

Beyond Bank Australia Limited

Modern Slavery Statement.

UNDER THE MODERN SLAVERY ACT 2018 (CTH)
REPORTING PERIOD: 2022–2023



1. Executive summary.



Modern slavery is often described as being “hidden in plain sight”. Affecting every country in the world¹, it touches all of us through the products we buy and consume daily. While we benefit from living in an interconnected world, it is the connections we have to global supply chains that mean modern slavery is closer to us than we may think.

Earlier this year, The Walk Free Foundation’s 2023 Global Slavery Index upgraded its previous estimate of the number of victims of modern slavery globally from 40 to 50 million, with approximately 41,000 victims living in Australia,² demonstrating there is more work to be done.

As a bank, we play an important role in supporting the eradication of modern slavery through our operations and supply chain and protecting our customers and the broader community from financial crimes. Perpetrators of modern slavery, such as those involved in human trafficking, can misuse the financial system to launder proceeds from illegal activities, and we have several initiatives in place to strive to prevent and protect victims from such crimes.

During our fourth-year reporting on modern slavery, we have continued to understand our risks, take actions to mitigate such risks and monitor the effectiveness of these actions. While we have had some encouraging improvements in the actions we are taking, such as an increase of over 20% of our material or higher-risk suppliers engaging with us to complete our supplier assessment

questionnaire (SAQ) compared to the prior period, we see opportunities to strengthen our efforts through:

- using the insights from the SAQs to engage with our higher-risk suppliers to influence their behaviours
- establishing a Supplier Engagement Working Group to evolve our approach to modern slavery, extending beyond risk assessment to supplier partnerships
- identifying opportunities to collaborate more closely with third-party intermediaries to understand our supply chain risks beyond Tier One.

As a B Corp-certified organisation, we are committed to maintaining high levels of social and environmental impact, transparency, and accountability. Each year, we strive to build on efforts undertaken the year before to strengthen our role and capability to leverage and influence our supply chain for positive social change.

Our FY23 modern slavery statement for Beyond Bank Australia was approved by the Board of Directors on 27 November 2023.



Ms Sandra (Sam) Andersen
Chair, Beyond Bank Australia

1. “Global Slavery Index 2023”, Walkfree Foundation, accessed August 21, 2023, Global-Slavery-Index-2023.pdf (walkfree.org), p 13, About the Index
2. “Global Slavery Index 2023”, Walkfree Foundation, p 68, Table 16, Estimated prevalence and number of people in modern slavery, by country

2. About us.



2.1 Beyond Bank values

At Beyond Bank, our values of integrity, mutuality, customer first, community and sustainability mean we are committed to acting with high standards of social responsibility across all we do.

Our efforts to eliminate modern slavery are entirely consistent with these values.

To embed a culture of acting with integrity within our organisation, we have the following policies and practices in place.

- Our **Code of Conduct** establishes a common understanding of the standards of behaviour expected of all Directors and employees of Beyond Bank. This includes requirements to behave in a manner that is honest, professional, and respectful
- Our **Human Rights policy** outlines our approach to respecting human rights for all our stakeholders. This includes our people, suppliers, customers and our community and our expectations of them as employees, employers or partners of our business
- We are also guided by the International **Cooperative Alliance Principles** and the **Customer Owned Banking Code of Practice**, which outline high standards for conduct when dealing with our customers and the community.

2. About us.

2.2 Identification and structure

The Beyond Bank Australia Group (hereafter referred to as 'Beyond Bank', 'the Group', 'we', 'our' or 'us') consists of Beyond Bank Australia Limited (ABN 15 087 651 143) and our wholly owned and controlled subsidiaries.

These subsidiaries include Eastwoods Group Ltd and its wholly owned subsidiary (but not guaranteed) Eastwoods Wealth Management Pty Ltd (previously trading as Beyond Bank Wealth Management), the Beyond Bank Australia Foundation Ltd, Beyond Employee Benevolent Fund Pty Ltd, and Community CPS Services Pty Ltd. All these subsidiaries are in Australia.

- Beyond Bank Wealth Management provided clients with wealth management and financial planning services until 31 May 2023.
- The Beyond Bank Australia Foundation works with like-minded partners to give back to the community through initiatives connected to housing affordability, disability support, aged care support and financial education.
- The Beyond Bank Employee Benevolent Fund provides financial support to our people in times of acute financial need, and
- Community CPS Services provides trust management services to our Barton Trusts.

The Group also comprises Beyond Bank Australia Master Support Fund, Beyond Bank Australia Master DGR Fund, The Barton W Warehouse Trust, The Barton A Warehouse Trust, The Barton Series 2013-1R Trust, The Barton Series 2014-1 Trust, The Barton Series 2017-1 Trust and The Barton Series 2019-1 Trust.

Our registered office is located at 100 Waymouth Street, Adelaide, SA 5000.

2.3 Our operations

As a customer-owned bank and certified B Corp located in Australia, we have been providing banking services to local customers for over 65 years. We are strongly driven by our purpose, which is to create and return value, and through this, we change lives.

In addition to providing banking services to individuals, our operations also include serving small and medium-sized business customers and offering insurance and financial planning advice either directly or through our partners³. We also have a Community Division that supports our community sector customers through banking, salary packaging, fundraising, and volunteering.

As a local bank with a national footprint, we have offices and 46 branches across WA, SA, ACT, NSW, and VIC. We employ 750 people across our organisation, including in our Australian-based call centres.

The Beyond Bank Australia Foundation has been operating since 2007 as a means for us to give back to the community. The Foundation focuses on aged care, disability support, housing affordability and financial education.

Figure 1: Our branch locations.



3. Our wealth management business was divested towards the end of the reporting period.

2. About us.

2.4 Our supply chain

Beyond Bank is proud to support Australian businesses through our supply chain, with the majority of our first-tier suppliers located in Australia.

As a bank, our supply chain relies heavily on six key industries to service our customers in metropolitan and regional areas through traditional over-the-counter banking, our website, telephone banking and digital banking via our award-winning mobile banking app and internet banking platforms.

The industries we work closely with to deliver these services are detailed in Figure 2.

Figure 2: About the key industries we source from.

Industry categories	How we work with suppliers from within that industry
Computer and related services	To provide our core banking system, software, online forms, digital technology, and phone systems.
Financial intermediary services	For digital payments, loan processing, transactional banking via Australia Post, and credit reporting.
Property services	For the lease of branch sites across Australia and services needed to help them and our owned sites run smoothly, such as cleaning services, repairs, and maintenance.
Post and telecommunication services	For the mailout of customer communications, courier services and phone and internet services.
Insurance services	To enable us to protect our business assets responsibly.
Other business services	To support us in navigating the rapidly changing regulatory environment through services such as consulting, legal, creative, and other advisory services to the financial sector.

The location of estimated people in forced labour across our supply chains depends on the country where most of these suppliers' sourcing is coming from. For example, for one of our suppliers in the computer and related services sectors, their highest risk of modern slavery comes from Australia as that is where most of their supply chain is located, followed by lower estimations of people in forced labour in China, Indonesia,

and Vietnam. This geographic spread is common across our most material suppliers in each of these industry categories.

Additionally, we have an investment chain where we invest our liquid assets into various debt instruments. Our investment chain refers to the companies we invest in and the supply chains of the companies we invest in. More details about our investment chain can be read in section 3.4.

2.5 Our approach to procurement

Our supplier relationships are initiated by our business unit leaders in collaboration with our procurement team. The process and level of documentation required to build our supplier relationships depends on the type of products or services supplied, the level of risk and the spend amount.

Our Procurement Framework and Policy outlines how we form relationships with our suppliers. We also have a Responsible Procurement Guide, which guides our people on how to make procurement decisions that align with our values.

At the time of our risk assessment, we had 30% fewer material suppliers compared to our last risk assessment in June 2021. Of these material suppliers, close to 60% remained the same. This information is helpful on several levels to:

- help us understand changes in our supply chain over time
- inform us of our approach to supplier engagement so that we focus on working with suppliers with whom we have enduring relationships and where we can seek to have the most significant influence
- inform future procurement decision-making as we strive for greater stability of supplier relationships within our supply chain.

2.6 Other relationships

We are a shareholder in technology and payments organisations that help us deliver our full suite of banking services and products to our customers. These key partners are:

- Data Action Pty Ltd: Our key partner in providing digital and core banking services. Data Action is a leading provider of banking software and services primarily to the customer-owned banking sector in Australia.
- Cuscal Ltd: A leading Australian payment solutions provider including mobile and digital payments, BPAY, PayTo, card and other banking services.

3. Assessing our risk.

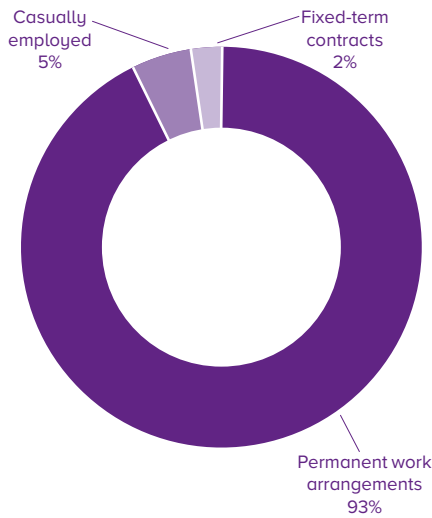
During this reporting period, we again partnered with Fair Supply, a leading environmental, social and governance (ESG) data provider and consultancy, to help us understand our modern slavery risk across our operations, supply chains and investments.

3.1 Risks of modern slavery in our operations

Our people.

At Beyond Bank, all our 750 people work in Australia. We are committed to providing our people with excellent working conditions and conducted a remuneration review within the reporting period to ensure that the salary bands we are paying our people within are commensurate with others in our industry.

Figure 3: Employment status of our people.



To support our people and their health, safety, and wellbeing, we also have the following policies and initiatives in place.

Enterprise Bargaining Agreement (EBA):

We have a three-year rolling EBA on which we work closely with our people and engaging with the Finance Sector Union and Australian Services Union, to ensure our working conditions and benefits remain fair and equitable, covering 90% of our employee base. Our people can also choose to enter into their own Individual Flexibility Arrangement.

Remuneration Policy:

Our remuneration policy allows Beyond Bank to establish and maintain a competitive and financially sustainable remuneration framework and ensure a level of pay equity, transparency, and budget integrity.

Gender Equality:

We annually report on the gender equality of our pay, treatment, and fairness of opportunities among our people as required by the Workplace Gender Equality Agency.

Work, Health and Safety Committee and Policy:

We are committed to providing a safe and healthy working environment for all employees and visitors to our premises. Our WHS Committee meets quarterly and our Wellness Committee monthly to prioritise the health, safety, and wellness of our workers.

Based on the above considerations, we are confident that the risks of modern slavery to our people are very low.

3. Assessing our risk.



Our customers

It is a sad reality that perpetrators of modern slavery, such as those involved in human trafficking, can misuse the financial system to launder proceeds from illegal activities.

As a bank, we have a duty to our customers and the wider community to strive to prevent financial crimes. We strictly follow the Anti-Money Laundering (AML)/Counter-Terrorism Financing (CTF) Act and Rules, which impose a significant range of obligations on our employees and customers to prevent, monitor and report expected instances of money laundering.

Like many banks, we have seen an increase in instances where our customers are being exploited or where online behaviour indicates that financial crimes may be being committed.

We take a risk-based approach to reduce risk and harm to our customers and others through:

- **Due diligence:**

Identification and 'Know your customer' checks embedded into our new customer onboarding processes for individuals and non-personal entities to ensure our customers are who they say they are.

- **AML, Suspicious Matters and Fraud-based training:**

Our employees receive annual training to alert them to suspicious customer behaviour and ask pertinent questions to detect potential fraud and suspicious matters.

- **Transaction monitoring:**

Our transaction monitoring system uses flags to identify customers and delivery channels we suspect may be involved in suspicious activity, including behaviours that could be linked to modern slavery-related crimes, such as large cash transactions and domestic and international transfers. We follow any suspicious activity closely and report related matters to the Police and AUSTRAC if required.

- **Monitoring financial or elder abuse:**

We are aware that modern slavery may present in a variety of complex ways relating to broader social issues in the community, such as financial or elder abuse. When instances of suspected elder abuse occur, our Prevention of Financial Abuse Policy and Procedures guide our branch and Call Centre employees to act appropriately to reduce the likelihood of harm to our customers.

In line with our zero-tolerance approach, Beyond Bank would not hesitate to terminate the relationship with any customer involved in exploitative behaviours.

3. Assessing our risk.

3.2 Risks of modern slavery in our supply chain

The UN Guiding Principles guide our understanding of how we may 'cause', 'contribute to', or 'be directly linked' to human rights risks and impacts. Beyond Bank's risks are more likely to stem from those 'directly linked' to human rights risks and impacts where we may be connected to modern slavery through our extended supply chain and indirect business relationships.

At a high level, we are aware of suppliers that are considered higher risk based on their sector or industry, the product or service they provide to us, and those that source from locations deemed higher risk due to various factors. This high-level understanding of risks informs our approach to engaging with our suppliers while balancing other factors such as spend value, the nature of the supplier relationship and our ability to exert influence.

Sector and industry risks

Certain industry sub-sectors are considered globally to be high risk and which we source from as part of our supply chain.

A high-risk sector for Beyond Bank is the fashion and apparel industry, as we purchase uniforms for our branch and back-office staff to wear as part of their corporate wardrobe.

The fashion and apparel industry has had documented accounts of forced labour throughout its supply chains. The sector is also known for having a high reliance on migrant workers, traceability challenges and use of raw materials, such as cotton, which has also been found to have higher risks of forced labour⁵.

Our highest risk supplier based on 'estimated people in forced labour per million dollars spent' comes from the clothing sector although we have limited visibility into the supply chain of this sector.

Product and services risks

At a product and service level, we've identified categories of suppliers that are higher risk due to how their products are produced, or the services provided. Two key examples of these product and service risks are:

IT Service, Software and Hardware:

The electronics industry is considered a higher risk sector due to risk factors relating to the countries where products are manufactured, job competition (meaning workers can be subjected to excessive working hours), and the minerals included in their production such as those reported from 'conflict zones'.

Several of our most material suppliers supply us with products and services from these sub-sectors such as our core banking and digital payments services providers. Like many businesses in today's digitised workplace, our people also rely on laptops, software, and other computer devices to perform their work.

Property services:

Property services include cleaning and repairs and maintenance at our branches and office locations. Workers from those industries can come from vulnerable populations such as migrant workers or those considered to have 'base-skills'. They face issues such as underpayment, withholding of wages and excessive working hours*.

Geographic risks

Of our top ten material suppliers by spend, most have supply chains which include countries such as China, Vietnam, India, and Indonesia, which are considered higher risk for modern slavery due to emerging governance systems, weak oversight or rule of law, and the prevalence of low-paid labour.

We understand from our risk assessment that the greatest risk of our supply chain is in Tier Three, where inputs into the goods and services we procure extends into global supply chains.

⁵ "Modern Slavery Risks, Rights & Responsibilities, A Guide for Companies and Investors", KPMG, accessed September 20, 2023, <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2019/modern-slavery-guide-for-companies-investors-feb-2019.pdf>, p 19

3. Assessing our risk.

To help us understand where our most significant risks lie at a more detailed level, we reference the online dashboard provided by Fair Supply to check the risk rating for each of our suppliers considering industry type, service category type, country of first-tier supplier and relative spend/invested amounts. This assists us to determine the overall level of estimated forced labour:

- per million dollars spent
- based on overall risk (regardless of spend) and
- as a percentage compared to all other suppliers in our supply chain.

We used the supplier risk assessment information from Fair Supply to inform which suppliers would be selected for this reporting period to receive supplier assessment questionnaires (SAQs).

During this period, we made some adjustments to our risk assessment processes to identify suppliers that fit the following risk profiles:

- suppliers with a high estimation of people in forced labour relative to spend
- suppliers flagged as having $\geq 1\%$ of our total estimated forced labour footprint
- key strategic suppliers to Beyond Bank and
- suppliers from high-risk industries.

We estimate there are 0.003 people in forced labour in our supply chain per million dollars spent, however, overall, the total estimate of people in forced labour in our supply chain is 0.133. The greatest potential for exposure to modern slavery risk in our supply chain is found in Tier Three, where it is estimated there are 0.029 people in forced labour in total.

Why measure modern slavery risk by 'per million dollars spent'?

Our partner, Fair Supply, advises that the best lead indicator for addressing modern slavery is the estimated people in forced labour per million dollars spent i.e., the forced labour footprint as measured by the estimated number of people in forced labour relative to each million dollars spent.

Tracking the estimated people in forced labour per million dollars spent ensures the impact of our actions to reduce forced labour isn't distorted by changes to overall spend.

The total estimated people in forced labour is calculated by summing the estimated number of people in forced labour along the length of the supply chain. The forced labour footprint is measured by the estimated people in forced labour related to all the spend data.

This by no means illustrates a known population; using the estimated number of people in forced labour relative to spend helps us to understand where modern slavery risk may exist in our supply chain beyond Tier One and where to focus our efforts.

During the next reporting period, we will assess material sustainability risks and opportunities across our value chain in consultation with internal and external stakeholders to our business. We expect this assessment will further inform our strategic approach to managing risks within our supply chain, including risks of modern slavery.

3. Assessing our risk.

3.3 Deepening our understanding of risks beyond Tier One

Over the previous reporting periods, our understanding of risks to people from modern slavery has commenced with understanding the risks based on our Tier One suppliers.

Scrutiny of our Tier One supply chain during this reporting period identified instances where we could access Tier Two suppliers through our relationships with third-party intermediaries. Here, we have an opportunity to work closely with these parties to exchange information on supplier risk assessment and the due diligence processes of their customers, being some of our Tier Two suppliers, to combine resources, reduce the administration burden for our suppliers, and ultimately gain deeper insights into their operations and supply chain practices.

While we recognise that we need to understand modern slavery risks across all tiers of our supply chain, extending beyond Tier One in a meaningful way is how we strive to continually improve.

Other ways we can mitigate risks in this area over the next reporting period include:

- identifying opportunities to collaborate with other mutual organisations with whom we may share common suppliers to enhance influence
- embedding supplier pre-screening and actively encourage the completion of our responsible procurement checklist as part of our new contract management system being introduced in 2024.

This work will be driven by our Sustainability and Procurement teams and delivered through awareness-raising sessions with our key supplier relationship holders.

3.4 Investment risk

As a financial institution, we invest our liquid assets with major, regional, and mutual authorised deposit-taking institutions in Australia, Australian branches of international banks and Australian government and semi-government bonds. Of the international banks, our investments are with banks in Canada, Japan, the Netherlands, and Singapore. We have an investment policy that is reviewed at least annually; however, the composition of our investments remains stable and similar year-on-year.

Like last reporting period, we performed a risk assessment on our investment portfolio based on the country where the issuer is located, the instrument category and the spend amount. This provides us with information on where the highest risk of modern slavery is likely to occur within our investment chain and confirms our knowledge that our higher-risk investments are those held with Australian branches of institutions based overseas.

The industry risk ratings for our investments this year were classified as low for 31 out of 32 of our investments, with only one issuer considered moderately low, indicating an overall low level of severity of modern slavery risk. The estimated number of people in forced labour per million dollars invested was 0.0012.

In compiling the data for this reporting period, we discovered a minor error in the way we had been reporting on our investment chain risk for FY22. This issue has been corrected and resulted in a slight increase in the total estimated people in forced labour in our investment chain from 0.543 to 1.302. We attribute the change in risk to the addition of an overseas investment within the portfolio, which carried a higher risk than the Australian investment previously included.

Figure 4: Our FY23 investment risk profile.



3. Assessing our risk.

3.4 Investment risk (continued)

If we look at the comparison using the estimated people in forced labour by million dollars invested, the results increased from 0.0005 estimated people in forced labour in FY22 to 0.0011 using the corrected data set.

	FY22	FY22 (corrected)	FY23
Total estimate of people in forced labour	0.543	1.302	1.436
Total estimated people in forced labour per million dollars spent	0.0005	0.0011	0.0012

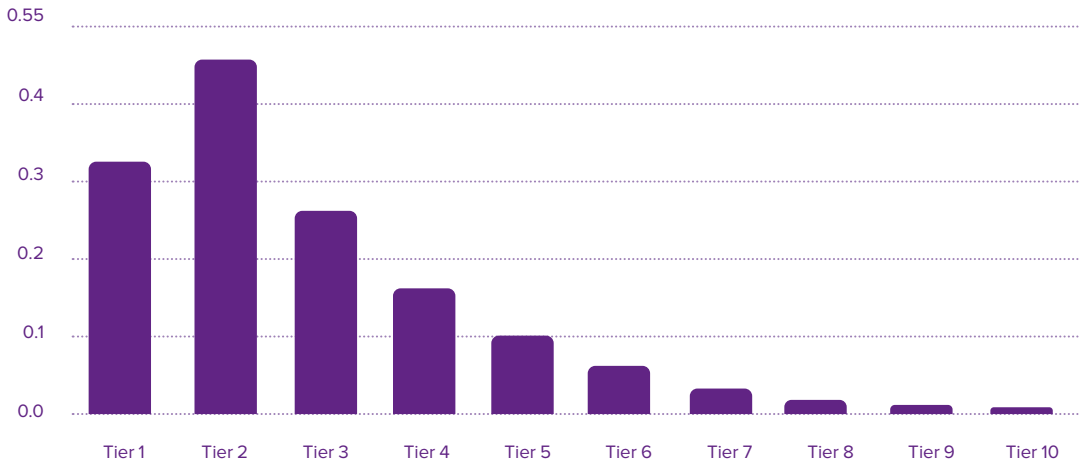
The analysis for this reporting period shows that the modern slavery risks within our investment portfolio, based on estimated people in forced labour per million dollars invested, remained almost the same as the corrected FY22 data, increasing slightly from an estimated 0.0011 people in forced labour to 0.0012 people per million dollars invested.

Similarly, the total estimated number of people in forced labour in our investment chain remained relatively stable at 1.436 compared to the corrected FY22 data of 1.302.

The most significant potential for exposure to modern slavery risk in our investment chain is in Tier Two, as shown in Figure 5.

The greatest potential for exposure to modern slavery risk in our investment chain also changed from Tier Three to Tier Two.

Figure 5: Estimated people in forced labour by investment chain tier.



This bar chart illustrates a known population but is rather an extrapolation to identify the risk of modern slavery in the investment chain beyond Tier One.

4. Actions we're taking.



4. Actions we're taking.

4.1 Supplier screening

Our supplier screening process takes different forms based on the size of the contract and the degree of importance of the product or service being procured to Beyond Bank's operations. Our people are encouraged to reference our Responsible Procurement Guide in making future decisions about suppliers, including performance on modern slavery. For larger contracts that go out to tender, suppliers must respond to questions regarding their ESG performance, including providing details on their modern slavery practices.

In addition to the above practices, we have an opportunity to strengthen our supplier screening by incorporating an online risk assessment of future suppliers as part of our vendor selection process and by performing an internal review of the effectiveness of our supplier screening processes.

4.2 Supplier Self-assessment Questionnaire (SAQ)

Over the past two reporting periods, we have issued our material or higher-risk suppliers a self-assessment questionnaire (SAQ) to assess the modern slavery risks in our supply chain. We worked closely with supplier relationship holders across the business to build their awareness of the SAQ process, reinforce why it's important to tackle modern slavery and seek their assistance to follow up with suppliers to respond to the survey.

As mentioned in section 3.2, the adjusted approach to identify which suppliers received our SAQ meant that a higher proportion of our suppliers surveyed included those from the property services sector, such as large shopping complexes where some of our branches are located. These suppliers are deemed higher risk due to them having a risk profile of $\geq 1\%$ of our footprint of estimated people in forced labour and due to an increased likelihood of their workforce comprising people from vulnerable populations such as migrant workers working in the cleaning, repairs and maintenance and security sub-sectors.

Further analysis of our SAQs will be completed during the next reporting period and will provide critical inputs into the planning for our supplier engagement work during the following 12 months.

4.3 Supplier engagement

In last period's report, we indicated we would directly engage with our higher-risk suppliers based on the SAQ data from FY22. However, due to resourcing changes in our procurement and sustainability teams, we did not make as much progress in this area as was planned.

Looking to the following reporting period, we have identified several steps we will be taking to make progress on our supplier engagement efforts.

Repurpose our Modern Slavery Working Group (MSWG):

We will repurpose our MSWG to be a Supplier Engagement Working Group (SEWG). Our MSWG was established in FY20 to lead the preparation of our first modern slavery statement. The focus of the Working Group at that time was primarily to ensure we had the policies, systems, and practices in place to support modern slavery due diligence, compliance and reporting at Beyond Bank. Now that these processes have been integrated into our procurement, risk management and compliance practices, we see opportunities to engage a different group of stakeholders in a focused way to support our suppliers in improving how they address modern slavery risks. As a result, a new SEWG will be established for this purpose.

Launch pilot projects as part of a supplier engagement 'deep dive':

Based on our estimation of where the more 'severe' risks of modern slavery lie, and considering how we can best use our leverage, we will work closely with supplier relationship holders to pilot an approach to supplier engagement across two different supplier profiles:

- A strategic partnership: We will select a business-critical, strategic supplier to work with on modern slavery where the supplier is deemed to have modern slavery practices categorised as 'moderate' or 'needs improvement'.
- A supplier from a high-risk sector: We will select a supplier from a high-risk industry where the supplier is deemed to have modern slavery practices categorised as 'moderate' or 'needs improvement'.

4. Actions we're taking.

Convene the SEWG:

The SEWG will comprise the Sustainability Manager, Procurement Manager and staff members who are relationship holders for suppliers with practices classified as 'moderate' or 'needs improvement'. The SEWG will meet regularly to discuss how relationship holders are integrating conversations on modern slavery into their regular supplier meetings, to identify opportunities to support suppliers in improving their modern slavery practices and to share learnings. .

4.4 Investment due diligence process

During this reporting period, we continued to implement the due diligence process put in place during FY22 to better understand modern slavery risk and ESG performance across our investments. This process uses the methodology we created internally to rank our investments using ESG rating information sourced publicly through ESG and corporate governance research, ratings, and analytics firm Sustainalytics.

Each month, we analyse the balance of our investment portfolio by applying the ratings to determine a weighted average ESG score across the portfolio. The ESG performance of our portfolio is reported monthly to the Assets and Liabilities Committee (ALCO) for monitoring.

Given the issue raised in section 3.4 relating to a number of investments which were assigned to the incorrect counterparty, we reviewed our monthly data for FY22 to understand whether this resulted in any material changes for that year. Based on this, our weighted average ESG rating remained in the moderate range.

During FY23, our weighted ESG rating was in the tolerable range for the first five months, moving to 'Good' practice during the remainder of the year. Most international investments also performed within the better practice category during the reporting period.

Given the stability of our investment policy, we anticipate minimal movement within our investments' composition over the next reporting period. However, should changes be made, we will seek to strengthen our due diligence processes further by using our investor screening tool to inform future investment decisions made by ALCO.

4.5 Governance and policy framework

The Deputy CEO oversees our governance framework for our modern slavery requirements.

During FY23, our Modern Slavery Working Group, responsible for managing our response to the requirements of the Act, focused on collaboration with our Procurement team to ensure that all new supplier contracts contained modern slavery clauses.

Due to staffing changes within our Sustainability and Procurement teams, the Deputy CEO and Sustainability Manager temporarily led the governance of the Modern Slavery work for the remainder of the year, with plans to evolve the previous Working Group into a Supplier Engagement Working Group into FY24 to reflect the changing focus of our modern slavery work over time.

Like FY22, our Risk and Compliance team continued to provide a second line of risk oversight for modern slavery. We have plans in FY24 to review the internal risk management processes associated with modern slavery, including risk identification and mitigation so that modern slavery is more deeply embedded into our risk management processes. This work will form part of a broader review of how our organisation manages sustainability risks and opportunities as we seek to meet the requirements of and prepare for reporting under the newly introduced International Sustainability Standards Board's general sustainability disclosures. The creation of the Supplier Engagement Working Group mentioned in section 4.3 will also seek to strengthen how we integrate the management of modern slavery risks within our day-to-day activities.

4. Actions we're taking.

4.6 Internal education and training

Our approach to increasing employee awareness about the prevalence and nature of modern slavery risks within our supply chain continues to be one of the seven pillars of our strategy for reducing modern slavery risk.

This reporting period, we thoroughly reviewed our internal modern slavery training module and updated it to reflect how our practices have changed over the past three years. We issued the training module to new staff identified as likely to initiate contracts or manage supplier relationships based on their delegations. We also re-issued it to all existing employees who fit this criterion as a refresher.

Until this financial year, identifying employees required to complete our online training was a manual process. In the next reporting period, we will explore how to automate the delegation of modern slavery training to the appropriate staff according to their onboarding timeline.

4.7 Collaboration

During this reporting period, we actively participated in the SA Modern Slavery Network, a collaborative cross-sector initiative to share learnings and best practices on modern slavery prevention and response in South Australia.

Our participation included being part of a panel discussion with other SAMSN members to share insights from the work each organisation is doing to address modern slavery risks in their supply chains, challenges faced and advice for other organisations.

We will continue our involvement in SAMSN over the coming reporting period to identify opportunities for collaboration and information exchange to improve our practices.



4.8 Grievance mechanisms

Our grievance mechanisms for modern slavery sit alongside our existing processes for identifying, investigating, and remedying actual or suspected misconduct.

We have a Group Whistleblower Policy to support those who have worked for us, our current employees and those we work closely with to ensure our workplace emulates our culture statement: "Doing the right things and doing things right – exceeding expectations".

We encourage our suppliers to have appropriate grievance and whistleblowing mechanisms in place for their workers. Our suppliers also have access to Beyond Bank's third-party and independent Your Call service, allowing grievances to be made anonymously. There were no reports of Beyond Bank employees or suppliers using the Your Call service during the reporting period with grievances associated with modern slavery.

Over the coming reporting period, we see three ways that we can strengthen the grievance mechanisms of our organisation and that of our suppliers to enhance its effectiveness.

- Use the information gathered during the SAQ process to identify which of our material and higher-risk suppliers have practices relating to grievance mechanisms that we classify as requiring support and to engage with them
- Review the contracts for our material and higher-risk suppliers, which were entered into before modern slavery clauses became embedded into our procurement processes to identify any gaps
- Review how we communicate about the Your Call services to our people and suppliers to increase awareness of the service.

5. Assessing effectiveness.

We track the effectiveness of our modern slavery practices using a KPI framework to help us continue to improve.

5.1. Supplier engagement effectiveness

We achieved an uplift of over 20% in the response to our Supplier Self-Assessment Survey, taking our response rate from last year of 32% to 53%.

This reporting period, we received a 53% response rate to our supplier assessment questionnaires (SAQs), an increase of 21% from the previous period.

Our SAQ process involved 55 suppliers, making up 81% of our year-to-date spend. This response included:

- 76% of our top 10 most material suppliers based on spend
- 11% of suppliers who sent us information about their modern slavery policies and practices (noting that providing reference information is no direct substitute for completing the SAQ)
- 4% of suppliers responded to questions about their modern slavery practices via our third-party procurement intermediary
- 13% who responded in the last reporting period provided us with comparable information in order to engage with them during the next period.

11% of suppliers submitted their SAQ after the due date into the next reporting period, which have not been included in these results.

We note that the uplift in SAQ responses indicates increased effectiveness of one part of our due diligence framework rather than a complete measure of the effectiveness of our modern slavery risk management as a whole.

Figure 6: SAQ response rates FY22-23

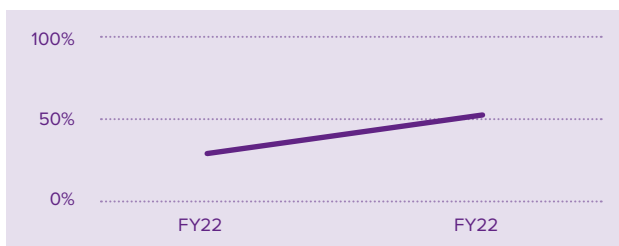
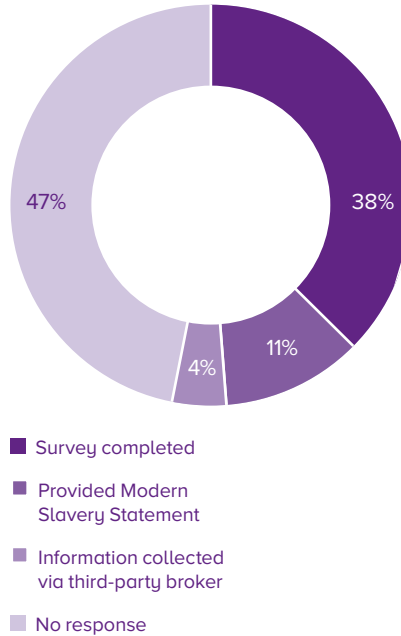


Figure 7: SAQ response rate types FY23



5.2 Internal training and education effectiveness

Our modern slavery training module is issued to all new employees who manage contracts over a certain threshold. We also require all staff members who are supplier relationship holders or initiate contracts as part of their role to complete refresher training every three years.

This year, we observed that the completion rate for our internal training on modern slavery reduced from 90% to 52%. We believe this result was in part due to the timing of when our training module was issued, as we achieved 100% completion within the following three months. This score provides us with further impetus to review how our training and learning module is distributed to our staff and how we might incorporate training on modern slavery as part of our staff onboarding process.

5. Assessing effectiveness.

5.3 KPI tracking

The following table summarises our progress against our FY23 KPIs:

KPI	Goal	Actual
Increase cumulative supplier SAQ response rate	40%	53%
New or renewed material contracts with suppliers include modern slavery provisions as per policy requirements	90%	100% from introduction in September 2022
Completion rate for internal modern slavery training by staff	90%	52% ⁶

During the next reporting period, with support and oversight from our Deputy CEO, we will be working towards the following goals:

Pillar	Goal
Supplier risk management	Maintain supplier SAQ at >50% response rate
Investment risk management	100% of new investments are screened for modern slavery risks
Supplier engagement	<ul style="list-style-type: none"> Establish a Supplier Engagement Working Group (SEWG) to drive supplier engagement activities Implement two pilot projects to support key suppliers in improving their modern slavery practices to shape future activities
Internal education and training	<ul style="list-style-type: none"> Automate and integrate modern slavery training into the employee onboarding process Achieve a 100% completion rate of modern slavery training
Collaboration	Explore collaboration opportunities with our third-party procurement intermediaries in supplier risk assessment information gathering and sharing.

Based on the analysis of our FY23 SAQ survey results, we will also be developing customised engagement plans with selected suppliers to continuously improve and deepen our efforts to lift the practices of our material suppliers. This engagement will be driven through our Supplier Engagement Working Group.

⁶ Refer section 5.2 for more information.

6. Consulting with entities we own or control.

Our supply chain includes subsidiaries under our group structure. Therefore, our modern slavery work, including our risk assessment and due diligence processes, applies to the subsidiaries we own and control.

Beyond Bank has a growth strategy which includes mergers and acquisitions to extend our customer base to new regions where we don't yet have a physical presence and where we see an opportunity to change the lives of community members through our banking products and services.

Over the coming reporting period, we will be meeting with internal project teams that lead our merger work to review how our modern slavery risk assessment processes are embedded into the merger process with a focus on procurement processes.

7. Other relevant information

Next steps for modern slavery risk assessment and remediation.

During the past reporting period, we have identified several ways that we can continue to improve our modern slavery practices into FY24.

Evolving how we use Supplier Assessment Questionnaires (SAQs):

Leveraging the data from our surveys to create supplier engagement to FY24 will be one of the critical ways we evolve our modern slavery work from due diligence to greater action. Supplier engagement plans will provide us with a tool to have discussions with our suppliers on their performance. We may not get these plans perfected next reporting period, but we look forward to trialing them with key suppliers and learning about their practices, challenges and how we can support them.

Internal awareness raising:

Our supplier relationship holders play a crucial role in ensuring messages about modern slavery and our commitments are reaching our Tier One suppliers and implementing supplier engagement plans. The Supplier Engagement Working Group we establish, by its nature, will be a mechanism for us to continue to educate and engage these relationship holders regularly to embed modern slavery prevention into our ongoing relationships with them.

Identifying our greatest opportunity to support suppliers:

We seek to draw out ways we can support our suppliers through engagement via the Supplier Engagement Working Group. We will strive to connect with our peers and other organisations, like our third-party procurement intermediary, to identify ways to assist one another to support our suppliers.

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