

**Beyond Bank Australia Limited**

# **Modern Slavery Statement 2021.**

Under the Modern Slavery Act 2018 (Cth)  
**Reporting period: 2020–2021**

# 1. Executive summary.

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The business community and their connection to global supply chains, has a responsibility to be proactive and take effective action to address modern slavery. Modern slavery is a hidden problem. By increasing transparency within supply chains and making responsible procurement decisions, improvements can be made.

We are committed to a long-term effort to reduce the incidence of modern slavery from our supply chains and will adopt a continuous improvement approach to help address this issue.

Our suppliers are in effect an extension of our organisation and should reflect the values and standards that we set for our own business. Engaging with suppliers and working collaboratively with them to address modern slavery risk and other social and environmental challenges is an effective way that businesses can create positive and lasting change.

In addition to meeting the specific legal reporting requirements under the Act, this statement sets out our methodology to identify and assess modern slavery risk, the actions taken to address the risk and plans for modern slavery due diligence and remediation.

Being proactive in our efforts to address the incidence of modern slavery in our supply chain is consistent with our core ideology and our values of integrity, community, and sustainability as well as our B Corp certification.

Our FY21 Modern Slavery Statement was approved by the Board of Directors on 30 November 2021.

A handwritten signature in black ink, appearing to read 'Sandra Andersen'.

**Ms Sandra (Sam) Andersen**  
Chair, Beyond Bank Australia

## 2. Reporting entity identification and structure.

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The Beyond Bank Group 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 trading as Beyond Bank Wealth Management (ABN 17 008 167 002 AFSL 237853), Beyond Bank Australia Foundation Ltd, Beyond Employee Benevolent Fund Pty Ltd, Community CPS Services Pty Ltd, 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 2011-1 Trust (wound up July 2021), 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.

For the purpose of this statement 'the Group' is the reporting entity under the Act and encompasses all wholly owned and controlled subsidiaries. The mandatory reporting period for this statement concluded on 30 June 2021.

# 3. Reporting entity operations and supply chains.

As a customer-owned bank our purpose is to create and return value and through this change lives. We aim to be the best local bank with all profits being re-invested to benefit our customers and their communities.

We provide personal and business banking services, insurance and through our wealth management subsidiary, financial planning and advice. We support the not-for-profit sector through salary packaging, fundraising and volunteering.

Beyond Bank has branches and administration hubs across metropolitan and regional areas in WA, SA, ACT, NSW and VIC and nationally via our digital services.

Our banking supply chain is made up of various first tier suppliers both locally and foreign owned from a wide range of industries.

An example of our supply chain is provided in Figure 1 below. This is a supply chain map of our top suppliers representing 39% of our spend. The industries of those suppliers include computer/technical services, property services and finance and investment services.

The supply chain map shows our first tier supplier industries and the subsequent tiers of their suppliers down to tier 3, as well as how value is distributed across the supply chain, based on the size of the solid circle.

Supply chain map example

● Value (39.1% of total spend)

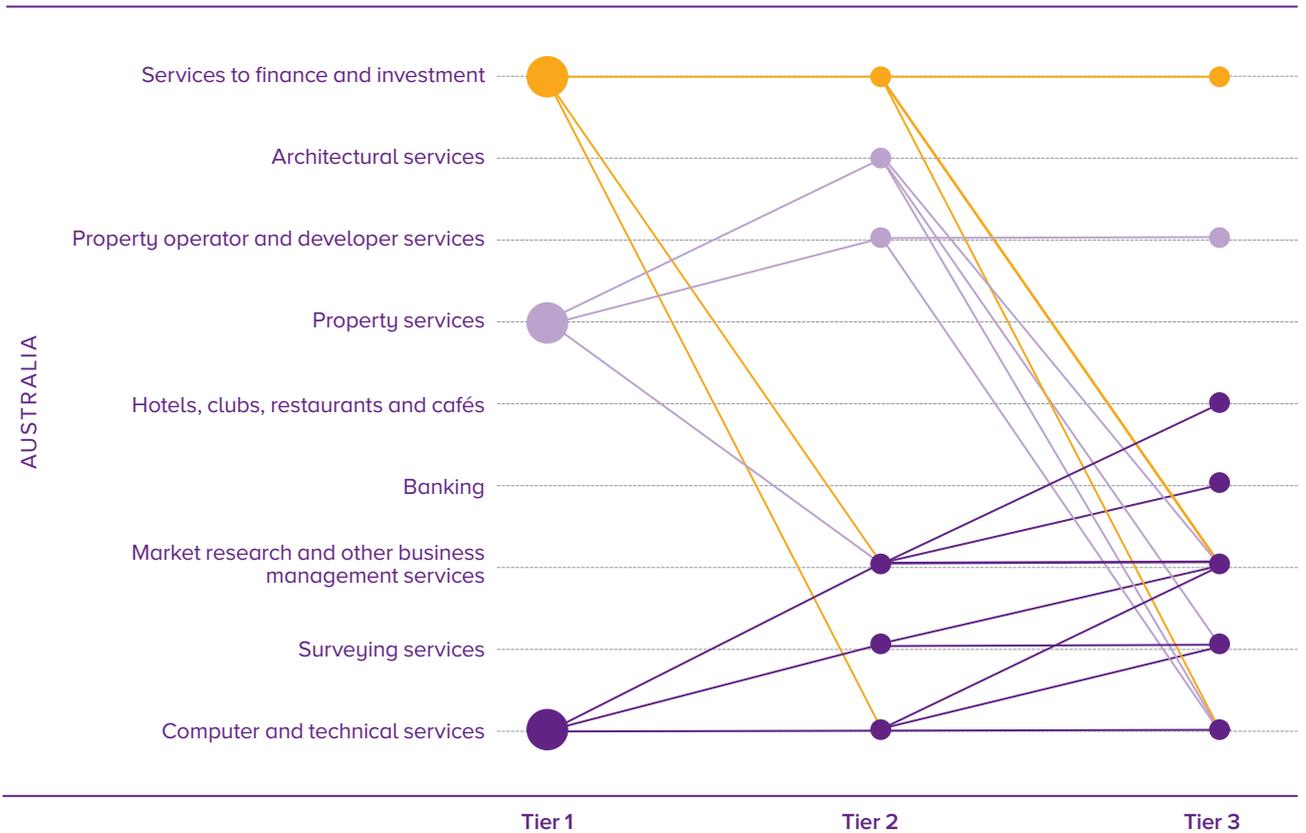


Figure 1. A supply chain map of our top supplier industries to tier 3.

# 4. Risks of modern slavery in the operations and supply chains of the reporting entity.

To improve our understanding of modern slavery risk, we continue to assess our operations and supply chains. This reporting period we have reassessed our supply chain for the impacts of COVID-19 and the increased risk of modern slavery as a result. We have also expanded our risk assessment to include our investment portfolio for this reporting period. External consultants using supply chain mapping methodology support the risk assessment process.

Our assessment process provides an estimate of modern slavery risk in our supply chain based on the following factors:

- a. industry type
- b. country of first-tier supplier
- c. relative spend/invested amounts.

This provides an indication of industries that are more likely to be at a greater risk of slavery. The likelihood is reflected in the overall 'slaves per million dollars' spent and is referred to as the Total Relative Slavery Risk Rating.

This means that investments and suppliers with whom we spend relatively small amounts may still have a high total

slavery footprint if the local industry has a sufficiently high risk of modern slavery. Conversely, if an investment or supplier falls into a low to average risk industry but the spend is large, it can still result in a high total slavery footprint. This is because the value chain results in higher residual spends at lower (more remote) supply chain tiers where there are higher risks of modern slavery.

This risk rating metric highlights where further due diligence and potential remedial action is needed with our suppliers. Suppliers or investments with higher 'slaves per million dollars' spent represent those that have the greatest modern slavery risk. Therefore validating the actual risk presented by these suppliers will have the greatest reduction in the incidence of modern slavery in our supply chain.

## 4.1 Supply chain risk.

The industries that represent the highest risk of slavery in our tier 1 supply chain are identified in Figure 2 below. These industries represent 90% of our total spend. We will focus on validating the results of the risk assessment via direct engagement to determine the actual modern slavery risk over the next reporting period.

### Industries with the highest relative risk of modern slavery based on spend

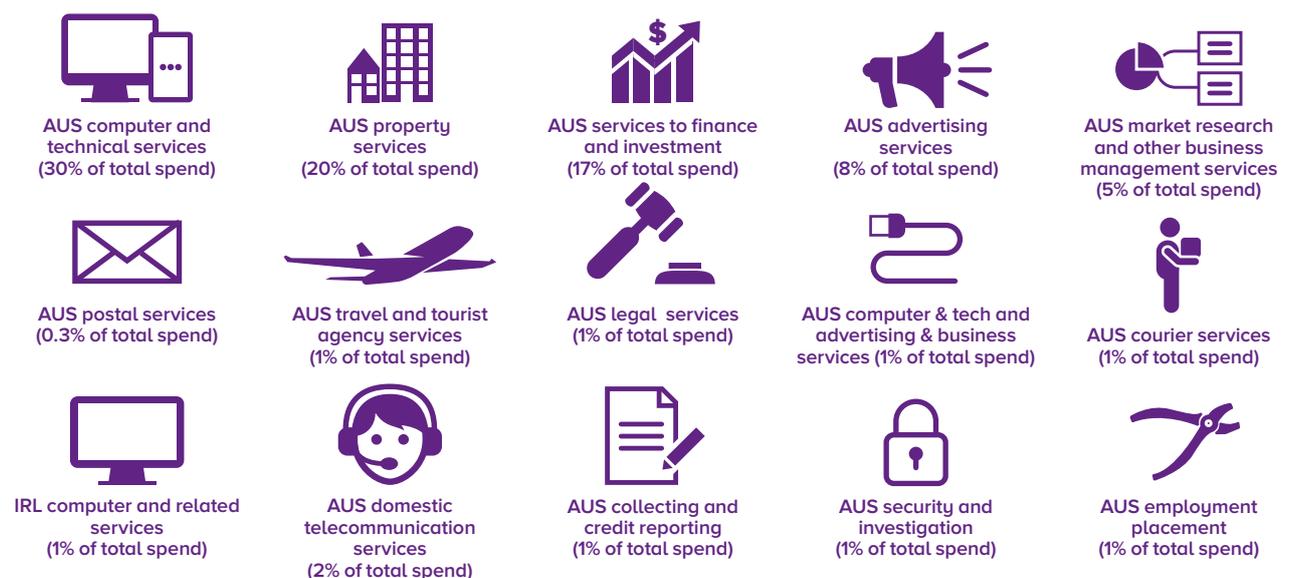


Figure 2. Our top 15 industry categories by country of operation in the first tier of our supply chain from the modern slavery risk assessment model. AUS - Australian suppliers, IRL - Irish suppliers.

Our risk profile based on higher, average and lower classifications relate to the modern slavery risk rating of each supplier industry by country and spend. The modern slavery risk relates to risk to people and not risk to business. This is important because it places the focus on where business can create the biggest impact. Figure 3 shows that 2% of our supply chain has been identified as a higher risk for modern slavery. The suppliers that represent a higher risk for modern slavery is due to the higher relative spend with these suppliers which increases our slaves per million dollars exposure.

Over the whole supply chain, the analysis indicates that the highest likelihood of slavery in our supply chain is occurring in India and China and is concentrated around Tier 3 of the supply chain (see Figure 4). Note that these countries may not be involved in our supply chain. However, the modelling of the supply chain mapping used by the external consultants concluded that these countries were likely involved based on the industry classification of our suppliers.

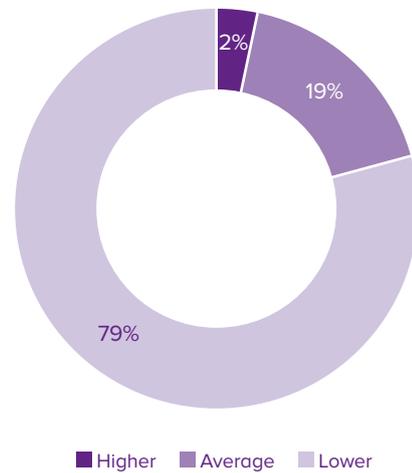


Figure 3. Risk profile of our first-tier supply chain by industry.

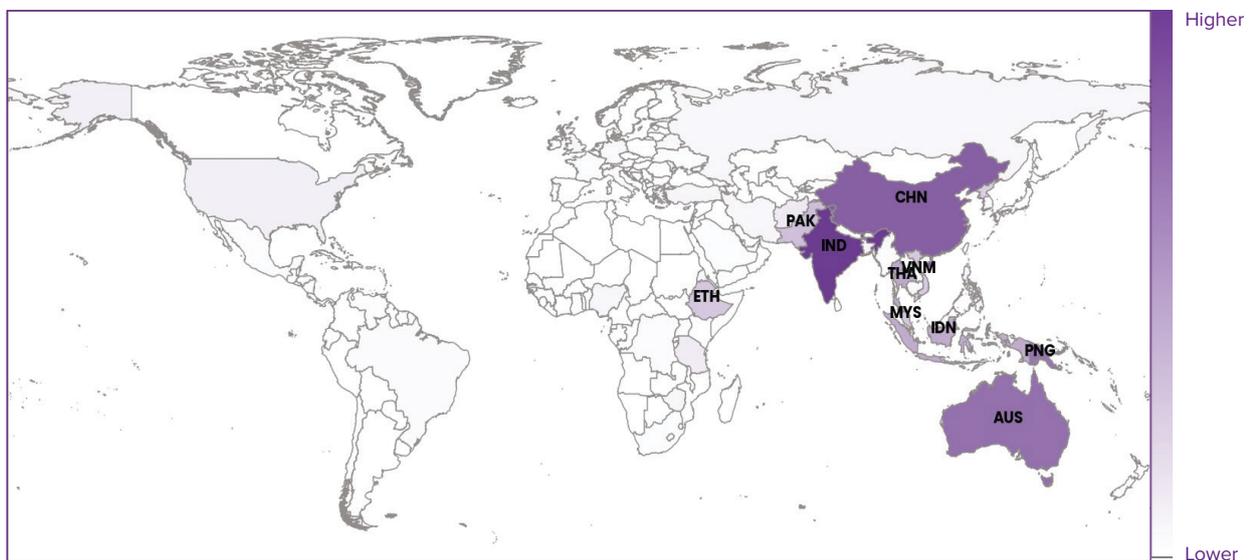


Figure 4. Country-by-country modern slavery risk for our supply chain based on the results of the modern slavery risk assessment model.

Figure 5 depicts a comparative population of people working in slavery or slavery-like conditions within the depths of our supply chain based on the results of the modern slavery risk assessment model. It indicates that tier 3 of our supply chain is where the greatest risk of slavery may be found. It is an extrapolation for the purpose of identifying the risk of modern slavery in the supply chain as required by section 16(1)(b) of the Act. The theoretical slavery footprint is an estimate of probable slaves associated with the value spent, industry and country throughout the supply chain.

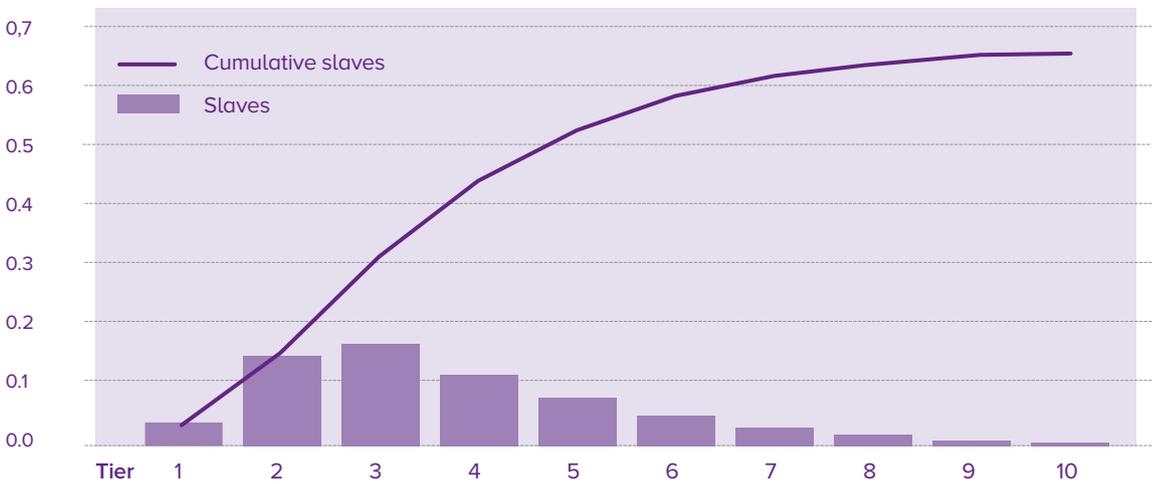


Figure 5. Slavery risk in our supply chain expressed in FTE by tier.

#### 4.2 Investment risk.

This reporting period we have also undertaken an initial risk assessment of our investments to understand the modern slavery risk. This assessment was undertaken by external consultants using supply chain mapping methodology.

Figure 6 indicates that 3% of our investment supply chain has been identified as a higher risk for modern slavery. The investments that represent a higher risk for modern slavery is due to the higher dollar value of capital invested which increases our slaves per million dollars exposure.

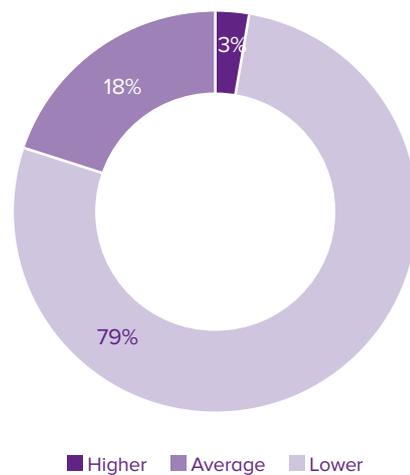


Figure 6. Risk profile of our investment supply chain.

The analysis indicates that the highest likelihood of slavery in our investment supply chain is occurring in India, Australia and China (see Figure 7). The countries highlighted represent the top 10 risks. Note that these countries may not be involved in our investment supply chain. However, the modelling of the investment mapping used by the external consultants concluded that these countries were likely involved based on the country and investment category.

Figure 8 shows a comparative population of people working in slavery or slavery-like conditions within the depths of our investment portfolio based on the results of the modern slavery risk assessment model. It indicates that tier 3 of our supply chain is where the greatest risk of slavery may be found. It is an extrapolation for the purpose of identifying the risk of modern slavery in the supply chain as required by section 16(1)(b) of the Act. The theoretical slavery footprint is an estimate of probable slaves associated with the value spent, industry and country throughout the supply chain.

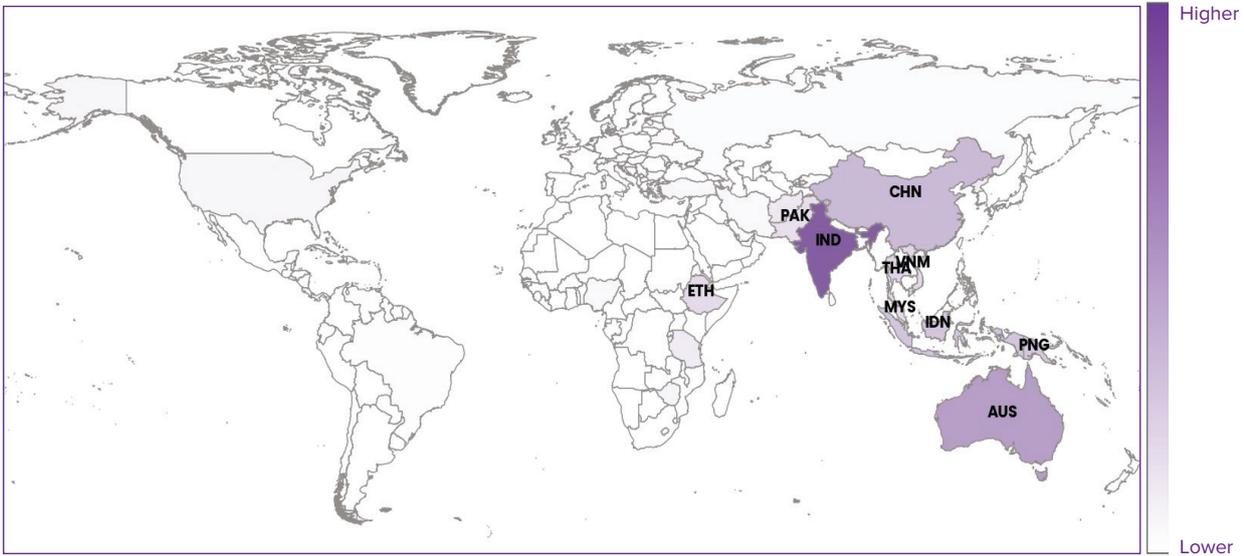


Figure 7. Country-by-country modern slavery risk for our investments based on the results of the modern slavery risk assessment model.

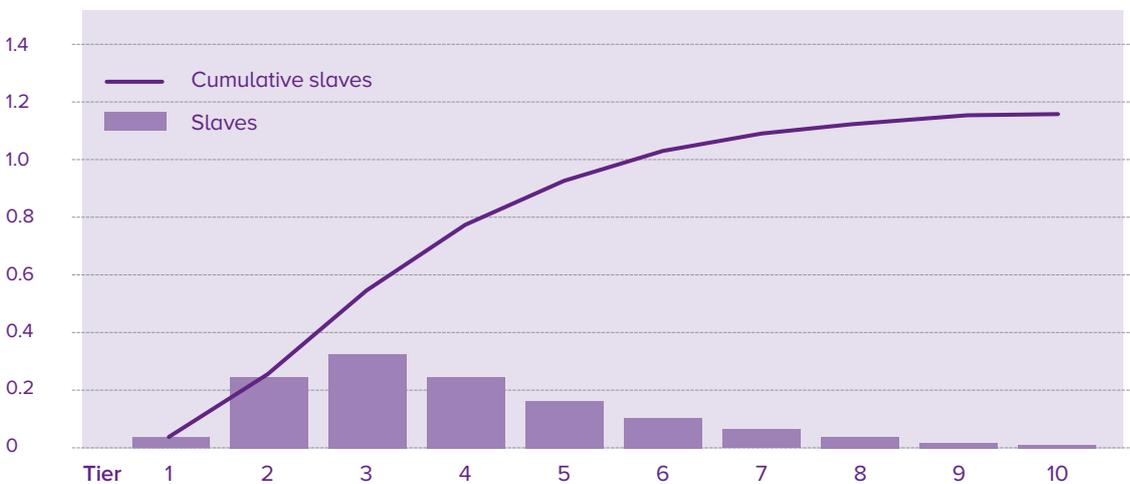


Figure 8. Slavery risk in our investment supply chain expressed in FTE by Tier.

## 5. Actions taken to assess and address modern slavery risks including due diligence and remediation.

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### Supplier self-assessment questionnaire.

We use the Sedex platform to request and access self-assessment questionnaires of our potentially high-risk suppliers to understand our modern slavery risk. This platform provides an efficient way for suppliers to provide information to numerous customers.

The self-assessment questionnaire from our suppliers about their supply chain provides a more accurate assessment of the actual modern slavery risk rating.

Given the experience by us and business generally with regard to low response rates to supplier self-assessments we are collaborating within our industry sector to encourage common suppliers to join Sedex.

Of the 37 high risk suppliers that we have engaged to join Sedex, 9 suppliers are now members of Sedex and 7 of these 9 suppliers have accepted our relationship request which means we can access their questionnaire details.

Further engagement to raise awareness and understanding with suppliers will be undertaken in the next reporting period to progress this risk assessment work.

### Modern slavery working group.

A modern slavery working group was created in April 2019 to manage our response to the requirements of the Act.

The membership of the working group for this reporting period included:

- a. Sustainability Manager
- b. Group Procurement Manager
- c. Senior Manager Group Risk
- d. Senior Manager Group Compliance.

The composition of the working group broadly represents our business activities, with a focus on areas that are most relevant to modern slavery risk issues.

In future, a sustainability forum has been endorsed to continue this work with the opportunity to expand the scope and involve additional stakeholders.

### Policy framework development.

A review of our internal governance and policy structures was finalised and the policy framework for modern slavery and sustainable procurement was implemented.

This framework aims to provide clarity and transparency about the internal standards for undertaking due diligence to identify, prevent, mitigate and account for how we address our modern slavery risks.

The key policies that have been approved and implemented over the period are:

- a. Human Rights Policy
- b. Modern Slavery Policy
- c. Supplier Code of Conduct.

We also updated our purchasing, contracts and whistleblower policies.

### Internal education and training.

Increasing employee awareness about the prevalence and nature of modern slavery risks within our supply chains is an important component of our strategy.

During this reporting period we developed and launched an online modern slavery training module for key stakeholders in our business. The module provided an overview of modern slavery and the role business has in eliminating this practice. It provided an introduction to our policy framework, risk management practices and the responsibilities of staff.

### Supplier screening.

We have incorporated social and environmental screening criteria from our B Corp impact assessment into our procurement processes. We have developed a responsible procurement guide for staff to improve procurement decisions and modern slavery outcomes.

# 6. Assessing effectiveness.

The following KPI's for this reporting period assess effectiveness and demonstrate the continuous improvement approach to address modern slavery.

Table 1 provides an update on how we have progressed against these KPI's for this reporting period.

Table 1. KPI performance to assess effectiveness.

FY21KPI	Performance
The number of suppliers disclosing information relating to modern slavery through the Sedex Supplier Self-Assessment Questionnaire.	10 relationships with suppliers via Sedex have been established.
Our policy framework is rolled out and implemented by end of FY21 reporting period.	Completed
The number of internal employees that have completed specific modern slavery training.	67 staff (85% of staff identified) completed the training module within the reporting period.

These KPIs have been identified for the next reporting period:

- a. The number of suppliers disclosing information relating to modern slavery through the Sedex supplier self-assessment questionnaire.
- b. The percentage of high risk suppliers that have undergone final risk assessment review via direct engagement.
- c. The number of suppliers engaged to improve understanding and awareness of modern slavery.
- d. The number of contracts with suppliers that include modern slavery provisions.
- e. The number of internal employees that have completed specific modern slavery training.

## 7. Consultation with entities the organisation owns or controls.

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All work about modern slavery, also applies to our wealth management business and other subsidiaries under our group structure. All operational subsidiaries and their supply chains have been incorporated in the risk assessment process. Our group policies and procurement framework apply to all our subsidiaries that we own and control and are covered as part of our internal consultation process.

## 8. Any other relevant information.

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### **Next steps for modern slavery risk assessment and remediation.**

The key steps that we have identified as a focus for upcoming reporting periods are:

- a. Ongoing internal education and training for staff across the business.
- b. Ongoing supplier engagement and awareness to improve understanding and increase transparency.
- c. Building relationships with suppliers to assess actual risk.
- d. Remediation of any modern slavery risks identified.

**Beyond Bank**  
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