



MODERN SLAVERY STATEMENT – 2022/2023

This Modern Slavery Statement has been prepared in accordance with the Australian *Modern Slavery Act 2018 (Cth)* ('the Act') for Qudos Mutual Limited (ACN 087 650 557) ('Qudos Bank'). It describes the risk of modern slavery practices in Qudos Bank's operations and supply chains during the reporting period of 1 July 2022 to 30 June 2023.

Modern slavery is defined by a range of practices that include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour. Qudos Bank recognises that we may be exposed to the risk of modern slavery in our operations and supply chain.

Qudos Bank is a member of the Customer Owned Banking Association and has made a commitment to follow the Customer Owned Banking Code of Practice, which reflects the standards by which customer owned banks will be held accountable. As a customer owned bank, our values are at the heart of everything we do. Our values are premised on authenticity and acting with integrity. Qudos Bank believes that trust is earned by matching our words to our actions. We always strive to act in an ethical, fair and in a socially responsible manner and take adherence to laws, including the Act, seriously. We are fully supportive of the Government's initiatives aimed at the eradication of both slavery and human trafficking.

Qudos Bank does not consider that we operate in a high-risk modern slavery sector because of the nature of our business as a customer owned bank with retail customers. Nevertheless, Qudos Bank does not tolerate modern slavery and human trafficking within our operations and supply chains. If Qudos Bank finds any evidence of modern slavery or human trafficking within our operations or supply chains, we are committed to immediately reviewing the ongoing viability of the supplier relationship. Qudos Bank expects all employees to comply with our Modern Slavery Policy and to behave ethically and be accountable for their actions.

Company structure

Qudos Bank is an unlisted public company limited by shares. We are a mutual entity under the *Corporations Act 2001 (Cth)*; meaning that our constitution provides that a person has no more than one vote at a general meeting of the company for each capacity in which the person is a member of the company.

Qudos Bank does not own or control any other entities.

Operations

Qudos Bank (previously Qantas Credit Union) was founded in 1959 by a group of Qantas employees and is now one of Australia's largest customer owned banks with over 90,000 customers across Australia. Our customers are predominately Australian individuals, although we have a small number of non-personal customers.

Qudos Bank provides retail banking products and services to our customers, including home loans, personal loans, credit cards, transaction accounts, savings accounts and retirement savings accounts. We do not offer any commercial lending. Qudos Bank has various partnerships with third party businesses to provide additional products and services to our customers, including general insurance, superannuation, financial advice and international money services. Qudos Bank generally receives a commission for these third party products and services.



Qudos Bank is authorised to carry on a banking business under the *Banking Act 1959 (Cth)* and is regulated in that capacity by the Australian Prudential Regulation Authority. Qudos Bank is also regulated by the Australian Securities and Investments Commission and AUSTRAC.

Qudos Bank has approximately 240 employees, with a head office and contact centre in Mascot, New South Wales, 4 branches across Sydney, Melbourne and Brisbane and a small number of remote working employees in Adelaide and Perth.

Qudos Bank complies with the Fair Work Act and National Employment Standards. We only employ people who live and are permitted to work in Australia. Our Code of Conduct affirms our commitment to compliance with equal employment opportunity laws and other applicable civil rights and labour laws.

Qudos Bank is committed to responsible and sustainable business practices. This includes ethical banking and socially responsible investing. Qudos Bank does not directly invest in or lend to businesses or initiatives in high-risk industries or locations for modern slavery.

Supply chains

In undertaking our operations, Qudos Bank has sourced supplies and services to assist in running our branches and head office, including, cleaning and building management, air conditioning, pest control, office furniture and supplies, fire equipment, stationery, and uniforms. Qudos Bank has also sourced supplies and services for technology, including, hardware, software, and cloud services, and for professional services, including, IT, legal, consultants, marketing and communications. The structure of Qudos Bank's operations and the nature of our supply chains have not materially changed in the 2022/2023 financial year.

For some suppliers, Qudos Bank negotiates the service offering and the contractual arrangement, for example, our core banking and payment systems providers and statement management providers. For others, Qudos Bank obtains an 'off-the-shelf' offering, for example, for online advertising, digital signatures, cloud software, project management software and source code software. For these suppliers, Qudos Bank typically signs a non-negotiable licence agreement.

Qudos Bank has memberships with various professional and industry representation groups. We obtain insurance and employment counselling from external providers. Qudos Bank refers customers to third party business partners to provide various products and services as described in the section about our operations. Qudos Bank also uses various brokers, ratings agencies and information providers for its treasury activities.

Risks of modern slavery practices in Qudos Bank's operations and supply chains

Qudos Bank offers a simple product offering (which is largely unchanged from the 2021/2022 financial year) – our main business activities include providing retail savings accounts and loan products to Australian individuals. We invest our cash reserves with other financial institutions or in government securities. We do not have a commercial lending operation and do not engage in trading activities. Our employees live and are entitled to work in Australia.

Qudos Bank does not have long or complex supply chains. Our major suppliers (other than those that we use to meet our physical operating requirements in our head office and our branches) are IT software and services companies.

For the 2022/2023 financial year, we have determined that, considering these characteristics, there is a very low risk of modern slavery occurring in our operations and supply chains.

Actions taken by Qudos Bank to assess and address those risks

Continuing actions

In the 2022/2023 financial year, Qudos Bank continued to assess and address modern slavery risks within our operations and supply chains in the following ways:

- Policies and processes to assist in identifying, assessing, managing and mitigating the actual and potential risks of modern slavery, including:
 - Modern Slavery Policy and Procedure
 - Supplier Code of Conduct
 - Outsourcing Policy and Procedure
 - Code of Conduct
 - Whistleblowing Policy
 - Risk Management Policy
- Qudos Bank provides annual training for all staff using a modern slavery module from Safetrac Pty Limited ABN 48 098 914 848 tailored to reflect Qudos Bank's approach to modern slavery.
- Qudos Bank conducted a targeted review of existing suppliers to ensure that their modern slavery risk had not changed and to ensure that further work is being done to address modern slavery for those suppliers that present a higher level of modern slavery risk. Qudos Bank engaged Mutual Marketplace Pty Ltd: ABN 35 615 297 820 / ACN 615 297 820 (itself a mandatory reporting entity) to undertake supplier modern slavery risk assessments utilising their SAP Ariba Supplier Risk Management tool, including sourcing modern slavery statements from reporting entities and issuing modern slavery assessment questions to required suppliers. 68 suppliers were assessed during the period by Mutual Marketplace including all of Qudos Bank's major suppliers and third party business partners.
- Qudos Bank conducted a review of the environment, social and governance (ESG) and community policies of our investment counterparties.

Further actions for 2023/2024

Planned actions for 2023/2024 are to complete the review of existing suppliers by Mutual Marketplace for remaining suppliers and to conduct a review of Qudos Bank's procurement processes, including modern slavery.

Assessment of actions

When we engage a new supplier, we carry out a comprehensive due diligence process on the supplier and make a risk assessment in accordance with our Modern Slavery Policy.

Since 1 January 2021 new and renewed supplier contracts where the supplier presents a potential for modern slavery risk require a contractual commitment from the supplier to address and minimise modern slavery risk in their own operations and supply chains. Suppliers that present any potential modern slavery risk are required to sign our Supplier Code of Conduct.



We recognise the need to continually review the effectiveness of our actions to address and minimise modern slavery risk in our operations and supply chains. The targeted review conducted by Mutual Marketplace in the 2022/2023 period has also provided an independent assessment of the modern slavery risk of our major suppliers.

We will continue to monitor these modern slavery risks and continually develop and improve our approach.

Approval

This Statement was approved on 04 December 2023 by the Board of Directors of Qudos Mutual Limited (ACN 087 650 557). The Board of Directors authorised Robert Agati to sign this Statement on behalf of Qudos Bank in his capacity as Company Secretary of Qudos Bank.

A handwritten signature in black ink, appearing to read "R Agati".

Signed:

Date: 04 December 2023