

Beyond Bank Australia Limited

Modern Slavery Statement 2022.



Beyond Bank
AUSTRALIA

1. Executive summary.



Modern slavery is a global issue that the business community has an important role in addressing. Complex and opaque global supply chains mean that modern slavery has remained hidden. Improvements can be made by increasing transparency within supply chains and making responsible procurement decisions.

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine their freedom. This includes eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour and deceptive recruiting for labour or services. The United Nations (UN) and Walk Free Foundation estimate that there are approximately 40 million victims of modern slavery globally.

This is our third modern slavery statement. We remain committed to a long-term effort to reduce the incidence of modern slavery by increasing transparency across supply chains and engaging with suppliers to eliminate this practice.

In addition to meeting the specific legal reporting requirements under the Modern Slavery Act 2018 (Cth), this Statement sets out our methodology to identify and assess modern slavery risk with a focus on risk to people rather than risk to business. It also outlines the actions taken to address this risk and our future plans in relation to modern slavery due diligence and remediation.

As a customer-owned and B Corp certified organisation, taking action to help eliminate modern slavery is entirely consistent with our core ideology and our values of integrity, mutuality, customer-first, community and sustainability. We can create positive and meaningful change by engaging with our suppliers and working collaboratively to address modern slavery risk and other social and environmental challenges.

Our FY22 modern slavery statement for Beyond Bank Australia was approved by the Board of Directors on 29 November 2022.

A handwritten signature in black ink, appearing to read 'Sandra Andersen', written in a cursive style.

Ms Sandra (Sam) Andersen
Chair, Beyond Bank Australia

2. About us.



2.1 Identification and structure

The Beyond Bank Group (hereafter referred to as 'Beyond Bank', 'we', 'our' or 'us') consists of Beyond Bank Australia Limited (ABN 15 087 651 143) and our wholly owned and controlled subsidiaries.

These subsidiaries include Eastwoods Group Ltd and its wholly owned subsidiary (but not guaranteed) Eastwoods Wealth Management Pty Ltd (trading as Beyond Bank Wealth Management), Beyond Bank Australia Foundation Ltd, Beyond Employee Benevolent Fund Pty Ltd, Community CPS Services

Pty Ltd, Beyond Bank Australia Master Support Fund, Beyond Bank Australia Master DGR Fund, The Barton W Warehouse Trust, The Barton A Warehouse Trust, The Barton Series 2013-1R Trust, The Barton Series 2014-1 Trust, The Barton Series 2017-1 Trust and The Barton Series 2019-1 Trust.

For the purpose of this statement, 'the Group' is the reporting entity under the Act and encompasses all wholly owned and controlled subsidiaries. The mandatory reporting period for this statement concluded on 30 June 2022.

2. About us.

2.2 Operations and Supply Chain

As a customer-owned bank, we are for and with our customers and the community. Our purpose is to create and return value and through this we change lives. We are a national bank with a local focus.

We provide personal and business banking services, insurance and financial planning and advice through our wealth management subsidiary. We also support the not-for-profit sector through salary packaging, fundraising and volunteering.

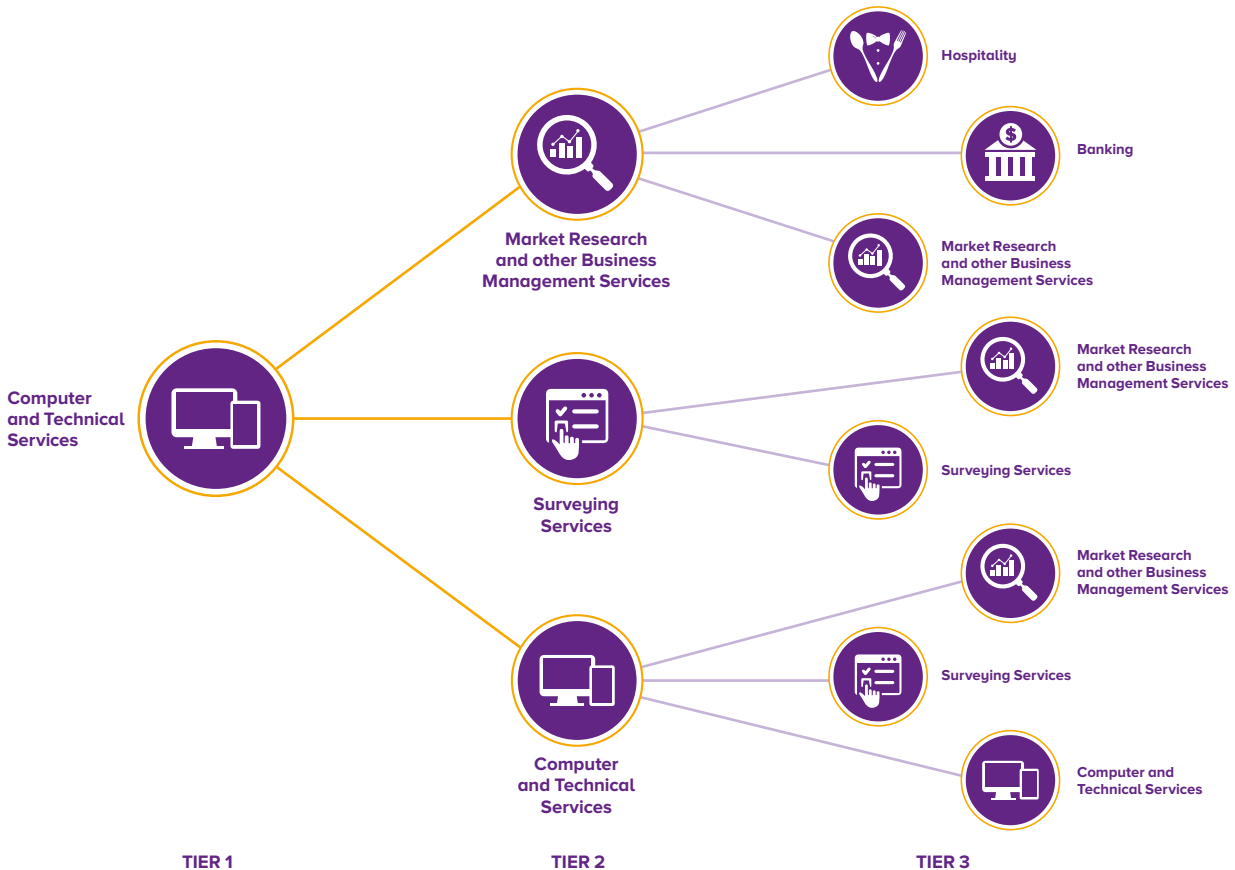
We employ over 650 people across Australia, and our office footprint spans five metropolitan areas and five regional areas. Our customers can find us in more than forty branches across WA, SA, ACT, NSW and VIC. Our national footprint allows our customers to interact with us via our Australian call centres, award-winning app and internet banking services.

Our banking supply chain, based on our first-tier industries, includes:



Figure 1 provides an overview of our supply chain by industry, from our tier 1 suppliers, as highlighted above, to the relationships they have with other industries in the supply chain down to tier 3 (our suppliers, suppliers, suppliers).

Figure 1. An illustrative example of our supply chain representing our tier 1 supplier industry (computer & technical services) and their support suppliers to tier 3.



3. Assessing our risk.

Risks of modern slavery in our operations and supply chain.

To improve our understanding of modern slavery risk, we continue to risk assess our operations, supply chains and investments. This risk assessment process is supported by external consultants using supply chain mapping methodology. During this reporting period, we have also focused on conducting supplier self-assessments with key suppliers to better understand their approach to managing modern slavery risk in their business.

Our assessment process provides an estimate of modern slavery risk in our supply chain based on the following factors:

- a. Industry type;
- b. Country of first-tier supplier; and
- c. Relative spend/invested amounts.

These factors are used to determine our overall theoretical slavery footprint. The total number of theoretical slaves is calculated by summing the estimated slavery along the length of our supply chain. This is measured by the number of theoretical full-time slaves relative to total spend.

Theoretical slaves per million dollars is also calculated. This is measured by the number of full-time slaves relative to each million dollars spent.

3.1 Supply Chain Risk Assessment

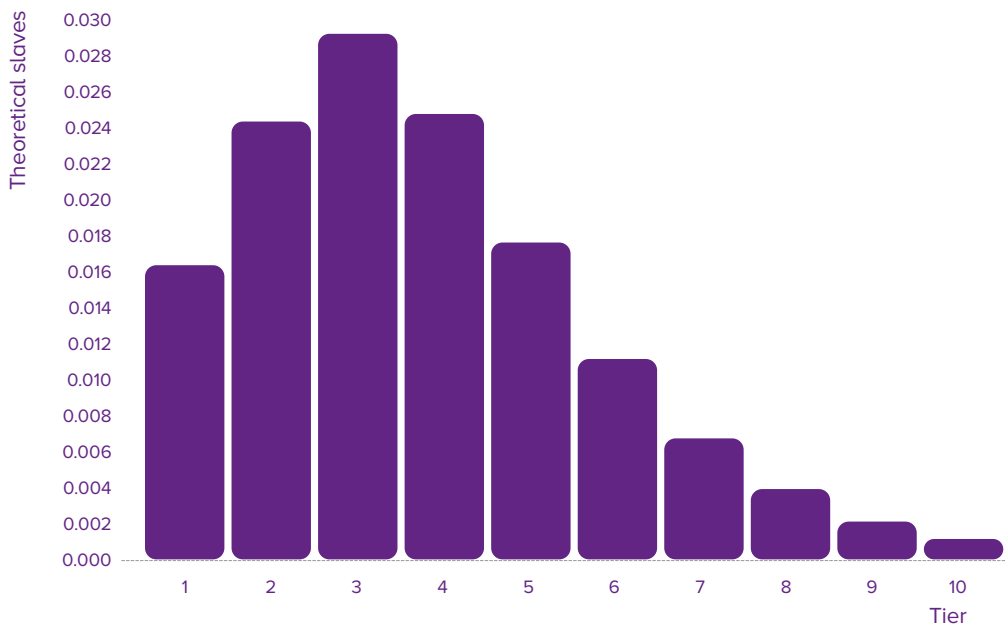
As an Australian-operated company, most of our procurement activity occurs in Australia with Australian-based suppliers; however, we are connected to global supply chains.

Based on our modern slavery risk analysis, the top five supplier countries by the total number of theoretical slaves for our business include:

1.	Australia
2.	China
3.	India
4.	Vietnam
5.	Indonesia

Based on our analysis, this risk is concentrated around tier 3 of our supply chain. Note that these countries may or may not actually be involved in our supply chain. Modelling of our supply chain by Fair Supply concluded that these countries were likely involved based on the industry classification of our suppliers.

Figure 2. Potential slavery risk by the total number of theoretical slaves in our supply chain by tier.



3. Assessing our risk.

Our top 5 tier 1 supplier industries for modern slavery risk by the total number of theoretical slaves are:	
1.	Other business services
2.	Computer and related services
3.	Services to finance and investment
4.	Printed matter and recorded media
5.	Textiles

The total number of theoretical slaves in our supply chain is 0.14 FTE (based on overall spend). The greatest potential for exposure to modern slavery risk in our supply chain is found in tier 3, as shown in Figure 2 on previous page.

Whilst this by no means illustrates a known population, extrapolating the total number of theoretical slaves helps us to understand where modern slavery risk may exist in our supply chain beyond tier 1 as required by the Act.

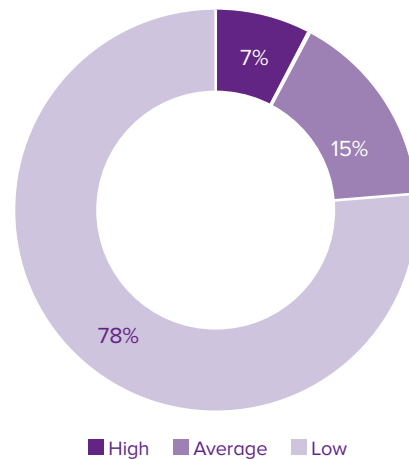
This analysis helps us to understand where we can have the greatest impact through effective supplier engagement with our direct suppliers. Influencing and supporting them to also take action to address modern slavery through their supply chain will assist us to reach our tier 3 suppliers.

An internal risk analysis has also been conducted using the theoretical slaves by million dollars spent to map the risk profile of our suppliers. This is an important lead indicator to ensure the impact of our actions is focused on reducing slavery, and not distorted by changes to our overall spend. Considering modern slavery risk relates to 'risk to people' and not 'risk to business', our business can focus efforts on where risk is highest to ensure better outcomes for people within supply chains.

High, average and low classifications have been allocated to our 227 suppliers to enable us to focus our efforts on engaging higher-risk suppliers that will assist in reducing slavery.

Figure 3 indicates that 7% of our suppliers, representing 2% of the total spend assessed, have been identified as a higher risk for modern slavery based on the number of theoretical slaves by million dollars spent. These suppliers will be further engaged in the next reporting period to better understand this risk.

Figure 3. Risk profile of our first-tier suppliers by theoretical slaves per \$M spent.



3.2 Investment Risk Assessment

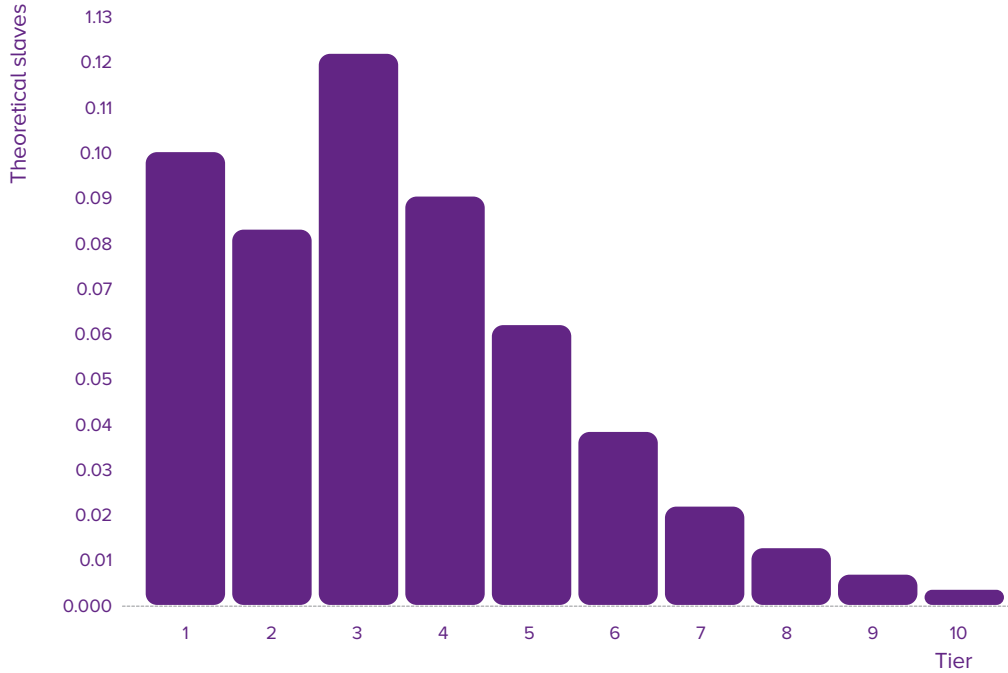
As a financial institution, we have capital invested with other Australian and international banks in Canada, Japan, the Netherlands, and Singapore. In addition to understanding modern slavery risk in our supply chains, it is also important for our business to understand modern slavery risk in our investment portfolio to ensure we are not inadvertently supporting these practices.

Based on our modern slavery risk analysis, the top five countries by the total number of theoretical slaves for our business investments include:	
1.	Australia
2.	China
3.	Vietnam
4.	India
5.	Nigeria

Note that these countries may or may not actually be involved in our investment supply chain. Modelling of our investment supply chain by Fair Supply concluded that these countries were likely involved based on the country and investment category.

3. Assessing our risk.

Figure 4. Potential slavery risk by total number of theoretical slaves in our investment supply chain by tier.



The total number of theoretical slaves in our investment supply chain is 0.54 FTE (based on the overall amount invested). The greatest potential for exposure to modern slavery risk in our investment supply chain is found in tier 3, as shown in Figure 4.

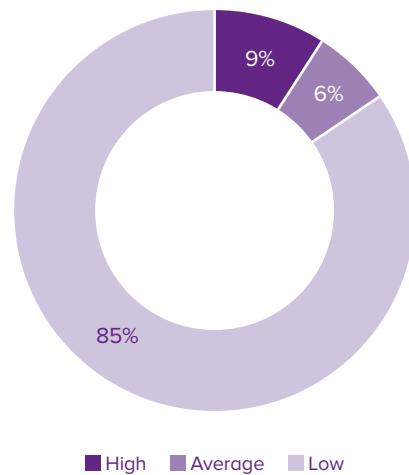
It by no means illustrates a known population but is rather an extrapolation to identify the risk of modern slavery in the investment supply chain beyond tier 1 as required by section 16(1)(b) of the Act.

An internal risk analysis using theoretical slaves by million dollars invested to map the risk profile of our investments was also conducted.

High, average and low classifications have been allocated to our 33 investment counterparties to enable us to better understand where we can improve the management of higher-risk investments that will assist in reducing slavery.

Figure 5 indicates that 9% of our investment counterparties, representing 2% of the total investment assessed, have been identified as a higher risk for modern slavery based on the number of theoretical slaves by million dollars spent. These counterparties will be further engaged in the next reporting period to better understand this risk.

Figure 5. Risk profile of our investment supply chain by theoretical slaves per \$M invested.



4. Actions we're taking.

Actions taken to assess and address modern slavery risks including due diligence and remediation.

4.1 Supplier self-assessment questionnaire (SAQ).

In addition to risk assessing our supply chain, this reporting period, we have focused on validating the results of the risk assessment via direct engagement with select suppliers to determine actual modern slavery risk.

Over this reporting period, we have requested key suppliers to undertake supplier self-assessment questionnaires to better understand modern slavery risk in our supply chain. As part of our anti-slavery commitment and due diligence obligations, this process has helped us further understand our suppliers' practices and policies in relation to addressing modern slavery.

The self-assessment questionnaire to suppliers was focused on the following themes:

1.	Policies
2.	Identification and assessment of risk
3.	Training and education
4.	Due diligence
5.	Grievance mechanism
6.	Remedy
7.	Measuring effectiveness
8.	Industry collaboration and supplier engagement
9.	Specific red flags
10.	Employment conditions

The supplier self-assessment questionnaire was conducted via our external consultant, and suppliers were selected to respond based on the following criteria:

- Material spend
- High-risk supplier rating
- High-risk industry

71 suppliers were engaged by our business through their relationship contact to complete the questionnaire, with an overall response rate of 32%. The suppliers, representing 27% of total spend, that responded to the questionnaire were from the following industries:

- Computer and technical services
- Advertising services
- Property services
- Cleaning services
- Professional services
- Other business services
- Clothing
- Waste management
- Security
- Travel

Whilst considered a typical response rate, in the coming reporting period, we will look to improve our engagement with suppliers to increase our response rate to these questionnaires.

4. Actions we're taking.

4.2 Supplier SAQ Findings

The supplier questionnaire responses have been further analysed to help us understand which suppliers are taking appropriate action to address modern slavery within their supply chain and the suppliers that represent a higher risk for modern slavery.

The results based on the SAQ themes include:

<p>Policies</p> <ul style="list-style-type: none"> • 45% of suppliers include modern slavery provisions in contracts and/or purchase orders for either all or selected suppliers • 23% are working to include such provisions; and • 32% do not include modern slavery provisions in purchasing agreements.
<p>Risk identification and assessment</p> <ul style="list-style-type: none"> • Most suppliers (32%) had some visibility of their supply chain and were actively seeking to improve by increasing visibility into more remote tiers of key supply chains. • 27% of suppliers stated they had limited visibility beyond direct suppliers.
<p>Training and education</p> <ul style="list-style-type: none"> • 50% of suppliers have provided employee training to some or all staff on modern slavery • 27% of suppliers have not provided training to staff about modern slavery • 23% of suppliers plan to roll out training in the next 12 months.
<p>Due diligence</p> <ul style="list-style-type: none"> • Of the suppliers that responded, 14% have conducted physical due diligence audits of high-risk suppliers that involved either on-site audits or worker interviews.
<p>Grievance mechanism</p> <ul style="list-style-type: none"> • 64% of suppliers responded that they have a formal grievance mechanism that enables workers and other interested stakeholders to anonymously report concerns or complaints about potential modern slavery issues.

Each supplier was also scored based on their response and performance against each thematic area listed above. This enabled us to prioritise suppliers that we considered to be higher risk.

32% of suppliers received a low score based on their response and have been flagged as high risk. The industries these suppliers represent include cleaning, computer and technical services, security, property and other business services. In the next reporting period, we will look to further engage with those suppliers and, where practicable, provide them support to improve their modern slavery rating.

4.3 Investment Due Diligence Process

This reporting period, we have also introduced a due diligence process to better understand modern slavery risk and environmental, social and governance (ESG) performance across our investments. Our investment portfolio includes financial institutions within Australia, including Major Banks, other mutual banks and international banks.

Using ESG risk rating information sourced through Sustainalytics, we have developed an internal methodology for ranking our investment portfolio to better understand performance against social, environmental and governance issues, including human capital.

Our weighted average ESG rating remained in the tolerable range during this reporting period. No investments during this period were flagged as high ESG risk, and most international investments were within the better practice category.

4.4 Governance and Policy Framework

Governance of our modern slavery requirements is overseen by the Modern Slavery Working Group, which is responsible for managing our response to the requirements of the Act.

The membership of the Working Group for this reporting period included:

- a. Deputy CEO
- b. Sustainability Manager
- c. Procurement Specialist
- d. Senior Manager - Finance

The composition of the Working Group was designed for maximum coverage across the full spectrum of our business activities, with a focus on areas most relevant to modern slavery risk issues.

4. Actions we're taking.

Our risk and compliance team also continue to provide a second line of risk oversight. Other key stakeholders, particularly critical contract owners, are engaged in this process as appropriate.

The working group's effort during this reporting period shifted from developing our policy framework to implementation. This involved working with stakeholders throughout key procurement activities to ensure modern slavery and other sustainability considerations were considered per the new policy requirements.

4.5 Internal Education and Training

Increasing employee awareness about the prevalence and nature of modern slavery risks within our supply chains is an important component of our strategy for reducing modern slavery risk.

During this reporting period, we continued to identify new employees required to complete the online modern slavery training module. This is determined based on the relevance of this training to their role.

The module provides an overview of what modern slavery is, and the role business has in eliminating this practice. It also introduces staff to our policy framework and how we manage this risk, including staff responsibilities.

We will continue to review our training content to ensure it remains up to date and relevant and will explore refresher training in the next reporting period, as well as potentially expanding the training to include additional staff.

4.6 Industry Collaboration

As a member of Sedex during this reporting period, we also participated in the ANZ advisory group to connect with other members on modern slavery requirements.

We also collaborated with other organisations in our industry sector to understand opportunities to share learnings.

Through the University of South Australia, we were also asked to join the SA Modern Slavery Research and Practitioners Network to connect, promote and progress action in this area with other organisations in the state.



5. Assessing effectiveness.

The following KPIs were defined for this reporting period to assess effectiveness and to demonstrate the continuous improvement approach taken to address modern slavery.

Table 1 below provides an update on how we have progressed against these KPIs for this reporting period.

Table 1. KPI performance to assess effectiveness.

FY22 KPI	Performance
The number of suppliers disclosing information relating to modern slavery through the Sedex supplier self-assessment questionnaire.	32% response rate for SAQ's representing 27% of total spend
The number of suppliers engaged to improve understanding and awareness of modern slavery.	71 suppliers engaged in modern slavery process representing 67% of total spend. Further engagement is required with high-risk suppliers.
The number of contracts with suppliers that include modern slavery provisions.	5 contract renewals during this period included modern slavery provisions as per our policy.
The number of internal employees that have completed specific modern slavery training and/or refresher training.	100% of the eleven new staff members identified have completed the training module within the reporting period.

The following internal KPIs have been developed for the FY23 reporting period to demonstrate how we aim to continually improve our approach to addressing modern slavery.

FY23 KPI
a. Increase cumulative supplier SAQ response rate to 40%.
b. 90% or greater of new/renewed material contracts with suppliers include modern slavery provisions as per policy requirements.
c. 90% or greater completion rate for internal modern slavery training by staff.

To further measure effectiveness, an action plan has been developed to track improvement opportunities for the FY23 reporting period. The focus for this period will include developing resources and exploring further opportunities to engage with key suppliers that have been flagged as a higher risk for modern slavery to improve understanding and increase transparency.

6. Consultation.

Consulting with entities we own or control.

All work undertaken regarding modern slavery also applies to our wealth management business and all other subsidiaries under our group structure. Hence, all operational subsidiaries and their supply chains have been incorporated into the risk assessment process.

Our group policies and procurement framework apply to all our subsidiaries that we own and control and as such, are covered as part of our internal consultation process.

7. Other relevant information.

Next steps for modern slavery risk assessment and remediation.

Other key focus areas that have been identified for upcoming reporting periods include:

- a. Ongoing internal education and training for key staff across the business, including refresher training.
- b. Reviewing internal training materials to ensure they remain relevant.
- c. Further engage suppliers (particularly higher-risk suppliers) to improve self-assessment questionnaire completion rates and extend distribution to additional suppliers.
- d. Develop education materials and resources to share with suppliers to assist with engagement and their progress with modern slavery prevention.
- e. Remediation of any actual modern slavery risks identified.

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