



# Modern Slavery Statement

under the Modern Slavery Act 2018 (Cth)

REPORTING PERIOD: 1 July 2023 – 30 June 2024

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Victoria Teachers Limited | ABN 44 087 651 769 | AFSL/Australian Credit Licence Number 240 960

**bankfirst**



This Modern Slavery Statement was approved by the Board of Victoria Teachers Limited (trading as Bank First) as the principal governing body on 27 November 2024.

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 Michelle Bagnall in her role as the Chief Executive Officer on 6 December 2024.

A handwritten signature in black ink that reads "Michelle Bagnall".

**Michelle Bagnall**  
Chief Executive Officer  
6 December 2024



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## The reporting entity - structure, controlled entities, operations, and supply chains (Reporting Criteria 1, 2 and 6)

**Victoria Teachers Limited, trading as Bank First** (ABN 44 087 651 769) (referred to throughout this Statement as “Bank First”, “we” and “our”) is the reporting entity.

This is our fifth modern slavery statement under the Modern Slavery Act 2018 (Cth) (the **Act**) and relates to the 2023-2024 Australian financial year.

All numbers, statistics and facts described in this statement are as at 30 June 2024, unless otherwise stated. Many of the descriptions in this year’s statement about “static” aspects of the mandatory reporting criteria (our corporate structure, operations, core supply chains, etc.) remain the same, or substantially similar, to last year’s statement. Due to the consistency in our core business operations and procurement activities, these continue to be accurate and meaningful descriptions for our reporting obligations under the Act.

### Structure

The principal governing body of Bank First is our Board of Directors.

Bank First’s corporate structure remains as described in previous statements.

VTMB Properties Pty Ltd (ABN 21 005 972) is wholly owned by Bank First but does not meet the annual revenue threshold to be a separate reporting entity. Bank First (and another tenant) are commercial tenants of an office building that is owned and controlled by VTMB. Its only suppliers are for the ongoing maintenance of this building. These supplier relationships continue to be managed by Bank First and are subject to the same controls and protocols as the rest of our organisation.

VTMB is subject to all aspects of Bank First’s anti-slavery response. It’s supply chains and operations have undergone all steps to identify, assess and address modern slavery risk described above, and the entity was fully consulted in relation to the preparation and contents of this Statement. The Board of VTMB Properties is constituted by both the Chair of the Bank First Board and Bank First’s CEO, both of which approved this Modern Slavery Statement.

### Operations

Our core operations and supply chains remain as described in previous reporting periods.

Bank First is an Authorised Deposit-taking Institution supervised by the Australian Prudential Regulation Authority (APRA) under the Banking Act 1959. Bank First holds an Australian Financial Services Licence and an Australian Credit Licence.

Our headquarters are in Hawthorn East, Victoria. We have two retail branches located in Victoria.

As a mutual bank, our customers are our shareholders. We had 90,290 members at the conclusion of the reporting period. Profits are reinvested back into our business to benefit our members. Our Bank First Community Fund also invests in the community through awards, sponsorships, partnerships and grants.

Our core service offerings involve the provision of personal finance and banking products to our customers, including various lending and credit facilities, insurance products and financial planning and advisory services.

**We employed 231 employees during the reporting period, with 189 full-time, 23 part-time, 3 casual and 5 fixed term positions.**

Our team members continue to fulfill a variety of roles from administration and corporate services, through to customer-facing roles and financial planning.

A more detailed breakdown of personnel, roles and departments at Bank First is:

6 Board members	9 Executive team	17 Finance
2 Legal and Governance	106 Member Services	79 Operations
5 People and Culture	7 Risk and Compliance	

Bank First continues to support various programs and initiatives in the education and health sectors. Community initiatives are an important part of our organisational commitment to support our members and the communities in which they live. In addition to financial support, our staff also participate in volunteering opportunities to directly support our community partners. Some of the community programs that we have actively engaged in over the reporting period include:

- Supporting 65 scholarships and awards for teachers and nurses.
- The Teaching Initiatives Program, which has provided \$871,500 in sponsorship to over 750 schools across Victoria for more than 30 years.
- Partnering with One Box to distribute over \$12,000 of fruit, vegetables, and other grocery items to families across Victoria.
- Supporting the State Schools’ Relief, which helps with the funding of key resources to assist non-verbal students.
- Partnering with Sustainability Victorian for recognition of individual teachers who are leaders in environmental sustainability.

## Our Investments

Bank First's treasury investments remain held in Australian-based entities or Australian branches of major foreign finance institutions. Our investment portfolios have not otherwise changed from the previous reporting period.

## Supply chains

Bank First engaged with a total of **391 direct (first tier) suppliers** during the reporting period. This represented an increase of only two (2) additional suppliers from the previous reporting period, which is an indication of the overall stability and consistency of our procurement activities.

Our direct suppliers fall under the following Australian industry categories as described in previous statements:

- Advisory, marketing and consulting services
- Computer and technical services
- Education and training services
- Debt collection services
- Facilities and building management services
- Financial services
- Insurance services
- Office supplies, stationery and office furniture
- Legal services
- Mortgage broking services
- Printing services
- Promotional products
- Real estate services
- Recruitment services
- Security services
- Telecommunication services
- Utilities and electricity providers
- Valuation services

Over 95% of the total number of Bank First's individual suppliers are Australian companies. Bank First engaged the following 18 international suppliers:

Type of Service Provider(s)	Company Location	No. of Suppliers
Computer and technology services	USA	9 (increase from 6 last year)
Computer services, business services and membership organisation	United Kingdom	4 (increase from 2 last year)
Computer services	Sweden	1
Computer and business services	Ireland	3
Business services	New Zealand	1

## Identifying, assessing and addressing modern slavery risk (Reporting Criteria 3 and 4)

Bank First did not receive any reports, or otherwise become aware of, any actual or suspected incidents of modern slavery during the reporting period.

### Our operations

Bank First's business operations are located entirely within Australia. Our employed workforce is primarily comprised of tertiary-educated and experienced professionals who all operate in a very low-risk sector. They are directly employed by Bank First under written employment contracts and subject to Australia's strict and protective workplace laws and regulations. Bank First assesses our direct operations as being very low risk for modern slavery.

In terms of potential risk areas that are most proximate to our day-to-day operations, office cleaning, facilities management and security services are, as we have previously described, workforces that are often comprised of more vulnerable migrant and low skilled employees, combined with more prevalent industry practices such as opaque sub-contracting arrangements and the use of third-party labour hire agencies.

We remain vigilant in relation to the potential covert exploitation of our financial services for illegal payment transfers relating to modern slavery. We continue to utilise screening and criminal activity detection services by AMEX for all international transfers.

## Our investments

The overall modern slavery risk profile of Bank First's investments continues to be assessed as low. Our investments remain limited to either solely Australian-based financial institutions or Australian branches of leading global institutions.

## Our supply chains

Even though Bank First's core procurement activities are very stable and consistent across successive reporting periods, we continue our long-term practice of comprehensive and updated risk assessment of our entire procurement activities for every reporting period.

To do this, we engage external consultants to use proprietary technology to trace the economic inputs required to produce the products and services that Bank First obtains from our direct suppliers all the way to Tier 10 suppliers of the supply chain of our suppliers by spend. In performing this risk assessment, a balanced, global Multi-Regional Input-Output (**MRIO**) table to perform the supply chain mapping, which links supply chain data from 208 countries, and 37,318 unique industry/country combinations. Fair Supply's data universe comprises over 35,000 local industries categories, which represents more than 98% of global GDP.

The MRIO is regularly updated and draws from the most comprehensive and credible global data inputs available, including the United Nations' (UN) System of National Accounts; UN COMTRADE databases; Eurostat databases; the Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and official statistical data from many national agencies worldwide, including the Australian Bureau of Statistics. The synthesis of global economic supply chain data is overlaid, via a proprietary algorithm, with the best available research and estimates of modern slavery incidences at the national and industry levels, including the Walk Free Foundation's Global Slavery Index (last updated in May 2023); the International Labour Organisation's Global Estimates of Modern Slavery; official reports published by the United States on International Child Labour, Forced Labour and Human Trafficking, and Fair Supply's internally developed database of modern slavery risk factors by country and sector.

Bank First's identified areas of potentially elevated modern slavery risk continue to be assessed as being almost entirely concentrated beyond the first tier of our supply chain.

Recurring assessed industry categories with, in relative terms, the most elevated potential supply chain risk exposure once again include:

- **Australian Business Services:** including a range of professional service providers such as consultants, auditors, payroll providers, recruitment, and risk advisory services. Individual supplier characteristics ranges from large international professional service firms to small sole traders.
- **Australian Retail trade:** including suppliers of office equipment, furniture, electronics (non-computer) and related goods.
- **Australian Computer and related services:** including electronics providers, software technicians, software services and subscriptions.

A new area of potential supply chain risk that was identified in the updated risk assessment for this reporting period related to Bank First's increased spend (compared to last year) on **Australian based uniform/merchandise suppliers**.

The deeper-tier supply chain risks associated with this kind of procurement activity are summarised by the **Walk Free Foundation's 2023 Global Slavery Index's** spotlight on the garment sector. The Index categorises garment products as Australia's second highest imported product at risk of modern slavery, specifically when these products are imported from Argentina, Bangladesh, Brazil, China, India or Malaysia:

There are risks of modern slavery at each stage of the garment supply chain, from growing and producing raw materials, to processing these into inputs, to manufacturing.

## Raw material

Raw materials that feed into textile production range from synthetic fibres such as polyester and polyamide, plant fibres including cotton and rubber, manmade cellulosic fibres such as viscose and acetate, and animal fibres such as wool, silk, and leather. The production of many of these materials have been linked to forced labour.

Cotton production has a long history of slavery, and continues to be harvested by men, women, and children working in conditions tantamount to modern slavery. Children are recruited to pick cotton due to the perception that smaller hands reduce damage to crops. Forced labour was used to produce cotton in Benin, Burkina Faso, China, Kazakhstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan, though the circumstances giving rise to exploitation may vary... In some countries, such as Turkmenistan, China, and formerly in Uzbekistan, governments have forced their citizens to work in the production of cotton.

## Textiles/inputs

During processing, raw cotton is ginned, spun, and woven into textiles. Fibres sourced from multiple countries are combined into a singular fabric at a textile mill, complicating efforts to trace the origins of a finished product. In response to tight turnaround times and reduced profit margins, suppliers' sub-contract their production to home-based workers, often women and girls, reducing brand oversight of their supply chains. Informal and home-based workers usually lack formal contracts, making them even more vulnerable to exploitation.

Risks of child and forced labour follow the raw materials into textile production, particularly in countries based in the Asia and the Pacific region. Forced labour has been documented in major exporting countries such as China, where Uyghurs and other Turkic and Muslim majority groups have been forced to work in the production of textiles.

### Manufacturing

Vulnerable groups such as women and girls are particularly at risk of exploitative conditions in garment manufacturing. Although women and girls are overrepresented in garment factories across the globe, they are relegated to lower-paid and subordinate roles, such as machine operators and checkers. Even if their tasks are the same, women generally receive lower wages than male garment workers due to perceptions that female income is "complementary" to income generated by male breadwinners.

Migrant workers are also highly vulnerable to exploitation in the garment sector, receiving lower wages and unfair wage deductions, and facing precarious working conditions and higher risks of debt bondage, retention of documents, and threats of violence or deportation. In countries where migrant workers cannot join or form trade unions, they face greater risk as employers exploit their lack of legal protection. In a 2021 survey of factory workers in China, 45 per cent of those who had migrated from another state in China reported that they worked more than 60 hours per week, compared to 31 per cent of those who had not migrated for work.

Towards the end of the reporting period, Bank First also commenced a new office fit-out of two floors in our Hawthorn East Office. At the time of lodging this Statement, these works had been completed. We acknowledge that building construction in Australia has, in relative national terms, potentially elevated risks of modern slavery. The services associated with this commercial office fit out were subject to Bank First's modern slavery screening measures described below. The project manager is a leading Australian company with a risk mitigation framework that has been evolving for several reporting periods.

As described in the previous section, Bank First has a limited number of international suppliers. This direct engagement of foreign companies is not assessed as substantially elevating our overall modern slavery risk. Given the countries in which these direct suppliers are all located, the deeper-tier supply chain risk associated with these computer products is assessed as being essentially the same as if those direct suppliers were in Australia. These kinds of inherent supply chain risks with computer and electronic products are described in further detail in the section immediately below.

## Policy and Governance Updates

During the reporting period, we completed a major update of Bank First's policy and governance framework to address modern slavery issues. Most significantly, Bank First's Modern Slavery Policy was revised and approved by the Bank First Board on 27 February 2024.

### Some key improvements implemented through the Policy include:

- Clearer and more extensive due diligence controls to mitigate potential risks of modern slavery in Bank First's operations and supply chains.
- More specific and prescriptive delineation of roles, responsibilities and accountability for the Board, Committees, Executive Management and other key Bank First team members in managing modern slavery risk.
- Primarily responsibility for Bank First's modern slavery response framework to our Head of Corporate Services.

## Internal Education and Training Programs

Bank First continues to deliver specialist training to new employees as part of our team onboarding processes.

An annual training module is offered to all staff, which is supplemented by specialist training on modern slavery issues that is delivered to our anti-financial crimes team.

In terms of training engagement rates during the reporting period:

- **All** new staff to the Bank completed our online Modern Slavery training module.
- **143** existing team members completed our online annual refresh training module.

## Key supplier evaluation and engagement

In last year's Statement, we described the development and early implementation of Bank First's Corporate Contracts Standard and Service Provider Procurement and Material Outsourcing Policy. This process was used throughout the reporting period to ensure the pre-screening of prospective suppliers during tender processes addressing an array of modern slavery risks factors. Approximately 40 prospective suppliers were assessed using this procedure. No high-risk companies were identified.

To build upon this process (which we consider to have been generally effective in its operation) and ensure that continuous improvement is maintained, at the time of submitting this Statement, we were in the process of implementing a new Vendor Risk Management module through our risk management software, which will allow us to send screening requests directly to the prospective vendors with more streamlined and user-friendly procedures for completion, including the uploading to us of supporting documentation.

All of Bank First's prospective new suppliers undergo due diligence screening for modern slavery risk. Some of the specifically addressed screening areas include:

- Written assurances that the company does not engage in any kind of inappropriate labour hire practices.
- Requested information disclosure relevant to potentially elevated risk factors such as foreign operations in hot-spot countries and/or connections to high-risk industry categories, including whether the prospective supplier has operations involving offshore teams (e.g. "back office" services provided from overseas).
- Confirmation that the company is providing safe and satisfactory conditions for workers (appropriate and legally mandated remuneration, clean and safe workspaces, access to rest rooms with basic facilities, safe workspaces, etc).

Bank First's template Service Agreement also contains mandatory provisions requiring suppliers to address modern slavery issues. Amongst other substantive requirements, it includes a binding obligation for the supplier "take reasonable steps to identify, assess and address risks of modern slavery practices, and ensure that there is no modern slavery or human trafficking, in its or its subcontractors' or service providers' supply chains or business operations used in the provision of the [subject services to Bank First]". During the reporting period, we ensured that all new key supplier agreements contain this updated mandatory Modern Slavery clause.

Bank First has also continued our long-standing practice of issuing supplier questionnaires to entities that are assessed as comparatively higher risk via our annual third-party proprietary risk assessment. Bank First issued questionnaires to 47 entities<sup>1</sup>, including our uniform and merchandise suppliers which have been identified as new area of potential supply risk for the reporting period.

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<sup>1</sup> This action occurred shortly after the conclusion of the FY24 reporting period, and prior to the finalisation and lodgement of this Statement.

# Measuring the effectiveness of our actions and approach

## (Reporting Criteria 5)

Bank First considers an effective modern slavery response to be one that is implemented consistently, over successive reporting periods, and with continuous improvement across the key pillars of policy and governance, internal education and awareness raising, supplier (and other external stakeholder) engagement and collaboration, remediation (if necessary) and transparency in reporting.

In our last Statement, we candidly acknowledged that due to internal organisational restructuring, key personnel changes, and various other external factors, we did not fully complete all previously planned measures for the reporting period. In some organisational respects, unforeseen challenges of a similar kind continued into this year. Notwithstanding this, we remained mindful of previously flagged and deferred initiatives and provide the following updates on our progress:

Planned action in last year's Statement	Progress this reporting period
Reviewing and updating our internal governance systems to develop and define our executive team's role more clearly as part of our overall modern slavery response.	Bank First's updated Modern Slavery Policy was approved by the Bank First Board. This included specific provisions where roles and responsibilities are more clearly defined for the COO (Accountable Executive), Executives and other roles within Bank First.
Reviewing our member vulnerability guidelines to include material on identifying modern slavery indicators and providing accompanying training to our customer facing teams.	Bank First has placed this action item on the agenda for our relevant internal stakeholders, with a view to including modern slavery indicators into these materials at the next opportunity.
Updating our Whistle Blower Policy to confirm that complaints relating to modern slavery issues are a protected disclosure.	Our in-house review of recent changes made to extend the scope of the Policy to allow reports of any kind of conduct that is harmful to the health and safety of a person or group of people was deemed sufficient to cover all kinds of modern slavery practices until the next scheduled review of this Policy in April 2025. As part of this next review and update, we will consider the practical value for protecting individuals under the Policy through potentially incorporating provisions with more specific and expansive definitions of modern slavery practices.

Continued review and development of a more comprehensive framework for measuring effectiveness.

This is an area of our overall modern slavery response that we recognise as remaining under-developed across multiple reporting periods. However, Bank First has allocated additional resourcing to our Procurement team from August 2024 and has flagged this for priority consideration and action in the next reporting period – see below section.

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## Any other relevant information (Reporting Criteria 7)

Bank First plans to consolidate, expand and improve its overall modern slavery framework in the upcoming reporting period, particular in the areas of substantive due diligence action with key suppliers and in formalising a more structured framework for the ongoing evaluation of how effectively various initiatives are performing.

Our current plans for the next reporting period included particular focus on the following areas:

- Continuing to further enhance awareness across our business in relation to modern slavery (beyond the standard training and new employee induction modules currently completed annually).
- Updates to our Procurement Standard include sections on ethical and sustainable procurement, including specific modern slavery-related provisions.
- Deeper engagement with suppliers on addressing potential modern slavery issues via our new Vendor Risk Management platform.
- Develop and implement a formal measuring effectiveness framework that includes specific KPIs across all key pillars of our modern slavery response.

The above summary of currently planned focus areas, and all other forward-looking descriptions contained throughout this Statement reflect Bank First's reasonable expectations at the time of submitting this Statement. Such forward-looking statements are predictive, based on good-faith judgements, assumptions and available information and should not be unduly relied upon as being certain, or even likely, to occur in the future. These forward-looking statements are not intended to, and should not be taken as constituting, any representation, guarantee, warranty or assurance as to the accuracy or likelihood that any action described in any forward- looking statement will be achieved.