

FY24 Modern Slavery Statement

Australian Payments Plus

This Modern Slavery Statement (**Statement**) is prepared on behalf of Australian Payments Plus Limited ACN 649 744 203 and each of its subsidiaries (together, **AP+**). This is the third Statement prepared by AP+, the reporting entity created following the amalgamation of BPAY Group Holding Pty Ltd, eftpos Payments Australia Limited and NPP Australia Limited in February 2022.

This Statement has been prepared in accordance with the reporting requirements of the *Modern Slavery Act* (Cth) (the **Act**), outlines the actions taken by AP+ to assess and mitigate modern slavery risks in our business and supply chain for the financial year ending 30 June 2024 (**FY24**) and builds on the actions and undertakings of AP+'s second Statement.

Introduction

As a leader in the Australian payments industry, AP+ recognises its responsibility to ensure ethical business practices within our own operations and those of the suppliers we engage. Respecting and upholding human rights (as they relate to modern slavery throughout our operations and supply chain) is a fundamental part of our values-led purpose and how we do business.

This Statement outlines the steps that AP+ has taken over the last year to ensure that we have:

- a detailed view of modern slavery risk within our own operations and our supply chains;
- appropriate policies, processes and procedures to ensure that our suppliers are aware of our requirements for doing business, that they're appropriately managing modern slavery risk in their own operations and supply chains; and
- a specific action plan to address and mitigate any modern slavery risks in our operations and supply chains in the next financial year.

AP+ will continue to conduct business with the highest levels of integrity and ethics in all that we do and we expect the same of all suppliers that we work with.

Since coming together as one reporting entity, AP+ has:

- **designed & implemented a comprehensive Modern Slavery Risk Assessment Methodology** – we conduct an annual supplier risk assessment to understand the risks of modern slavery within our supply chain;
- **specialised and consolidated AP+ Procurement Function** – established a specialised and consolidated AP+ Procurement Function, focused on enhancing procurement disciplines and practices across AP+ including identifying and mitigating modern slavery risks in our supply chain;
- **AP+ Positive Impact Steering Group** – established the AP+ Positive Impact Steering Group with dedicated governance protocols and endorsed support (at both the Executive Leadership and Board levels) to ensure that commitments & undertakings to positive impact across AP+ include modern slavery milestones; and
- **Modern Slavery Framework** – implemented our Modern Slavery Framework and subsequently, uplifted our Procurement Policy, Modern Slavery Risk Assessment Methodology and management process.

We are committed to continually assessing and improving our practices to ensure that we are proactively identifying and mitigating any modern slavery risk across our business.

The AP+ Purpose, Business Structure & Operations

At AP+ our purpose is to unite people and technology to power better experiences. Our purpose is brought to life by our Three Purpose Pillars (approved by the AP+ Board in June 2024):

1. To ensure the ongoing sustainability of the payments systems, by delivering value to all those who use the payments infrastructure.
2. To drive greater trust in the digital economy, through activities that provide greater resilience and security – and by actively working together with the ecosystem to reduce the level of frauds, scams and identity theft.
3. To encourage and enable innovation in the ecosystem, supporting initiatives that contribute to the ongoing sustainability of the payments systems and drive greater trust.

We provide globally competitive payment services which are resilient, safe, efficient, fair, accessible and cost effective and which meet the present and future requirements of the users of the Australian payments system, including financial institutions and payment service providers. We also provide low-cost payment solutions for retailers, other businesses and their customers.

More specifically, we do this by providing the following:

- Australia's domestic debit network
- Real time, data-rich payments
- Secure bill payments
- Digital identity verification
- Digital wallet solutions
- Open payments

Further information can be found at: <https://www.auspayplus.com.au/about-us>

While AP+ is the amalgamation of three of Australia's leading domestic payment schemes, each payment entity continues to operate its own scheme and infrastructure, under a single and unified AP+ Board.

AP+ is the parent company of BPAY Group Holding Pty Ltd, eftpos Payments Australia Limited and NPP Australia Limited. The AP+ Board is comprised of 13 directors. 4 of the directors, including the Chair, are independent directors.

A brief outline of our operations follows:

New Payments Platform	NPP is Australia's real time account to account payments infrastructure that enables data-rich, real-time payments between bank accounts 24 hours a day, every day of the year. PayID runs on the NPP and enables people to see a recipient's name before making a payment. PayTo, also on the NPP, is a real-time and reliable alternative to direct debit.
eftpos	eftpos facilitates secure payments between businesses and their customers with a range of payment services including Australia's domestic debit card scheme and mobile payments.

Beem	Beem is a payment wallet that links directly to a bank account. It makes contactless payments from a phone simple and fast for people, small businesses and sole traders.
BPAY	BPAY has been enabling easy and secure bill payments for Australians for over 25 years.
ConnectID	ConnectID is a new, secure way that lets customers use an identity provider, who they already hold a relationship with, to verify their identity simply and securely.

AP+ currently employs 442 permanent employees and 72 contractors (totalling 516 employees) across Australia.

Our Supply Chains

AP+'s supply chain predominantly consists of suppliers that are located domestically throughout Australia as well as Australian branches of large multinational corporations.

In terms of material spend, AP+'s top suppliers operate in the following industries:



Financial
services

Financial Services: including financial transactions and settlement processing services



IT services

IT services: including technology software, hardware and support



Professional
services

Professional Services: including full-service firms and consultants



Information &
risk advisory

Insurance, Information and Risk Advisory

Risks of Modern Slavery Practices in AP+ Operations and Supply Chain

Modern slavery is defined in the Act to include the following eight types of serious exploitation:

1. Trafficking in persons;
2. Slavery;
3. Servitude;
4. Forced marriage;
5. Forced labour;
6. Debt bondage;
7. Deceptive recruiting for labour or services; and
8. Various forms of child labour (including situations where children are subjected to slavery or similar practices or engaged in hazardous work).

The risk of modern slavery in AP+'s own operations is relatively low. All employees are located and employed within Australia, covered by Australian employment law protections, contracts and awards. All employees are over the age of 18 years.

Our People & Culture team benchmarks roles at least twice a year against industry remuneration benchmarks and against any existing or relevant awards. We choose to pay slightly above the award rate in all cases and employees can access a suite of benefits in excess of any statutory requirements including leave entitlements. Any employees subject to on-call or overtime rates are paid well above any minimum requirements as defined under the relevant legislation.

Our People & Culture team also undertakes gender pay equity assessments (designed to identify and measure any differences in gender throughout our annual remuneration review process) on a quarterly basis. These assessments are then reported to the Talent & Reward Committee of the AP+ Board. Our current gender pay gap is -0.05% on average fixed remuneration - this is considered "equal pay" by the Australian Workplace Gender Equality Agency. The AP+ gender pay gap has improved by approximately 5% in 12 months and 10% since the formation of AP+.

AP+ operates in Australia only, where geographically, the risks of modern slavery are relatively low. Financial services and IT/software companies operating in Australia, may present potential modern slavery risk in our supply chain. This is especially the case when these suppliers also operate outside Australia in high-risk countries and may not be required to or have not implemented modern slavery policies and procedures. Generally, the financial services sector intersects with a range of modern slavery risk areas through its investments, assets, insurance and procurement supply chains. The IT/software services sector is similarly at risk with complex global supply chains and direct connections to high-risk industries such as electronics manufacturing, mineral sourcing and the use of foreign and domestic migrant workers through outsourcing arrangements.

Actions taken to continuously monitor, assess and address these risks

a. Modern Slavery Risk Assessment Methodology

AP+ conducted a modern slavery supplier risk assessment to review our top 50 suppliers (measured by dollar value spend) for the financial year ending 30 June 2024, to understand and identify any modern slavery risks within our supply chain. The assessment undertaken in FY24 builds on the supplier risk assessment methodology initially devised in FY22 by an independent professional services firm and further uplifted by AP+ in FY23. For transparency, AP+ uplifted the independent firm's risk assessment methodology by also including modern slavery risk ratings and measures for the following categories:

- our financial year total spend with each top 50 supplier;
- the industry they operate in;
- their primary country/location of operation;
- whether they have any publicly available Modern Slavery Statements, policies or protocols; and
- the Global Slavery Index 2023 (released on 24 May 2023).¹

Each of these categories have modern slavery risk value ranges assigned to them, where modern slavery risk to AP+ is measured by a supplier's total score across all categories, resulting in a final score and a modern slavery profile of either low risk, medium risk or high risk.

¹ <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

The results of our FY24 risk assessment determined that, consistent with last year, the majority of the suppliers presented a low risk of modern slavery. No actual modern slavery concerns were identified in the FY24 supplier risk assessment.

AP+ will continue to engage with suppliers to understand their approach to managing their own modern slavery risks and any they present to our supply chain. We also note that:

- for FY24, we used our uplifted Modern Slavery Risk Assessment Methodology (outlined above) to assess our top 50 suppliers (based on dollar value spend). Consistent with last year, the majority of the suppliers presented a low risk of modern slavery. Only six suppliers received a 'medium risk' rating and no suppliers received a 'high risk' rating.
- suppliers rated 'medium risk' in this FY24 Modern Slavery Risk Assessment were required to complete our Modern Slavery Questionnaire. In assessing the responses, there were no actual modern slavery concerns identified; and outside of our top 50 suppliers, we conducted an additional Modern Slavery Risk Assessment of a small number of suppliers generally regarded as being from higher risk industries. These include cleaning service providers, garments and textiles manufacturers, IT services and construction and engineering services. Of these additional suppliers assessed, none were regarded as high-risk suppliers for AP+ from a modern slavery perspective.

We will, where reasonable and practical, continue to review our suppliers and provide them with our Modern Slavery Questionnaire to better understand any potential modern slavery risks they present.

b. Uplift of supplier engagement and management processes

Throughout FY24, AP+ has reviewed its supplier engagement and management processes to better measure and manage modern slavery risks. A Modern Slavery Review section was added into our 'Contract Review Form', which is the mandatory form that any individual or business unit within AP+ must complete for the Legal & Governance team's review and approval, prior to any new or renewed contract/engagement being agreed and executed. We also updated the standard AP+ Template Service Agreement (at Clauses 14.4 – 14.5) to include obligations on our suppliers to comply with modern slavery legislation, modern slavery risk management practices (including supply chain review) and a requirement to address any modern slavery issues arising as soon as reasonably practicable.

For new suppliers where the centralised AP+ Procurement Function has been engaged, we have integrated modern slavery considerations into our supplier onboarding process. Using the Modern Slavery Risk Assessment Methodology outlined above, AP+ assesses the specific goods and/or services we are looking to acquire and if potential modern slavery risks are identified, suppliers are required to complete a comprehensive Modern Slavery Questionnaire for our review before we progress with onboarding.

c. Establishment of a Risk Management Framework

In FY24, AP+ updated its Risk Management Strategy & Framework (**RMSF**) and designed its Third Party Plus Framework (**TPPF**) which together form the set of systems, processes and documentation that outline how AP+ manages risks associated with engaging third parties and sets out the minimum requirements for the oversight of critical risk fourth parties. This TPPF was prepared to align with the AP+ Procurement Policy and the AP+ Modern Slavery Framework, both which mandate periodic reviews of suppliers. It is anticipated that the TPPF will be implemented by mid-to-late 2025.

d. Roll-out of modern slavery training

In FY24, we reviewed our Modern Slavery Training material to ensure it is fit for purpose, focused on our domestic operations and relevant to the types of modern slavery risks that may manifest in our day-to-day

business and supply chains. A 'Modern Slavery Awareness' refresher training module was delivered to and completed by the Legal & Governance Team, all employees in 'Head of' or 'General Manager' roles (or equivalent), the Executive Leadership Team and all directors of the AP+ Board. This same training was also delivered to all new employees in FY24 as part of their mandatory onboarding training program. Throughout FY24, the AP+ Head of Procurement also delivered several presentations on the new AP+ Procurement and Vendor Management Processes and modern slavery risks to various internal forums, including committees, business units, project teams and a company-wide 'All Hands' meeting, to ensure widespread knowledge and understanding of revised practices and processes as they relate to modern slavery.

e. Specialised and consolidated AP+ Procurement Function and Procurement Operating Model

As noted in our prior year Modern Slavery Statement, AP+ appointed a Head of Procurement in FY23 who has now consolidated preexisting procurement policies and procedures from each amalgamated entity into unified AP+ policies and procedures. This ensures that a consistent and aligned approach to the ongoing mitigation of modern slavery risk is embedded across the business and therefore in our supply chain. The AP+ Procurement Policy (which we will continue to review periodically) refers to the updated Modern Slavery Framework.

f. Establishment of the AP+ Positive Impact Steering Group

In FY23, AP+ established a Positive Impact Steering Group, which is responsible for the implementation of initiatives designed to measure and improve our impact in five key pillars:

- responsible governance;
- our customers;
- our people;
- our communities and
- our planet.

This decision was driven by business imperatives such as ensuring AP+ activates its purpose in day-to-day operations, creating a meaningful place to work for our employees, being a business partner of choice, having strong brand awareness from a customer perspective, and simply because it is the right thing to do.

In FY24, modern slavery remained a core focus area of the "Responsible Governance" pillar – proactively addressing and managing modern slavery risks is an important aspect of upholding ethical standards and promoting responsible business practices. Our Positive Impact Roadmap includes action items related to modern slavery, such as the embedment of our Modern Slavery Framework (to ensure that modern slavery is adequately and appropriately reflected in our ESG priorities), and the development of a Responsible Procurement Policy (outlined in the 'Next Steps' section below).

We believe a formal approach to managing ESG is vital in keeping our impact on these issues at the heart of AP+'s purpose (and thereby keeping modern slavery front of mind in everything we do). Our Positive Impact approach is underpinned by:

- **dedicated governance** – our Chief General Counsel is the executive sponsor for Positive Impact and chairs the Positive Impact Steering Group, comprised of representatives of different functions across the business;
- **continuation of our Positive Impact Roadmap** – our Positive Impact Roadmap, endorsed by the Executive Leadership Team, lays out short, medium and long-term initiatives we want to tackle and standards we want to achieve under the five key pillars; and

- **KPI's measured as a company** – our company scorecard contains key performance indicators used to measure our success and progress and includes a Positive Impact score. This demonstrates our commitment to managing the impact we have across ESG as a fundamental business priority across AP+, and that it is truly ingrained in all that we do.

g. Implementation of the AP+ Modern Slavery Framework

As noted in our prior year statement, AP+ reviewed its Modern Slavery Framework to ensure it is fit-for-purpose, aligned to our enhanced Procurement Policy, Modern Slavery Risk Assessment Methodology and supplier management processes. AP+ has now implemented its Modern Slavery Framework, which holistically brings together all modern slavery risk measurement and management mechanisms as summarised in the illustration below:



Since the Modern Slavery Framework is a key source of minimum accountability standards for both employees and our suppliers, it was also used in the design and development of other group frameworks, such as the RMSF and TPPF (as noted above), in FY24.

AP+ is committed to reviewing the adoption and embedment of the AP+ Modern Slavery Framework across all business units in FY25, to ensure that ethical and responsible decision-making is a fundamental to all business processes.

h. Continued engagement across AP+ divisions

As part of our ongoing monitoring and review of modern slavery awareness and practices across AP+, we continue to work collaboratively across various teams of our business including People & Culture, Finance, Technology, Procurement, Risk, Legal and Governance, Executive Leadership and Positive Impact in relation to our modern slavery obligations and in the preparation of this Statement. We do this by:

- seeking feedback on the value, insights and learnings of the Modern Slavery Training, from a sample of those required to complete it;
- engaging the relevant business unit(s) in reviewing the Modern Slavery section of any Contract Approval Form they have completed – this ensures that we are creating a deeper understanding and awareness of modern slavery risks and issues across the organisation;
- ensuring that relevant personnel in each of the teams have been given the opportunity to review and provide input into this Statement prior to its publication;
- where relevant, providing feedback to any of these teams on additional actions and/or initiatives that will either improve modern slavery risk awareness or reduce modern slavery risk exposure in our organisation.

Assessing the effectiveness of our actions

The actions that we have taken this year have allowed us to enhance the way we assess our suppliers and subsequently uplift procurement processes and to continue to identify ways of improving our assessment of the effectiveness of our modern slavery actions and controls. We have seen a tangible shift in how individuals and teams within AP+ understand and manage modern slavery risks in their day-to-day work.

There were no actual instances of modern slavery identified in our review of AP+'s operations and supply chain this year, as set out in this Statement.

We will continue to monitor and assess our own operations and supply chain as detailed below and believe that our actions, both to date and ongoing, are effective in managing modern slavery risk, particularly given the assessed low risk presented by our business operations and supply chain.

Harmonised & integrated approach to modern slavery

Following the amalgamation of separate businesses two years ago, all entities within the AP+ group utilise shared services including Procurement, Risk, Legal & Governance, Finance and Commercial. Therefore, all entities are intrinsically linked to our ongoing modern slavery program of work. Our harmonised and integrated ways of working mean that we are regularly consulting with and providing updates to all teams across the business on requirements under the Act and actions and/or initiatives adopted to meet our obligations.

Next Steps

For FY25, the AP+ Procurement Function and the Legal & Governance Team's modern slavery priorities are as follows:

- **Development of a Responsible Procurement Approach (Approach):** We are in the initial stages of developing this Approach. This development phase includes reviewing our Procurement Policy and Modern Slavery Framework to understand the most effective and appropriate way to explicitly outline how ESG criteria, including modern slavery considerations, should be factored into Procurement negotiations, policies and processes consistently, and also outline the expected behaviours and minimum requirements of our suppliers. Developing this Approach is an action item to be completed by FY26 on our Positive Impact Roadmap and is owned together by our Technology and Procurement teams.
- **Reporting & transparency:** Continuous review of our Modern Slavery Framework is critical in understanding the impacts of our activities on modern slavery and broader human rights. We use a range of measures to monitor and assess the effectiveness of our actions as outlined throughout this Statement. We will continue to review, adapt, uplift and strengthen these measures over the next reporting period, so that we are continually improving the effectiveness of our approach to modern slavery. We will also consider how we can implement additional qualitative metrics to measure our modern slavery risks and actions.
- **Ongoing review of supplier onboarding and Modern Slavery Risk Assessment:** We will continue to review and enhance our onboarding process for suppliers, Modern Slavery Risk Assessment Methodology (including the appropriateness of the methodology uplifted in FY24), due diligence process to review any potential new suppliers across AP+ and the Modern Slavery Questionnaire. Each time a new supplier is onboarded, any modern slavery risks identified will be assessed and recorded to ensure appropriate governance, review and reporting mechanisms are in place.
- **Ongoing modern slavery review and management of suppliers (post-onboarding):** We will continue with the annual review of our top 50 suppliers to assess whether there is any change in their modern slavery risk status, for example, whether their goods supplied, or labour practices have changed since the prior year, including whether they began offshoring or outsourcing operations in high-risk countries. Any issues identified with any suppliers will include documented and actionable steps to mitigate any increased risk.
- **Modern slavery refresher training:** We will review our internal training module to ensure it remains fit for purpose and appropriate for the modern slavery risks presented by our operations as well as the products and services we provide. Annual refresher training will be delivered to all members of Legal and Governance Team, all employees in “Heads of” or “General Manager” roles (or equivalent) and the Executive Leadership Team.

This Statement will be reviewed and updated annually.

This Statement was approved by the Board of Australian Payments Plus Limited on 25 October 2024.

Australian Payments Plus Limited – Modern Slavery Statement 2024

Signed by:



Catherine Brenner, Chair
Australian Payments Plus Limited
Date: 25 October 2024