

### Background & Identification

Cuscal Limited (ABN: 95 087 822 455), is one of Australia's largest independent providers of payments, banking, and regulated data. Cuscal acquired a material controlling interest in Braavos Corporation Pty Ltd (ABN: 78 616 581 474), the parent company of Basiq Pty Ltd (ABN: 95 616 592 011), a leading Data and Open Banking API platform in March 2023.

This statement is Cuscal Limited's response to the requirements of the Australian Commonwealth Modern Slavery Act 2018. This is Cuscal's forth statement and the first representing Cuscal and Braavos Corporation Pty Ltd (the Group). The risks and actions detailed below are those which relate to the activities of the Group. In this statement, the use of the words "we", "us" and "our" refers to Cuscal and the entities it controls.

This statement covers the actions we have taken to identify, assess and manage modern slavery risks in our structures, operations, and supply chain during the financial year commencing 1 July 2022 to 30 June 2023. This statement was approved by the Board on 15 December 2023.

### Introduction

The Group 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 the Group's actions to understand all potential modern slavery risks related to our business and to put in place steps aimed at identifying and mitigating the risk of modern slavery within our structures, operations and supply chain.

As part of the Australian financial services industry, the Group acknowledges its role and responsibilities 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 is in its infancy, and we are committed to continuous improvement.

### Our Structure, Operations and Supply Chains

Cuscal is a Business to Business (B2B) service provider with over 1000 employees (including contractors), and provides domestic payments related products and services including:

- ❑ Electronic and paper payment processing including EFTPOS, direct entry, BPAY and member & 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;
- ❑ Regulated data services.

### Countries of Operation and Supply

Cuscal Ltd is a registered Authorised Deposit-Taking Institution (ADI) operating in Australia. Basiq Pty Ltd has operations in Australia and Serbia. The business is the provision of payment & ancillary services; and consumer data rights (CDR) to its clients. The Group's vision is to enable the future by delivering innovative, reliable secure payment solutions and open banking.

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 in all geographic locations. 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

We conduct regular risk assessments to identify and evaluate potential risks of modern slavery within our operations and supply chains. This includes assessing risks associated with employees hired (including contractors), our suppliers, third-party vendors, and other business partners. If identified, high-risk areas are prioritized, and appropriate measures are taken to mitigate and address them. 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. According to the Global Slavery Index, Australia and Serbia are not high-risk countries on the modern slavery index.

A small number of lower skilled vendors who 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 the Group'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**

### Assessment of Effectiveness

Assessing the effectiveness of actions taken to identify and mitigate the risk of modern slavery in the Group's operations requires a thorough and structured approach.



Some of the steps to conduct this assessment are:

- Supplier due diligence: reviewing the effectiveness of our supplier operations and processes.
- Internal incident reporting and response: reviewing our incident reporting and response mechanisms to assess their effectiveness. Analyse the number and nature of reported incidents, the response time, and the outcomes of investigations and remediation actions taken.
- Vendor attestations: requesting vendors to attest their processes align with our contractual agreements and best practice.
- Employee surveys: conduct anonymous employee surveys to determine employee satisfaction and ability to speak-up where they may feel aggrieved in the work environment.
- Employee training and awareness: evaluate the impact of compliance training which includes modern slavery for employees. We track the completion rates of training, assess employees' understanding of modern slavery risks, and track the number of reports or concerns raised by employees.
- Whistleblower Program: the Group has a whistleblower program in which employees and other stakeholders are encouraged to anonymously report non-compliant behaviours. Reporting is made on the data collected from this program.

## Consultation and Engagement

Consulting internally to mitigate modern slavery risk within the Group involves engagement between related entities, various departments, and other stakeholders to assess and address potential risks effectively. Some methods include:

- Identifying key internal stakeholders: we determine the key stakeholders within the Group who are essential for the consultation process. This may include representatives from the following function: Operational Risk & Compliance, Legal, People and Culture, Vendor Management,
- Integrate modern slavery considerations: integrate modern slavery considerations into the Group's procurement processes, supplier assessments, and risk management frameworks. Ensuring that modern slavery risks are considered in decision-making across all entities and departments.

Going forward, we aim to continue improving our approach to identifying and mitigating the risk of modern slavery in our operations and supply chain. We identified areas to help improve this process in FY2024.

- Build engagement, learning and sharing good practise internally and externally.
- Introduced a new vendor management system in August 2023 – GovernX.
- Expand the use of data to identify risks.

Senior Managers and Heads of Departments also submit bi-annual attestations for their respective departments.

## 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.

The use of recruiters or labour brokers who do not comply with local labour laws (including child labour laws) of the country in which the recruitment occurs is prohibited. 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 (when domiciled in Australia) 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.

The Group encourages all its employees, clients, 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, clients, 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)

To meet growing expectations from our stakeholders Cuscal is now 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.

We have designed our preliminary Sustainability Framework, which will include our annual Impact Report.

### Exclusions

The following business activities are prohibited by Cuscal:

#### Prohibition of withholding worker identification and immigration documents

Cuscal prohibits withholding worker identity or immigration documents. Cuscal respects the right and dignity of employees. We maintain comprehensive policies and procedures to ensure that worker identity and right to work is verified in line with applicable legislation and best practice. Copies of related documents are only retained by authorised personnel.

#### Withholding transparent and accurate employment contracts

Employees are provided with detailed and accurate employment contracts before they commence employment at Cuscal. We recognise the importance of consistently upholding transparent and fair employment practices including the provision of comprehensive information about terms and conditions of employment as well as rights and responsibilities of the employee.

### Penalty for termination of employment

Across our operations, employees have the right to terminate their employment contract by providing a notice to terminate and serving out the notice period specified in their contract of employment and in accordance with law without punishment or financial penalty. Employees are hired on an at-will basis and can terminate their contract of employment at any time.

### 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 15 December 2023 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:

15 December 2023