

Bendigo & Adelaide Bank Limited

# Modern Slavery 2024

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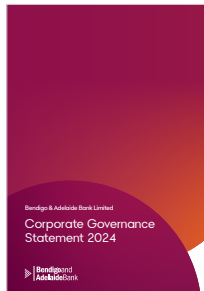
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**About this statement**

This statement is Bendigo and Adelaide Bank's fifth Modern Slavery Statement and covers the 2024 financial year. We report annually following our full year financial results.

Where reference is made to 2024, we are referring to the 2024 Financial Year (1 July 2023 – 30 June 2024).

**Contact us**

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**Acknowledgement of Country**

We respectfully acknowledge the Traditional Owners of lands across Australia and pay our respects to their elders past and present. Our head office is located on Dja Dja Wurrung land.

Artwork by Troy Firebrace, Yorta Yorta and Dja Dja Wurrung artist and educator.



## Feedback

We invite stakeholders to provide feedback on this Modern Slavery Statement. Please share your comments or questions with our team:

[sustainability@bendigoadelaide.com.au](mailto:sustainability@bendigoadelaide.com.au)

This Modern Slavery Statement (**Statement**) is prepared on behalf of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) (the reporting entity) and the entities it owns or controls (**the Bank**). Bendigo and Adelaide Bank Limited is the parent company and the sole reporting entity in the Bank for the purposes of the *Modern Slavery Act 2018 (Cth) (the Act)*. *Where reference is made to 'the Bank', 'we', 'our' or 'us', we are referring to Bendigo and Adelaide Bank Limited and its wholly owned and controlled subsidiaries, unless otherwise specified.*

Community Bank customers are covered by this Statement, however the Statement also does not apply to Community Bank companies' operations as these are not operated by the Bank.

Community Bank companies are independent legal entities that operate Community Bank branches under a franchise model with Bendigo and Adelaide Bank Limited. However, in practical terms the provision of banking products and services by Community Bank companies' employees is governed by Group policies.

The Statement does not apply to the Bank's joint ventures as these are not operated by the Bank.

This Statement has been published in accordance with the Act. It outlines the actions taken by the Bank during the financial year ended 30 June 2024 (**2024**) to assess and address the risks of modern slavery in its operations and supply chains. Information on our broader approach to managing environmental, social and governance risks can be found in the Sustainability Report in the Bank's [2024 Annual Report](#).

References to 'modern slavery' are as defined in the Act.

## Modern Slavery Act Mandatory criteria

The table below identifies where the mandatory reporting criteria of the Act are disclosed within this Statement.

Mandatory criteria	Page reference in this statement
1 Identify the reporting entity.	Inside cover
2 Describe the reporting entity's structure, operations and supply chains.	Page 3
3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Pages 6-8
4 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.	Pages 9-18
5 Describe how the reporting entity assesses the effectiveness of these actions.	Page 19
6 Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls.	Page 20
7 Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Page 21



# Introduction

Modern slavery is a complex, global issue with the protection of human rights at its core.

It can only be tackled with collaborative action taken by businesses, not-for-profit organisations, and governments. At Bendigo and Adelaide Bank, we are committed to playing our part.

The financial services sector supports economies globally and with that comes a risk of enabling or being complicit in the abuse of human rights and modern slavery through our operations, supply chain or through the provision of banking services.

We recognise we have a responsibility to respect and protect human rights, and proactively seek out ways to make a positive impact through our operations and supply chain.

We recognise the expectation and need for continuous improvement in our approach to addressing modern slavery. Whilst this is our aim, we acknowledge this remains challenging. Our focus is on taking action to address modern slavery risk, as well as meeting our reporting obligations.

## 2024 highlights

Published

**Board-approved Human Rights position**

Refreshed

**Code of Conduct**

Refreshed

**Values and focused on strengthening our risk culture**

Moved to one third-party

**risk assessment system across supply chain and our products and services**

Uplifted

**Capability through four modern slavery training modules for all staff**

# Our business structure, operations and supply chain

## About us

From our origins in the goldfields in the 1800s, we've grown into a 100 ASX-listed bank. The only ASX 100 bank based in regional Australia.

We are Australia's most trusted bank<sup>1</sup> and for 166 years we have actively listened and responded to the needs of our customers and their communities. Relationships are at our core.

We have grown to be the fourth largest branch network in Australia and our digital bank Up has grown to 920,000 customers in six years and we deliver long-term sustainability and prosperity through our Community Bank model.

## Our impact

Our vision is to be Australia's bank of choice, driven by our purpose to feed into the prosperity of our customers and the communities in which we operate. This purpose underpins everything we stand for and the actions we take.

As Australia's most trusted bank<sup>1</sup>, we provide a better banking experience and create bigger impacts by empowering communities across Australia.

## Our reach, products and services

In 2024 Bendigo and Adelaide Bank operated 430<sup>1</sup> branches across Australia, employed more than 7,000 people<sup>1</sup> and provided services to more than 2.5 million customers<sup>2</sup>.

Our brands provide a wide range of products and services, including personal and business and agribusiness banking, commercial mortgages and unsecured loans, investment products and insurance.






Our banking products and services are delivered to customers through our operating divisions:

- **Consumer** – serves retail customers across Australia originated through mortgage brokers, our network of branches, mobile bankers, and via our digital and mobile phone banking software applications.
- **Business and Agribusiness** – serves business, agribusiness and corporate customers across Australia through our network of branches and agencies, brokers, digital and mobile phone banking software applications.

## Sandhurst Investments

Sandhurst Trustees is a wholly owned subsidiary of Bendigo and Adelaide Bank, providing financial products and services including managed funds, commercial loans and corporate trustee and custodial solutions as part of Bendigo and Adelaide Bank's wealth management arm.

In 2024 the Bank's brands and their operations were:

Brand	Overview
	Our network of brands provide a wide range of products and services to over 2.5 million customers, including personal and business banking, retail banking, financial planning, commercial mortgages and unsecured loans, investment products, and insurance
	Delivers retail banking products and services to our retail customers via a national network of branches and agencies
	Provides specialist banking services, knowledge and leadership for Australian farmers to grow
	A digital-first bank creating financial freedom through technology, innovation and creativity
	Australia's first and longest continually operating margin lending specialist

1. Roy Morgan

2. See [2024 ESG Data Summary](#)

### Our values and enabling our risk culture

This year we refreshed and updated our values and behavioural expectations to strengthen our risk culture and to build a better Bank. Through a rigorous design process, our values and behaviours were refreshed to communicate expectations and support our people to lead with care while driving accountability. Our values and behavioural expectations enable:

- **Our why:** the core reason why we come to work every day and the guiding direction for our organisation;
- **Our how:** the way we should always go about our work and interact with our customers, community and each other; and
- **Our focus:** the day-to-day behaviours that will help us achieve our strategy and desired culture.

#### Our Why:

The core reason why we come to work every day and the guiding direction for our organisation.

#### Our How:

The way we always go about our work and interact with our customers, community and each other.

#### Our Focus:

The day-to-day behaviours that will help us achieve our strategy and desired culture.

	WHAT WE EXPECT OF EVERY TEAM MEMBER	WHAT WE EXPECT OF EVERY LEADER
<b>Our Values</b>  <b>Make a difference</b> We create a positive impact for our customers, communities, shareholders and each other, we genuinely care.	<b>Our Critical Few Behaviours</b> <b>Move fast to help customers achieve their goals</b> We work collaboratively and efficiently, to deliver sustainable outcomes.	<b>Our Leadership Behaviours</b> <b>Drive strategy and own change</b> We deliver our strategy, own change, aligning our teams focus and effort.
 <b>Be better together</b> We are empowered, we speak up and together we continuously improve, learn and grow.	<b>Actively challenge the status quo</b> We seek better ways of doing things and work together to create positive change.	 <b>Cultivate growth mindsets</b> We start with ourselves, encouraging curiosity, and supporting our team's continual growth.
 <b>Own it</b> We take initiative and commit to our decisions to deliver better outcomes.	<b>Recognise people for their impact</b> We acknowledge when we can do better and celebrate when we've done well.	 <b>Be accountable and empower others</b> We motivate and empower our people, while holding ourselves and others accountable for success.
 <b>Find the right way</b> We make balanced decisions by considering the risk and reward of any given situation and a diverse range of perspectives.	<b>Act commercially</b> We create opportunities for growth and embrace risk as part of all our roles.	 <b>Take action, balancing risk and reward</b> We make considered and deliberate decisions, taking action for greatest impact.

#### Our Code of Conduct:

Sets the standards and core expectations of employees to do the right thing by our customers, community, each other, stakeholders and our business.

In 2024 we continued to uplift our risk approach and culture. This work is focused on improving capability, reporting and systems, and ensuring our people bring a risk mindset into their daily work.

The refresh of our values and focus on behavioural expectations supports our approach to managing modern slavery, strengthening our risk culture and to build a better Bank.

### Our supply chain

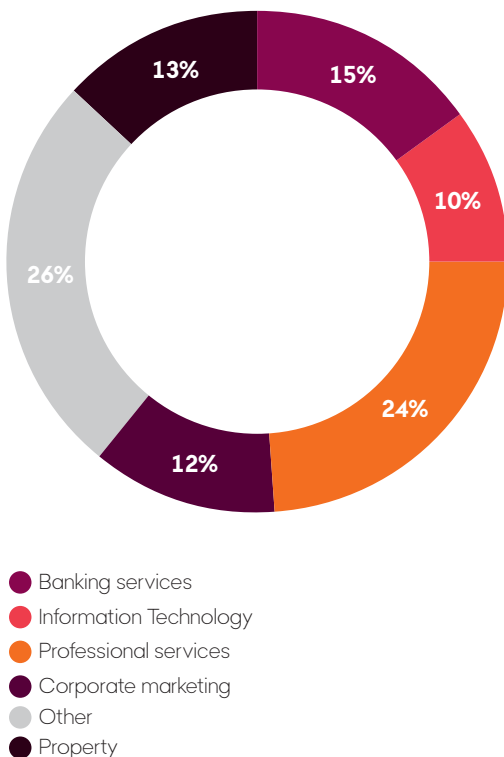
The Bank procures a wide variety of goods and services from suppliers both locally and internationally. These suppliers range from small businesses to large multinational corporations and our arrangements with them range from one-off purchases to long-term contracts.

In 2024 we sourced goods and services from 1,452 direct suppliers and had a total procurement spend of \$728 million. This year over 94% of our supplier and procurement spend was in Australia, which is a 1% decrease from last year. The decrease is due to a marginal increase in overseas suppliers and an overall decrease in our supplier number.

The majority of our overseas suppliers are in the USA and our suppliers utilising offshore locations do so from countries that are predominantly assessed as low risk of modern slavery.

The major categories of goods and services we procure on an ongoing basis are information technology (IT), professional services and property, banking services (includes lending and transaction services), and corporate and marketing (e.g. advertising, office supplies, insurance, correspondence, fleet management). Our procurement spend is highly concentrated with 89% of spend being with 10% of our suppliers.

**Graph 1: The Bank's total procurement spend by category.**



Direct service providers

1,452

Service providers in Australia

>94%

Spend in Australia

>94%

Total spend

\$728 million

% of spend, represented by top 10% of suppliers

89%

# Our modern slavery risk exposure

Modern slavery risk first and foremost, is about risk to people. Being able to identify the risks of modern slavery across our value chain requires us to understand the relationship of our operating model to modern slavery risks and importantly impacts to people.

We understand modern slavery can occur in many forms and encompasses eight types of serious exploitation including:

- Human trafficking;
- Slavery;
- Servitude;
- Forced marriage;
- Forced labour;
- Debt bondage;
- Deceptive recruiting for labour or services; and
- The worst forms of child labour (situations where children are subjected to slavery or similar practices or engaged in hazardous work) such as forced labour, child labour, domestic servitude, sex trafficking, and human trafficking.

Our understanding of how we may ‘cause’, ‘contribute to’ or be ‘directly linked’ to human rights risks and impacts is guided by the United Nations Guiding Principles on Business and Human Rights (UNGP’s).

The following table outlines the UNGP continuum of involvement in modern slavery:

<b>Cause</b>	We may directly cause modern slavery through our own operations.
<b>Contribute to</b>	We may contribute to modern slavery through our operations and/or actions in the supply chain.
<b>Directly linked</b>	Our operations, products and services may be directly linked to modern slavery through the activities of entities with which we do business.

Drawing on our understanding of the UNGPs, we have identified the following five key areas within our operations and supply chains as being those where we could potentially cause or contribute to the most significant negative impacts.

Business Area	Description of risk	UNGP’s continuum of involvement: Degree to which we may be involved in the harm
<b>Financial products and services</b>	There is a risk that customers may use our products or services for activities that involve modern slavery.	Contribute to / Directly linked
<b>Lending and investment</b>	There is a risk we could lend to or invest in businesses involved in modern slavery.	Contribute to / Directly linked
<b>Procurement</b>	There is a risk that we could purchase goods and services from a supplier who has used modern slavery in their creation or delivery.	Contribute to / Directly linked
<b>Employment</b>	There is a risk of labour exploitation in our own workforce, particularly in our contracted workforce.	Cause
<b>Community investment</b>	There is a risk that we support, directly or indirectly, via advocacy, donations, grants, sponsorships and/or partnerships, organisations involved in modern slavery.	Contribute to / Directly linked



## In our operations

### Financial products and services

Through the provision of financial products and services to customers, there is a certain level of risk exposure where the Bank may onboard customers who are perpetrators or victims of modern slavery. Bendigo and Adelaide Bank play a crucial role in combating these practices by identifying and reporting on matters that would constitute likely modern slavery activity.

For example, branch staff may notice coercive behaviours by a perpetrator, controlling a victim's finances and identification documents. Victim accounts may also contain typological indicators, such as rapid movement of funds post salary credits, static data such as residential addresses being the same as multiple customer accounts.

### Lending

Our lending activities are carried out through our operational divisions: Consumer Banking and Business and Agribusiness Banking. Our Consumer Banking division includes our retail customers and Up. Our Business and Agribusiness Banking division services business, agribusiness and corporate customers.

We recognise that there is a risk that through our lending we could support activities involved in modern slavery, or those that have modern slavery in their supply chains. In our lending activities, the risks of modern slavery may be higher where the customer is associated with industries or countries that present a higher risk for modern slavery. Our customers are primarily based in Australia which, although we know is lower risk in a global context, is not without risk and we acknowledge there continues to be examples of modern slavery abuses across Australia.

We lend to customers operating or employed in a range of industries, some of which have a higher risk of people being exposed to modern slavery. Industries with higher risk of modern slavery include agriculture and construction. In Business and Agribusiness, most of the lending and deposits by dollar value in 2024 related to customers outside the high-risk sectors, with the highest single sector exposure being seasonal produce (horticulture). Modern slavery risks may also exist where our business customers source goods and services from countries with a high risk of slavery.

## Investment

In the context of our investment activities, Sandhurst Trustees Limited (**Sandhurst**), our wholly owned subsidiary, is the responsible entity (**RE**) and investment manager of a series of managed investment schemes (**Funds**). These Funds invest customers' money on their behalf either directly in the markets or indirectly through specialist asset managers.

The underlying exposures of each Fund vary, investing across many asset classes including income, cash, equities, property and fixed interest, infrastructure and other entities.

Fund investments can pose modern slavery risks depending on the company sector, geographical location, business model or labour composition. Where Sandhurst invests through specialist asset managers, Sandhurst's ability to influence the level of modern slavery risks associated with its Funds' investments is lower. The risks of modern slavery may be heightened where an asset manager is headquartered or uses suppliers headquartered in countries that are high risk for modern slavery.

Our risk is lower as:

- Direct investments are predominantly in Australian issued bonds and money market securities;
- Investment management is a business with highly skilled people;
- All Funds invested in have Responsible Entities located in Australia; and
- All investment managers are headquartered in Australia, USA and the UK; noting some have offices in emerging economies.

### Employment

There is a potential risk of modern slavery, in particular labour exploitation, in both our own workforce and our indirect (contracted) workforce. The financial services industry is generally considered to have a lower modern slavery risk, due to its highly skilled workforce typically employed directly and under employment terms and conditions governed by Australian employment laws.

Contracted workers present a higher degree of modern slavery risk. The frequent presence of outsourced service arrangements and offshore operations associated with contracted workers means that the Bank has less visibility and control over how workers are engaged. There tends to be a higher prevalence of subcontractors and independent contractors as well as migrant and unskilled workers who may have low awareness of their rights and available protections and are therefore more susceptible to exploitation.

### Community investment

Bendigo and Adelaide Bank is a proud community focused bank and has long history of engaging with, contributing to and supporting communities. Community investment activities are carried out through grants, donations, scholarships, appeals and community partnerships.

We acknowledge that through these community investment activities there exists a risk that we support, directly or indirectly, organisations involved in modern slavery.

### In our supply chain

Across the Bank, we deal with a diverse range of Australian and overseas suppliers.

The Bank recognises that through its supply chain it can be exposed to modern slavery risk through purchasing goods and services from suppliers who are either involved in modern slavery themselves or have modern slavery activities occurring within their own supply chains.

Examples of goods and services we procure where modern slavery has been identified to be a risk include:

- IT software, hardware and devices;
- Temporary personnel services;
- Office products and furniture;
- Promotional merchandise;
- Staff uniforms; and
- Low skilled labour such as cleaning and catering.

The risks of modern slavery in our supply chain may be heightened where the goods or services we procure are manufactured in or with raw materials that are sourced from industries or countries that have a higher assessed risk of modern slavery. We recognise the risk is not limited to goods or services sourced from overseas and could also occur within Australia.

# Our approach to addressing modern slavery risks

Due to the complex and clandestine nature of modern slavery risk there is a need for continuous year-on-year improvement, however we acknowledge this is challenging. Considering the Federal Government's statutory review of the *Modern Slavery Act 2018* (Cth), in 2023, we decided to focus this year on reviewing our Modern Slavery Roadmap and governance to ensure we are best placed to understand and manage our risk. Due to this focus on review, our progress has been moderate, with some actions unchanged over the reporting period.

Our current approach to addressing modern slavery risk is embedded in our risk management frameworks, while our continuous improvement plan and underlying activity is captured within our Modern Slavery Roadmap.

Our approach to assess and address modern slavery risk is grouped into the following areas:

- Risks in our operations – further split into financial products and services, lending and investment, and employment and community investment;
- Risks in our supply chain;
- Governance of modern slavery risk;
- Training and awareness building;
- Grievance and remediation; and
- Engagement and advocacy.

Sustainability, including human rights and modern slavery is governed at the Bank from the Board through to management with actions to manage sustainability related risks and opportunities embedded throughout our business. More information about our approach to Sustainability Governance can be found in the Sustainability Report in the [2024 Annual Report](#).

We have policies and procedures that support human rights and address modern slavery risk. In 2024 progress was made through the refresh of the Code of Conduct and the publication of our Board-approved Human Rights Position. More detail on our approach can be found in the *Modern Slavery Governance* section of this Statement.

## In our operations

### Financial products and services

At the core of our approach to identifying, assessing and mitigating modern slavery risks is the integration of modern slavery considerations within our financial crime processes.

There is a link between financial crime (particularly money laundering) and modern slavery. For example, criminal activities involving modern slavery, such as human trafficking, often underpin the practice of money laundering. Crimes like modern slavery and human trafficking are the predicate offences to money laundering. In other words, the proceeds from these crimes are then subsequently laundered through Australian banking institutions and the financial ecosystem.

Our financial crime processes (including customer due diligence, payment and customer screening and transaction monitoring activities) incorporate a risk-based approach to identify, manage and mitigate risks. These are risks we may reasonably face through the provision of products and services which might be used to facilitate money laundering, terrorism financing activities or other financial crime. These activities may also identify modern slavery activity by the Bank's customers, third party partners and suppliers.

Our Financial Crime Risk team is responsible for performing transaction monitoring and analysis alongside customer due diligence to identify money laundering and terrorism financing activities. This is performed through account monitoring techniques designed to identify red flags relating to modern slavery and additional due diligence investigations on customers deemed to be high risk for money laundering or terrorism financing. For example, key risk indicators of child sexual exploitation form part of our transaction monitoring program. The Financial Crime Risk function also collaborates closely with regulators, the Fintel Alliance, law enforcement agencies and other industry partners.

The team reviews all relevant financial crime risk typologies on an ongoing cycle (at least annually) including the human impact typology which covers modern slavery. The function of these typology reviews is to record all known risk factors associated with the behavioural typology and review how these indicators can best be identified through our existing operational environment. Where additional risk factors (e.g. financial indicators) have been identified, this can result in the inclusion of rules within our transaction monitoring program as well as embedding in training and education to uplift our ability to identify and report such instances to the Financial Crime Risk team for investigation.

We also have the following processes in place in our operations to help identify potential instances of modern slavery or human trafficking in our operations:

- **Through our Know Your Customer (KYC)** and due diligence processes we may identify concerns that require investigation. See the *Lending* section below;
- **Anti-Money Laundering (AML) / Counter-Terrorism Funding (CTF) Program** – Part A - Outlines elements to help the Bank's staff identify, mitigate and manage risk of money laundering and terrorism financing activity, including risk assessments, establishment of an employee due diligence program, risk awareness training program, ongoing customer due diligence program and implementing appropriate risk-based systems and controls to ensure AML/CTF reporting obligations have been met; and
- **Ongoing Customer Due Diligence Standard** - Supported by the AML/CTF Program – Part A, the objective of this standard is to guide the Bank's staff in identifying (manually or automatically through the transaction monitoring program), mitigating, and managing any money laundering or terrorism financing risk that may occur when providing one or more designated services.

All our employees and third parties are required to report unusual customer activities or transactions detected through their interactions with customers or non-customers by submitting an Unusual Activity Report (**UAR**).

In 2024 modern slavery UARs remained consistent with the previous year. Our Financial Crime Risk team investigates all reported matters. The outcome of these investigations determines the action that follows. This could include the closure or ongoing monitoring of a suspicion, recommendation to exit the customer through collaboration with relevant business units and risk teams, or the lodgement of a Suspicious Matter Report (**SMR**) with the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) where the investigation finds reasonable grounds that amount to a reporting obligation pertaining to suspicious activity.

Our Financial Crime Risk team discusses the number of UARs raised in relation to modern slavery at their bi-monthly meeting forums to raise awareness and determine if any additional action is required. In 2024 investigations performed by our Financial Crime Risk team identified no UARs with potential links to modern slavery.

We recognise our employees' ability to identify, detect and report modern slavery and financial crime is dependent on their knowledge and awareness of modern slavery risks.

See *Training and awareness raising on modern slavery* for how we build awareness and capability on the risks of modern slavery in our operations and supply chain.

### Lending

To assist in the identification of modern slavery, we use mandatory standards under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 as the basis for due diligence activity for our Consumer, Business and Agribusiness customers. These are known as 'Know Your Customer' (**KYC**) requirements and the due diligence process carried out under these requirements allows us to identify and verify a customer's identity before providing any services to them. It also makes us aware of any unusual or suspicious activity and allows us to prevent fraud and other financial crime activity. Customers we identify as posing a high-risk of money laundering or terrorism financing are subject to enhanced due diligence measures and monitoring.

A UAR form is completed to capture details about a customer/person a staff member has interacted with; the transaction performed; and the details of the unusual activity which has raised concerns.

The form is then reviewed by the Financial Crime Risk team to perform an investigation into the customer, person or transaction(s) involved, which triggered the concern, past transaction history and other elements of the customer relationship and behaviour is then taken into consideration by the Financial Crime Risk investigators to determine if there are reasonable grounds for suspicion.

Due diligence is also carried out through personal interactions with our Business and Agribusiness customers as part of the underwriting process. Through these in-depth conversations, which can include review of historical and current financials, future business plans, and on-site visits, we are well positioned to identify potential modern slavery red flags. Any identified red flags would result in the submission of a UAR, and potentially enhanced due diligence being required. Mandatory annual training is required for all staff, with additional ad hoc training provided on an as needed basis, such as via the Business and Agribusiness “Adoption Hub” to provide staff with details of any new or changed requirements such as clarifying the use UARs in relation to Modern Slavery.

#### ***Policies and processes***

We have policies, processes, positions and tools to help reduce and mitigate modern slavery risk in our lending activities. These are detailed in the *Modern Slavery Governance* section of this Statement. The Bank’s Modern Slavery Policy helps us identify and manage modern slavery risk during the lending process (for Business and Agribusiness lending) and requires that modern slavery risk factors are considered during onboarding and ongoing review of our customers. Other relevant processes and tools include:

- For Business and Agribusiness lending, processes are in place that require the existence of modern slavery risk to be considered for all new lending and during reviews. Factors related to labour practices and workplace conditions of our customers are considered during customer onboarding and ongoing review; and
- Bankers are required to complete an attestation confirming they have not formed a suspicion of the customer’s involvement or association with modern slavery, based on their observation of relevant indicators. The attestation is recorded on the relevant form and stored against the customer record in the document archive system. If a suspicion is formed, a UAR will be submitted to Financial Crime Risk for investigation. The review of financials, business plans and on-site visits assist in identifying modern slavery indicators, such as how labour is sourced, any unexpectedly low cost of labour, contract labour residing on property and the living conditions of labour residing on property.

This year we continued to use a third-party specialist to undertake modern slavery risk assessments across our operational divisions (Business and Agribusiness and Consumer Banking) and entities. These assessments have informed and validated our understanding of the high modern slavery risk industries in our lending and investment activities.

We will continue to leverage these risk assessment results to validate and enhance our understanding of modern slavery risks. As a result, due diligence requirements have been enhanced with the requirement to submit a UAR if a banker forms a suspicion of modern slavery. Business and Agribusiness are in the process of implementing a single customer management system to align the process between the two areas. Once the foundational releases in 2025 are in place, system capabilities for further uplift will be assessed

Our commitment to address modern slavery in our lending activities was supported by training – refer to the ‘*Training and awareness raising on modern slavery*’ section of this Statement.

#### **Investment**

Our funds management business, Sandhurst, operates robust investment governance and risk management frameworks. In operating these frameworks and managing risk, Sandhurst considers environmental, social and governance considerations in the selection, retention and realisation of investments relating to the Funds.

During 2024, Sandhurst conducted operational due diligence on the investment manager of the new funds it invested in. This review included enquiry into the modern slavery policies of the fund manager. The external expert’s operational due diligence report pointed to strong operational risk management.

Review of the responses and policies and applying a risk-based assessment for the one external investment manager and all the external investment managers of each of the funds invested in by a Sandhurst fund continued in the period.

The one new fund invested into over the period had a Modern Slavery Statement and our review noted their policy, actions and principals employed are aligned to the Bank’s.

Of the external investment managers that Sandhurst invests with or through, we seek confirmation that the manager reports under the Australian *Modern Slavery Act 2018* (Cth) or under equivalent international regulations as applicable. Where managers have indicated they are not presently reporting, we obtain information on risk mitigation steps they take to reduce the risk of modern slavery relating to their operations. Based on the information provided by the managers and the application of a risk-based approach, we have assessed overall that these suppliers’ operations present a low modern slavery risk.

## Employment

The Bank considers the risk of modern slavery within our direct employee workforce to be low. Most of our workforce is employed directly, with their employment terms and conditions set out in employment contracts governed by Australian laws. Furthermore, our direct workforce is predominantly employed on a permanent or maximum-term basis.

In addition to this, we have a comprehensive employee policy framework which sets expectations regarding modern slavery, workplace behaviour, speaking up on misconduct and financial crime. These policies are communicated to our people through training, ongoing monitoring and grievance mechanisms. All employees are expected to abide by the strict requirements of our refreshed Code of Conduct, values and applicable policies and procedures.

Nonetheless, we recognise that there may still be a small risk of labour exploitation in our workforce, particularly in our contracted workforce. We consider our contracted (indirect) workforce to present a relatively/slightly higher risk of modern slavery due to known labour rights issues with outsourced business operations, particularly those based offshore. Where we engage with external partners for the provision of services either under a statement of work or as a contractor, they are onboarded as part of the Bank's procurement due diligence processes which incorporate modern slavery considerations.

Although the risk of causing, contributing or being directly linked to modern slavery through our employment practices is relatively low, we continue to take steps to manage the potential risks.

In the context of our employment activities, our policy framework communicates our human rights expectations of our employees and provides transparency on our grievance processes. Our People & Culture team provides specialised advice to employees on human resource matters and supports the implementation of policy commitments.

## Community investment

The Community Enterprise Foundation (**the Foundation**), Bendigo and Adelaide Bank's philanthropic arm, helps Australian communities through grants, scholarships, donations and community-focused appeals and partnerships.

In 2022, we conducted a comprehensive assessment of the Foundation's community investments and assessed the overall risk of modern slavery in our community investments as relatively low. The Foundation does not make direct community investments outside of Australia. Rather, support for overseas aid and development projects are funded through Australian registered charities. Although able to fund overseas projects, the Foundation focuses on helping and investing in Australian communities in the first instance.

The following characteristics of our community investment approach are also considered to lessen the likelihood of modern slavery risk:

- Recommendations for funding are often made by a Community Bank or local committees for projects in their local communities which are characterised by existing relationship connections and insight of project objectives; and
- A large proportion of our community investments are directed toward funding grassroots community groups which are often volunteer run and operated.

We have due diligence processes in place to ensure our community investments are directed toward reputable activities.

The Foundation's Community Development Policy sets out how it meets its compliance obligations in relation to the making of donations and administration of grants. Under this policy all new fundraising appeals are subject to legal and reputational review before being approved by the Group Managing Director.

In 2023, we used the insights gained from our 2022 risk assessment process to enhance our approach to effectively identify and manage the risk of modern slavery in our community investment activities. We performed an in-depth review of our community investment due diligence and policy framework and introduced modern slavery risk considerations into relevant processes and policies. In 2024, we continued the pilot phase of a new community investment platform that will provide us with improved visibility of our community investment activities across the Bank. Modern slavery risk considerations have been included in this new platform.

## In our supply chain

The Bank has a range of controls to assess and manage the risk of modern slavery in its supply chain. Most of the goods and services procured are managed through the Bank's centralised Enterprise Procurement function. When sourcing goods or services, all suppliers are subject to some degree of due diligence. We take a risk-based approach, meaning that the greater the supplier's inherent risk, the greater the extent of risk assessment and the more controls we have in place.

### Policies and processes

Our Supplier Code of Conduct sets out our minimum expectations on ethical, environmental, and social standards we expect of our suppliers in their operations and supply chains. The Supplier Code of Conduct is required to be acknowledged by all our high and medium modern slavery risk suppliers.

### Due diligence

Our consideration and assessment of modern slavery risk initially occurs during the supplier selection and onboarding process. At this stage of the process, an initial, high-level consideration of modern slavery risk is carried out by the relevant business unit as part of their request to make a new purchase and engage a supplier. Modern slavery evaluation criteria are included in the Bank's standard tender evaluation and vendor agreement documentation. This criterion requires that suppliers confirm their commitment to not using forced labour, slavery or servitude and to have in place policies and processes for managing modern slavery risks and ensure compliance with relevant modern slavery laws.

Assessment of modern slavery risk in relation to our suppliers is also conducted on an ongoing basis throughout the supplier engagement lifecycle.

In 2022 we started working with a third-party globally recognised supply chain consultant to enhance our supplier risk assessment approach and implemented a modern slavery risk monitoring platform. This tool facilitates the detection of modern slavery presence and activity in our supply chain and assists us to identify suppliers and contracts with a high and medium modern slavery risk. The underlying assessment criteria consider factors including industry, geography and product risk. As a result of this process, approximately 0.06% of our total suppliers have been assessed as high inherent risk suppliers at 30 June 2024. The tool also provides ongoing supplier tracking and alerts for modern slavery issues. Our medium and high-risk suppliers and most of our low-risk suppliers are monitored through this platform.

Where an instance of non-compliance with the Bank's Supplier Code of Conduct is identified, or we become aware of a supplier's involvement in an incidence of modern slavery, our approach is to partner with the supplier in the first instance. We engage with them to establish a clear action plan to remedy the breach and provide an outcome for affected workers. If the non-compliance is sufficiently serious or the supplier does not cooperate in remediation, we may terminate our business relationship with the supplier.

In 2024, we continued to include modern slavery criteria in all new tender evaluations and vendor agreement and monitor alerts within our risk monitoring system.

During this reporting period, no suppliers were identified as requiring a specific remedy to address modern slavery concerns.

We have a target to increase our social supplier spend each year by 4% on the previous year's actual spend. This year we exceeded our social spend target, achieving \$10.8 million, which is 167% over target. This success was due to Timely (previously Tic:Toc) receiving B-Corp certification. We also increased the number of Social Suppliers<sup>1</sup> this year from 35 to 38. This target helps us grow spend with suppliers who prioritise ESG considerations, including how they manage modern slavery risk, and gain external recognition for their efforts.

1. The Bank uses recognised sources including the B-Corp, Social Traders, Supply Nation and Kinaway business directories to define the suppliers included as Social Suppliers. These sources may expand over time as other recognised sources become available to us.

## Modern slavery governance

Sustainability, including broad human rights and modern slavery risk, is governed at the Bank from the Board through to management with actions to manage sustainability-related risks and opportunities embedded throughout the business.

The table below provides more detail of governance arrangements that exist to manage modern slavery risk across the Bank.

<b>Bendigo and Adelaide Bank Board</b>	<p>The Board, with assistance from the Board Audit Committee, oversees the management of environmental, social and governance (“ESG”) risks and opportunities. This includes:</p> <ul style="list-style-type: none"> <li>• Impact – considers the environmental and social impact of our operations and activities;</li> <li>• Policy – approves the ESG &amp; Sustainability Business Plan and associated policies, including for 2024, the Human Rights Position;</li> <li>• Risk Management – approves the approach to managing ESG risk;</li> <li>• Opportunities – endorses ESG related opportunities from Executive; and</li> <li>• Disclosure – approves ESG disclosures including the Modern Slavery Statement.</li> </ul> <p>Responsible for the oversight and approval of our Modern Slavery Statement.</p>
<b>Board Audit Committee (BAC)<sup>1</sup></b>	<p>This Committee is the primary conduit to the Board for ESG matters and reporting, receiving regular updates on ESG risks and opportunities at each meeting which may include modern slavery matters.</p> <p>The BAC is also responsible for reviewing the Bank’s ESG and Sustainability Business Plan which includes modern slavery and recommending the Modern Slavery Statement to the Board for approval.</p>
<b>Board People &amp; Culture Committee (BPCC)<sup>2</sup></b>	<p>This Committee assists the Board in relation to the Group’s remuneration arrangements. This includes conducting regular reviews of, and making recommendations to the Board on, the remuneration strategy and policy taking into account the Group’s objectives, risk profile, shareholder interests, regulatory requirements and market developments.</p>
<b>Operational Risk Committee (ORC)</b>	<p>This Committee is responsible for reviewing the Anti-slavery and Human Trafficking Policy and the Modern Slavery Statement.</p>
<b>Boards of subsidiaries</b>	<p>Responsible for reviewing and endorsing the Modern Slavery Statement prior to approval by the Bendigo and Adelaide Bank Board.</p>
<b>Executive Committee and Business Unit Heads</b>	<p>The Executive Committee reviews and endorses the Statement and the underlying modern slavery program of work, for approval by BAC and the Board.</p> <p>Business Unit Heads are responsible for overseeing the modern slavery risks within the Bank’s operations and supply chains. The day-to-day responsibility for managing these risks sits within each business unit. The business units themselves are responsible for implementing processes and controls to ensure compliance with the Bank’s policies concerned with human rights and modern slavery.</p>
<b>Sustainability Council</b>	<p>The Sustainability Council is an enterprise-wide forum established in 2023 to strategically examine and guide the management of ESG risks and opportunities, including modern slavery, across the Bank. It consists of senior leaders across all business divisions. Group Executives and Board Directors have a standing invitation to attend meetings twice a year.</p>
<b>Modern Slavery Working Group</b>	<p>Our Modern Slavery Working Group is made of a cross functional group of business representatives and is responsible for engaging with business units to drive the implementation and continuous improvement of the Bank’s approach to modern slavery risk under our Modern Slavery Roadmap and provide input into the preparation of this Statement.</p>

1. Due to change in accountabilities in 2024, the Chief Financial Officer is accountable for the Bank’s approach to Modern Slavery with the Board Audit Committee reviewing the Modern Slavery Statement prior to Board approval.
2. At the 17 June 2024 Board meeting, the Board approved the retirement of the Board People, Culture and Transformation Committee and the creation of a Board People and Culture Committee and Board Technology and Transformation Committee.



We have policies and procedures that support human rights and prevent modern slavery. In 2024, progress was made through the refresh of the Code of Conduct and the publication of our Board-approved Human Rights Position.

### Code of Conduct

Updates to our Code of Conduct were made in line with our refreshed values and behaviours and to simply define expectations on what our people must or must not do and support uplifted risk management. It covers our employees, Community Bank employees, Directors and people who perform work on behalf of the Bank. The Code was effective from 1 July 2024 and our employees will be required to complete mandatory learning and attest to reading and complying with the Code.

### Human Rights Position

This year, we released our first Human Rights Position. It consolidates our human rights activities into a business-wide commitment, allowing us to communicate how we identify, prevent, mitigate and account for human rights principles, and remedy when our actions or inactions cause harm.

Our position is informed by international human rights principles and conventions, the United Nations Sustainable Development Goals and our material issues, core values and strategic imperatives. Its development also included internal engagement, including close to 100 stakeholders across our business and our internal Sustainability Council. It was reviewed by our Executive Committee and approved by the Board in April 2024. Our Human Rights Position is available on our [website](#).

“At Bendigo and Adelaide Bank, we acknowledge that businesses can both advance and hinder human rights. We believe in protecting and respecting human rights principles and remedying violations where they occur. We do this by working to hold ourselves to the same standards we expect from others, across all financial and product services we offer, in our operations and across our value chain, as well as how we engage with and support our stakeholders.”

Our Code of Conduct and Human Rights Position form part of a wider suite of policies and positions that support human rights and aim to prevent modern slavery across our operations and supply chain.

The table on the following page includes all relevant policies and positions. Employees are made aware of these policies either through mandatory training or directly. All policies are accessible to employees on the Bank's intranet.

Table 1: Key human rights and modern slavery policies, positions and standards.

Policy	Purpose
<b>Code of Conduct</b>	<p>Sets the standard for our corporate and individual behaviours, actions and decisions. It also helps our people understand what is expected of them every day to support the delivery of the right outcomes for each other, as well as our customers, community and our business.</p> <p>Covers our employees, Community Bank employees, Directors and people who perform work on behalf of the Bank. The Bank's Code of Conduct was refreshed in 2024.</p>
<b>Supplier Code of Conduct</b>	Sets out our minimum expectations on ethical, environmental, and social standards we expect of our suppliers in their operations and supply chains. Required to be acknowledged by all our high and medium modern slavery risk suppliers.
<b>Whistleblower Policy</b>	Supports our employees and all Group Directors to raise concerns of reportable conduct, including any in relation to slavery or human trafficking, and protects them from retaliation and victimisation.
<b>Human Rights Position</b>	Details our commitment to protecting and respecting human rights. The position includes the international standards that inform our approach and supporting governance arrangements.
<b>Group Anti-slavery and Human Trafficking Policy</b>	Sets out how modern slavery risks are managed in our supplier relationships.
<b>Modern Slavery Policy</b>	Sets out how modern slavery risks are managed in our Business and Agribusiness lending activities.
<b>Anti-bribery and Corruption Policy Statement</b>	Articulates our commitment to complying with applicable laws and regulations addressing bribery, fraud and corruption.
<b>Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Policy Statement</b>	Outlines our approach to identifying, treating, mitigating and managing financial crime risk (but not limited to) money laundering and terrorism financing, fraud and anti-bribery and corruption risk in the Bank with an intent to ensure compliance with the AML/CTF legislation and regulatory obligations.
<b>Customer Feedback Management Policy</b>	Provides an outline of how staff handle customer feedback, including complaints and compliments.
<b>Workplace Health and Safety Statement</b>	Outlines our commitment to providing a safe and healthy workplace for all workers, customers and other visitors.
<b>Community Development Policy</b>	Sets out how the Community Enterprise Foundation meets its compliance obligations in relation to the making of donations and administration of grants.

Our monitoring of the broad modern slavery risk environment is informed through a combination of third-party risk assessments, employee insights, reports published by industry and relevant civil society organisations, and our participation in industry networks and working groups.

Our cross-functional Modern Slavery Working Group meets monthly to drive our approach to identifying and addressing modern slavery. In the second half of this year, the Working Group focused on reviewing the Modern Slavery Roadmap, with a particular focus on ensuring clear accountability and governance.

In the coming year, a refreshed Roadmap will be developed, approved and implemented. Progress against this will be reported in our annual Modern Slavery Statements.

## Training and awareness raising on modern slavery

We understand that building our employees' capability and understanding of modern slavery is a key enabler to managing risk, and we are committed to growing capability through training and awareness raising.

We ensure that our employees are aware of our expectations of them in the workplace and how they can report issues. This is done through mandatory training on the Code of Conduct, whistleblowing, health, safety and wellbeing, and financial crime.

Our modern slavery awareness raising approach currently comprises the following initiatives:

- We have a range of training modules to build our employees' capability to meet our financial crime and regulatory obligations. This training is mandatory for all our employees. The content aims to ensure that our employees have the knowledge and skills to identify financial crime and understand our processes for reporting unusual matters;
- In 2024, 98.6% of our employees completed mandatory training which included content on Modern Slavery risk;
- General modern slavery awareness content is included in our mandatory Anti-Money Laundering and Counter-Terrorism Financing Awareness training. Our employees are required to complete this training on commencement of employment with the Bank and every two years thereafter. The training outlines:
  - What modern slavery is;
  - Red flags or key indicators that alert potential risks of modern slavery;
  - Actions employees should take when they suspect potentially suspicious behaviour in line with modern slavery indicators; and
- Where and how they can report unusual activity, such as through suspicious matter reports.
- During 2024, four additional modern slavery modules were uploaded and made available to all staff on the Bank's intranet. The content covers modern slavery risks in the Australian context, potential indicators of modern slavery and internal financial crime reporting process.

### Grievance mechanisms and remediation

We have multiple channels through which modern slavery related incidents or concerns can be raised safely and effectively by the following groups of people.

	Employees	Suppliers	Customers	Community
<b>Whistleblower Service</b>	Our Whistleblower Service is available by phone, email, post and online through a secure online portal, to internal and external stakeholders to report an activity that may involve unethical or illegal behaviours. The service is operated by an external provider to allow anonymity, if desired. All reports are investigated and responded to by the Bank. For our internal stakeholders, whistleblower concerns can also be raised internally to several dedicated roles including Directors, Executives, Group audit team, the Company Secretary or the Whistleblower Program Officer. For our Community Bank employees and Directors, whistleblower concerns are raised under their individual company policies, unless it is not appropriate to do so, in which case the concern may be raised under the Group Whistleblower Policy.			
<b>Group Procurement team</b>	Our business units and suppliers may raise queries or concerns directly with our Enterprise Procurement team who will then assist with determining an appropriate remedy.			
<b>People Advisory Centre</b>	Our employees can contact our People Advisory Centre to seek advice on any 'Speaking Up' matter.			
<b>Financial Crime Risk</b>	Our employees may report concerns related to any form of financial crime including fraud, corruption or abuse of position to our Financial Crime Risk team.			
<b>Customer Advocate Office</b>			Our Customer Advocate Office is an independent voice for customers, helping us understand what our customers and communities need.	
<b>Customer Resolutions</b>			Our newly formed Customer Resolutions team will work to uplift our complaints capability by enhancing our systems and business processes, enabling us to reach fair customer outcomes quickly.	

We recognise that we need to continually strive to improve opportunities for workers to raise issues through our grievance mechanisms and we are committed to engaging in remediation where appropriate.

### Engagement and advocacy

The Bank continued to contribute towards the development of practical responses to instances of modern slavery in the banking industry by participating in the Australian Banking Association (ABA) and United Nations Global Compact (UNGC) working groups, Community of Practice and relevant meetings.

We recognise the importance of working with peers and across industry to address modern slavery, add value by sharing our approach and experience, and learn from others. We will continue to seek out new partnerships which contribute to these aims.

# Assessing the effectiveness of our approach

Assessing the effectiveness of our actions to manage and mitigate modern slavery risks in our operations and supply chain is key to knowing that we are managing our risks. This process also informs areas of future focus to improve our approach. However, defining metrics that evaluate the success of an approach to modern slavery risk is complex.

We use the following processes to review the effectiveness of our modern slavery actions:

- **Modern Slavery Roadmap:** sets out our plan of action to respond to modern slavery risks;
- **Modern slavery governance:** we have an established governance framework in place to oversee and report on modern slavery risks;
- **Assessment processes:** various processes that ensure effective assessment of modern slavery risks across our operations and supply chain, including our internal reporting process for suspicious or unusual activity detected by our employees; and
- **Stakeholder engagement:** engaging with our employees and suppliers ensures awareness of modern slavery and understanding of obligations.

We currently track the following metrics to better understand the effectiveness of our approach and seek to evolve and enhance our monitoring approach over time:

Focus area	Indicator	2024	2023
<b>Governance</b>	Number of policies and positions in place to manage human rights and modern slavery risks.	11 The Board-approved Human Rights Position was published in 2024.	10
<b>Training &amp; awareness</b>	Number of employees who completed the mandatory modern slavery awareness training online module.	98.6% of employees <sup>1</sup> Completion of mandatory learning is a gateway to the Impact@BEN Performance Framework, our approach to performance and development.	99.2% of employees
<b>Supplier Engagement</b>	Number of supplier checks made for modern slavery risks through our third-party modern slavery risk monitoring platform.	1,542	1,500
<b>Grievances &amp; reporting</b>	Number of reports of slavery or trafficking through the Whistleblower Service.	0 Whistleblower cases by type for 2024 are included in the 2024 ESG Data Summary.	0
	Number of modern slavery issues raised through our Unusual Activity Reporting (UAR) process.	215 These were investigated by our Financial Crime Risk team, and none were found to have potential links to Modern Slavery.	205

Measuring effectiveness remains an area of focus for us under our Modern Slavery Roadmap. We will continue to work towards identifying and developing further indicators to assess the effectiveness of our actions and to ensure year-on-year consistency.

1. Data at 30 June 2024 with expired users filtered out.

# Consultation

Bendigo and Adelaide Bank Limited is the sole reporting entity in the Bank and provides this Statement on behalf of itself and the entities it owns or controls. Entities we own or control were consulted in preparing this Statement.

Our Modern Slavery Working Group is the key engagement and consultation mechanism across the Bank. The working group's cross-functional representation includes Risk, Compliance, Enterprise Procurement, Financial Crime Risk, People and Culture, ESG and Sustainability, as well as our Consumer, Business and Agribusiness and Wealth businesses.

The development of this Statement was led by our ESG & Sustainability team with input from our Modern Slavery Working group. Our Executive Committee was part of the consultation and preparation process, and it recommended this Statement to the BAC and Board for approval.



# Outlook

Driven by our purpose 'to feed into prosperity, we remain committed to protecting and upholding human rights through the ongoing enhancement of our approach to identifying, assessing and managing the risks of modern slavery in our value chains.

We have used this year to focus on reviewing our Modern Slavery Roadmap and governance, to ensure we are best placed to understand and manage our risk. Our focus going forward will be on embedding risk management across the business. The focus in 2025 will be on finalising the refreshed roadmap, its actions and accountabilities and then implementing robust governance structures and metrics to support its delivery.

This Statement has been approved by the Board of Bendigo and Adelaide Bank on 26 November 2024 in their capacity as principle governing body of the Bendigo and Adelaide Bank Group.



**Vicki Carter**

Chair

26 November 2024



**Richard Fennell**

Chief Executive Officer  
and Managing Director

26 November 2024

