



Joint Modern Slavery Statement

Reporting period ended 30 June 2021

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This Joint Modern Slavery Statement is made by BNK Banking Corporation Limited (BNK) and its subsidiaries under section 14(1) of the *Modern Slavery Act 2018 (Cth)* (the **Modern Slavery Act**).

BNK is a reporting entity under the Modern Slavery Act.

This Statement sets out the steps we are taking to ensure that modern slavery practices are not occurring within our organisation or our supply chains.

“The BNK Group is committed to ensuring our business practices are conducted in an ethical manner with respect to every individual’s right to be treated fairly and with integrity. This standard applies to our employees and our suppliers,”

Don Koch, Chairman, BNK Banking Corporation Limited

1. Structure of BNK Banking Corporation Limited

BNK Group comprises BNK Banking Corporation Limited and the following entities:

- Finsure Holding Pty Ltd
- Finsure Finance & Insurance Pty Ltd
- Beagle Finance Pty Ltd
- 1300 Home Loan Holdings Pty Ltd
- Finsure Domain Names Pty Ltd
- Iden Holdings Pty Ltd
- Better Choice Home Loans Pty Ltd
- Future Financial 1 Pty Ltd
- Pioneer Mortgage Holdings Pty Ltd
- Australian Capital Home Loans Pty Ltd
- Romavale Pty Ltd
- Bare 123 Pty Ltd

Each of these companies is incorporated in Australia and is wholly owned by BNK. In this statement BNK together with its wholly owned subsidiaries is referred to as **“the BNK Group”**. A reference in this Statement to ‘we’ or ‘our’ is a reference to the BNK Group.

2. Process of Consultation

BNK Group has acted in consultation to make this Modern Slavery Statement. We have consulted with key areas of the BNK Group including Risk, Finance, Business Development and Legal.

3. BNK Group Operations

The BNK Group employs approximately 125 people across Australia. The BNK Group’s head office is located in Sydney (registered address in Perth) with operations in Sydney, Melbourne, Perth and the Gold Coast.

BNK Group has two business lines – banking and mortgage aggregation.

The banking division offers BNK and Better Choice branded residential and commercial mortgage products distributed through brokers. Loans are funded by BNK customer deposits or by third party wholesale funders under a white-label arrangement.

The aggregation division, operating as Finsure, connects mortgage brokers with lenders.

Finsure facilitates finance brokers accessing loan and financial products (residential mortgages, commercials and asset finance products) from a range of lenders for their customers. Finsure has over 2,000 affiliated brokers throughout Australia who have entered into contracts for Finsure’s services. These services include commission processing, compliance and professional development programs. Finsure also provides value add services to brokers through its industry leading portal, Infynity.

Refer to the table below for more detailed information about the operations of BNK and each of its controlled entities.

4. Supply Chain

4.1 General information

Key categories of goods and services procured by the BNK Group are information technology services, payment and settlements, insurance, property valuation, professional services (accounting, legal, compliance and consulting), office space, human resources, travel, cleaning, hospitality and marketing.

The table below summaries the main operations and supply chain of the banking and aggregation businesses of BNK Group.

Business	Main operations	Supply chain
Banking	Provision of loan and deposit products to retail and SME customers throughout Australia.	<ul style="list-style-type: none"> Information technology services including core banking system, lending origination platforms, general ledger systems and payroll. Office space including offices in Perth and the Gold Coast. Payments services including card issuing, direct entry processing and cheques. Settlement services including loan disbursement and collateral management Insurance.

Business	Main operations	Supply chain
		<ul style="list-style-type: none"> • Residential property valuations to support secured lending activities. • Professional services including accounting, audit, legal, compliance and corporate governance. • Credit bureaus including consumers' credit ratings provided by rating agencies. • Recruitment services for executives and employees. • Travel services including domestic travel and accommodation.
Aggregation	Provision of aggregation services to mortgage brokers and asset finance brokers in Australia.	<ul style="list-style-type: none"> • Information technology services including aggregation platforms, customer relationship management systems, commission processing systems, software development and payroll. • Office space including offices in Sydney and Melbourne. • Banking services including lending services provided by Australian banks and non-bank lenders. • Credit bureaus including consumers' credit ratings provided by rating agencies. • Residential property valuations to support aggregation loan services. • Professional services including accounting, audit, legal, and compliance. • Recruitment services for executives and employees. • Travel services including domestic travel and accommodation.

4.2 Offshore services

BNK Group has entered into a contract to outsource certain support services to both the banking and aggregation businesses. The contract is held with an Australian entity specialising in the outsourcing of business support services with operational facilities in Manila, Philippines.

In establishing the contract, BNK Group performed due diligence on the service provider, including traveling to Manila to observe the support infrastructure and employment practices. The contract for services specifies requirements regarding recruitment assistance, compliance with all statutory and governmental laws and obligations, supplying the physical office environment and basic employee supervision.

For the banking division, services performed offshore include broker accreditation, data entry of loans to funder platforms, valuation requests and employment verifications.

For the aggregation division, services provided include administration support to brokers and loan application processing assistance.

BNK Group conducts annual audits of the outsourced service provider's compliance with the terms of the contract.

5. Addressing and Assessing Risks of Modern Slavery

5.1 BNK Group's Policies and Procedures

BNK Group is committed to ensuring there is no modern slavery in any part of our business or supply chains. We have an established set of policies and procedures that govern the way we operate. Our policies reflect our commitment to ensuring BNK Group operates ethically and with integrity in all of our business relationships and maintain an appropriate framework for conducting our business in compliance with all relevant laws and regulations.

The policies outlined below are relevant to how BNK Group currently manages potential modern slavery related issues regarding its business operations and supply chain:

- **Risk Management Policy**

The BNK Group has a risk management policy supported by a range of matter specific policies, charters and sub-committees (Risk Management Framework) that governs how BNK Group:

 - identifies, assesses, monitors and manages business risks and opportunities;
 - identifies material changes to the BNK Group risk profile;
 - implements and monitors the effectiveness of the risk framework.
- **Code of Conduct**

The code guides board, management and staff conduct. It sets out how BNK Group expects its representatives to behave and conduct business in the workplace. It includes legal compliance and guidelines on appropriate ethical standards. Importantly, the code requires board, management and staff to be aware of and comply with their duties and obligations under all laws and regulations. The code also sets out BNK Group's commitment to equal opportunity and fair employment practices, a workplace free from discrimination, and to maintain a healthy and safe environment for its employees.
- **Whistleblower Policy**

This policy sets out the procedures and protections available to whistleblowers. A whistleblower includes current or former employees, executives, contractors, suppliers or associates of the BNK Group, as well as a relative, spouse or dependent of any of those people. The policy exists to provide a framework for the safe reporting by a whistleblower of alleged acts of misconduct, breach of law or improper state of affairs of any individual, business or entity within the BNK Group.

The review and approval of revisions to the above are overseen by the Board Risk & Compliance Committee. The Charter of the Board Risk & Compliance Committee together

with the policies referred to above can be located on the group's website at www.bnk.com.au

Within the Board Risk & Compliance Committee Charter are requirements for the Committee to perform the following:

- Review the compliance by the Group with applicable laws, regulations and regulatory requirements relevant to the Group including those associated with employment and outsourcing practices;
- Review the adequacy of policies BNK Group has in place to monitor and confirm compliance with relevant laws and regulations; and
- Review BNK Group's establishment and maintenance of appropriate ethical standards.

5.2 Due Diligence

Our policies and procedures and Risk Management Framework inform our process to:

- Identify and assess potential modern slavery risk areas in our supply chain;
- Mitigate the risk of modern slavery occurring in our supply chains;
- Monitor potential risks of modern slavery; and
- Protect whistleblowers.

BNK Group has a culture and policy of continuous improvement. We review our processes regularly to identify opportunities to improve our systems.

As part of our initiative to identify modern slavery and associated risks in our business and supply chain we are:

- Mapping BNK Group's supply chain to assess product categories and geographical domicile;
- Developing a number of provisions to incorporate into contracts with suppliers that require compliance with the Modern Slavery Act; and
- Developing a modern slavery supplier procedure for future supply contracts to assist employees involved in procuring goods and services to assess the risk of modern slavery.

6. Actions taken to Address the Risks of Modern Slavery

BNK Group is committed to addressing the risks of modern slavery within the organisation and supply chain. Our approach to addressing the risks of modern slavery practices is described below.

- Supplier terms: we regularly review our arrangements with suppliers. In each new/revised agreement, where practical we are inserting a standard clause which requires our supplier to comply with the Modern Slavery Act.
- Modern Slavery Supplier Procedure; we are developing a modern slavery supplier procedure for our future supply contracts. The procedure will inform and guide

employees involved in procuring goods or services through the process of assessing the risk of modern slavery.

- Training of staff: to ensure the risks of modern slavery are understood in our supply chains and business, we are developing a staff training program.

7. Risks of Modern Slavery in Operations and Supply Chains

We have undertaken a risk assessment of our operations and supply chain and based on our assessment, we consider the risk of modern slavery in the BNK Group and supply chain is low.

Our evaluation is based upon the following:

- Our offices and employees are located in Australia which is a low-risk location;
- Goods and services are procured predominantly from large Australian businesses who are required to comply with the Modern Slavery Act;
- The goods and services we procure from direct suppliers are predominantly low risk; and
- In making procurement decisions, we consider the reliability and reputation of the supplier in the decision process, not just the price offered.

8. Assessing our Effectiveness

BNK Group recognises that having policies and procedures in place with respect to modern slavery is not enough without measuring the effectiveness. We will measure how effective we have been to ensure that modern slavery is not taking place in any part of our business or supply chain by the following mechanisms:

- Effectively implementing our new modern slavery supplier procedure; and
- Ensuring relevant employees are provided with training each year on identifying the risks of modern slavery.

We will rely on the BNK Group Risk Management Framework to assess our effectiveness. Reporting to the Board Risk & Compliance Committee will be enhanced to oversee measurable outcomes.

9. Future Commitments

Over the next year the BNK Group will focus on:

- Continue to assess and monitoring the risks in our supply chain using our Risk Management Framework;



- Aiming for new and existing supply arrangements to specifically refer to the Modern Slavery Act;
- Developing our modern slavery procedure and implementing this process throughout our business; and
- Continuing to provide modern slavery training to relevant employees.

This Modern Slavery Statement is made for the financial year ended 30 June 2021 and was approved by the Board of Directors on 28 January 2022.

Don Koch

Chairman of Board of Directors of BNK Banking Corporation Limited