that certain industries and jurisdictions pose higher levels of risk with respect to modern slavery. We are cognisant that transactions associated with these risk factors have the potential to expose Great Southern Bank to higher levels of modern slavery risk.

3.2.2 Purchaser of goods and services

In order to operate our businesses, Great Southern Bank Group procures a range of goods and services. We recognise that international procurement of goods and services can increase the risk of modern slavery exposure.

Through our risk assessment process, Great Southern Bank has identified the following forms of modern slavery that are at the greatest risk of being in our supply chain:

- Debt bondage, which occurs when a person is forced to work to repay a debt or other obligation;
- Deceptive recruiting for labour or services, which occurs in situations where the victim is deceived about whether they will be exploited through a type of modern slavery; and
- Forced labour, which occurs when workers are not compensated at fair market rates. Any type of labour can become forced labour such as indentured labour, prison labour, child labour and labour that forces hazardous conditions on workers.

These risks are most closely associated with our procurements from India, which has a higher risk of modern slavery practices.



3.2.3 Employer

We employ approximately 1,200 people (including permanent and fixed term staff as well as casual staff and contractors) throughout Australia.

We focus strongly on diversity and inclusion in the workplace and work hard to ensure we create an environment where people feel a sense of belonging, are valued, connected, and respected.

3.2.4 Investor

We recognise that there is a risk that we may hold investments in entities that may have exposure to modern slavery either within their operations or their direct supply chain.



4.0 Fighting Modern Slavery

4.1 Fighting financial crime

There is an overlay between financial crime risks and human rights risks, in particular with respect to modern slavery.

Through our Anti-Money Laundering and Counter Terrorism Financing Program, we conduct risk assessments of our customers and suppliers at onboarding. At onboarding and throughout the client relationship we closely examine our client's profile, including consideration of modern slavery risks, through:

- ongoing customer and supplier due diligence;
- continual transaction monitoring; and,
- adverse media and sanction checks.

During the last financial year, we undertook a significant uplift program including a review of our existing customers and suppliers, and enhancing our ongoing due diligence programs (including transaction monitoring). Enhancements in transaction monitoring include building out various financial crime typologies including a modern slavery typology.

4.2 Monitoring our supply chains

Great Southern Bank identifies suppliers with modern slavery risks through Ariba Supplier Lifecycle Performance and Risk modules, which are managed through Mutual Marketplace. The modules were created to improve transparency across supply chains. Additionally, it allows us to monitor supplier risk proactively, conduct assessments of vendors against modern slavery standards and mitigate associated risks. This process can be triggered at any time for any supplier once the supplier has registered on the Ariba Network.

Great Southern Bank monitors media alerts about suppliers, which can identify potential modern slavery compliance issues. Ariba gathers data from multiple service providers, public and private, including articles, news reports, company information and other third-party content. Suppliers are assigned a risk level by Ariba, which can automatically change dependent on media alerts, company information, country risk and natural disasters that may impact the business or supply chain.

We aim to ensure the entities in our supply chain comply with our modern slavery policies by including modern slavery clauses in all contracts with vendors where the activity may pose a modern slavery risk.

In the last reporting period, Great Southern Bank had undertaken a comprehensive update of its internal governance practices to specifically address its modern slavery risk, which was done in partnership with Mutual Marketplace.

4.3 Educating our people

Great Southern Bank educates relevant employees on modern slavery risks within its supply chains and operations as an important component of its risk and remediation strategies.

By increasing the level of formal knowledge and training, Great Southern Bank can be more effective in its ongoing commitment to the elimination of such practices in its supply chains and operations. The education program includes online training modules addressing modern slavery risks in operations and supply chains, due diligence processes, addressing modern slavery through supplier engagement, remediation action and measuring effectiveness.



5.0 Assessing Effectiveness

Great Southern Bank is committed to continuing to improve our approach to modern slavery risks within our operations.

We currently have a Measuring Effectiveness Framework to review the impact of implemented modern slavery measures.

Role	Objective	Measure
Retail bank and lender	Test ongoing effectiveness of modern slavery risk typology used by financial crime team.	Maintenance and development of ongoing and enhanced transaction monitoring rule to identify modern slavery.
Purchaser of goods and services	Continually enhance downstream management of modern slavery risk.	Regular checks on customer client base for adverse media relating to modern slavery. Risk scores for procurement.
Employer	Continually promote and protect human rights through embedding in the culture of Great Southern Bank values of respect, dignity and equality for every person, irrespective of race, sex, religion, political opinion, disability, sexual orientation, gender identity, social status, age or any other characteristic.	An embedded commitment to respecting human rights in the existing policy framework. Staff surveys. Completion of relevant training modules.
Investor	Maintaining an investment strategy with a focus on modern slavery risk, prevention, and appropriate due diligence.	Reviews and updates of investment strategy to align with modern slavery objectives, with particular focus on risk due diligence prior to investment decisions.



6.0 Future Focus

While our modern slavery risk profile is low, we understand that modern slavery is a significant issue requiring ongoing diligence. We will continuously improve our approach to modern slavery risks over time.

We will remain alert to potential incidents or modern slavery risks, particularly to those risks deep within supply chains.

We are committed to deepening our understanding of modern slavery risks with the extended tiers of the supply chain, as well as our operational practices.

6.1 Investing in addressing modern slavery risks

We have supported Mutual Marketplace in entering into an agreement to procure modern, advanced supply chain data, ESG risk management, media and risk monitoring, and reporting services through investment as a large client and part owner.

These new services will allow Mutual Marketplace to access international trade databases to identify component and material input for every purchase Great Southern Bank makes. This new service will provide monitoring and reporting, along with proprietary risk algorithms to identify and respond to modern slavery risks in our supply chain.

The Bank will also move supplier due diligence processes currently undertaken within the Bank to Mutual Marketplace's sophisticated risk assessment platform.

6.2 Establishing a modern slavery working group

Great Southern Bank will incorporate modern slavery risk mitigation work into its broader impact and sustainability strategy to drive further and continual change to address the risks of modern slavery in our operations and supply chains. The Bank will give consideration to establishing a working group to develop new future focus areas and encourage an organisation-wide commitment to minimising modern slavery risks.

This working group would also liaise with Mutual Marketplace's working group, which assesses the effectiveness of its controls by identifying high risk areas of modern slavery in our supply chains. The Mutual Marketplace working group constantly reviews suppliers within Mutual Marketplace's portfolio and reports on any potential or increased risk to Great Southern Bank.





Great Southern
Bank