

# Modern Slavery Statement

Australian Payments Plus

2023

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 second 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 risks in our business and supply chain for the financial year ending 30 June 2023 (FY23) and builds on AP+'s first Modern Slavery Statement. It has been prepared to comply with the reporting requirements of the Modern Slavery Act (Cth)(the Act).

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## Introduction

As a leader in the Australian payments industry, AP+ recognises the responsibility of ensuring ethical business practices within our own operations and those of our suppliers. Respecting and upholding human rights (as they relate to modern slavery throughout our operations and supply chain) is a fundamental part of how we do business.

This statement outlines the steps that AP+ has taken over the last year to ensure that we have:

- A detailed view of the risk of modern slavery within our own operations and our supply chains;
- Appropriate policies, processes and procedures to ensure that our suppliers are aware of the requirements of, and are appropriately managing modern slavery risk in their own operations and supply chains; and
- A specific action plan to address and mitigate any modern slavery risks in our operations and supply chains.
- AP+ will continue to conduct business with the highest levels of integrity and ethics in all that we do and seek the same in all suppliers that we work with.

To date we have:

- **supplier risk assessment** – engaged in a supplier risk assessment of the key suppliers in our supply chain to understand the risks of modern slavery within our supply chain;
- **specialised and consolidated AP+ Procurement Function** - established a specialised and consolidated AP+ procurement function focused on enhancing procurement disciplines and practices across AP+ including mitigating modern slavery risks in our supply chain;
- **AP+ Positive Impact Steering Group** - established an AP+ Positive Impact Steering Working Group with dedicated governance and endorsed support for the commitments to positive impact across AP+ including modern slavery milestones;
- **Modern Slavery Framework** – reviewed its Modern Slavery Framework to ensure it is fit-for-purpose and has enhanced its procurement policy and vendor risk assessment and management process.

We are committed to continually assessing and improving our practices to ensure that we are taking appropriate action to reduce the risk of modern slavery across our business.

## The AP+ Business, Structure and Operations

At AP+, our purpose is to unite people and technology to power better experiences. We provide globally competitive payment services which are resilient, safe, efficient, fair, accessible and cost effective and which meet the present and future requirements of the users of the Australian payments system, including financial institutions and payment service providers. We also provide low-cost payment solutions for retailers, other businesses and their customers.

More specifically, we do this by providing the following:

- Australia's domestic debit network
- Real time, data-rich payments
- Secure bill payments
- Digital identity verification
- Digital wallet solutions
- Open payments

Further information can be found at: <https://www.auspayplus.com.au/about-us>

AP+ is the amalgamation of three of Australia's leading domestic payment schemes. Each payment entity continues to operate its own scheme and infrastructure, under a single, unified AP+ Board.

AP+ is the parent company of BPAY Group Holding Pty Ltd, eftpos Payments Australia Limited and NPP Australia Limited. The AP+ Board is comprised of 13 directors. 4 of the directors, including the Chair, are independent directors. Each Board director has 1 vote.

A brief outline of our operations is as follows:

<b>New Payments Platform</b>	NPP is 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. PayID runs on the NPP and enables people to see a recipient's name before making a payment. PayTo, also on the NPP, is a real-time and reliable alternative to direct debit.
<b>eftpos</b>	eftpos facilitates secure payments between businesses and their customers with a range of payment services including Australia's domestic debit card scheme and mobile payments.
<b>Beem</b>	Beem is a payment wallet that links directly to a bank account. It makes contactless payments from a phone simple and fast for people, small businesses and sole traders.
<b>BPAY</b>	BPAY has been enabling easy and secure bill payments for Australians for over 25 years.

### ConnectID

ConnectID is a new, secure way that lets customers use an identity provider, who they already hold a relationship with, to verify their identity simply and securely.

AP+ employs approximately 425 employees and contractors in Australia.

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

## Our Supply Chains

AP+'s supply chain predominantly consists of vendors that are located domestically throughout Australia as well as Australian branches of large multinational corporations.

In terms of material spend, 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.

## Risks of Modern Slavery Practices in AP+ 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).

The risk of modern slavery in AP+'s own operations is relatively low. All our employees are currently employed within Australia, are covered by Australian employment law protections, contracts and awards. All employees are over the age of 18 years.

In addition to this, we benchmark our roles at least twice a year versus industry remuneration benchmarks and against any existing or relevant awards. We choose to pay well above the award rate in all cases and employees can access a suite of benefits in excess of any statutory requirements including leave entitlements. Any employees subject to on call or overtime rates are paid well above any minimum requirements as defined by legislation.

We also do gender pay equity assessments, usually on a quarterly basis, which get reported to the Talent & Reward Committee of the AP+ Board and measure differences in gender throughout our annual remuneration review process. Our last pay equity assessment reported an overall gap of less than 5%.

AP+ operates in Australia only, where geographically, the risks of modern slavery are relatively low. Financial services and IT/software companies operating in Australia only, may however have a potential risk in the supply chain. 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.

## Actions taken to Assess and Address these Risks

### *a. Supplier Risk Assessment*

AP+ conducted a desktop modern slavery supplier risk assessment to review our top 50 suppliers by spend for the financial year ending 30 June 2023, to understand the risks of modern slavery within our supply chain. This builds on the supplier risk assessment completed last year and takes into account the new Global Slavery Index 2023 released on 24 May 2023.<sup>1</sup>

The risk assessment involved:

- identifying our top 50 suppliers in FY23;
- categorising suppliers into a risk matrix in accordance with the Global Slavery Index 2023 and providing risk ratings based on geographic location, industry, our financial spend and/or publicly available information on their modern slavery policies and statements;
- 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 results of our risk assessment determined that, consistent with last year, the majority of the suppliers presented a low risk of modern slavery. No actual modern slavery concerns were identified in the supplier risk assessment.

AP+ will continue to engage with suppliers to understand their approach to managing modern slavery risks.

Specifically:

- for risk assessment conducted last year, the suppliers that were identified as medium risk, AP+ has requested the supplier to complete our modern slavery questionnaire and assessed the responses received. There were no actual modern slavery concerns identified for these suppliers.
- for the year ending 30 June 2023, we reviewed the top 50 suppliers by spend and the majority of these suppliers presented a low risk of modern slavery with only one supplier receiving a medium desktop risk assessment score based on our criteria. We did not identify any actual modern slavery concerns during the risk assessment for our suppliers. As per our processes, where a supplier is determined to be of a medium or high risk (none of our suppliers assessed to date are high-risk suppliers) following our desktop assessment, we will provide our modern slavery questionnaire to the suppliers to further consider their risks and their supply chains risks further; and
- outside of the top 50, a small number of suppliers operated within cleaning services, garments and textiles, IT services, and construction and engineering services that are generally regarded as being in higher risk industries. However, based on our criteria and assessment, these are not regarded as high-risk suppliers for AP+. We will, where reasonable and practicable, continue to consider these supply chain risks and provide these suppliers with our modern slavery questionnaire to better understand their processes.

<sup>1</sup> <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

When engaging with new third party service providers/suppliers, our practice is to consider modern slavery clauses in contracts wherever relevant. This ensures the providers/suppliers comply with the Act and take reasonable steps to ensure that there is no modern slavery in the suppliers' or its agents, contractors or sub-contractors supply chains or their own business.

#### ***b. Establishment of a specialised and consolidated AP+ Procurement Function and Procurement Operating Model***

AP+ appointed a Head of Procurement who has consolidated the existing procurement policies and procedures from each amalgamated entity into AP+ group policies and procedures. This ensures a consistent and aligned approach to the ongoing mitigation of modern slavery risks in our supply chain, that is embedded across the business. The new group procurement policy incorporates the updated modern slavery framework.

#### ***c. Establishment of the AP+ Positive Impact Steering Group***

AP+ established a Positive Impact Steering Group, which is responsible for the operational management of matters in five key pillars: responsible governance, our customers, our people, our communities and our planet. This decision was driven by business imperatives such as ensuring AP+ activates its purpose in day-to-day operations, creating a meaningful place to work for our employees, being a partner of choice, strong brand awareness from a customer perspective, and simply because it is the right thing to do.

Modern slavery is a core focus area of the “Responsible Governance” pillar – proactively addressing and managing modern slavery risks is an important aspect of upholding ethical standards and promoting responsible business practices. For added accountability, our Positive Impact Roadmap includes action items related to modern slavery, such as the implementation of a consolidated modern slavery framework through the procurement policies and roll-out of training on modern slavery, to ensure the importance of modern slavery is reflected in our ESG priorities.

We believe a formal approach to managing ESG is vital in keeping our impact on these issues at the heart of AP+'s purpose, an approach underpinned by:

- **dedicated governance** – our General Counsel is the executive sponsor for Positive Impact and chairs the Positive Impact Steering Group comprised of representatives of different functions across the business;
- **commitment to a Positive Impact Roadmap** – a Positive Impact Roadmap, endorsed by the Executive Leadership Team, which lays out initiatives we want to tackle under the five key pillars, in the short, medium and long term;
- **KPI's measured as a company** – our company scorecard now contains key performance indicators measuring our success, including a Positive Impact metric. This demonstrates that these issues are a business priority.

#### ***d. Finalisation of the AP+ Modern Slavery Framework***

As part of the targeted AP+ Procurement Transformation work (including consolidation of existing policies into a single group policy), AP+ has reviewed its Modern Slavery Framework to ensure it is fit-for-purpose and has enhanced its procurement policy and vendor risk assessment and management process. The Framework holistically brings together the measures we are taking to address modern slavery risks, notably in terms of governance, key documents and policies (such as the AP+ Code of Conduct and the new Procurement

Policy), risk assessment, due diligence mechanisms, grievances and remediation, training, reporting and continuous improvement.

The aim of the framework is to:

1. 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;
2. demonstrate AP+'s commitment to and ensure compliance with the Act; and
3. set an internal framework and minimum accountability standards for both employees and suppliers.

AP+ is committed to adopting and embedding the AP+ Modern Slavery Framework across AP+ and ensuring ethical and responsible decision is embedded across our procurement processes.

In addition, the AP+ Procurement Policy was updated to reflect the importance of modern slavery, as well as our commitments to reconciliation and environmental, social and governance principles. The new policy contains an entire section dedicated to modern slavery risk and how it is embedded in procurement processes.

#### ***e. Continued Engagement across AP+ divisions***

AP+ has continued to work collaboratively across different divisions within the business including people & culture, finance, marketing and communications, procurement, risk, legal and governance, transformation and change, the executive team and our positive impact team in relation our modern slavery obligations and preparation of the statement.

### **Assessing the effectiveness of our actions**

The actions that we have taken this year have allowed us to increase our understanding of our suppliers and procurement processes and to continue to identify ways of improving our assessment of the effectiveness of our modern slavery actions and controls.

There were no actual instances of modern slavery identified from our review of AP+'s in our operations and supply chain this year, as set out in this statement.

We will continue to monitor and assess our own operations and supply chain as detailed below and believe that our actions, both to date and ongoing, are effective in managing modern slavery risk, particularly given the assessed low risk presented by our business operations and supply chain.

### **Consultation with entities AP+ owns or controls**

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

1. Australian Payments Plus Limited;
2. NPP Australia Limited;
3. eftpos Payments Australia Limited;
4. ConnectID Pty Ltd;

5. Digital Wallet Pty Ltd;
6. BPAY Group Holding Pty Ltd;
7. BPAY Group Pty Ltd; and
8. BPAY Pty Ltd.

All entities within the AP+ group utilise shared services including procurement, risk, legal, finance and commercial. Therefore, all entities are intrinsically linked to the modern slavery program of work and are regularly consulted with and provided with updates to ensure awareness of the requirements under the Act and action steps being taken to meet our obligations.

## Next Steps

The priorities for the AP+ Procurement Function regarding modern slavery risk assessment and mitigation are as follows:

- **Evolution of vendor onboarding and risk assessment** – review and improve onboarding and modern slavery risk assessment (including the methodology used) and due diligence processes to manage new suppliers across AP+ in addition to continued developments of the modern slavery questionnaire. In particular, each time a new supplier is onboarded, the modern slavery risks will be assessed to ensure governance and record keeping;
- **Ongoing vendor management framework** – enhance the existing vendor management processes vendors and embed a requirement for periodic reviews of their processes to mitigate modern slavery risks. This includes annually reviewing suppliers to assess whether there is any change in their status, for example, have their goods or labour practices changed since the last questionnaire was completed or are they now offshoring or outsourcing operations in high risk countries. Any issues will be identified, and action steps determined to mitigate any increased risk;
- **Modern slavery training** – update the training material so that it reflects the new procurement and vendor management processes. The training will be provided to the Legal and Governance Team, all employees in “Heads of” or “General Manager” roles (or equivalent), the Executive Leadership Team and the AP+ Board; and
- **Review and evaluation** – improve data captured and review and improve the procurement operations and supply chain risk assessment processes.

This statement will be reviewed and updated annually.

This statement has been approved by the Board of Australian Payments Plus Limited on 20 October 2023.

### Australian Payments Plus Limited – Modern Slavery Statement 2023

Signed by:



Catherine Brenner, Chair  
Australian Payments Plus Limited  
Date: 26 October 2023