



FY2021 MODERN SLAVERY STATEMENT

**CREDIT UNION AUSTRALIA LTD ABN 44 087 650 959 trading as GREAT
SOUTHERN BANK**

CUA HEALTH PTY LTD ABN 98 098 685 459

1.0 ABOUT THIS STATEMENT

This is a joint Modern Slavery Statement for Credit Union Australia Ltd trading as Great Southern Bank ('Great Southern Bank') and CUA Health Pty Ltd, which was a wholly owned subsidiary of Great Southern Bank during the financial year ending 30 June 2021. Both Great Southern Bank and CUA Health are reporting entities within the meaning of the *Modern Slavery Act 2018 (Cth)* ('Act') under the Great Southern Bank Group [see item 2.1].

1.1 DATE

This statement is relevant for the period of **1 July 2020 to 30 June 2021**.

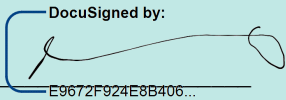
1.2 CONTENTS

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

Mandatory criteria	Page
(a) Identify the reporting entity	3
(b) Describe the reporting entity's structure, operations and supply chains	4
(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	6
(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	6
(e) Describe how the reporting entity assesses the effectiveness of these actions	13
(f) 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)	3
(g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	14

This statement is made pursuant to section 13(1) of the *Modern Slavery Act 2018 (Cth)*. It was approved by the Board of directors of Great Southern Bank, being the *principal governing body* of Great Southern Bank Group as defined by the Act, at its meeting of directors held on 8 December 2021.

Signed by a responsible member of Board of Great Southern Bank as defined by the Act.

DocuSigned by:

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Paul Lewis

Chief Executive Officer & Managing Director, Great Southern Bank

8 December 2021



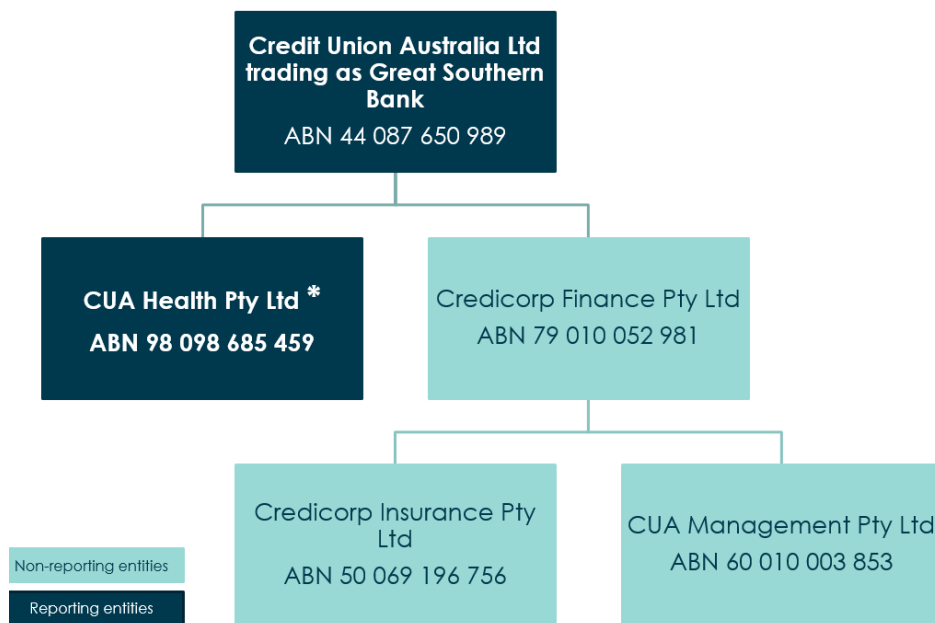
2.0 GREAT SOUTHERN BANK

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 is a registered health insurer under the *Private Health Insurance Act* and has been providing hospital and extras cover since 1976. On 30 September 2021, CUA Health Pty Ltd ceased to be a part of the Great Southern Bank Group.

2.1 Relevant Entities

During FY2021, the Great Southern Bank Group comprised of the following entities:



*CUA Health Pty Ltd ceased to be part of the Great Southern Bank Group at 5pm 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 Sourcing	Manages the procurement of goods and services for all entities across the Great Southern Bank Group. This team leads the Group's actions in managing modern slavery risks faced as a purchaser of goods and services.



Team	Role
Banking Operations	Manages member 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 CUA Health as well as Credicorp Insurance (which is not a reporting entity), in accordance with the Group's frameworks. This team represents CUA Health and its unique considerations to modern slavery risks as a health insurance provider.
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 420,000 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.

Our customers are all Australian citizens or residents, with all of our products (banking, lending and health insurance) only available to either Australian citizens or people who are Australian residents.

2.3.2 Health insurer

The Group also provides health insurance to over 40,000 Australians through CUA Health Pty Ltd, which was a wholly owned subsidiary of Great Southern Bank during FY2021. On 26 May 2021, Great Southern Bank entered an agreement to sell CUA Health to HBF Health Ltd. The sale completed on 30 September 2021.

Our health insurance customers are also primarily Australian citizens or residents, or people who are otherwise entitled to Medicare benefits in Australia. We have a very small portion of visitors who hold our extras cover.

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 MMP.

2.3.4 Purchaser of goods & services

To support our core business as a bank, lender and health insurer, 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 e.g. marketing, legal, risk advisory; and
- Contracted employees via an agency or consultancy.

For FY21, Great Southern Bank's procurement spends can be categorised as follows:

Category of Spend	Professional Services	IT	Occupancy	Contractors	Advertising	Other	Sponsorship	Subscriptions	External Legal	Insurance	Recruitment	Training	Community Investment	Maintenance Contractors – Other	Printing	Supervisory Costs	Telephone	Computer Software
Procurement Spend	28%	17%	16%	14%	8%	4%	3%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Mutual Marketplace Pty Limited is the outsource provider for procurement services for the Great Southern Bank Group. Mutual Marketplace, as a mandatory reporting entity, will separately lodge a Modern Slavery Statement in accordance with the requirements of the Act.

2.3.5 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;
- Investment of liquid funds in bank and Australian government issued bonds; and
- Oversight of outsourced investment of capital for CUA Health Insurance.



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.

The risk exposure is low as Great Southern Bank:

- has an Australian-based workforce;
- only operates within the Australian financial services industry;
- only provides products and services to Australian citizens or residents;
- does not have direct exposure to raw materials intensive industries; and,
- has limited exposure to overseas manufacturing and sourcing.

We recognise that we are still exposed to modern slavery risks, particularly through dealings with third parties. We have considered our potential exposures within the 5 operational groups identified in item 2.3.



3.2 Risks by Operational Group

Risk of exposure	Actions in FY2020	Actions in FY2021
<p>Retail bank & lender</p> <p>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.</p> <p>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.</p>	<p>Monitor and review opportunities for potential uplift.</p> <p>Initial risk Assessment</p> <p>We engaged an external consultant specialising in the assessment of modern slavery risks to analyse the procurement activities for Great Southern Bank and CUA Health. The assessment considered several indicators of modern slavery risk including the nature of the product/service, industry sector, and geographical location as well as the Group's specific entity risk factors such as the value of the transactions, to map the supply chain risk.</p>	<p>AML/CTF & Due Diligence</p> <p>There is an overlay between financial crime risks and human rights risks, in particular with respect to modern slavery.</p> <p>Through our AML/CTF program, we conduct risk assessments of our customers at onboarding. At onboarding and throughout the client relationship we closely examine our client's profile, with particular focus on modern slavery risks, through:</p> <ul style="list-style-type: none"> • comprehensive customer due diligence; • continual transaction monitoring; and, • adverse media and sanction checks. <p>During FY2021, we undertook a significant uplift program including a review of our existing customers, suppliers, and enhancing our ongoing due diligence programs (including transaction monitoring). Enhancements in transaction monitoring include building out various financial crime typologies including modern slavery typology.</p> <p>Capability Assessment</p> <p>We have also undertaken a capability assessment across our Operations and Financial Crimes teams and will be providing enhanced training in modern slavery risks.</p>

Risk of exposure	Actions in FY2020	Actions in FY2021
Health Insurer		
<p>As a health insurer, CUA Health plays an important role in funding health services which are provided to members by various health service providers ranging from hospitals and specialist doctors, to ancillary services providers such as physiotherapists and dentists.</p> <p>We recognise that there may be exposures to modern slavery risks within the supply chain of these health service providers through the manufacturing of medical equipment and supplies.</p>	<p>Monitor and review opportunities for potential uplift.</p>	<p>Model Contract Provisions</p> <p>The hospitals and health service providers to which Great Southern Bank contracts are required to comply with modern slavery obligations. Therefore, the exposure of risk to modern slavery as a health insurer is limited to the supply chain rather than an operational risk.</p> <p>An assessment of CUA Health's supply chain risk is discussed below under 'Purchaser of goods and services'.</p> <p>The actions in relation to this item have ceased since the sale of CUA Health.</p>
Purchaser of goods and services		
<p>In order to operate our businesses, Great Southern Bank Group procures a range of goods and services.</p> <p>Most of the services are provided through Australian-based entities; however, a small number of these key service providers operate internationally, primarily in India or the United States of America.</p> <p>In addition, we purchase manufactured goods such as IT hardware, stationery and uniforms which may be manufactured in countries such as China and Pakistan.</p> <p>We recognise that international procurement of goods and services can increase the risk of modern slavery exposure.</p>	<p>Over the course of the reporting period, we took several key steps to both identify and address modern slavery risks as a purchase of goods and services, including:</p> <p>Initial risk Assessment</p> <p>We engaged an external consultant specialising in the assessment of modern slavery risks to analyse the procurement activities for Great Southern Bank and CUA Health. The assessment considered several indicators of modern slavery risk including the nature of the product/service, industry sector, and geographical location as well as the Group's specific entity risk factors such as the value of the transactions, to map the supply chain risk.</p>	<p>We continue to review our supply chains to comply with the reporting obligations under the Act by:</p> <p>Second round of Risk Assessments</p> <p>We engaged an external consultant specialising in the assessment of modern slavery risks to analyse the procurement activities for Great Southern Bank and CUA Health. The assessment considered several indicators of modern slavery risk including the nature of the product/service, industry sector, and geographical location as well as the Group's specific entity risk factors such as the value of the transactions, to map the supply chain risk.</p>

Risk of exposure	Actions in FY2020	Actions in FY2021
	<p>Identification of Suppliers for Further Modern Slavery Risk Assessment</p> <p>Our comprehensive risk assessment identified the following priority risk areas of modern slavery within the CUA Group operational supply chains:</p> <ul style="list-style-type: none"> a. Data and communication provider services; b. Computer hardware products; c. Information technology services; d. Transport and logistic services; and e. Cleaning of office facilities. <p>The modern slavery risk assessment carried out for CUA Health's operational supply chains identified elevated risk categories in the following areas:</p> <ul style="list-style-type: none"> a. Market research and other business management services; b. Computer and technical services; and c. Advertising Services. <p>Our highest potential exposure to modern slavery risk within our supply chain is via Mutual Marketplace. CUA has a significant focus on partnering with Mutual Marketplace to address these risks.</p> <p>Policy and Contract Review and Update</p> <p>Key policies include the following:</p> <ul style="list-style-type: none"> a. Developing and implementing a Supplier Code of Conduct. b. Following the initial self-assessment process, the distribution of targeted 	<p>Identification of Suppliers for Further Modern Slavery Risk Assessment</p> <p>The assessment found that the probable number of persons working in slavery or slave-like conditions within Tier 1 of our supply chain was 0.5 for Great Southern Bank, and less than 0.01 for CUA Health. Even cumulatively on an assessment up to Tier 10 of the supply chain, the cumulative number was less than 3.5 people for Great Southern Bank, and less than 0.7 people for CUA Health. This indicates that we have a very low risk profile across our supply chain.</p> <p>Our highest potential exposure to modern slavery risk within our supply chain is via Mutual Marketplace. GSB has a significant focus on partnering with Mutual Marketplace to address these risks.</p> <p>Policy and Contract Review Update</p> <p>We have undertaken a comprehensive review of our internal governance policies to specifically address modern slavery risk. The key policies that have been incorporated into our existing suite of documents include the following:</p> <ul style="list-style-type: none"> a. Provisions addressing modern slavery in all new supplier contracts. b. Working with Mutual Marketplace to ensure inclusion of Modern Slavery into the Corporate Social Responsibility Policy.

Risk of exposure	Actions in FY2020	Actions in FY2021
	<p>supplier self-assessment surveys on modern slavery issues.</p> <p>c. Via Mutual Marketplace, partnering with global ethical trade service provider, Sedex, who provides practical tools, services and a community network to help Mutual Marketplace improve responsible and sustainable business practices, and responsibly source suppliers.</p> <p>d. Insertion of model contract provisions addressing modern slavery in all new or supplier contracts or if practical, at renewal or variation, including:</p> <ul style="list-style-type: none"> i. Due diligence requirements regarding modern slavery risk factors and labour practices of sub-contractors and other parties which the supplier is engaged ii. Disclosure obligations in relation to any breach of modern slavery standards iii. Completion of a supplier self-assessment questionnaire upon request by CUA to ensure up-to-date supplier information for more effective risk assessment. <p>e. Updating legal precedents to include modern slavery clauses.</p> <p>Measuring Effectiveness Framework CUA has developed a Measuring Effectiveness Framework to review the impact</p>	<p>c. Updating standard purchase order terms and conditions.</p>

Risk of exposure	Actions in FY2020	Actions in FY2021
	<p>of implemented measures. Key features of this Framework include:</p> <ol style="list-style-type: none"> a. Increasing the number of suppliers that we assess for modern slavery risk. CUA and CUA Health are now undertaking a modern slavery risk assessment for all of their suppliers. b. Increasing the number of supplier self-assessment surveys that are provided to high risk suppliers. 	
Employer		
<p>We employ approximately 1,200 people (including permanent and fixed term staff as well as casual staff and contractors) throughout Australia.</p> <p>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.</p>	<p>Internal Education and Training</p> <p>We ensure there is employee education and training in the form of online modules and virtual face-to-face training on identifying modern slavery risks in operations and supply chains, due diligence, addressing modern slavery through supplier engagement, remediation and measuring effectiveness.</p>	<p>Policies and Due Diligence</p> <p>Given our workforce is Australian-based, there is an extremely low risk that we have any persons working in slavery or slave-like conditions within our workforce.</p> <p>Great Southern Bank has a practice of not employing contractors directly via an ABN. For the majority of these cases, we will manage the engagement via a 3rd party agency who invoices us.</p> <p>There are ad hoc occasions where we do engage a contractor / consultant directly, however, all pre-employment checks are carried out and the risk of them being either engaged in or subject to modern slavery conditions is nil.</p> <p>However, we understand the importance of recognising human rights within our policies and practices and continue to review and refresh in line with updated legislative requirements.</p>

Risk of exposure	Actions in FY2020	Actions in FY2021
Investor		
<p>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.</p>	<p>Monitor and review opportunities for potential uplift.</p>	<p>Update of Investment Strategy Great Southern Bank continually reviews and updates its investment strategy to align with modern slavery objectives. Due diligence is conducted prior to investment decisions being executed and only investments that align with modern slavery objectives are followed through.</p>

4.0 ASSESSING EFFECTIVENESS

The Great Southern Bank Group 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.

We are committed to maturing our approach in FY2022, and have set out below what we are aiming to implement during FY2022:

Role	Objective	Measure
Retail bank and lender	Test effectiveness of modern slavery risk typology used by financial crime team.	Maintain and develop transaction monitoring rule to identify modern slavery.
Purchaser of goods and services	Enhance downstream management of modern slavery risk.	Regular checks on customer client base for adverse media relating to modern slavery.
Employer	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.	Embed a commitment to respecting human rights in the existing policy framework.
Investor	Maintain an investment strategy with a focus on modern slavery risk, prevention, and appropriate due diligence.	Review and update investment strategy to align with modern slavery objectives, with particular focus on risk due diligence prior to investment decisions.

Note: no actions are proposed for CUA Health as it is no longer part of the Great Southern Bank Group.



5.0 FUTURE FOCUS

Whilst our modern slavery risk profile has been assessed as low, we accept that modern slavery is a significant issue requiring diligence, attention, and focus.

We must remain alert to potential incidents or modern slavery risks. In particular, we must remain diligent with respect to potential modern slavery issues deep within supply chains of services and products purchased or engaged by the Great Southern Bank Group.

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

5.1 Future Focus Actions by Operational Group

Role	Action
Banking provider & lender	<ol style="list-style-type: none"> 1. Continue to enhance and uplift our monitoring for modern slavery risk specific typology within our customer due diligence and financial crime processes. 2. Strengthen the modern slavery transaction monitoring rule if gaps are identified in coverage.
Purchaser of goods & services	<ol style="list-style-type: none"> 3. Mature modern slavery risk management: <ul style="list-style-type: none"> • enhance supplier due diligence; • embed into supplier selection and onboarding; and, • ongoing monitoring e.g. annual attestations and further due diligence. 4. Modern slavery risk management practices to be managed and monitored by Mutual Marketplace including: <ul style="list-style-type: none"> • supplier selection and onboarding; • annual supplier attestations; and, • further due diligence on high risk suppliers.
Employer	<ol style="list-style-type: none"> 5. Consider embedding commitment to respecting human rights as an employer in our policy framework. Human rights are about promoting and protecting the 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. Great Southern Bank policies, procedures and standards are all written to honour these principles with processes available to address any grievances raised.
Investor	<ol style="list-style-type: none"> 6. Review our Environmental, Social, and Governance (ESG) Policy to define how our risk appetite in relation to ESG issues is reflected in our investment strategy. 7. Work with Investment Manager to enhance our ESG risk due diligence prior to making investment decisions.

