

Modern Slavery Statement

Australian Payments Plus

2022

This statement is prepared on behalf of Australian Payments Plus Limited ACN 649 744 203 and each of its subsidiaries (together, **AP+**). This is the first modern slavery statement by AP+, the reporting entity, following the amalgamation of BPAY Group Holding Pty Ltd, eftpos Payments Australia Limited and NPP Australia Limited in February 2022.

It outlines the actions taken by AP+ to assess and mitigate modern slavery in our business and supply chain for the financial year ending 30 June 2022 (**FY22**) and has been prepared to comply with the reporting requirements of the *Modern Slavery Act* (Cth)(the **Act**).

Introduction

At AP+, we are committed to ethical and responsible decision making and we expect the same of our employees and suppliers. As a major operator in the Australian payments industry, we recognise that we have a responsibility to respect and uphold human rights as it relates to modern slavery throughout all aspects of our operations and supply chain.

This statement aims to outline the actions that AP+ has taken during the reporting period to understand and mitigate the risk of modern slavery within our processes. To date we have:

- **supplier risk assessment** – engaged in a supplier risk assessment of the key suppliers in our supply chain to identify those at a high and medium risk of modern slavery;
- **internal modern slavery policy framework** – commenced developing a draft modern slavery policy framework to outline our expected standards and responsibilities of both suppliers and employees. It aims to identify and mitigate risks of modern slavery within AP+;
- **modern slavery questionnaire** – developed a supplier modern slavery questionnaire that will be utilised to obtain additional information from our suppliers with respect to their policies, processes and operations to ensure they are aware and are taking action to identify and mitigate risks of modern slavery;
- **policy review** – conducted a gap analysis of existing policies and procedures across AP+ to identify areas for improvement or potential uplift to mitigate risks of modern slavery;
- **engagement across AP+ divisions** - engaged various divisions across the business with respect to modern slavery requirements and the preparation of this statement;
- **training** – developed modern slavery training material for employees to be rolled out across AP+.

We are firmly committed to conducting business with the highest levels of integrity and ethics. This includes an ambition to work with suppliers that are aligned with our purpose and values and to ensure that our employees operate with integrity and ethics.

1. About Australian Payments Plus

Our Purpose and Values

At AP+, our purpose is to unite people and technology to power better experiences. This is underpinned by three key purpose pillars: 1) creating value for Australia; 2) removing barriers to financial inclusion; and 3) empowering Australians.

As part of its commitment to becoming a purpose-driven company, AP+ has also pledged to align all decision-making with this purpose, to ensure it is embedded and activated through day-to-day operations.

AP+ has also defined key values, which are the bedrock of why the company exists, shaping the company culture and identity:

- *Lead with the heart*: we connect as humans; we are bold and courageous; we have the right conversations and we create energy working together;

- *Learn for tomorrow*: we are forever curious, we embrace diversity in people and ideas; we always strive for “better” and we pursue simple over easy;
- *Live our legacy*: we are guided by our purpose, we care about our impact; we deliver on our commitments and we do good for our communities.

Our Structure and Operations

AP+ is the parent company of BPAY Group Holding Pty Ltd, eftpos Payments Australia Limited and NPP Australia Limited. AP+ is governed by a Board comprising of 13 directors. Four of the directors, including the Chair, are independent directors. Each Board director has one vote.

AP+ operates within the Australian payments industry as an amalgamation of three of Australia’s leading domestic payment schemes. Each payment entity continues to operate its own payment services and infrastructure but under a single, unified AP+ Board.

Key elements of our operations covered in this statement include:

New Payments Platform	NPP Australia Limited operates Australia’s real time account to account payments infrastructure that enables data-rich, real time payments between bank accounts 24 hours a day, every day of the year.
Eftpos	eftpos Payments Australia Limited provides a range of payment services including Australia’s domestic debit card scheme, mobile payments through known brands and ConnectID, a digital identity solution.
Beem	Digital Wallet Pty Ltd provides the Beem payments app that enables real time payments between users.
BPAY	BPAY Group is behind BPAY® and Osko® (and more). BPAY Group continues to innovate and transform to meet the needs of Scheme members, businesses and consumers.

AP+ employs approximately 430 employees and contractors in Sydney, Australia.

We provide payment services to financial institutions, non-bank financial institutions, corporates, merchants and multinationals.

Our supply chains

AP+’s supply chain is comprised of suppliers from a range of industries. Suppliers predominantly consist of entities that are located domestically throughout Australia as well as large multinational corporations with a global footprint.

Based on contract value, AP+’s top suppliers operate in the following industries:

- financial services, including financial transactions and settlement processing services;
- IT services, including technology software, hardware and support;
- professional services, including full-service firms and consultants; and
- insurance and risk advisory.

Our policies, processes and procedures

Our work on modern slavery is supported by the transformation and integration work across AP+ following consolidation. The program of work includes reviewing existing policies adopted by the subsidiaries and working towards implementing group policies across AP+. These policies and procedures include:

- code of conduct;
- whistleblower protection policy;

- contract management and procurement procedures; and
- supplier governance policies and procedures.

2. Risks of Modern Slavery in our Operations and Supply Chain

Modern slavery is defined in the Act to include the following eight types of serious exploitation trafficking in persons, slavery servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour, which means situations where children are subjected to slavery or similar practices or engaged in hazardous work.

Given AP+ operates in Australia only, the risks of modern slavery are relatively low. However, AP+ notes the main risks of modern slavery in our operations and supply chain relates to when AP+ uses companies that have operations overseas in the financial services and IT/software services industries. This is especially the case when the suppliers operate in high-risk countries and may not be required to or have not implemented modern slavery policies and procedures. Generally, the financial services sector intersects with a range of modern slavery risk areas through its investments, assets, insurance and procurement supply chains. The IT/software services sector is similarly at risk with complex global supply chains and direct connections to high-risk industries such as electronics manufacturing, mineral sourcing, and the use of foreign and domestic migrant workers through outsourcing and direct employment.

3. Actions taken by AP+ to assess and address Modern Slavery Risk

This year, AP+ was focused on the following actions: a modern slavery risk assessment of our top suppliers, a gap analysis of our existing policies and procedures relating to modern slavery, preparing a draft modern slavery policy framework, the development of a modern slavery questionnaire for suppliers and development of employee modern slavery training material.

AP+ engaged a third-party consulting firm to assist with risk assessment and preparation of the material in collaboration with the business.

a. Engagement across AP+ divisions

AP+ has engaged various divisions across the business including people & culture, finance, marketing and communications, procurement, risk, legal and governance, transformation and change, the executive team and our ESG team in relation to the modern slavery requirements and preparation of the statement.

This engagement across the business also involved reviewing existing policies and procedures from different functions across AP+ and considering where it relates to modern slavery. Prior to this statement, some preliminary modern slavery related documentation had already been prepared by the eftpos Group and risk assessments of suppliers had already been compiled by the BPAY group. AP+ is continuing with integration and transformation work to consolidate some of the policies to adopt group policies. It is anticipated new policies will take into account modern slavery risks and requirements.

b. Supplier Risk Assessment

This year we conducted a desktop modern slavery risk assessment to review and assess AP+'s current suppliers in order to identify where risks of modern slavery might exist within our supply chain.

This risk assessment involved a review of our top 50 suppliers across AP+, making up over 80% of our FY22 vendor spend for AP+. The risk assessment included the following:

- sourcing AP+ data from each of our entities to develop a full picture of our supply chain;
- the identification of our top 50 suppliers that comprises more than 80% of our total supplier spend in FY22;
- categorising suppliers into a risk matrix in accordance with the Global Slavery Index 2018 and additional resources, including:

- product and service risk;
- sector and industry risk;
- geographic risk;
- determining whether suppliers have submitted a published modern slavery statement and/or have modern slavery deterrent policies and procedures in place; and
- based on the above criteria, rating each supplier as either low risk, medium risk or high risk to modern slavery.

The risk assessment was conducted with reference to the Modern Slavery List of Industries and List of High-Risk Countries, as provided for in the Global Slavery Index 2018, a leading index that measures the size and scale of modern slavery through assessing country-level vulnerability and the respective government responses.

The results of our risk assessment determined that of the top 50 suppliers:

- the majority of our primary suppliers presented a low risk of modern slavery;
- seven suppliers received a medium desktop risk assessment score based on their geographic location, industry, our financial spend and/or publicly available information on their modern slavery policies. No actual modern slavery concerns were identified during the risk assessment for these suppliers;
- twenty suppliers had not submitted a modern slavery statement (we have not at this stage determined whether they are required to report in terms of the Act, as our assessment was based on public available records and a search of the Australian Border Force website of uploaded modern slavery statements) and did not have any publicly available modern slavery deterrent policies or procedures;
- through an additional ad-hoc assessment, we identified a small number of additional suppliers outside of our top 50 that operated within cleaning services, garments and textiles, IT services, and construction and engineering services that are generally regarded as being in higher risk industries but, based on our criteria and assessment, are not regarded as high-risk suppliers. Nevertheless, AP+ will, where reasonable and practicable, provide these suppliers with our modern slavery questionnaire to further consider their supply chain risks.

Where a supplier is determined to be of a medium or high risk (none of our suppliers assessed to date are high-risk suppliers) of modern slavery, where reasonable and practicable, AP+ will:

- request the supplier to complete our modern slavery questionnaire;
- assess the responses received and work in collaboration with the suppliers to address any risk of modern slavery in accordance with our Modern Slavery Policy Framework;
- review contracts and consider whether any amendments need to be made with respect to compliance with laws and regulations and specifically to modern slavery.

c. **Supplier Modern Slavery Questionnaire**

The modern slavery questionnaire was developed to assist with information gathering from existing suppliers that may be at a high to medium risk of modern slavery as well as new suppliers during the onboarding process. The questionnaire utilises specific probing questions and requests the supplier to provide supporting documents where applicable.

The questionnaire allows us to consider whether existing or new suppliers align with our values and our objective to eradicate modern slavery.

d. **Draft Modern Slavery Policy Framework**

We are in the process of developing an internal Modern Slavery Policy Framework that aims to document guidelines for all entities within AP+, employees and suppliers to comply with the Act. The purpose of this program of work is to establish and document internal processes to:

- prevent, detect and respond with mitigating controls to the risk of modern slavery occurring within AP+, its supply chain or in any other business relationships;
- demonstrate AP+'s commitment to and ensure compliance with the Act;

- set an internal framework and minimum standards for both employees and suppliers;

Given the recent amalgamation and transformation work currently being undertaken across AP+, AP+ will continue with this program of work to ensure that the draft framework is fit for purpose across AP+ and its suppliers. AP+ will develop this draft framework collaboratively with all the entities within AP+, our suppliers and employees.

e. Policy Review

AP+ has also commenced reviewing all the policies and procedures across AP+ to identify areas where best practices and standards in the policies could be adopted going forward. This included conducting a gap analysis of our internal policies and processes surrounding modern slavery to identify areas for improvement.

f. Training Material for Employees

This year, AP+ has commenced preparing draft Modern Slavery training material for our employees to ensure they are aware of AP+'s compliance requirements with a specific focus on employees that are involved in the procurement and supplier management functions across AP+.

4. Assessing the effectiveness of our actions

Based on our actions to date, we are not currently aware of any actual instances of modern slavery having occurred within our operations and supply chain. Given the requirements under the Act are new for AP+ and this is our first statement, the monitoring and evaluation of our supply chain is still in its infancy and will require development as our organisation grows. As such, the ability to assess the effectiveness of our response is still in its early stages. As part of our ongoing modern slavery commitment, we expect that the future development of stronger modern slavery assessment processes will occur as our initiatives are further integrated and more information becomes available from the actions we have taken and implemented to date.

The actions that we have taken this year have allowed us to map out key parts of our operations and supply chain and increase our understanding of our potential vulnerabilities to modern slavery. We will continue to work on our modern slavery policy framework and continue to monitor the effectiveness of our actions.

5. The process of consultations with entities AP+ owns or controls

As mentioned above, during the reporting period, we actively engaged and consulted with all of the following entities of AP+:

- 1) Australian Payments Plus Limited;
- 2) NPP Australia Limited;
- 3) eftpos Payments Australia Limited;
- 4) eftpos Digital Identity Pty Ltd;
- 5) Digital Wallet Pty Ltd;
- 6) BPAY Group Holding Pty Ltd;
- 7) BPAY Group Pty Ltd; and
- 8) BPAY Pty Ltd.

Given there are shared services across AP+ including risk, legal, finance and commercial, all entities are intrinsically linked to the modern slavery program of work. As such, all the above entities have been regularly consulted and provided updates to ensure awareness of the requirements under the Act including people and culture, finance, marketing and communications, procurement, risk, legal and governance, transformation and change, ESG, the executive leadership team, the Risk Committee and the Board in relation to the statement and modern slavery requirements.

6. Next Steps

AP+ will continue to build on the foundations of the work we have conducted this year to address any gaps and improve the effectiveness of our processes and procedures to address the risks of modern slavery.

Some of the activities we will consider and seek to implement during FY23 include:

- **Modern Slavery Policy Framework**
 - continue to develop the draft Modern Slavery Policy Framework and work towards finalising the document, whilst recognising that it will be continuously reviewed and improved;
 - develop internal accountability standards and procedures including compliance and remediation;
- **Employee Training**
 - introduce modern slavery training and literature for our employees including targeted training to employees who are directly involved in supply chain management and procurement functions across AP+;
- **Supplier Engagement**
 - continue engaging with suppliers through the modern slavery questionnaire and improve processes around risk assessment of our existing and new suppliers;
 - where necessary, seek to perform social accountability audits on our suppliers, particularly those in high-risk industries; and
 - annual review and risk assessments of suppliers and targeted review where a supplier has been identified as high risk of modern slavery.

This statement will be reviewed and updated annually.

This statement has been approved by the Board of Australian Payments Plus Limited on 14 November 2022.

Australian Payments Plus Limited – Modern Slavery Statement 2022

Signed by:



Signature

Catherine Brenner

Chair

Australian Payments Plus Limited

25 November 2022