

BENDIGO AND ADELAIDE BANK

# Modern Slavery Statement

# Overview

This is Bendigo and Adelaide Bank's first Modern Slavery statement. It outlines our commitment to advancing human rights and the steps we have taken to prevent the risk of modern slavery in our business and supply chains.

Our vision is to be Australia's bank of choice, driven by our purpose to feed into the prosperity of our customers and communities. This purpose underpins everything we stand for and the action we take.

Our approach to reducing the risk of slavery or human trafficking within our supply chain and our operations is guided by our Group Anti-Slavery and Human Trafficking Policy. This Policy outlines our commitment and process for managing the impacts of our business activities and operations and the governance and oversight in place to support these commitments.

This statement has been produced to comply with requirements set out in the Modern Slavery Act 2018 (Cth) (the 'Act') for the period ending 30 June 2020. In this statement we refer to 'modern slavery' as defined in the Act.

Modern slavery is used as the term to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. We understand modern slavery can occur in many forms, and encompasses eight types of serious exploitation including; trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work) such as forced labour, child labour, domestic servitude, sex trafficking, and human trafficking.

In the past year, we have formalised our understanding and management of key risks associated with modern slavery, along with defining a clear pathway to embed identification and processes for handling scenarios where modern slavery may be more prevalent. Actions taken to embed our obligations include:

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The development of a Group Anti-Slavery and Human Trafficking Policy to address supply chain, operational governance and responsibilities.

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Enhancements to our Commercial Credit Policy to address the risks of modern slavery.

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The completion of high-level thematic risk (operational) assessments and "Assess, Address and Remediation" procedures and plans.

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Development of comprehensive staff awareness training modules to be completed by all Group staff.

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Adaptions to a group-wide reporting tool to enable staff to confidentially document unusual activity that may indicate modern slavery facilitating further investigation.

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Delivery of a group-wide internal communication and engagement program to provide our staff with awareness of our commitment to reviewing and minimising the risks of our organisation causing, contributing or being linked to modern slavery.

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Inclusion of modern slavery risk mitigation requirements within our procurement supplier engagement processes, including ongoing internal risk monitoring of suppliers with greater risk of Modern Slavery or Human Trafficking presence.

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Completion of annual compliance surveys to capture business risk assessments, awareness and procedures to manage potential modern slavery risks.

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An updated version of our Code of Conduct Policy which reflects our zero tolerance position to modern slavery.

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# About Bendigo and Adelaide Bank

Bendigo and Adelaide Bank has a long and proud history.

For more than 162 years, we have actively listened and responded to the needs of our customers and their communities.

Over this period, more than 80 different organisations have come together to become Bendigo and Adelaide Bank as it is today – an Australian owned, top 100 ASX listed company, with more than 110,000 shareholders.

Bendigo and Adelaide Bank has assets under management of more than \$71.4 billion and market capitalisation of around \$3.3 billion.

We are Australia’s fifth largest retail bank, with more than 7,400 staff helping more than 1.9 million customers to achieve their financial goals.

Our principal activities are the provision of banking and other financial services including lending, deposit taking, leasing finance, superannuation and funds management, insurance, treasury, and foreign exchange services (including trade finance), financial advisory and trustee services.

Our vision is to be Australia’s bank of choice. We believe our success is driven by helping our customers and the communities in which they operate to be successful.

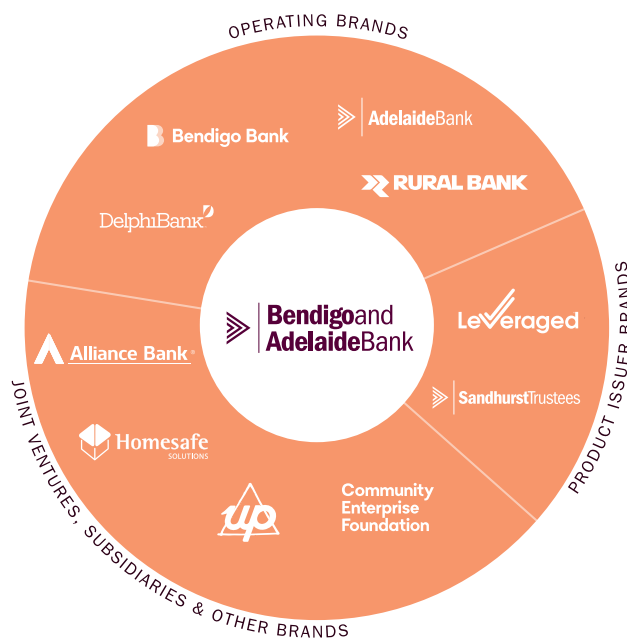
## OUR BRANDS

Our different brands represent the diversity of Bendigo and Adelaide Bank. Together, all brands share a common purpose – to help our customers, partners and communities succeed.

**Operating brands:** range from full-service retail banking to providers of third-party mortgages and wealth deposits, dedicated agribusiness banking and the banking requirements of the Hellenic community.

**Product issuer brands:** provide services to help invest and grow wealth including products and services such as; investments, funds management and superannuation.

**Joint ventures, subsidiaries and other brands:** provide specialist services such as banking for not-for-profit organisations, wealth release products for senior Australians and a network of mutual financial institutions to release capital and serve members. The Bank’s philanthropic arm is also grouped in this area.



## OUR REACH

Our reach comprises a national network of corporate and community bank owned branches, joint ventures, philanthropy, and specialist services such as banking for not-for-profit organisations, wealth release products for senior Australians, and a network of mutual financial institutions to release capital and service members.

## OUR IMPACT

Our impact is substantial. As Australia’s fifth largest retail bank and a top 100 ASX listed company, we aim to set an example of how banking should be; progressive, sustainable, shared and trusted.

## Bendigo and Adelaide Bank's supply chain

We source goods and services from a variety of suppliers. Our policy is not to transact or maintain a contract with suppliers where there is a known presence of, or association with slavery or human trafficking.

Where an instance of modern slavery is identified within our supply chain, we will work with our suppliers to remediate the issue through the request of clear action plans and reporting to support the eradication of modern slavery.

In this reporting period, 99 percent of our suppliers were engaged at a local and national level. Our overseas supply chain includes less than 25 offshore suppliers, the majority of which are located in India, Singapore and the USA.

Our major categories of procurement include:

- Information Technology (IT), digital and telecommunications;
- Property and facility management;
- Banking, lending and transaction services;
- Professional services;
- Print and postage;
- Human resources and people services.

In total, 90 percent of our procurement spend is with 10 percent of our suppliers, the majority of which are in Information Technology and Telecommunication (IT&T), Banking and Lending, Property and Professional Services categories.

Wherever possible, we seek to make further contributions to local economies by sourcing products and services from nearby businesses.

### OUR RISK MANAGEMENT AND DUE DILIGENCE PROCESS

Across our Group, we deal with a diverse range of Australian and overseas suppliers and extend credit to a wide variety of individuals and organisations.

We acknowledge there is a risk modern slavery could exist within our business be it in our supply chain, via an organisation we extend credit to, or through the involvement of an individual we extend credit to.

Modern slavery is abhorrent and inconsistent with how we treat people, our organisation's values and our [Code of Conduct](#). It may also present additional reputational and/or financial risks to our business.

Examples of goods or services we access where modern slavery has been identified to be a risk include:

- IT hardware and devices
- Office products and furniture;
- Promotional merchandise;
- Staff uniforms; and
- Low skilled labour such as cleaning and catering.

We recognise this risk is not limited to goods or services sourced from overseas, but could also occur within Australia.

When sourcing goods or services from overseas or Australia, all suppliers are subject to our due diligence process. All services provided from an offshore jurisdiction and certain services provided from within Australia, where the presence of slavery or human trafficking is identified as a risk, will be subject to additional due diligence.

In discussions with suppliers, we will confirm:

- Where goods or services are provided from i.e. the specific overseas province/state/city.
- If sub-contractors will be used and if so, the sub-contractor's name and details.
- If audits are conducted by all parties regarding the presence of slavery and human trafficking and whether audits are conducted by the supplier, or an independent third-party.
- Receipt of a copy from all parties of the most recent audits conducted into the possible presence of slavery and human trafficking.

Our Group Assurance team conducts audits from a sample of supplier contracts we have identified as high-risk and this will be reported as part of our future annual modern slavery statements.

Where slavery or human trafficking is identified within a supplier, the Group's Procurement function will work with the impacted business unit to decide on the most appropriate remedy.

Where we have an identified risk within our operations, Group employees will have multiple avenues to report identified breaches. Alerts will also be sent to the Financial Crime Risk (FCR) team for further investigation. Any factual outcome will be subsequently reported to the relevant authority, including notification to our Regulatory Compliance team.

During this reporting period, no suppliers were identified to require a specific remedy to address modern slavery concerns.

### FUTURE SUPPLY CHAIN COMMITMENTS FY21 AND BEYOND

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Continued insertion of modern slavery mitigation contractual obligations in high to medium risk third-party vendor agreements.

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Continuous improvement of our third-party vendor modern slavery due diligence procedures and processes.

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Implementation of a supplier code of conduct policy that contains explicit anti-slavery provisions among other things to be formally accepted by all high to medium risk third-party vendors and expected of all other vendors transacting with us.

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Establishment and implementation a third-party platform to support the ongoing monitoring and reporting of modern slavery presence and activity within our high to medium risk category third-party vendor supply chains.

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## Addressing the risk of modern slavery in our operations

Across our operational divisions, we have undertaken an external risk assessment of each division's lending and investment portfolios based on Australian and New Zealand Standard Industrial Classification (ANZSIC) and industry codes.

This has assisted our business to understand the high-risk industries where modern slavery may be present. It has also provided comprehensive initial assessment reports for each division of our operations and outlined the possible presence of slavery across relevant, respective industry codes.

In addition to this, each division has developed and embedded process and procedures to be followed when undertaking an annual review of customer credit reporting for both existing and new customers. This is accompanied by corresponding enhancements to our Commercial Credit Policy to uphold our commitment to assessing, addressing and remediating risks of modern slavery in our customers' business.

Credit policy changes to address modern slavery have also been approved for application across all entities of the Group.

In addition to these credit policy changes, our FCR Team has developed an enhanced reporting tool for all staff to access where suspected instance of modern slavery and/or human trafficking is identified. Where evidence-based material supporting the suspicion is identified, the FCR Team will subsequently flag with appropriate authorities.

## Our policies, products and standards

To support our work in advancing human rights, in addition to our Anti-Slavery and Human Trafficking Policy, we have other policies, products and procedures that help mitigate the risk of modern slavery across our business. These include:

### CODE OF CONDUCT

Our Code of Conduct is a statement of our corporate ethics and philosophy, and underpins our business decisions, actions and behaviour. The Code provides clear guidelines to directors and employees, so there is a common understanding of the values and expected standards of behaviour for all. The objectives of the Code are to make sure high standards of corporate and individual behaviour are observed in conducting the business of the Group, and to provide support for those behaviours. Our Code of Conduct applies to all employees and directors of companies in the Group.

### WHISTLE-BLOWER POLICY

Our Whistle-blower Policy outlines the processes and protections our staff are entitled to if they raise a whistle-blower concern including any in relation to slavery or human trafficking.

Our policy aims to provide clarity on:

- The importance of raising staff member's whistle blower concerns.
- How staff qualify for protection as a whistle blower under the Corporations Act.
- How to raise a whistle blower concern.
- How the Bank will deal with whistle blower concerns.
- Staff member's rights and protections so they feel safe to speak up.

### ANTI-BRIBERY AND CORRUPTION

We have an Anti-bribery and Corruption Policy which outlines our commitment not to engage in bribery or corruption and required compliance with State and Federal anti-bribery and corruption laws including the Australian Criminal Code Act 1995 and Proceeds of Crime Act 2002. Our policy provides clarity in relation to our standards and expectations of conduct to protect the reputation of the Bank and staff.

The Policy covers four key areas:

- Bribes and corruption;
- Gifts and entertainment;
- Political donations; and
- Inaccurate records.

This policy is also reinforced by our Code of Conduct.

## COVID-19 impact

COVID-19 has had a significant impact on all aspects of life in Australia, including how Australians work and manage businesses. We also understand this global pandemic is exacerbating existing and creating new vulnerabilities for people across the world.

COVID-19 has not impacted our capacity to assess modern slavery risks in our business during this reporting period.

Operationally, we are fully committed to supporting customers and communities through this unique time, implementing measures designed to provide relief from COVID-19 as restrictions change and the economic ramifications are felt. More than 25,000 of the Bank's personal and business accounts accepted dedicated support to help customers sustain their livelihoods through the economic impacts of COVID-19.

Through this time, we have contacted mortgage, business and agribusiness customers individually to understand the impact of COVID-19 and help them navigate the support available from both us and the government.

We have offered a range of assistance measures to ensure short and long-term support for consumer, business and agribusiness customers affected by COVID-19.

During the onset of COVID-19, we engaged our critical suppliers to seek assurance of their preparedness for the pandemic, and any foreseen disruption to their business operations.

## Training

Building our staff's awareness and comprehension of our Anti-Slavery and Human Trafficking policy through formal training will be crucial to its successful implementation and acceptance across the Group. It will also help improve and increase the identification of instances of possible modern slavery in our supply chain and parts of our operations.

Three separate training modules will be available for our staff to complete:

1. Mandatory guidance for all Bendigo and Adelaide Bank employees to help inform broader awareness of modern slavery, the red flags or key indicators to alert of potential risks of modern slavery, and how to appropriately report the matter.
2. Specific advice for all lending staff on how to comply with the Act as well as when to report potential instances of modern slavery.
3. Additional information included in the Bank's procurement training program specifically targeted at business unit heads and procurement staff that engage with third party suppliers.

## Continued commitment

Our approach to advancing human rights through the prevention of modern slavery is drawn from the Act, our vision, strategy, values and purpose.

We are committed to delivering high standards of corporate governance – both in our frameworks and in our policies and practices. We believe this leads to better decision-making and outcomes for all stakeholders.

Acting with integrity in the conduct of our business is an important element of our success.

Bendigo and Adelaide Bank's Modern Slavery statement will be reviewed and updated annually.

This statement has been endorsed by the Board of Bendigo and Adelaide Bank.



**Jacqueline Hey**

Chair

22 December 2020



**Marnie Baker**

Managing Director

22 December 2020



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