

Beyond Bank Australia Limited

Modern Slavery Statement

Under the Modern Slavery Act 2018 (Cth)
Reporting period: 2019–2020

Executive Summary.



Like all businesses of a certain scale who are connected to global supply chains, we understand that the incidence of modern slavery existing deep within our supply chain is unfortunately in some cases, a likely reality. Hence, we are committed to a long-term effort to reduce the incidence of modern slavery from our supply chains. We view this as an important component of our broader sustainability obligations and will adopt a continuous improvement approach to address the issue of modern slavery.

In addition to meeting the specific legal reporting requirements under the Act, this Statement sets out our methodology, key findings and core future actions in relation to the issue of modern slavery risk identification, due diligence and remediation.

We consider that being proactive in our efforts to address the incidence of modern slavery in our supply chain, is wholly consistent with the advancement of our core values of integrity, community, and sustainability. As Australia's first bank to become a certified "B Corp", we are committed to the highest standards of social and environmental performance, accountability and transparency.¹

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

Ms Sandra (Sam) Andersen
Chair, Beyond Bank Australia

¹ B Corps make decisions that have a positive impact across their workers, customers, suppliers, community and the environment.

Our approach to addressing modern slavery.

The preparation of this Statement has involved a number of key stages, which comprise our overall process for addressing modern slavery throughout the first reporting period.

Those key stages are summarised as follows:

- a. The formation of a Modern Slavery Working Group**
- b. Initial risk assessment**
- c. Supplier self-assessment questionnaire**
- d. Becoming members of Sedex, an ethical sourcing platform**
- e. Policy framework development**

Building upon this foundation, we identified the following key areas on which we intend to focus our modern slavery assessment and due diligence efforts in upcoming reporting periods:

- a. Supplier screening**
- b. Policy framework implementation**
- c. Internal education and training**
- d. Ongoing supplier engagement to assess actual risk and education**
- e. Remediation of any actual modern slavery risks identified**

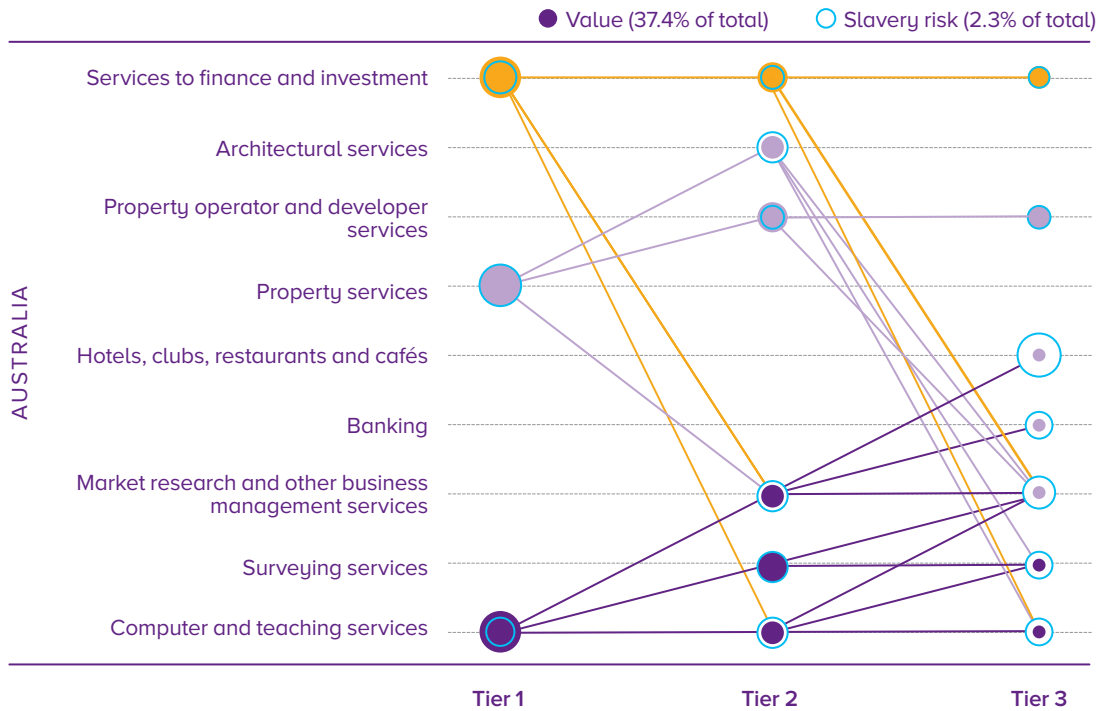
Reporting entity identification and its structure, operations and supply chains.

Beyond Bank Australia Ltd (hereafter referred to as 'Beyond Bank', 'we', 'our', or 'us') is a reporting entity under the Modern Slavery Act 2018 (Cth) (the Act). 2020. Beyond Bank consists of Beyond Bank Australia Limited (ABN 15 087 651 143) and our wholly owned and controlled subsidiaries including; 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 as well as non-operational subsidiaries 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, The Barton Series 2013-1R Trust, The Barton Series 2014-1 Trust, The Barton Series 2017-1 Trust, The Barton Series 2019-1 Trust.

We are a customer-owned bank and our purpose is to create and return value and through this change lives. We provide personal and business banking services, insurance and through our wealth management subsidiary, financial planning and advice. As a customer-owned bank, our vision is to be the best local bank with all profits being re-invested to benefit our customers and their communities. We also provide support to the not-for-profit sector through fundraising, donations and volunteering.

We operate branches across metropolitan and regional areas in WA, SA, ACT, NSW and VIC. The figure below provides an overview of our banking supply chain based on our first-tier industries being; (1) finance and investment services, (2) property services; and (3) computer/technical services.

For the purpose of this statement 'the Group' is the reporting entity under the Act and encompasses all wholly owned and controlled subsidiaries. Our first mandatory reporting period concluded on 30 June 2020.



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

To improve our understanding of this risk, we have undertaken an initial assessment to identify modern slavery risks in our operations and supply chains. The initial assessment was undertaken by external consultants using supply chain mapping methodology.

Our supply chain is made up of tiers. Tier 1 in the supply chain represents the supplier with whom we have a direct relationship. Tier 2 represents the suppliers of our Tier 1 supplier, and Tier 3 represents the suppliers of Tier 2, and so on.

Our initial 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; and
- c. relative spend amounts.

The process provides an indication of which industries are more likely to be at a greater risk of slavery. This 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 suppliers with whom we spend relatively small amounts may still have a high total 'slavery' footprint if the local industry has a sufficiently high inherent risk of modern slavery. Conversely, if a supplier falls into an industry that has a low or average risk supply chain, if a large amount has been spent with that supplier, the increased exposure can still result in a high total slavery footprint. This is because the value chain results in higher residual spends at lower (more remote) tiers of the supply chain where there tends to be higher risks of modern slavery.

We have used this risk rating metric as it highlights the suppliers that we should focus further due diligence and potential remedial action on. Suppliers with higher 'slaves per million dollars' spent represent those that have the greatest modern slavery risk and therefore validating the actual risk presented by these suppliers will have the greatest reduction on the incidence of modern slavery in our supply chain.

The industries that represent the highest risk of slavery in our tier 1 supply chain are identified in Figure 2 below. These are the industries we will focus on validating the results of the risk assessment via direct engagement in order to determine the actual modern slavery risk

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



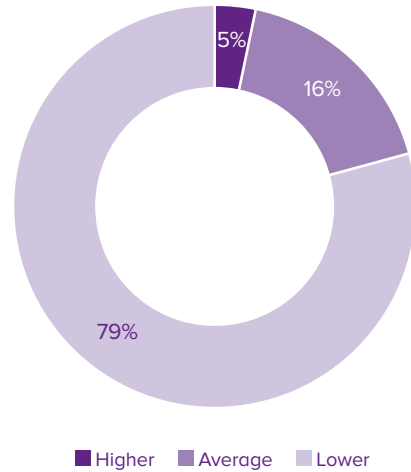
Figure 2. Our top 15 industry categories by country of operation in the first tier of our supply chain from the modern slavery risk assessment model.

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

The higher, average and lower classifications of our risk profile relate to the modern slavery risk rating of each supplier industry by country. 5% of our supply chain has been identified as a higher risk for modern slavery. The primary reason why the top four supplier industries have a higher modern slavery risk rating relative to the other supplier industries that we use is due to the higher relative spend.

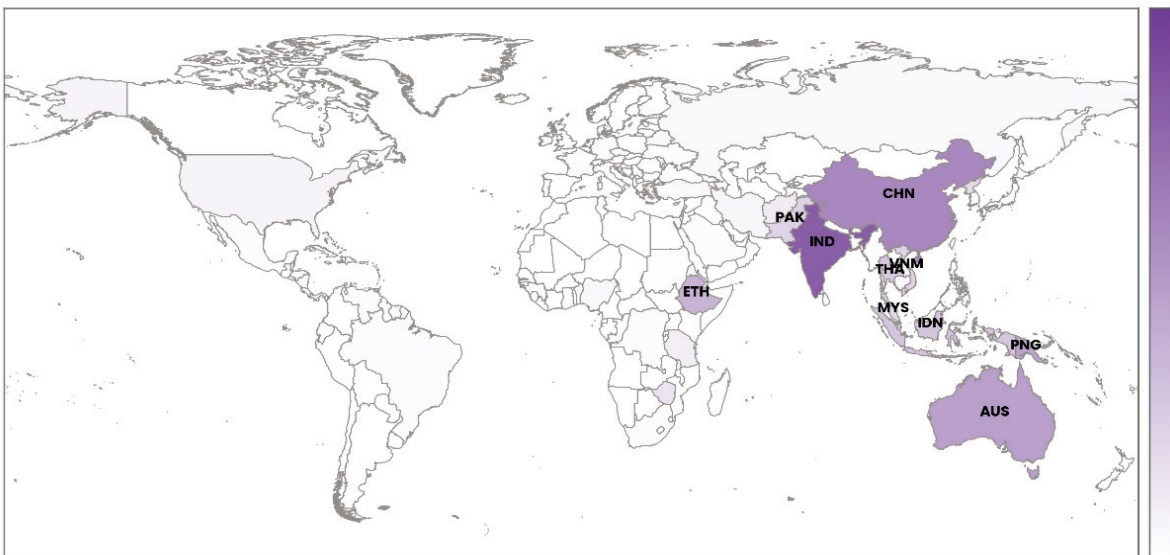
Supply Chain Mapping and Modern Slavery Risk by Tiers.

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. Note that these countries may or may not actually 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.



Risk profile of our first tier supply chain by industry.

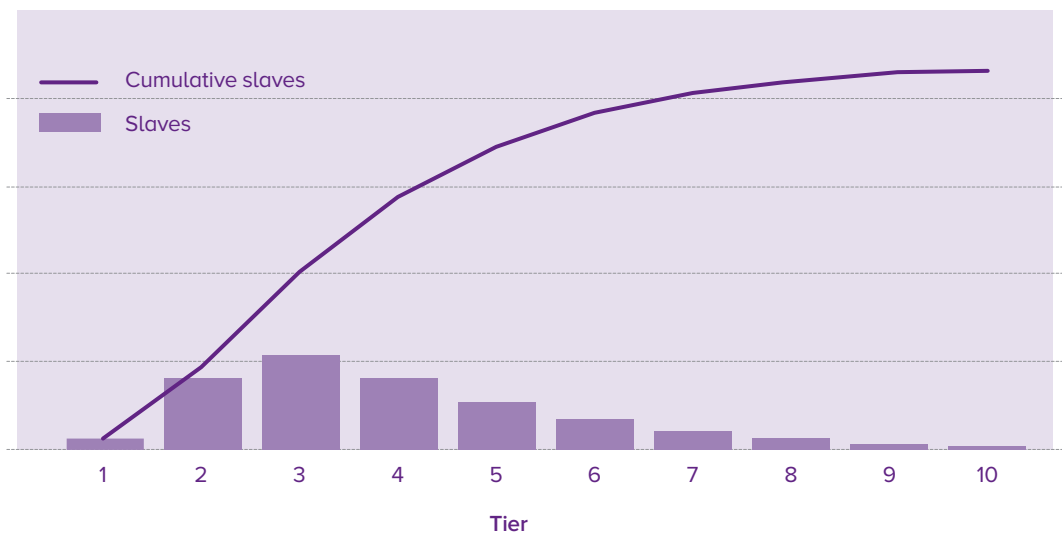
Figure 3. Country-by-country modern slavery risk for our supply chain based on the results of the modern slavery risk assessment model.



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

Figure 4 below 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 by no means illustrates a known population, but is rather an extrapolation to identify the risk of modern slavery in the supply chain as required by section 16(1) (b) of the Act.

Figure 4. Slavery risk expressed in FTE by Tier.



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

Supplier Self-assessment Questionnaire

Following completion of the initial risk assessment, we provided our potentially high-risk direct suppliers with a Modern Slavery Risk Supplier Self-Assessment Questionnaire via the Sedex platform. The purpose of the Supplier Self-Assessment Questionnaire is to collect information from our suppliers about their supply chain to provide a more accurate assessment of the actual modern slavery risk rating.

There was a low response rate to the Supplier Self-Assessment Questionnaire potentially indicating a lack of engagement and awareness with modern slavery issues amongst suppliers. Accordingly, the process did not yield particularly useful information for our remediation activities at this stage. Further engagement and follow-up with suppliers will be undertaken in the next reporting period to progress this work.

Modern Slavery Working Group

We created a Modern Slavery Working Group in April 2019 to manage our response to the requirements of the Act.

The membership of the Working Group for the subject reporting period is as follows:

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

The composition of the Working Group was designed for maximum coverage across the full spectrum of our business activities, with a focus on those areas that are most relevant to modern slavery risk issues.

Policy Framework Development

We have undertaken a high-level review of our internal governance and policy structures as part of our Modern Slavery Statement preparation.

This has been done to provide clarity and transparency in relation to the internal standards and framework governing how we undertake due diligence to identify, prevent, mitigate and account for how we address our modern slavery risks.

The key policies that have been drafted over the period are as follows:

- a. Supplier Code of Conduct; and
- b. Human Rights Policy.

These will be implemented as part of a wider sustainability framework that we will be implementing, including the review of our purchasing and contracts policies.

Internal Education and Training

We acknowledge that increasing employee awareness about the prevalence and nature of modern slavery risks within our supply chains is an important component of our strategy for reducing modern slavery risk.

We recognise that the higher the level of organisational knowledge and vigilance about the risks of modern slavery, the more effective we will be in our ongoing commitment to the elimination of such practices in our supply chains. We have consulted modern slavery subject matter experts and have plans to roll out specialised modern slavery training for both our staff and suppliers in the next reporting period.

Measuring effectiveness.

We acknowledge that given the relative infancy of the formal regulatory regime relating to modern slavery in Australia, the methods of modern slavery due diligence and remediation are constantly being developed and refined.

We have developed internal KPI's or goals to demonstrate the continuous improvement approach taken to address modern slavery. Some of these KPI's relate to:

- a. The number of suppliers disclosing information relating to modern slavery through the Sedex Supplier Self-Assessment Questionnaire.**
- b. The roll out and implementation of policy framework by end of FY21 reporting period.**
- c. The number of internal employees that have completed specific modern slavery training.**

Consultation with entities the organisation owns or controls.

All work being undertaken with regard to modern slavery also applies to our wealth management business and all other subsidiaries under our group structure. Hence, 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 as such are covered as part of our internal consultation process.

Any other relevant information.

Next Steps for Modern Slavery Risk Assessment and Remediation

The key steps identified as a focus for upcoming reporting periods include:

- a. Supplier screening
- b. Policy framework implementation
- c. Internal education and training
- d. Ongoing supplier engagement to assess actual risk and education
- e. Remediation of any actual modern slavery risks identified

Supplier Screening

We are increasingly focussed on the detailed screening of suppliers to ensure compliance with modern slavery risk in our existing procurement processes. This includes:

- a. Identifying significant suppliers and those with upcoming contract renewals over the next reporting period;
- b. Further developing policy documents and associated internal training for staff to follow in relation to purchasing;
- c. Incorporating social and environmental supplier screening processes aligned to our B Corp impact assessment criteria; and
- d. Expanding the use of the Sedex platform for ongoing supplier evaluation.

Supplier Engagement and Training

We continue to identify and engage with key suppliers with whom we have a strong relationship to assist them in improving their own response to the risks of modern slavery. The ongoing investment in such a 'multiplier effect' is considered particularly important given the relative remoteness between the identified areas of the highest modern slavery risk.

We also plan to explore opportunities to engage with others in our industry network to maximise industry-wide cooperation on these issues.

Ongoing Remediation

We recognise the importance of supporting our suppliers to remediate modern slavery risks in their supply chain (including indirect suppliers deep within the tiers). We have engaged an external consultant to develop a remediation process for our suppliers, where appropriate.

The remediation steps taken will depend on the relationship with the relevant supplier and their proximity of connection to us, including whether there is a direct contractual relationship.

Impact of COVID-19

We understand the impact that COVID-19 has had on vulnerable workers in our supply chain. As such, we made the decision to join Sedex, the ethical sourcing platform to streamline the risk assessment process for suppliers as well as connect with our existing suppliers through this network. We will ensure that modern slavery considerations are taken into account as we continue to respond to the impact of the COVID-19 pandemic on our business.