



2023 Modern Slavery Statement

Heritage Bank
People first.

**People's
Choice**

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Acknowledgement of Country



'Community' by Gabriel Stengle, a Kurna, Ngarrindjeri and Nurrunga woman of South Australia.

We acknowledge and honour the Traditional Owners of the lands on which we meet, work and live. We pay our respect to Aboriginal and Torres Strait Islander cultures and to Elders past, present and emerging.

Introduction

This Modern Slavery Statement (Statement) is made pursuant to the Australian Modern Slavery Act 2018 (Cth) (the Act) and relates to the financial year 1 July 2022 to 30 June 2023 (FY23).

The reporting entity is Heritage and People's Choice Limited (ABN 11 087 651 125).

On 1 March 2023 Heritage Bank Limited merged with Australian Central Credit Union Ltd by way of a transfer of business and the name of the merged entity was changed to Heritage and People's Choice Limited (HPC). HPC trades under the registered business names 'Heritage Bank' and 'People's Choice Credit Union'. This Statement includes information relating to the operations and management of modern slavery risk of HPC trading under both names. Before the merger Heritage Bank Limited and Australian Central Credit Union Ltd submitted Modern Slavery Statements as separate entities.

This Statement is provided by HPC and covers its subsidiaries and related entities (which are not reporting entities in their own right):

- People's Choice Community Foundation Limited (ABN 97 154 717 987)
- Financial Solutions Australasia Pty Limited (ABN 36 008 939 599)
- Australian Central Services Pty Limited (ABN 68 007 968 041)
- Heritage Bank Charitable Foundation (ABN 79 297 317 699)

Note: the operations of the subsidiaries and related entities include charitable fundraising, wealth management, operations, trust management and related services.

This Modern Slavery Statement has been reviewed and approved on 13 December 2023 by the Board of HPC on behalf of all named reporting entities and subsidiaries and as the principal governing body for HPC. This is the first Statement prepared by HPC as a merged entity and captures HPC's efforts over FY23 to identify, address and mitigate the risk of modern slavery and human trafficking within its supply chain.

HPC is committed to maintaining and continuously improving its practises to combat risks associated with modern slavery and human trafficking within its operations and supply chain.





▣ About Heritage and People's Choice Limited



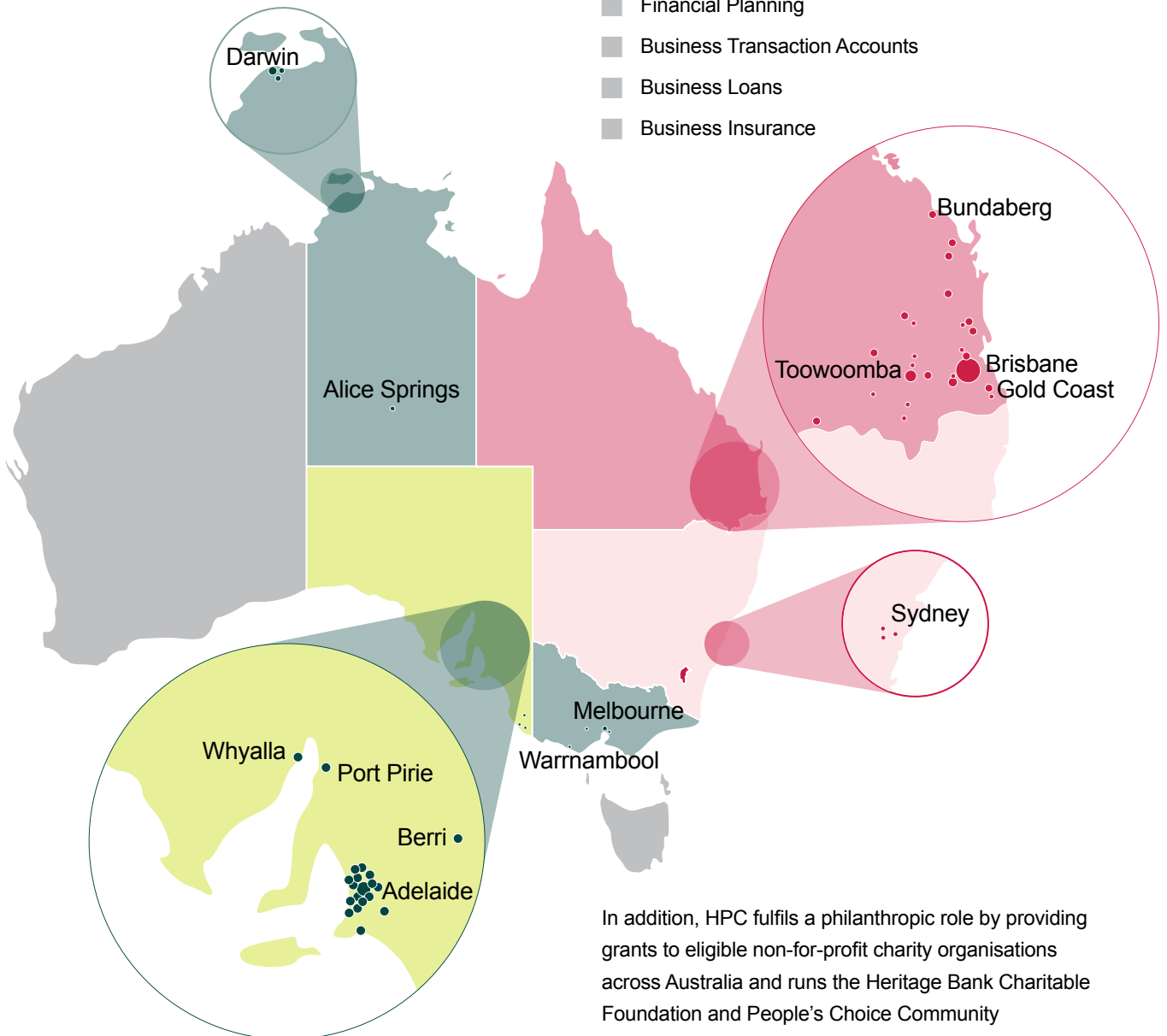
About Heritage and People's Choice Limited

HPC is the ongoing entity following the merger of Heritage Bank Limited and Australian Central Credit Union Ltd on 1 March 2023. At the time of reporting, HPC is undergoing a rebranding exercise which will extend through 2024.

HPC has dual head offices in Adelaide and Toowoomba with 93 branches across Queensland, New South Wales, Victoria, South Australia and Northern Territory as well as Australia-wide lending via a broker network servicing over 730,000 customers.

HPC provides customers with access to the following products and services:

- Home Loans
- Personal Loans
- Visa Credit Cards
- Transaction Accounts
- Visa Debit Cards
- Savings & Investment Accounts
- Insurance
- Foreign Currency
- Financial Planning
- Business Transaction Accounts
- Business Loans
- Business Insurance



In addition, HPC fulfils a philanthropic role by providing grants to eligible non-for-profit charity organisations across Australia and runs the Heritage Bank Charitable Foundation and People's Choice Community Foundation respectively.



Supply Chain

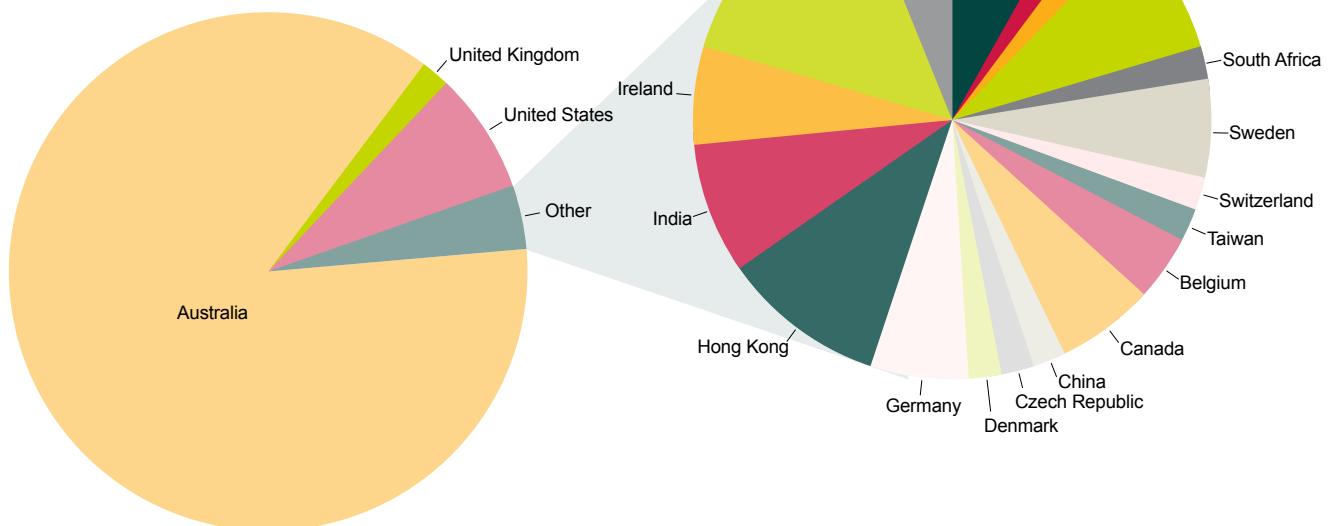
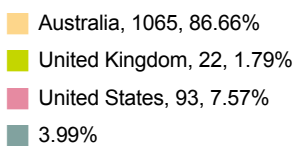
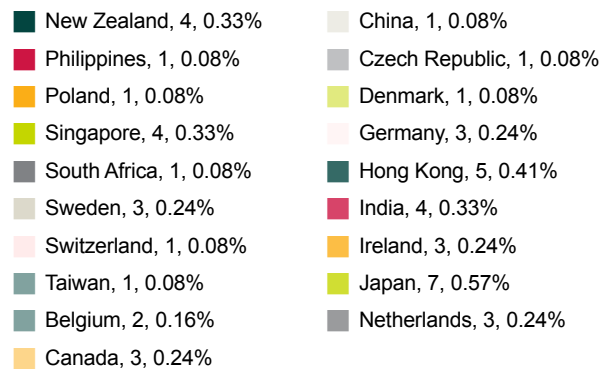
Supply Chain

HPC recognises that a detailed understanding of its supply chain is key to helping identify where modern slavery risks may lie, and thereby shaping HPC's modern slavery response. HPC recognises that it has relationships with businesses that supply certain goods and services but that those suppliers also have similar relationships with other businesses. In this way, it is important to consider the interrelation of direct and indirect suppliers within HPC's supply chain.

HPC sources goods and services directly and via Mutual Marketplace Pty Ltd (Mutual Marketplace). Mutual Marketplace was established as a joint venture between Australian Central Credit Union Ltd and Credit Union Australia Ltd (trading as Great Southern Bank) to provide procurement services to the mutual banking industry. The relationship with Mutual Marketplace as a procurement partner has continued post-merger. Mutual Marketplace is itself a mandatory reporting entity and will separately lodge a Modern Slavery Statement in accordance with the Act.

HPC has a global supply chain that is made up of approximately 1,200 direct suppliers (including via Mutual Marketplace) with a strong focus on supporting domestic vendors, particularly in local communities where HPC operates. The newly combined supplier base mainly comprises professional services such as legal, brokerage, consulting, training, and Information Computing and Technology (ICT). Approximately 85% of HPC's supply chain provides services for direct banking operations and 15% provides goods and services in support of branch and office operations such as stationery, utilities, cleaning, and maintenance.

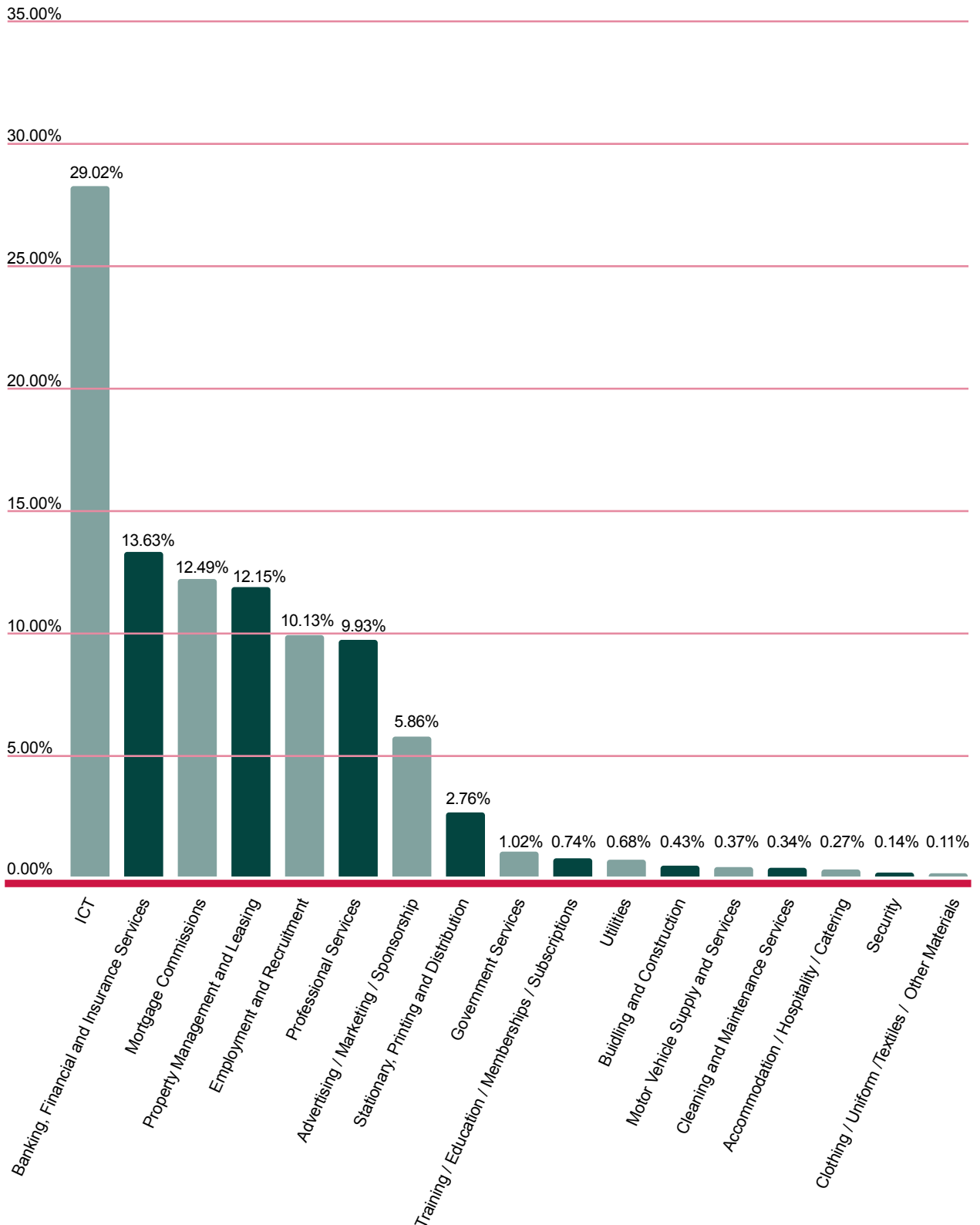
A breakdown of our supply chain by location (by number and percentage of total) is as follows:



Supply Chain (continued)

HPC's supply chain relationships include suppliers to the following categories:

CATEGORY AS A PERCENTAGE OF TOTAL SPEND





Risk Identification and Due Diligence Process

Risk Identification and Due Diligence Process

While the merger has increased the size of HPC, as a financial services organisation with a professional workforce, HPC continues to identify direct risk (third parties) of modern slavery to be low, because of the following factors:

- HPC has an Australian-based workforce;
- HPC operates within a highly regulated financial service environment;
- HPC maintains internal policies and strategies that prevent exposure to extractive or other high-risk industries; and
- HPC has limited exposure to overseas sourcing from high-risk locations.

However, HPC acknowledges that indirect exposure to modern slavery through HPC's operations and supply chain may still be present.

Following the merger, HPC continued to implement a risk management process to identify, assess, mitigate and monitor any potential modern slavery risks. In considering the risk, HPC has examined the activities occurring in the following five key areas within its operations and supply chains.

Financial products and services	There is a risk that customers may use HPC's products or services for activities that involve modern slavery and human trafficking.
Lending and investment	There is a risk HPC could lend to or invest in businesses involved in modern slavery, in particular, through the agricultural and horticultural sectors.
Procurement	There is a risk that HPC could purchase goods and services where modern slavery or other forms of exploitation was used in their creation or delivery.
Employment	There is a risk of labour exploitation within HPC's own workforce, particularly in the contracted workforce.
Community Investment / Sponsorships and Philanthropy	There is a risk that HPC supports, directly or indirectly, via advocacy, donations and partnerships organisations involved in modern slavery.

Assurance for the FY23 statement was conducted using a consolidated list of all suppliers across HPC, including suppliers utilised by Australian Central Credit Union Ltd and Heritage Bank Limited prior to the merger, as well as suppliers sourced through Mutual Marketplace. Using data from the recently updated 2023 Walk Free Global Slavery Index, a risk rating was applied to all suppliers based on the category of goods or service and the supplier's country of origin based on the identified prevalence of Modern Slavery. Any potential engagements with a medium or higher risk requires escalation and additional due diligence, such as sourcing the suppliers Human Rights, Modern Slavery, ESG or similar policy statements.

For the FY23 reporting period, 18% of suppliers were identified as low risk with 82% identified as very low risk. There were no suppliers rated medium or high risk.



Risk Management

Risk Management

HPC continually reviews its suppliers through proactive engagement and by monitoring sources for adverse information about organisations, locations, products and individuals.

As part of the merger, HPC has updated several policies and procedures that assist HPC in managing the risk of modern slavery. These include:

- Code of Conduct
- Environment, Social and Governance (ESG) Policy and Position Statement
- Group Whistle Blower Policy
- Procurement Policy
- Anti-Money Laundering / Counter-Terrorism Financing (AML/CTF)

Code of Conduct

As a significant financial services organisation, HPC implements employment practices designed to support employees and to treat them fairly and with respect. The Code of Conduct helps bring the HPC vision, mission, and values to life by providing guiding principles to help employees to act professionally and with integrity to support ethical, risk-based decision making.

Environment, Social and Governance (ESG)

Prior to March 1, Heritage Bank Limited had in place an ESG Policy and Position Statement. The Policy specifically addressed the need to embed internationally recognised human rights standards within operations, and to take steps to ensure that Heritage Bank Limited did not enter business relationships with others who may act in violation of those standards. These documents recognised and detailed that risk exists within HPC's supply chains, with potential exposure to issues such as modern slavery. The Policy and Position Statement acknowledged the need to consider more than just profit, cost, quality and speed of delivery when making supply chain decisions.

Australian Central Credit Union Ltd had been working towards adoption of a similar ESG Policy and Position Statement prior to the merger, however the governance had not been formalised.

Operating as HPC, a new ESG Policy and Framework is under development to be implemented in late 2023 and will cover key ESG issues including human rights and modern slavery.

Group Whistle Blower Policy

HPC's Group Whistle Blower Policy is intended to promote a culture of honesty, fairness and integrity. The policy sets out responsibilities and accountabilities for reporting unethical or illegal practices and is integral to support a confidential and objective process where concerns of modern slavery can be raised and investigated.

Procurement Policy

The Procurement Policy sets out principles that govern the sourcing of goods and services from suppliers to HPC. A key objective of the Policy is to embed responsibility and resilience to ensure that risks arising from procurement activities are mitigated and managed on an ongoing basis, considering legislation, security threats, Environmental, Social & Governance (ESG) requirements and supply chain specific risks including modern slavery.

HPC continues to enhance the risk assessment process for suppliers to improve focus on modern slavery risks. This includes the use of specific criteria to understand any potential modern slavery risks prior to onboarding, as well as proactive monitoring throughout the lifecycle for any relevant or adverse information.

AML / CTF

As required under AML/CTF legislation, HPC collects specific information to identify and verify various customer types. This level of customer due diligence assists in the identification of modern slavery risk through customer channels.



Measuring Effectiveness

Measuring Effectiveness

HPC continues to monitor operational activities for exposure to modern slavery risk, including changes to activities by geographic location. Furthermore, HPC continues to review medium or higher risk suppliers for the effectiveness of their control measures, as well as any publicly available adverse information.

Reporting against modern slavery is provided to the HPC Board Risk Committee annually to monitor effectiveness and provide overarching accountability for the HPC Board. Whilst there were no reportable supplier concerns in FY23 to trigger a detailed investigation, the procurement monitoring can respond quickly to any issues that are identified in the future.

Summary of FY23 Actions

HPC's key actions undertaken in the reporting period include:

- Consolidated Risk Assessment and Due Diligence process;
- Continued training and awareness; and
- Enhanced Governance.

Consolidated Risk Assessment and Due Diligence process

Data from the 2023 Walk Free Global Slavery Index was used to create a risk rating system based on goods and service category and geographic location. The risk ratings were applied across all HPC suppliers, including suppliers utilised by Heritage Bank Limited and Australian Central Credit Union Ltd prior to the merger, as well as suppliers sourced through Mutual Marketplace. The process has provided HPC with a consistent view of modern slavery risk across the full FY23 reporting period.

Employee Training and Awareness

During this reporting period HPC continued its mandatory modern slavery training for all relevant staff and management. The completion rate for the year remains very high with management monitoring completion rates across their teams.

Enhanced Governance

The merger of the two entities has provided an opportunity to improve the governance and oversight of modern slavery issues. An additional advisory group, the HPC ESG Steering Committee, has been created to assist and guide the organisation in relation to ESG issues, including Modern Slavery. This additional layer of oversight provides improved management of Modern Slavery through wider internal engagement and diversification of skills.





Future Actions

Future Actions

HPC remains committed to improving the understanding of modern slavery risks in all areas of HPC's operations. HPC will continue to assess and optimise the effectiveness of HPC's actions in identifying and managing modern slavery risk through:

- Seeking opportunities to enhance governance and relevant frameworks to manage modern slavery risk.
- Alignment of assessment processes to the Walk Free Global Slavery Index.
- Ensuring modern slavery issues are considered for new, or renewed, sourcing and contracting activities.
- Dedicated Modern Slavery training for the new HPC Executive Committee and Board.
- Continued deployment of modern slavery training to all staff.
- Greater consideration of fourth party relationships.

Over the next reporting period HPC will continue to build upon a roadmap to strengthen its approach to modern slavery risk. The roadmap will focus on staff awareness, policy and process improvement and updating due diligence processes.



Compliance Table

Australian Commonwealth Modern Slavery Act 2018 reporting criteria

Modern Slavery Statement
2023 page reference

(a)	Identify the reporting entity	4
(b)	Describe the structure, operations, and supply chains of the reporting entity	6, 8, 9
(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	11
(d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	11, 13
(e)	Describe how the reporting entity assesses the effectiveness of such actions	15
(f)	Describe the process of consultation with any entities that the reporting entity owns or controls. In the case of a reporting entity covered by a statement under section 14 - the entity giving the statement	4
(g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant	17

Signed



Michael Cameron
Chairman
13 December 2023

