

**Police & Nurses Limited**

Trading as P&N Bank and bcu ABN 69 087 651 876

# Modern Slavery Statement

*Under the Modern Slavery Act 2018 (Cth)*

**1 July 2021 – 30 June 2022**





**We are an Australian customer-owned banking group. Through our mutual model, our members and shareholders are one and the same. This allows us to focus on and prioritise our members and place our people above profits. We are part of the thriving \$150 billion customer-owned banking sector in Australia and our Group aims to deliver a strong, sustainable, customer centric bank for all Australians.**

This Modern Slavery Statement has been approved by the board of Police & Nurses Limited ABN 69 087 651 876 in their capacity as the principal governing body of Police & Nurses Limited on 12 December 2022.

Pursuant to the requirements of the Modern Slavery Act 2018 (Cth), the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

This Statement is signed by Andrew Hadley in their role as the Chief Executive Officer on 12 December 2022.



Andrew Hadley  
P&N Group CEO  
12 December 2022

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# About us

**We are an Australian customer-owned banking group. Through our mutual model, our members and shareholders are one and the same. This allows us to focus on and prioritise our members and place our people above profits. We are part of the thriving \$150 billion customer-owned banking sector in Australia and our Group aims to deliver a strong, sustainable, customer centric bank for all Australians.**

Our purpose is to enrich the lives of our members and their communities and an effective modern slavery response is important to us. We acknowledge the magnitude of the problem of modern slavery with over 40 million people in slavery or slave-like conditions worldwide. We welcome the Act's regulatory regime to address modern slavery and are pleased to have embarked upon a long-term commitment to addressing the issue with this, our third Modern Slavery Statement.

Our key focus has been identifying any potential areas of elevated risks of modern slavery within our operations and supply chains, including those that may be in distant tiers, far removed from the suppliers with whom we have a direct contractual relationship.

We have undertaken the following initiatives, which are explained in further detail on the following pages. These include:

- Investing in significant subject matter expertise to assist us in mapping our complex supply chain and carrying out comprehensive modern slavery risk assessments.
- Continuing development of our corporate governance policies to ensure they are consistent with our human rights obligations, and specifically address issues relating to modern slavery due diligence and remediation.
- Undertaking targeted supplier due diligence based on individual supplier risk assessment outcomes.



# Mandatory Reporting Requirements – Preliminary Information

Police & Nurses Limited has prepared our third consecutive Modern Slavery Statement, in accordance with the *Modern Slavery Act 2018* (Cth) (the Act).

This Statement describes our actions throughout the subject reporting period to continually assess and address the risks of modern slavery in our operations and supply chains.

Police & Nurses Limited recognises at the outset of this Statement that it has not been possible to achieve all of the planned measures we outlined, on a forward-looking basis, in our last Statement. This has been directly attributable to burdens upon our operational resources during the reporting period, due to various natural disasters, particularly the Northern Rivers flooding in NSW. Several of our branches were destroyed, necessitating a major, crisis-based, re-allocation of organisational priorities.

Our impact management response has diverted resources towards the following key activities during the reporting period:

- Ensuring site safety in the immediate aftermath of the disasters;
- Completing the demolition of the flood damaged branches;
- Providing workplaces for our employees displaced from their usual place of work; and
- Establishing short term “pop-up” branches and sourcing long-term branch solutions.

Aside from the disruptions caused by these unforeseen circumstances, we have continued to undertake steps to understand and assess the modern slavery risk exposure of our suppliers and investments. We have also worked to progress key policies and frameworks towards operationalisation.

## Our Structure

The mandatory reporting entity is **Police & Nurses Limited** ABN 69 087 651 876 (“PNL”).

PNL trades as two separate divisions, P&N Bank and bcu, (referred to collectively as “the Group”).

We are a customer-owned banking services provider operating under a mutual model. Our members and our shareholders are one and the same, therefore our focus is to provide ongoing value for the benefit of our members and their local communities.

As part of our organisational philosophy, as a mutual organisation, we continue to strive towards implementing positive change for our members and communities, particularly in addressing modern slavery risk in our spheres of influence.

PNL owns and/or controls the following entities, which form part of the Group, but are not separate mandatory reporting entities:

- Members Holding Company Pty Ltd ABN 79 009 011 769;
- P&N Landreach Pty Ltd ABN 89 082 440 702;
- P&N Management Pty Ltd ABN 24 009 198 681;
- National Home Loans Pty Ltd ABN 87 008 913 817;
- P&N Recruitment Pty Ltd ABN 85 637 912 488.

PNL has continued to consult with all controlled and owned entities to implement our ongoing modern slavery response.

## Our Operations

### P&N Bank

P&N Bank primarily operates and services our members in Western Australia, with branches in the following locations:



**P&N Bank provides the following services and products:**

- Everyday accounts
- Savings accounts
- Business accounts
- Home loans
- Personal loans
- Reverse mortgages
- Credit cards
- Insurance

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**This Statement describes our actions throughout the subject reporting period to continually assess and address the risks of modern slavery in our operations and supply chains.**



## bcu

Our bcu division operates in Australia's East coast, with branches in the following New South Wales and Queensland locations:



Ballina	Maclean
Bellingen	Maroochydore
Bowraville	Murwillumbah
Brisbane	Nambucca Heads
Coffs Harbour	Park Beach Plaza
Dorrigo	Port Macquarie
Grafton	Toormina
Iluka	Tweed Heads South
Lismore	Urunga
Macksville	Woolgoolga
	Yamba

### bcu provides the following services and products:

#### Personal and Business Bank Accounts

- Access and savings
- Term deposits
- Student accounts Scoot Kids account
- Loans and finance: Business loans and agribusiness

#### Insurance

- Home and contents
- Motor vehicle
- Landlord
- Caravan and trailer

#### Loans and Credit Cards

- Home loans
- Investment loans
- Personal loans
- Car loans
- Credit cards

PNL is an Authorised Deposit Taking institution (ADI) and is regulated by various government bodies including APRA, ASIC, AUSTRAC, OAIC and the ACCC in relation to our provision of financial services.

PNL's headquarters are located in Perth, Western Australia and engaged a total of 602 employees during the reporting period.

PNL had a total of 167,000 members during the reporting period, signifying an increase from our Second reporting period.

An overview of our operations, financial performance and community engagement over the reporting period are as follows:

- \$16.6 million net profit after tax
- \$136 million net income
- \$5.84 billion total loans under management (an increase of 9%)
- \$5.75 billion deposit balances (increase of 5%)
- \$7.35 billion total assets (increase of 6%)
- \$560.3 million of total members' funds
- 15.98% capital adequacy position
- 167,000 total memberships.

## Community Engagement

As a customer-owned organisation, a large part of our philosophy is our commitment to investing and partnering with members of our community organisations. We continue to participate in numerous community initiatives.

## Our Supply Chains

Our group has over 500 suppliers who provide support to our day-to-day operations. These suppliers operate in multiple industry categories, including:

- printing and stationery
- finance and investment services
- market research & business management services
- computer and technical services
- property operations and developer services
- telecommunication services
- accounting
- advertising
- non-building construction
- retail trade
- legal services.

Our supply chains have not significantly changed from the FY21 reporting period, aside from an increase spend on suppliers operating in the construction industry.

In terms of a geographical breakdown of our suppliers, our direct suppliers are almost exclusively located in Australia, except for a single technology related supplier based in New Zealand.

## Our Investments

We have approximately 50 investment providers that are solely based within Australia, which represents a marginal increase from the Second reporting period. The Group's portfolio is comprised entirely of investments in Australian diversified banks or Australian based branches of international banking institutions.

# Modern Slavery Risks in our Operations and Supply Chains

No actual or suspected instances of modern slavery were reported or identified in the Group’s operations or supply chains during the FY22 reporting period.

Overall, our risk profile has remained low. We operate within the Australian financial services industry, which is considered relatively low risk for modern slavery. However, we recognise that our increased supply chain spend during the reporting period is a new and material risk factor, which warranted further attention (detailed below).

## Supply Chain Risk Assessment

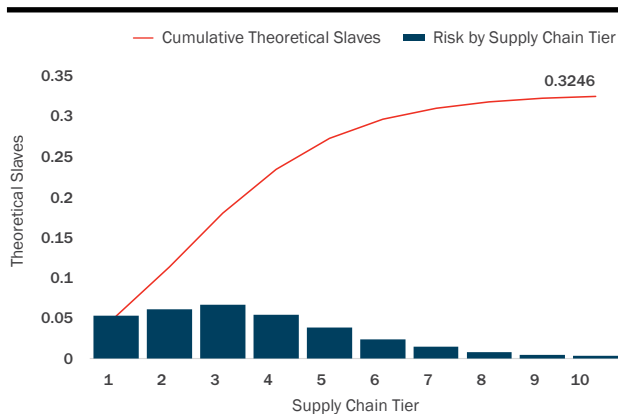
As part of our approach to supply chain risk assessment, we have continued to partner with our subject matter expert to undertake a risk assessment using proprietary technology to analyse the cumulative risk of modern slavery risk through to the tenth tier of our supply chains and investment portfolios.

This assessment has been used to identify changes in our overall risk profile, through assessing the complex interaction between factors including:

- Total supplier spend amount (i.e. value of our direct contracts)
- Industry category, including industries that in turn, feed into particular categories further down the supply chain;
- Geographical area of operation; and
- Depth of tiering within the supply chain(s) e.g. second tier supplier, third tier supplier, etc.

Our FY22 risk assessment has identified that the most elevated risk of modern slavery in our supply chain is occurring with our **Tier 3 Suppliers and beyond**.

**Figure 1.1 - Cumulative theoretical slaves by tier**



PNL’s updated risk assessment has identified the same priority areas of potential modern slavery risk exposure within our supply chain:

- Australian Business Services
- Australian Printing and Media Services
- Australian Financial Services
- Australian Computer Services.

## Australian Business Services, Australian Financial Services and Australian Computer Services

This is the third consecutive reporting period in which the industry categories of *Australian Business Services, Australian Financial Services, and Australian Computer Services* have been flagged by the risk assessment as posing the most elevated potential supply chain risk. The analysis provided in our Second Statement remains relevant in understanding the specific factors which increase the risks profile of these professional services. In short, the common factor across these industry categories is the near universal use of the high-risk supply chain input of electronic hardware and computers.<sup>1</sup>

We recognise the limitations in relation to effectively addressing third tier supply chain practices, and procurement practices of major multinational conglomerates. We consider ongoing future engagement with broader industry collaboration initiatives to be an increasingly key part of any meaningful change.

One of the measures described in our last statement for addressing the risks associated with the *Australian Computer Services* category, was cross-referencing our direct suppliers against the entities named in the Australian Strategic Policy Institute’s 2020 Report: ‘*Uyghurs for sale: ‘Re-education’, forced labour and surveillance beyond Xinjiang*’, as allegedly benefiting from Uyghur forced labour. Three global brands that were amongst our direct computer-related suppliers were named.

We have reviewed the most recently available modern slavery statements and related corporate sustainability reporting for all of these suppliers. Based on the due diligence, mitigation and remedial measures described in those published documents, it appears that these suppliers are all adequately addressing the risks of their alleged linkages to Uyghur forced labour.

<sup>1</sup> The global electronics manufacturing industry is concentrated in higher risk geographies such as China and Malaysia that are recognised to have a reported reliance upon forced labour in the sector. Additionally, electronics related products are commonly manufacturing with high risk conflict minerals.



## Australian Printing and Media Services

The industry category of *Australian Printing and Media Services* has been flagged for the second time in our risk assessment process. As detailed in our Second Statement, the risks associated with printed material are occurring in the production of raw material and paper related inputs, typically in higher risk locations such as China. Additionally, the media service providers are exposed to the same kinds of risks as Australian Business Services, through the sector reliance on laptop type products, as detailed above.

Again, the year-on-year identification of this category confirms our mandate to direct due diligence effort towards this industry category in future reporting periods.

## Investment Risk Assessment

Maintaining the Group's commitment to the risk assessment processes, we undertook a risk assessment of our FY22 investment portfolio, using the proprietary technology developed by our consultants as detailed above.

Our portfolio remains solely vested in Australian diversified banks or Australian branches of international banking institutions. While we have increased the number of investments held during the reporting period, as with previous assessments, our portfolio is still considered to have a low exposure to modern slavery risk, both in terms of individual investees and collectively.

Again, the risks associated with our investment portfolio mirror those identified in relation to the industry categories of *Australian Business Services*, *Australian Financial Services*, and *Australian Computer Services*. Namely, the financial institutions we invest in also have an indirect exposure to potential modern slavery through their use of computer and laptop supply chain inputs.

In FY23, the Group's modern slavery approach for our investment portfolio will be consistent with our overall due diligence approach towards computer and other electronics products and related suppliers, with a particular focus upon monitoring the possible reliance of electronic hardware inputs produced from Uyghur forced labour.

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**Overall, our risk profile has remained low. We operate within the Australian financial services industry, which is considered relatively low risk for modern slavery.**

## Assessed Risks in our Operations

PNL recognises our responsibility under the Act to review our operations for potential exposure to modern slavery risk. As a provider of a broad range of financial services and products, we continue to recognise potential indirect exposure to modern slavery through our products being used to facilitate modern slavery crimes, such as enabling financial payments for online child sexual exploitation or authorising transfers of illegal recruitment fees.

To counter such criminal activity, PNL has robust Anti-Money Laundering procedures and 'Know Your Customer' processes in place, which address many similar indicators of modern slavery related financial crimes. We also closely adhere to our responsibility to report any suspicious matters to AUSTRAC and other statutory bodies, and we will continue to monitor transactions for any modern slavery related red flags. Additionally, to enable our staff to better mitigate these risks, we have continued to facilitate fraud and financial crime training procedures for frontline employees in FY22.

## Construction Services

As outlined above, an unforeseen risk that arose within the remit of our operations in FY22 has been the increased use of construction and related services. Specifically, we experienced several natural disaster events that destroyed the following branches:

- Destruction of our Toormina branch caused by a severe hailstorm; and
- Severe flooding and damage during the Northern Rivers New South Wales flood disaster that destroyed our Lismore, Murwillumbah, and Grafton branches.

As a result of the extensive damage to these branches, we have been required to engage with additional construction services to rebuild these branches and establish alternative short term branches. PNL is aware that this sector is considered a higher risk for modern slavery within the Australian context, for the following reasons:

- A relatively higher prevalence of migrant workers that may have limited union interaction because of their limited proficiency in English or be fearful of reporting exploitation due to their visa status;
- An increased risk for sham contracting and pyramid contracting arrangements;
- The industry is consistently linked with unsafe working conditions.

In response to these identified risk factors, PNL has focused on engaging with the supply chain workers used by our construction suppliers for deeper risk assessment, detailed further below.

## Ongoing Action to Address Modern Slavery Risks

The Group has continued to undertake certain actions to continually assess and address modern slavery in our operations and supply chains, as detailed below.

### Supplier Engagement and Due Diligence

#### Direct Engagement with Construction Suppliers

As part of our response to the extraordinary and unprecedented challenges that we have faced as a result of natural disasters, PNL shifted our supplier due diligence focus to assess the construction suppliers we engaged. We also pursued direct engagement with workers in these supply chains.

We recognise that workers in this industry, even in Australia, are at a relatively higher level of vulnerability to modern slavery.

We issued self-assessment questionnaires (“SAQs”) to our construction providers, to ascertain what types of measures or frameworks were in place to mitigate the risks arising from their presence in a high-risk industry.

PNL also directly interviewed several workers engaged by our construction suppliers. We focused on adopting an informal interview approach, as opposed to a formal audit, to promote candid disclosures from the supply chain workers. Our interviews were undertaken by PNL key staff that have responsibility for driving our organisational modern slavery response. The interviews focused on assessing for modern slavery indicators and adjacent red flags, such as:

- onsite working conditions,
  - overtime expectations of their employer, and
  - assurances that workers are receiving appropriate compensation.
- This due diligence process further satisfied us that the non-recurring construction-related suppliers appear to be sufficiently mitigating the risks associated with their industry of operation.

#### Supplier Self-Assessment Questionnaires

Consistent with our approach in previous reporting periods, issuing self-assessment questionnaires to suppliers operating in high-risk industries remains an important aspect of our modern slavery response framework.

During the reporting period, we issued SAQs to suppliers flagged in higher risk industry categories across our First and Second Statements. Our SAQs included targeted questions addressing the following key areas:

- Existence of appropriate modern slavery related policies and processes to educate staff and suppliers about the operation of these policies;
- Training processes to raise awareness of modern slavery across key departments;
- Operational supplier due diligence and auditing processes, including supply chain mapping and risk assessment processes;
- Remediation and grievance procedures to receiving and respond to complaints and allegations of modern slavery.

To supplement the responses received from the survey, PNL also undertook a desktop review of these flagged suppliers, assessing the following additional types of corporate reporting, public disclosures, and publicly available policies:

- Modern Slavery Statements
- Social and Environmental Framework
- Responsible Investment and Supplier Code of Conduct policies/documents.

Neither the supplier survey responses nor desktop audit results identified any critical risk factors or other concerns.

### Vendor Management Framework

In our last Statement, we described the development of our new Vendor Management Framework (“the framework”). The ongoing development of the framework includes a vendor management policy, which will facilitate assessment of all new suppliers and partners that generate a revenue stream. As part of this policy, relevant suppliers and partners are subject to a modern slavery evaluation as part of the onboarding process.

At a high level, we have progressed the framework and presented it at our Operational Risk Committee incorporating the feedback received from the Committee’s review to improve the operation of the framework, once fully rolled out in FY23.

More specifically, we have continued to focus on refining two key aspects of the framework during the reporting period:

- Developing the standalone third party supplier evaluation tool (detailed below), which was designed to achieve the overarching aim of the vendor management policy, of improving our new supplier assessment processes; and
- Building internal capability to manage the rollout of the vendor management framework and third party supplier evaluation tool.

As part of the upcoming planned framework rollout, we will also facilitate in person training sessions for key stakeholders who regularly engage with existing and new, to maximise the operation of the framework.

### **Third Party Supplier Evaluation Tool**

As detailed above, during the reporting period we have focused on developing our third party supplier evaluation tool that will be a key component of the vendor management policy. PNL views this process as an important element of our overall modern slavery response, to ensure that we are properly vetting the modern slavery risk of potential suppliers prior to entering commercial engagements.

The first stage of our supplier evaluation tool is a questionnaire which aims to understand a broad range of commercial factors about our suppliers, including modern slavery, to create a comprehensive risk profile of our suppliers. This questionnaire covers factors such as the reputation of the supplier, the financial stability of the supplier, the anticipated complexity of the contracts etc.

For any supplier that is assessed as high, or very high risk based on the initial questionnaire, or any supply contract valued over \$50,000, the evaluation tool requires the prospective supplier to also be screened using the proprietary modern slavery risk assessment, detailed above at Part Two. We have established a screening threshold within this proprietary risk assessment, based on the potential exposure of the supplier on a 'risk of slavery per-million-dollar-basis', which provides a risk exposure rating based on the calculated risks of the supply chains of the new supplier (on an industry category basis).

For suppliers that are assessed as having a lower modern slavery risk exposure, the supplier evaluation tool 'downgrades' the overall risk of these suppliers. Similarly, the suppliers that are screened and assessed as having a higher modern slavery risk exposure are re-assigned a higher overall risk score. The suppliers that are assigned a final overall high or very high-risk rating are reassessed for suitability and will be subject to ongoing supplier performance management.

During the pilot phase of the third-party supplier evaluation tool we did not identify any high or very high risk new suppliers, from a modern slavery perspective. PNL will continue to review the operation of our third-party supplier evaluation tool to determine if we have established appropriate thresholds for categorising the risk of new suppliers.

### **Building Internal Capability to Implement Framework Roll Out**

As part of our approach to ensuring that the framework, once finalised, is most effectively operationalised, we have focused on supporting internal capability building.

During the reporting period, we have created a new role within our Corporate Assets division, to assist with ensuring the department's compliance with modern slavery processes and guiding our teams through the pilot phase of the vendor management framework and third-party evaluation process.

To bolster this function, our new Corporate Assets compliance officer will be responsible for monitoring the newly established key third party contract register. This contract register is now the centralised system to record the outcome of supplier contract reviews and the results of the third-party supplier evaluation tool. During the reporting period, we also updated pre-existing accounts payable supplier onboarding systems, so that our Corporate Assets compliance officer can ensure that all new suppliers are subject to the framework and third-party supplier evaluation tool.

### **Internal Governance Frameworks and Policies**

Modern slavery related policy development has progressed, to be integrated into our vendor management framework after final review and approval.

- Supplier Code of Conduct
- Human Rights Policy, and Human Rights Grievance Policy and Procedure

### **Supplier Contracts**

Our last Statement described the likely upcoming implementation of modern slavery provisions for supplier contracts. The process of embedding these provisions in new supply contracts is underway by PNL's Legal division and will continue to roll out the wider use of our model contract provisions for new supply agreements in FY23.

### **Training and Education**

We remain committed to providing internal training to build awareness, with a particular focus on building staff capacity to address modern slavery at the branch level. In keeping with this approach, our frontline workers have completed targeted fraud training that addressed various indicators that have a strong overlap with financial indicators of modern slavery.

## Measuring the Effectiveness of Our Modern Slavery Response

- In our second Statement, PNL detailed certain key performance indicators (“KPIs”) to evaluate our modern slavery progress over consecutive reporting periods. We have also measured our effectiveness in terms of whether we have made meaningful progress in achieving the key FY22 focus areas identified in our second Statement.
- Overall, PNL acknowledges that we have not completed all KPIs within the reporting period, nor have we fulfilled all prior commitments set out in our Second Statement. As detailed throughout this Statement, this has been primarily attributable to our diversion of resources to respond to the impacts of unforeseen natural disasters. However, we have still made progress across certain action areas, as set out below in the snapshot of our progress, tracked against these previously established KPIs and prior commitments.

Key Performance Indicator	Progress Update
The risk threshold for probable modern slavery instances in our supply chain based on the spend value of our suppliers	<p><b>Completed and subject to future review.</b></p> <p>During the reporting period we piloted a risk threshold for the probable modern slavery instances, as part of our development of the third party evaluation supplier tool. We trialled a materiality threshold of subjecting contracts valued over \$50,000 to a proprietary risk assessment.</p> <p>We will continue to review the threshold developed across future reporting periods, to ensure it adequately reflects the risk exposure of new suppliers.</p>
Number of modern slavery risk assessments carried out in relation to our new and existing suppliers	<p>547 direct suppliers subject to proprietary risk assessment.</p> <p>Three prospective suppliers subject to proprietary risk assessment screening as part of the pilot phase of the third party evaluation supplier tool.</p>
Number of desktop audits undertaken for high risk suppliers or suppliers operating in high risk industries	<p>Two desktop audits undertaken on suppliers operating in high risk industries.</p> <p>Three onsite assessments undertaken to review working conditions for construction supply chain workers.</p>
Number of self-assessment questionnaires issued to high risk suppliers or suppliers operating in high risk industries	<p>Five self-assessment questionnaires issued to suppliers operating in high risk industries.</p>
Finalising and operationalising the vendor management framework, including the modern slavery policies.	<p>Ongoing and scheduled for finalisation in the FY23 reporting period.</p> <p>The pilot phase of our third party evaluation has been implemented during the reporting period.</p>
Implementing and facilitating the new training program.	<p>Our new modern slavery module has been developed and is currently subject to internal approval processes.</p> <p>This training is planned for the next reporting period.</p>
Continuing our efforts to focus on supplier due diligence and further levels of assessment.	<p><b>Completed and ongoing in future reporting periods.</b></p> <p>As detailed above, we undertook supplier due diligence through proprietary risk assessment processes, interviews with supply chain workers, issuing of SAQs and desktop audits.</p>

The Group is committed to regaining our momentum in continuously improving our modern slavery response during FY23. To assist us with refocusing our efforts and resources, we have developed the following key action areas, which we will use to benchmark our future progress against, in addition to our quantitative KPI evaluation framework:

- Finalise and roll out the Vendor Management Framework and associated policies.
- Reviewing and amending our third party evaluation tool, incorporating learnings from the pilot phase.
- Finalising, operationalising and publishing key modern slavery policies, including our supplier code of conduct, human rights policy and human rights grievance procedure.
- Roll out of new modern slavery training module.
- Incorporating adverse media screening due diligence processes as part of the third party evaluation process. We will commence this process in relation to existing vendors.

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**We are committed to ensuring that, for reasons of practical functionality, these policies are fit-for-purpose to ensure that they will operate effectively within our new framework.**

## **Consultation with Controlled Entities and Other Relevant Information**

PNL has consulted and engaged with the following entities that we own and control over this reporting period for the purposes of preparing this Statement and implementing our overall modern slavery response:

- Members Holding Company Pty Ltd  
ABN 79 009 011 769
- P&N Landreach Pty Ltd ABN 89 082 440 702
- P&N Management Pty Ltd ABN 24 009 198 681
- National Home Loans Pty Ltd ABN 87 008 913 817
- P&N Recruitment Pty Ltd ABN 85 637 912 488.

All of the above entities are subject to the same executive oversight and control by Police & Nurses Limited Board and operate under the Group's corporate governance policies and procedures. Additionally, all of the Group's owned and controlled entities have been subject to the comprehensive proprietary supply chain risk assessment, detailed above at Part Two.

## **Initial Risk Assessment Methodology Summary**

As discussed in Part Two of this Statement, we in continued our engagement with external subject matter experts to carry out the same comprehensive risk assessment in relation to new supplier categories that were not previous subject to assessment. This baseline exercise provides the basis for our subsequent focus for ongoing due diligence and remediation activities across not only the present reporting period but for upcoming years.

Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of PNL's top suppliers by spend.

This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:

- The United Nations' (UN) System of National Accounts
- UN COMTRADE databases
- Eurostat databases
- The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO)
- Numerous National Agencies including the Australian Bureau of Statistics.

The MRIO is then examined against the following international standards:

- The UN Guiding Principles on Business and Human Rights
- The Global Slavery Index
- International Labour Organisation (ILO) Global Estimates of Modern Slavery
- The United States' Reports on International Child Labour and Forced Labour.

A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier of PNL.

This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence of non-existence of slavery in PNL's supply chains, operations, or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region, or product level.

The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:

The individual suppliers and industries with the most elevated risk of modern slavery.

- Supply chain and investment plots to provide a visual representation of the supply chains for PNL's top three first tier industries.
- Plotting the relative slavery risk in the supply chain by tier, up to tier 10.
- Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world.
- An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk.
- Suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.





**Registered Office**

Police & Nurses Limited

ABN 69 087 651 876

Level 6

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Perth 6000

Western Australia



# MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

## Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

as defined by the *Modern Slavery Act 2018* (Cth)<sup>1</sup> (“the Act”) on

## Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

as defined by the Act<sup>2</sup>:




## Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

<b>Mandatory criteria</b>	<b>Page number/s</b>
a) Identify the reporting entity.	
b) Describe the reporting entity’s structure, operations and supply chains.	
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	
e) Describe how the reporting entity assesses the effectiveness of these actions.	
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	

\* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

\*\* You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.