

Statement Name:	Modern Slavery
Approver / Custodian:	ERCo > BRC > Board / Group Risk & Compliance
Review Date / Cycle / Reviewer:	June 2022 / Annual and/or following any significant legislative changes / Group Compliance Manager

Notes

Applies to	All employees of Cuscal Limited including Suppliers, Vendors and Contractors that act for or on behalf of Cuscal Limited.
Reason for Statement	Under Australia's <i>Modern Slavery Act 2018</i> (Cth), Cuscal must publish a public annual statement on how it identifies and manages the risk of modern slavery in its operations and supply chain.
Statement Summary	This statement sets out Cuscal's actions towards all potential modern slavery risks related to its business and to put in place steps aimed at ensuring that there is no modern slavery within its own business including its supply chain.

Document Version Control

Version	Date	Comments
1.0	Jun 2020	Initial document approved by the Board in June 2020
2.0	Jun 2021	Annual review with minor update to text.
3.0	June 2022	Annual review with minor update to text. Inclusion of ESG.





Modern Slavery Statement (*published on our website*)

Introduction

The Cuscal Board of Directors and Senior Management take ethical and responsible decision-making seriously and it expects the same of all employees. All Directors, managers and staff are entrusted to act with the utmost integrity in the best interest of the organisation and its stakeholders, while striving at all times to enhance the reputation and performance of Cuscal.

This statement sets out Cuscal's actions to understand all potential modern slavery risks related to its business and to put in place steps aimed at ensuring that there is no modern slavery within its own business including its supply chain.

As part of the financial services industry, Cuscal acknowledges its role and responsibility in seeking to safeguard human rights through ethical and sustainable business practices. We recognise the growing importance of human rights by our employees, shareholders, clients, and Australia. We recognise that risk identification and mitigation of modern slavery risk is in its infancy and we are committed to continuous improvement.

Our Structure, Operations and Supply Chains

This statement covers the activities of Cuscal. In this Statement, "Cuscal" means the Cuscal Group, the key operating entity being Cuscal Limited.

Cuscal is a Business to Business (B2B) service provider and provides domestic payment related products and services including:

- ❑ Electronic and paper payment processing including eftpos, direct entry, BPAY and member and corporate chequing;
- ❑ Card products including proprietary, debit and Visa debit and credit cards;
- ❑ Card platform services, including rewards;
- ❑ Real time payments processing connectivity to the New Payments Platform
- ❑ Digital applications;
- ❑ Liquidity management and settlement services;
- ❑ Treasury services;
- ❑ Fraud management services and:
- ❑ Open Data.

Countries of Operation and Supply

Cuscal is registered to operate in Australia. The business is the provision of payment services to its clients. Cuscal's vision is to enable the future by delivering innovative, reliable, and secure payment solutions.

Our preference is to develop internal capabilities in delivering payment solutions to our client base, however third party options are considered to reduce significant capital outlays or to obtain specific expertise. We selectively use international specialist providers, which can provide access to leading practices as well as 24 hour coverage to support our operations and product development.

While our operations and supply chains are wide ranging, our aim is to ensure that human rights are understood, respected, and upheld by our staff and our supply chain. We expect our partners and stakeholders to adhere to ethical business conduct consistent with our own and are committed to working with them to fulfil this common goal.

The policies and frameworks that support Cuscal's day-to-day operations are designed to make sure relevant universally recognised human rights are safeguarded.

Risk Assessment

A detailed review of our third party providers identified they are predominantly specialised providers including software, hardware, hosting, consulting, staff augmentation and assurance services, all requiring highly skilled staff and at lower risk of modern slavery practices.





A small number of lower skilled vendors provide facility and non-payment related functions have been identified as potentially more at-risk of modern slavery practices and continue to be the focus of our due diligence.

Responsibility

Responsibility for Cuscal's Modern Slavery initiatives are as follows:

- ❑ Policies: **Operational Risk and Compliance together with People & Culture**
- ❑ Risk assessments: **Operational Risk and Compliance teams**
- ❑ Investigations/due diligence: **Operational Risk and Compliance teams**
- ❑ Training: **Operational Risk and Compliance together with People and Culture**

Relevant Policies

The organisation operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations. As part of our education program, Cuscal provides training to staff to ensure awareness of including the basic principles of the Modern Slavery Act.

Recruitment and Onboarding policy

Cuscal uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency. Once onboarded, Cuscal ensures staff are appropriately remunerated in line with Cuscal's remuneration practices outlined below.

Employee Code of Conduct

Cuscal's code of conduct prescribes the actions and behaviour expected of employees when representing the organisation. All employees are required to comply with Cuscal's code of conduct. Cuscal strives to maintain the highest standards of employee conduct and ethical behaviour and in managing its supply chain.

The Board and Leadership Team acknowledge that they are responsible for promoting high standards of ethics and integrity and that their language, attitudes, and actions will strongly influence Cuscal's culture.

Remuneration Policy

Cuscal's Remuneration practices are designed to be consistent with financial services industry practices and are sufficiently attractive in order to compete for the right talent. Staff are eligible for both, a fixed component as well as a variable component, based on achievement of Corporate financial objectives as well as the individual achieving a positive performance assessment against their own goals.

Office Policies

Cuscal strives to create a work environment which is inclusive of all people regardless of gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or other areas of potential difference. We have worked to grow the number of women at senior levels throughout the organisation and to close the gender pay gap by conducting a review of gender pay equity annually, with results reviewed by the Board and Leadership team. We also provide our staff with flexible and safe workplace arrangements as well as an employee assistance program to anonymously help resolve issues or challenges arising in the workplace or in our staff's personal life, in a positive way.

Vendor & Outsourcing Policy

Cuscal adopts the following principles in evaluating and maintaining an on-going relationship with our suppliers. They must:





- ❑ operate within the law and adhere to Australian legislative requirements including relevant public reporting of practices to prevent modern slavery.
- ❑ act in a fair, reasonable and ethical manner.
- ❑ be transparent in their sourcing practices and manage their third parties in line with these principles.
- ❑ respond fully and honestly in relation to any requests for information, providing reasonable access to relevant documentation and supplier premises, and acting promptly on issues identified by Cuscal.
- ❑ proactively advise Cuscal of any matters of concern including breach of our contractual arrangement as well as relevant laws and regulations.

Cuscal's due diligence and reviews include:

- ❑ evaluating the modern slavery and human trafficking risks of each new supplier as part of a more general human rights or labour rights assessment.
- ❑ ensuring our contractual arrangements include specific clauses addressing the risk of modern slavery in line with our risk assessment.
- ❑ conducting more detailed risk assessments and requesting more detailed information for third parties which have a greater degree of focus on slavery and human trafficking.
- ❑ including a review of potential modern slavery practices as part of our on-going vendor governance process.
- ❑ taking steps to improve any substandard suppliers' practices, including providing advice to suppliers through Cuscal's Vendor Manager and requiring them to implement agreed action plans.
- ❑ taking necessary action against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier principles, including the termination of the business relationship.

Whistleblower Policy

Cuscal is committed to the highest standard of ethical, moral, and legal business conduct. In line with this commitment, and as a reflection of commitment to transparency, the Whistleblower Policy is in place that aims to provide an avenue for company officers, employees, third parties past and present and their families to raise serious concerns around misconduct with the assurance they will not be disadvantaged for reporting their reasonable suspicions about other persons on reasonable grounds.

Cuscal encourages all its employees, customers, and business partners (third parties) to report any concerns related to any misconduct by Cuscal employees, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Cuscal's whistleblowing policy is designed to make it easy for employees to make disclosures, without the fear of retaliation. Employees, customers, or others who have concerns can report either internally through their People Leader, or externally through Cuscal's Ethical Disclosure Alert (CEDA), an independent externally-hosted disclosure facility.

Environmental, Social and Governance (ESG)

There is a growing expectation from our stakeholders (especially clients, shareholders and regulators) that Cuscal turn its focus to identifying direct and indirect Environmental, Social and Governance ('ESG') risks and opportunities in its value chain, and track the actions we are taking to address them.

Accordingly, Cuscal has commenced the design of our Sustainability Framework, which will include our annual Impact Report.

Review

Cuscal acknowledges that on-going review and action is required to mitigate the risk of modern slavery. Cuscal will periodically obtain independent review of its approach and actions to ensure this is consistent with industry practice.





Board Approval

This statement was approved on 22 June 2022 by Cuscal's Board of Directors, who review and update it annually.

Signature:

On behalf of Board of Directors:

Craig Kennedy

Designation:

Managing Director

Date:

30 Aug 2022

