

Bendigo & Adelaide Bank Limited

# Modern Slavery Statement 2023



**Bendigo and  
Adelaide Bank**



## Acknowledgement of Country

Bendigo and Adelaide Bank acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation and the Traditional Custodians of the land where we live, learn and work.

We pay our respects to Elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

Artwork by Troy Firebrace, Yorta Yorta and Dja Dja Wurrung artist and educator

### About this statement

This statement is Bendigo and Adelaide Bank's fourth Modern Slavery Statement and covers the 2023 financial year (FY23). We report annually following our full year financial results.

Where reference is made to 2023, we are referring to the 2023 Financial Year (1 July 2022 – 30 June 2023).

### Contact us

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ABN 11 068 049 178

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### Feedback

We invite stakeholders to provide feedback on this Modern Slavery Statement. Please share your comments or questions with our team: [sustainability@bendigoadelaide.com.au](mailto:sustainability@bendigoadelaide.com.au)

This Modern Slavery Statement (Statement) is prepared on behalf of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) (the reporting entity) and the entities it owns or controls ("**the Group**"). Bendigo and Adelaide Bank Limited is the parent company and the sole reporting entity in the Group for the purposes of the *Modern Slavery Act 2018* (Cth) (**the Act**).

The Statement does not apply to the Group's joint ventures as these are not operated by the Group.

The Statement also does not apply to Community Bank companies as these are not operated by the Group. Community Bank companies are independent legal entities that operate Community Bank branches under the Community Bank franchise model with Bendigo and Adelaide Bank Limited. However, in practical terms the provision of banking products and services by Community Bank companies is governed by Group policies.

This Statement has been published in accordance with the Act. It outlines the actions taken by the Group during the year ended 30 June 2023 (**FY23**) to assess and address the risks of modern slavery in its operations and supply chains. Information on our broader approach to managing environmental, social and governance risks can be found in our 2023 Sustainability Report.

References to 'modern slavery' are as defined in the Act.



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### Modern Slavery Act Mandatory Criteria

The table below identifies where the mandatory reporting criteria of the Act are disclosed within this Statement.

Mandatory criteria	Page reference in this statement
1 Identify the reporting entity.	Page IC
2 Describe the reporting entity's structure, operations and supply chains.	Page 3-4
3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Page 5-7
4 Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Page 7-17
5 Describe how the reporting entity assesses the effectiveness of these actions.	Page 17-18
6 Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls.	Page 18
7 Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Page 19

### Reporting on our progress: 2023 reporting suite



**Annual Report**

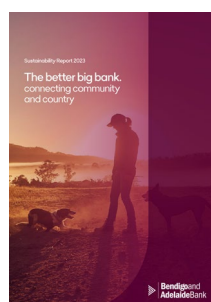
- The Bank's statutory financial reporting
- Appendix 4G



**Corporate Governance Statement**



**Modern Slavery Statement**



### Sustainability Report

The Bank's report on its most material environment, social and governance (ESG) and sustainability issues, including:

- Climate-related Disclosure
- Tax Transparency Disclosure
- ESG Data Summary

# Introduction

Modern slavery is a complex, global humanitarian issue that can only be tackled collectively and collaboratively by businesses, not for profit organisations, and governments. At Bendigo and Adelaide Bank, we are committed to playing our part.

Given the nature of our operations, financial institutions can become unwitting participants to modern slavery. The financial sector's integration with the rest of the economy and its connection with every industry means it has an influential role in driving the global economy to address modern slavery and protect human rights.

We recognise we have a responsibility to respect human rights and to proactively seek out ways to make a positive impact through our operations and supply chain.

This past year has seen continuous improvement in the Bank's efforts to identify and seek to address modern slavery risk across our value chain. We know there is more work to be done and remain committed to continue evolving our approach to managing modern slavery risk.

In this Statement we report on the progress we have made during 2023 to build on our understanding of modern slavery risks in our operations and supply chain.

## 2023 Highlights



**Enhanced modern slavery risk governance and business engagement** through the establishment of the Sustainability Council.



**Uplifted external asset manager due diligence** by introducing a process to better understand their approach to modern slavery risk.



**Engaged with our Financial Crime Risk team and operating divisions** to gain deeper insight into the key processes in place to identify, assess and manage modern slavery risks in our operations.



**Delivered refresher modern slavery training** to improve employee awareness.



**Built on our commitment to collaboration** by joining the United Nations Global Compact and the Australian Sustainable Finance Institute.



**Commenced implementation of our Supplier Code of Conduct**



**Trained 100% of Procurement team members** on modern slavery in supply chains awareness.

# Our business structure, operations and supply chain

## Our structure and entities

### About us

For more than 165 years, we have actively listened and responded to the needs of our customers and their communities.

Our history began in 1858 in Bendigo, Victoria when we responded to the sudden and rapid wave of migration, establishing the Bendigo Mutual Permanent Land and Building Society to enable housing for thousands of migrants seeking their fortunes.

Soon after, in 1877 South Australia's Hindmarsh Building Society was established, founded on the principles that home ownership was the cornerstone of a successful community and that owning a home should be possible for everyone.

Since then, more than 80 different organisations have come together to become the Bank we are today – an Australian owned, top 100 ASX listed company, with approximately 100,000 shareholders.

Bendigo and Adelaide Bank Limited is the parent company in the Bendigo and Adelaide Bank Group. All Group subsidiaries are wholly owned, operate under the direction and governance of Bendigo and Adelaide Bank Limited and all share the same executive management.

### Our impact

As Australia's most trusted bank<sup>1</sup>, we aim to set an example of how banking should be: progressive; sustainable and trusted.

Our vision is to be Australia's bank of choice, driven by our purpose to feed into the prosperity of our customers and communities, not off it. This purpose underpins everything we stand for and the action we take. We believe our success is driven by helping our customers and the communities in which they operate to be successful.

Through partnering with local social enterprises across Australia, our Community Bank model enables the provision of banking services and the creation and retention of revenue in local communities that makes a real impact. This commitment to community helps make us Australia's better big bank, with around 5,500 people directly employed by us, and around 1,500 people employed by Community Banks helping more than 2.4 million customers to achieve their financial goals.

Our operations also include indirect workers including contractors and sub-contractors that support our business with labour or the provision of services.

Bendigo and Adelaide Bank's network of brands provide a wide range of products and services, including personal and business banking, commercial mortgages and unsecured loans, investment products, insurance and superannuation.







Our banking products and services are delivered to our customers through our operational divisions:

- **Consumer** – serves retail customers across Australia through our network of branches and agencies, ATMs, digital and mobile banking applications.
- **Business and Agribusiness** – serves business, agribusiness, corporate and private banking customers across Australia through our network of branches and agencies, digital and mobile banking applications.

### Our reach

Our reach comprises a national network of proprietary and Community Bank-owned branches, joint ventures, partner distribution networks, a range of digital offerings and wealth release products for senior Australians.

In FY23 the Group's brands<sup>2</sup> and their operations were:

Brand	Overview
 <b>Bendigo Bank</b>	Provides a diverse range of personal banking, business banking, community banking, wealth management and insurance products and services to retail and business customers across Australia.
 <b>RURAL BANK</b>	Dedicated provider of agribusiness banking services to farmers across Australia, with tailored lending products, personal banking and savings and investments accounts.
	A digital bank delivering personal banking services to consumers in Australia.
 <b>Adelaide Bank</b>	A specialist in providing home loans for the mortgage broker and mortgage manager market.
 <b>COMMUNITY ENTERPRISE FOUNDATION™</b>	Part of the Bank's philanthropic arm, Community Enterprise Foundation™ offers communities and not-for-profit organisations across Australia the opportunity to raise and distribute tax-effective donations to benefit their own communities.
 <b>LeVeraged</b>	Provider of margin lending to Australian customers.

1. Roy Morgan Trusted Brands - Finance Category 2022, 2023.

2. During FY23 the Group reduced the number of brands from 10 to 7. This process has seen the migration of our Delphi Bank customers to Bendigo Bank branded products and services and the transition of Alliance Banks to our Community Bank model. As at 30 June 2023, only one of our Alliance Bank partners had not yet completed the transition. Sandhurst Trustees continues to be a product issuer, however the associated products carry the Bendigo Bank brand.

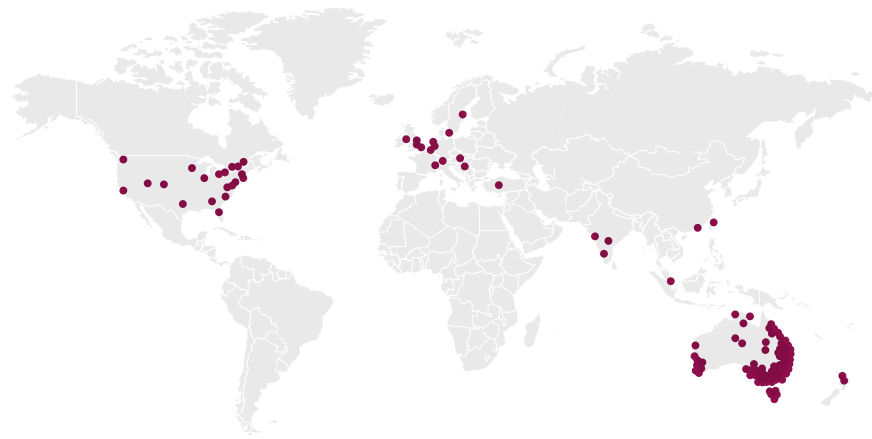
### Our supply chain

The Group procures a large variety of goods and services from suppliers both locally and internationally. These suppliers range from small businesses to large multinational corporations and our arrangements with them range from one-off purchases to long-term contracts.

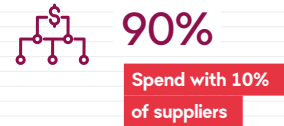
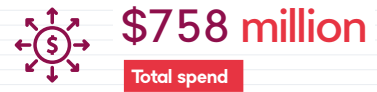
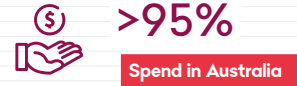
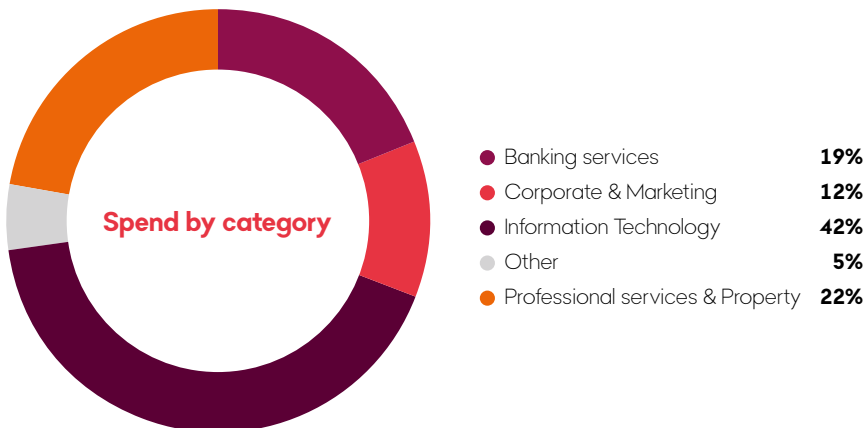
In 2023 we sourced goods and services from nearly 1,500 direct suppliers and had a total procurement spend of close to \$758 million. Over 95% of both our suppliers and our procurement spend is in Australia.

The majority of our overseas suppliers are in the United Kingdom and the USA and our suppliers utilising offshore locations do so from countries that are predominantly assessed as low risk of modern slavery.

Map 1: Illustration of the main countries from which our procured goods and services are sourced or produced.



The major categories of goods and services we procure on an ongoing basis are information technology (IT), professional services and property, banking services (includes lending and transaction services), and corporate and marketing (e.g. advertising, office supplies, insurance, correspondence, fleet management). Our procurement spend is highly concentrated with 90% of spend being with 10% of our suppliers.





## Our modern slavery risk exposure

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
- 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.

We also note that Asia Pacific is the highest risk region globally for modern slavery occurrence. Fundamentally, we acknowledge that modern slavery is about risk to people.

Being able to identify the risks of modern slavery in our value chains, requires us to understand the relationship of our operating model to modern slavery risks and impacts to people.

Our understanding of this relationship and how we may ‘cause’, contribute to’ or be ‘directly linked’ to human rights risks and impacts is guided by the United Nations Guiding Principles on Business and Human Rights (UNGP’s).

The UNGPs are the global standard for preventing and addressing the risk of adverse impacts on human rights (including modern slavery) linked to business activity. These principles outline the responsibility for business enterprises to respect human rights and identify that they can be involved with adverse human rights impacts either through their own activities or as a result of their business relationships.

The following table outlines the UNGP continuum of involvement in modern slavery:

<b>Cause</b>	We may directly cause modern slavery through our own operations.
<b>Contribute to</b>	We may contribute to modern slavery through our operations and/ or actions in the supply chain.
<b>Directly linked</b>	Our operations, products and services may be directly linked to modern slavery through the activities of entities with which we do business.

Drawing on our understanding of the UNGPs, the table below shows that we may be linked to modern slavery in a range of ways and the extent of our involvement in the harm may vary. We have identified the following five key areas within our operations and supply chains as being those where we could potentially cause or contribute to the most significant negative impacts.

Business area	Description of risk	Degree to which we may be involved in the harm
<b>Financial products and services</b>	There is a risk that customers may use our products or services for activities that involve modern slavery.	Contribute to / Directly linked
<b>Lending and investment</b>	There is a risk we could lend to or invest in businesses involved in modern slavery, in particular through the agriculture and horticultural sectors.	Contribute to / Directly linked
<b>Procurement</b>	There is a risk that we could purchase goods and services from a supplier who has used modern slavery in their creation or delivery.	Contribute to / Directly linked
<b>Employment</b>	There is a risk of labour exploitation in our own workforce, particularly in our contracted workforce.	Cause
<b>Community investment</b>	There is a risk that we support, directly or indirectly, via advocacy, donations, grants, sponsorships and/or partnerships, organisations involved in modern slavery.	Contribute to / Directly linked

## In our operations

### Financial products and services

Through the provision of financial products and services to customers, there is a risk that we could be involved in modern slavery if our customers use our products and services for activities that involve modern slavery. For example, perpetrators of modern slavery practices, such as exploitation, could use our bank accounts to facilitate their criminal activities by transferring funds from victims or to themselves, or to launder the proceeds of these activities. Similarly, we could be connected to modern slavery if our customers themselves are the victims of modern slavery practices.

### Lending and investment

#### Lending

Our lending activities are carried out through our operational divisions: Consumer Banking and Business & Agribusiness Banking. Our Consumer Banking division includes our retail customers. Our Business and Agribusiness Banking division services business, agribusiness, corporate and private bank customers.

We recognise that there is a risk that through our lending activities we could lend to businesses involved in modern slavery, or those that have modern slavery in their supply chains. In our lending activities, the risks of modern slavery may be higher where the customer is associated with industries or countries that present a higher risk for modern slavery. Our customers and their operations are primarily based in Australia, which is considered to have a low risk of slave labour due to its robust legal frameworks and high levels of implementation. We lend to customers operating or employed in a range of industries, some of which have a high risk of people being exposed to modern slavery. The industries with high risks of modern slavery include horticulture, construction and property. Modern slavery risks may also exist where our business customers source goods and services from countries with a high risk of slavery.

#### Investment

In the context of our investment activities, Sandhurst Trustees Limited (Sandhurst), our wholly owned subsidiary, is the responsible entity ("**RE**") and investment manager of a series of managed investment schemes ("**Funds**"). These Funds invest customers' money on their behalf either directly in the markets or indirectly through specialist asset managers, including Sandhurst itself.

The underlying exposures of each Fund vary, investing across many asset classes including income, cash, equities, property and fixed interest, infrastructure and other entities.

Fund investments can pose modern slavery risks depending on the company sector, geographical location, business model or labour composition. Where Sandhurst invests through specialist asset managers, Sandhurst's ability to influence the level of modern slavery risks associated with its Funds' investments is lower. The risks of modern slavery may be heightened where an asset manager is headquartered or uses suppliers headquartered in countries that are high risk for modern slavery.

#### Employment

There is a potential risk of modern slavery, in particular labour exploitation, in both our own workforce and our indirect (contracted) workforce. The financial services industry is generally considered to have a lower modern slavery risk, due to its highly skilled workforce typically employed directly and under employment terms and conditions governed by Australian employment laws.

Conversely, contracted workers present a higher degree of modern slavery risk. The frequent presence of outsourced service arrangements and offshore operations associated with contracted workers, means that the Group has less visibility and control over how workers are engaged. There tends to be a higher prevalence of subcontractors and independent contractors as well as migrant and unskilled workers who may have low awareness of their rights and available protections and are therefore more susceptible to exploitation.



## Community investment

The Group is a proud community focused bank and has a long history of engaging with, contributing to and supporting communities. Community investment activities are carried out through grants, donations, scholarships, appeals and community partnerships.

We acknowledge that through these community investment activities there exists a risk that we support, directly or indirectly, organisations involved in modern slavery.

## In our supply chain

### Procurement

Across the Group, we deal with a diverse range of Australian and overseas suppliers.

The Group recognises that through its supply chain it can be exposed to modern slavery through purchasing goods and services from suppliers who are either involved in modern slavery themselves or have modern slavery activities occurring within their own supply chains.

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

- IT software, hardware and devices
- Temporary personnel services
- Office products and furniture
- Promotional merchandise
- Staff uniforms
- Low skilled labour such as cleaning and catering.

The risks of modern slavery in our supply chain may be heightened where the goods or services we procure are manufactured in or with raw materials that are sourced from industries or countries that have a higher assessed risk of modern slavery. We recognise the risk is not limited to goods or services sourced from overseas and could also occur within Australia.

## Our approach to addressing modern slavery risks

The risks of modern slavery are complex. For this reason we have adopted an iterative, multi-year approach to continue to enhance our understanding of and response to modern slavery risks.

In 2023 we focussed on building on and progressing the modern slavery actions which we reported on in our prior year Statements. Some of our actions have remained unchanged over the reporting period while some have been progressed or are new actions which we have introduced over the reporting period. Actions that are new or progressed for the reporting period are highlighted in this Statement accordingly.

The Group is committed to continuous improvement and to ensuring that adequate policies, processes, systems and controls are in place to identify and mitigate modern slavery risk within our business operations and supply chains.

Our current approach to addressing modern slavery risk is embedded in our risk management frameworks, while our continuous improvement plan and underlying activity is captured within our Modern Slavery Roadmap.

Our approach to assess and address modern slavery is grouped into the following areas:

- Risks in our operations – further split into financial products and services, lending and investment, employment and community investment
- Risks in our supply chain
- Governance of modern slavery risk
- Training and awareness building
- Grievance and remediation
- Engagement and advocacy.

At the core of our approach are efforts focused on training to uplift understanding and awareness of modern slavery, improvements to policies and processes and due diligence.

The following table outlines key policies that support human rights and prevent modern slavery across our operations and supply chain. Policies are Group-wide unless otherwise indicated. Employees are made aware of these policies either through mandatory training or directly. All policies are accessible to employees on the Group's intranet.

**Table 1: Key human rights and modern slavery policies**

Policy	Purpose
<b>Code of Conduct</b>	Outlines how we expect our employees (and contractors) and directors of companies in the Group, to behave towards each other, our customers and the community. The Code guides us in making sure we conduct ourselves in a way that is respectful and that delivers fair outcomes for our customers, colleagues and stakeholders.
<b>Whistleblower policy</b>	Supports our employees and all Group Directors to raise concerns of reportable conduct, including any in relation to slavery or human trafficking, and protects them from retaliation and victimisation.
<b>Group Anti-slavery and Human Trafficking Policy</b>	Sets out how modern slavery risks are managed in our supplier relationships.
<b>Modern Slavery Policy</b>	Sets out how modern slavery risks are managed in our Business and Agribusiness lending activities.
<b>Anti-bribery and Corruption Policy</b>	Articulates our commitment to complying with applicable laws and regulations addressing bribery, fraud and corruption.
<b>Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Policy</b>	Outlines our approach to identifying, treating and managing money laundering and terrorism financing risk in the Group and complying with the AML/CTF legislation.
<b>Customer Feedback Management Policy</b>	Invites Group employees and members of public to record expressions of dissatisfaction or concern.
<b>Diversity and Inclusion Policy</b>	Outlines our commitment to creating a workplace where everyone belongs by cultivating a culture of inclusion where our employees' individual uniqueness is valued and respected, allowing them to bring their whole and authentic self to work without fear of harassment, bullying or unlawful discrimination.
<b>Workplace Health and Safety Policy</b>	Outlines our commitment to providing a safe and healthy workplace for all workers, customers and other visitors.
<b>Community Development Policy</b>	This Community Enterprise Foundation sets out how the Foundation meets its compliance obligations in relation to the making of donations and administration of grants.

During the 2023 reporting period, we continued to take steps to strengthen our practices to identify and address the risks of modern slavery in our operations and supply chain. Our monitoring of the broader modern slavery risk environment was informed through a combination of third-party risk assessments, employee insights, reports published by industry and relevant civil society organisations, and our participation in industry networks and working groups.

Our cross-functional Modern Slavery Working Group continued to meet monthly to drive our approach to identifying and addressing modern slavery and drive progress against our Modern Slavery Roadmap. This Roadmap represents our action plan and is a key component of our strategy to continually drive forward and elevate our approach. The Roadmap is reviewed and updated annually to reflect progress that has been made and ensure our efforts are effectively prioritised.

We continued to focus on further improving our understanding of where modern slavery risks exist in our operations and supply chain as well as further developing and integrating modern slavery management practices into our policies and processes.



In particular, we concentrated on the following opportunities to improve our approach as identified in our FY22 Modern Slavery Statement:

Opportunity identified in 2022	Progress on commitment during 2023
Continue to uplift our investments and community investment response to modern slavery by enhancing our existing policies and processes.	Uplifted external asset manager due diligence process. <i>Refer to Lending and Investments section below for more detail.</i>
Implement new procurement software tools to consolidate a number of existing supplier management processes including tender documents and contract templates.	This action was delayed in 2023 and is planned to be progressed in 2024. <i>Refer to Procurement section below for more detail.</i>
Embedding our Supplier Code of Conduct in our existing governance and operational processes.	Commenced implementation of our Supplier Code of Conduct. <i>Refer to Procurement section below for more detail.</i>
Introduce regular modern slavery supplier survey requirements for high-risk suppliers.	This action was delayed in 2023 and is planned to be progressed in 2024. <i>Refer to Procurement section below for more detail.</i>
The Group Anti-Slavery and Human Trafficking Policy will be reviewed.	This policy is currently under review.
Finalise and implement our overarching corporate position on human rights.	This action has not yet been delivered. However, important steps have been made to advance our approach to human rights. <i>Refer to Approach to human rights section below for more detail.</i>
Continue to identify further industry collaboration opportunities.	We joined the United Nations Global Compact and the Australian Sustainable Finance Institute. <i>Refer to Engagement and advocacy section below for more detail.</i>
Continue to deliver our Modern Slavery Roadmap principles and embed across our business, with partners and suppliers.	This is an ongoing action. <i>Refer to sections below on our approach to addressing modern slavery risk in our operations and supply chain.</i>

### Approach to human rights

In our 2022 Modern Slavery Statement, we said we would deliver an overarching position on Human Rights in 2023. While this action has not been delivered yet, we have taken the following important steps during the year to advance our approach to protecting, respecting and remedying human rights:

- Launched our inaugural Reconciliation Action Plan (**RAP**). Our Reflect RAP, endorsed by Reconciliation Australia, is the first step in our reconciliation journey. It will support us in understanding, exploring and measuring where and how we can have the most meaningful impact and lay firm foundations for reconciliation across the Bank in the years to come.
- Committed to develop a Financial Inclusion Action Plan (**FIAP**). A FIAP will help us better support our customers, our communities and our people.
- Successfully implemented the final year of our Climate Change Action Plan 2021-2023 by achieving nearly 90% of actions and developed the next iteration, the Climate & Nature Action Plan 2024-2026. Our climate actions support a safe, clean, healthy and sustainable environment, which is integral to enjoyment of a range of human rights.
- Embarked on our Belonging at BEN Strategy 2023-2025. Belonging at BEN is our three-year strategy to enhance diversity and inclusion for our people, customers, and communities.
- Progressed our new Access and Inclusion Plan, which is due to be released in 2024.
- Enhanced our approach to social procurement following our review of our Social Impact Procurement Strategy.
- Disclosed our gender pay gap with the understanding that disclosure will help inform our approach to narrowing the gap.

For more information on these initiatives see our Sustainability Report 2023.

In the following section we explain how we assess and manage modern slavery risks within our operations and supply chains.

## In our operations

### Financial products and services

At the core of our approach to identifying and assessing modern slavery risks in our provision of financial products and services to customers, is the integration of modern slavery considerations within our financial crime processes.

There is a link between financial crime (particularly money laundering) and modern slavery. For example, criminal activities involving modern slavery such as child exploitation or human trafficking, often underpin the practice of money laundering. Our financial crime processes including customer due diligence, payment and customer screening and transaction monitoring activities, incorporate a risk-based approach to identifying, managing and mitigating the risk that our products and services might be used for money laundering or terrorism financing activities. These activities may also identify modern slavery activity by the Group's customers.

Our Financial Crime Risk function is responsible for performing transaction monitoring and analysis to identify money laundering and terrorism financing activities. This is performed through account monitoring techniques designed to identify red flags relating to modern slavery and additional due diligence investigations on customers deemed to be high risk of money laundering or terrorism financing. For example, key risk indicators of child exploitation form part of our transaction monitoring program. The Financial Crime Risk function also collaborate closely with the AUSTRAC Fintel Alliance, law enforcement agencies and other industry partners.

The team reviews all relevant financial crime risk typologies on an ongoing cycle including the Human Impact Typology which covers modern slavery. The function of these typology reviews is to record all known risk factors associated with the typology and review how these indicators can best be identified through our existing operational environment. In some cases this can result in the inclusion of rules within our transaction monitoring program as well as training and education to uplift employee ability to identify and report such instances to the Financial Crimes Risk team for investigation.

We also have the following processes in place in our operations to help identify potential instances of modern slavery or human trafficking in our operations:

- Through our Know Your Customer (**KYC**) and due diligence processes we may identify concerns that require investigation. See *Due diligence under the Lending* section below.
- All our employees are required to report unusual customer activities or transactions detected through their interactions with customers or non-customers by submitting an Unusual Activity Report (**UAR**). Our Financial Crime Risk team investigates all reported matters. The outcome of these investigations determines the action that follows. This could include the closure or ongoing monitoring of a suspicion, recommendation to exit the customer through collaboration with relevant business units and risk teams, or the lodgement of a Suspicious Matter Report (**SMR**) with AUSTRAC where the investigation finds evidence of suspicious activity. In 2023, the investigations performed by our Financial Crimes Risk team identified that one UAR had a potential link to modern slavery. This case involves a customer with underlying activities in the agricultural sector. A SMR has been lodged with AUSTRAC in respect of this case with investigations still ongoing.

We recognise our employees' ability to identify, detect and report modern slavery and financial crimes is dependent on their knowledge and awareness of modern slavery risks.

See *'Training and awareness raising on modern slavery'* for how we build awareness and capability on the risks of modern slavery in our operations and supply chain.



## Lending and investment

### Lending

#### *Due diligence*

We use mandatory standards under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 as the basis for due diligence activity for our Consumer, Business and Agribusiness customers. These are known as 'Know Your Customer' (**KYC**) requirements and the due diligence process carried out under these requirements allows us to identify and verify a customer's identity before providing any services to them. It also makes us aware of any unusual or suspicious activity and allows us to prevent fraud and other financial crimes. Customers we identify as posing a high-risk of money laundering or terrorism financing are subject to enhanced due diligence measures and monitoring.

Due diligence is also carried out through personal interactions with our Business and Agribusiness customers as part of the underwriting process. Through these in-depth conversations we are well positioned to identify potential modern slavery red flags.

#### *Policies and processes*

We have policies, processes and tools to help reduce and mitigate modern slavery risk in our lending activities. The applicable policy is the Group's Modern Slavery Policy. This is a credit risk policy that helps us to identify and manage modern slavery risk during the lending process (for Business and Agribusiness lending) and requires that modern slavery risk factors are considered during onboarding and ongoing review of our customers. Other relevant processes and tools include:

- For Agribusiness lending, factors related to labour practices and workplace conditions of our customers are considered during customer onboarding and ongoing review. Relationship Managers are also required to complete an attestation confirming no suspicion of the customer's involvement or association with modern slavery based on their observation of relevant indicators. Sales and credit checklists exist, requiring an assessment of modern slavery risk for new lending and during ongoing review of facilities.
- In our Business Banking, processes are in place that require the existence of modern slavery risk to be considered for all new lending. As part of this process, our Business Banking managers look for indicators of modern slavery in the customers' operations and report on the outcome.

#### *Training*

Our commitment to address modern slavery in our lending activities was supported by training – *Refer to Training and awareness raising on modern slavery section below for more detail.*

Targeted modern slavery training was delivered to Rural Bank sales and credit employees in 2022. This training reinforced modern slavery obligations and policy updates, including factors to consider when addressing modern slavery risks, high risk industries, staff obligations and their role in identifying modern slavery and reporting modern slavery. The training content from this session is available on the Group's intranet for ongoing staff reference.

In 2023, we engaged a third-party specialist to undertake modern slavery risk assessments across our operational divisions (Business & Agribusiness and Consumer Banking) and entities (Alliance Bank's one remaining partner company, Sandhurst Trustees and Leveraged). These assessments have informed and validated our understanding of the high modern slavery risk industries in our lending and investment activities. We will continue to leverage these risk assessment results to validate and enhance our understanding of modern slavery risks across our operations and to inform our approach to effectively addressing those risks.

#### *Investment*

Our funds management business, Sandhurst Trustees, operates robust investment governance and risk management frameworks. In operating these frameworks and to manage risk, Sandhurst takes into account environmental, social and governance considerations in the selection, retention and realisation of investments relating to the Funds.

During 2023, Sandhurst uplifted its third-party external asset manager due diligence process by developing and implementing a modern slavery questionnaire. This process has allowed Sandhurst to better understand the approach taken by external asset managers to analysing and mitigating modern slavery risks in their operations.

Questionnaire responses indicate that the majority of Sandhurst's external asset managers have policies in place to address modern slavery risk and Sandhurst relies upon these policies as part of their determination. Many of these external asset managers are reporting entities under modern slavery legislation in Australia or the United Kingdom, therefore their approach to modern slavery risk is publicly disclosed.

It is intended that this tool will be used as a consideration when engaging external asset managers in the future. Sandhurst will continue to evaluate and refine the processes associated with this assessment tool.



## Employment

The Group considers the risk of modern slavery within our direct employee workforce to be low. The vast majority of our workforce is employed directly with their employment terms and conditions set out in employment contracts governed by Australian laws. Furthermore, our direct workforce is predominantly employed on a permanent or maximum term basis.

In addition to this, we have a comprehensive employee policy framework which sets expectations regarding modern slavery, workplace behaviour, speaking up on misconduct, and financial crime. These policies are communicated to our workers through training, ongoing monitoring and grievance mechanisms and include those listed in the table below. All employees are expected to abide by the strict requirements of our Code of Conduct, and applicable policies and procedures. Human rights and modern slavery references will be progressively incorporated in relevant people policies through our policy review process from 2023 and as applicable.

Nonetheless, we recognise that there may still be a small risk of labour exploitation in our workforce and particularly in our contracted workforce. We consider our contracted (indirect) workforce to present a relatively/slightly higher risk of modern slavery due to known labour rights issues with outsourced business operations, in particular those based offshore. Where we engage with external partners for the provision of services either under a statement of work or as a contractor, they are onboarded as part of the Group's procurement due diligence processes which incorporate modern slavery considerations.

Although the risk of causing, contributing or being directly linked to modern slavery through our employment practices is relatively low, we continue to take steps to manage the potential risks.

In the context of our employment activities, our policy framework communicates our human rights expectations of our employees and provides transparency on our grievance processes. Our People & Culture team provides specialised advice to employees on human resource matters and supports the implementation of policy commitments. Refer to Table 1 on page 8 for an overview of the Group's key human rights and modern slavery policies.

## Community investment

Community Enterprise Foundation (**the Foundation**), Bendigo Bank's philanthropic arm, helps Australian communities through grants, scholarships, donations and community-focused appeals and partnerships.

To identify the risks of modern slavery in our community investment activities, in 2022 we conducted a comprehensive assessment of the Foundation's community investments. We assess the overall risk of modern slavery in our community investments as relatively low. The Foundation does not make direct community investments outside of Australia. Rather, support for overseas aid and development projects are funded through Australian registered charities. Although able to fund overseas projects, the Foundation focuses on helping and investing in Australian communities in the first instance.

The following characteristics of our community investment approach are also considered to lessen the likelihood of modern slavery risk:

- Recommendations for funding are often made by a Community Bank or local committees for projects in their local communities which are characterised by existing relationship connections and close insight of project objectives.
- A large proportion of our community investments are directed toward funding grass root community groups which are often volunteer run and operated.

We have due diligence processes in place to ensure our community investments are directed toward reputable activities.

The Foundation's Community Development Policy sets out how it meets its compliance obligations in relation to the making of donations and administration of grants. Under this policy all new fundraising appeals are subject to a legal and reputational review before being approved by the Group Managing Director.

In 2023, we used the insights gained from our 2022 risk assessment process to enhance our approach to effectively identify and manage the risk of modern slavery in our community investment activities. We performed an in-depth review of our community investment due diligence and policy framework and introduced modern slavery risk considerations into relevant processes and policies.

In line with our commitment to continuous improvement, we are currently in the pilot phase of a new community investment platform that will provide us with improved visibility of our community investment activities across the Group. Modern slavery risk considerations have been included in this new platform.



## In our supply chain

### Procurement

The Group has a range of controls to assess and manage the risk of modern slavery in its supply chain. Most of the goods and services procured by the Group are managed through the Group's centralised Enterprise Procurement function. When sourcing goods or services, all suppliers are subject to due diligence activity to some extent. We take a risk-based approach meaning that the greater the supplier's inherent risk, the greater the extent of risk assessment and the more controls we have in place.

#### *Policies and processes*

Our Supplier Code of Conduct sets out our minimum expectations on ethical, environmental, and social standards we expect of our suppliers in their operations and supply chains. The Supplier Code of Conduct is required to be acknowledged by all our high and medium modern slavery risk suppliers.

#### *Due diligence*

Our consideration and assessment of modern slavery risk initially occurs during the supplier selection and onboarding process. At this stage of the process, an initial, high-level consideration of modern slavery risk is carried out by the relevant business unit as part of their request to make a new purchase and engage a supplier. More detailed modern slavery evaluation criteria is included in the Group's standard tender evaluation and vendor agreement documentation. This criteria requires suppliers to confirm their commitment to not using forced labour, slavery or servitude and to have in place policies and processes for managing modern slavery risks and ensure compliance with relevant modern slavery laws.

The extent of this criteria is determined based on the assessed modern slavery risk profile associated with a supply arrangement. If deemed to be required, a third-party supply chain consultant is engaged to undertake a further assessment of modern slavery risk in relation to a specific supplier.

Assessment of modern slavery risk in relation to our suppliers is also conducted on an ongoing basis throughout the supplier engagement lifecycle. In 2022 we worked with a third-party globally recognised supply chain consultant to enhance our supplier risk assessment approach and implemented a modern slavery risk monitoring platform. This tool:

- Facilitates the detection of modern slavery presence and activity in our supply chain and assists us to identify suppliers and contracts with a high and medium modern slavery risk. The underlying assessment criteria consider factors including industry, geography and product risk. As a result of this process, approximately 0.6% of our total suppliers have been assessed as high inherent risk suppliers at 30 June 2023.
- Provides ongoing supplier tracking and alerts for modern slavery issues. Our medium and high-risk suppliers and most of our low-risk suppliers (1,500 active suppliers) are monitored through this platform.

Where an instance of non-compliance with the Group's Supplier Code of Conduct is identified or we become aware of a supplier's involvement in an incidence of modern slavery, our approach is to partner with the supplier in the first instance and engage with them to establish a clear action plan to remedy the breach and provide an outcome for affected workers. If the non-compliance is sufficiently serious or the supplier does not cooperate in remediation, we may terminate our business relationship with the supplier.

In 2023, we undertook a number of activities to embed enhanced controls into our contracting and procurement practices to mitigate the risk of modern slavery in the Group's supply chains. In addition to continuing our efforts to enhance our understanding of risks associated with our medium and high-risk suppliers and investing in technology, we also improved various due diligence processes and further uplifted the capability of our Procurement team:

- We performed a retrospective review and additional due diligence in relation to new suppliers onboarded in 2022 to confirm if modern slavery practices exist within the supply arrangements and to ensure supplier contracts contain relevant modern slavery clauses. No suppliers were assessed as having high residual risk of modern slavery.
- We commenced implementation of our Supplier Code of Conduct which we developed and published in 2022 by embedding it into our procurement processes.
- We continued to include modern slavery clauses within all new tender evaluation and vendor agreements.
- Our Enterprise Procurement team continued to monitor the dashboard alerts system within our risk monitoring platform. There were no material alerts in relation to our active suppliers received during the year.

In addition to some of the commitments delivered above, last year we made several additional supply chain commitments which we planned to operationalise during 2023. We have made good progress in relation to a number of these, however some are still in progress and have been identified as priorities for 2024 and outlined in the 'Looking forward' section of this Statement.

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

## Modern slavery governance

Roles, responsibilities and accountabilities for the management of modern slavery risks are clearly defined across the Group. Governance oversight across the Group is primarily undertaken by the Board and Board Risk Committee through our Executive Leadership Team and the Modern Slavery Working Group. The table below provides more detail of governance arrangements that exist to manage modern slavery risk across the Group.

<b>Bendigo and Adelaide Bank Board</b>	<p>The Board, with assistance from the Board Audit Committee, oversees, considers and approves the Bank's overall environmental, social and governance ("ESG") approach. This includes:</p> <ul style="list-style-type: none"> <li>• Considering the environmental and social impact of the Bank's operations; and</li> <li>• Approving the Bank's approach to managing ESG risks, including modern slavery risk.</li> </ul>
	<p>Responsible for the oversight and approval of our Modern Slavery Statement.</p>
<b>Board Audit Committee (BAC)</b>	<p>This committee is the primary conduit to the Board for ESG matters and receives regular updates on ESG risks and opportunities, which may include modern slavery matters. BAC is also responsible for reviewing the Group's approach to modern slavery and recommending the Modern Slavery Statement to the Board for approval.</p>
<b>Board Risk Committee (BRC)</b>	<p>Responsible for reviewing and approving the Group's Anti-slavery and Human Trafficking Policy.</p>
<b>Operational Risk Committee (ORC)</b>	<p>Responsible for reviewing the Anti-slavery and Human Trafficking Policy and the Modern Slavery Statement.</p>
<b>Boards of subsidiaries</b>	<p>Responsible for reviewing and endorsing the Modern Slavery Statement for approval by the Bendigo and Adelaide Bank Board.</p>
<b>Executive Leadership Team and Business Unit Heads</b>	<p>Responsible for overseeing the modern slavery risks within the Group's operations and supply chains. The day-to-day responsibility for managing these risks sits within each business unit. The business units themselves are responsible for implementing processes and controls to ensure compliance with the Group's policies concerned with human rights and modern slavery.</p> <p>The Executive Committee reviews and endorses the Statement and the underlying modern slavery program of work, for approval by BAC and the Board.</p>
<b>Sustainability Council (SC)</b>	<p>The SC is an enterprise-wide forum established in 2023 to strategically examine and guide the management of ESG risks and opportunities, including modern slavery, across the Group.</p> <p>SC consists of senior leaders across all of our business divisions. Group Executives and Directors have a standing invitation to attend meetings.</p>
<b>Modern Slavery Working Group</b>	<p>Our Modern Slavery Working Group is made of a cross functional group of business representatives and is responsible for engaging with business units to drive the implementation and continuous improvement of the Group's approach to modern slavery risk under our Modern Slavery Roadmap and provide input into the preparation of this Statement.</p>

## Training and awareness raising on modern slavery

We are committed to building awareness and capability of our employees on the risks of modern slavery in our operations and supply chain on an ongoing basis.

We ensure that our employees are aware of our behaviour expectations of them in the workplace and how to report issues through mandatory training on the Code of Conduct, whistleblowing, health, safety and wellbeing, and financial crime.

Our modern slavery awareness raising approach currently comprises the following initiatives:

- We have a range of training modules to build our employees' capability to meet our financial crime and regulatory obligations. This training is mandatory for all our employees. The content aims to ensure that our employees have the knowledge and skills to identify financial crime and understand our processes for reporting unusual matters.
- General modern slavery awareness content is included in our mandatory Anti-Money Laundering and Counter-Terrorism Financing Awareness training. Our employees are required to complete this training on commencement of employment with the Group and every two years thereafter.
- The training outlines what modern slavery is, the red flags or key indicators to alert of potential risks of modern slavery, and what employees need to do to report any suspicions. In 2023, 7,128 employees completed this module.
- During 2023, we also developed modern slavery refresher content for all employees. This awareness raising content was communicated and made available to all staff on the Group's intranet and was particularly aimed at our Business, Agribusiness and Consumer banking teams. The content covers modern slavery risks in the Australian context, potential indicators of modern slavery and our internal financial crime reporting process. This content is being updated and will be rolled out to all employees again as part of their ongoing capability uplift.
- Our Financial Crime Risk team discusses the number of UARs raised in relation to modern slavery at their bi-monthly meeting forums to raise awareness and determine if any additional action is required.
- The Group's procurement training program includes modern slavery content and is specifically targeted at employees who are accountable for the engagement of suppliers, including procurement employees and business unit heads.
- In 2022, our Enterprise Procurement team participated in an internally facilitated modern slavery risk and awareness training workshop to increase their capabilities and understanding of modern slavery risks in our supply chain. In 2023, we made a decision that this training will be transitioned into an annual awareness raising exercise.



## Grievance mechanisms and remediation

We have multiple channels through which modern slavery related incidents or concerns can be raised safely and effectively by the following groups of people.

	Employees	Suppliers	Customers	Community
<b>Whistleblower Service</b>	Our Whistleblower Service is available by phone, email, post and online through a secure online portal, to internal and external stakeholders to report an activity that may involve unethical or illegal behaviours. The service is operated by an external provider to allow to anonymity, if desired. All reports are investigated and responded to by the Group. For our internal stakeholders, whistleblower concerns can also be raised internally to several dedicated roles including Directors, Executives, Group audit team, the Company Secretary or the Whistleblower Program Officer. For our Community Bank employees and Directors, whistleblower concerns are raised under their individual company policies, unless it is not appropriate to do so, in which case the concern may be raised under the Group Whistleblower Policy.			
<b>Group Procurement team</b>	Our business units and suppliers may raise queries or concerns directly with our Group Procurement team who will then assist with determining an appropriate remedy.			
<b>People Advisory Centre</b>	Our employees can contact our People Advisory Centre to seek advice on any 'speaking up' matter.			
<b>Financial Crime Risk</b>	Our employees may report concerns related to any form of financial crime including fraud, corruption or abuse of position to our Financial Crime Risk team.			
<b>Customer Feedback Team</b>			<p>In addition to dedicated customer feedback channels for each of our brands, our Customer Feedback Team is accessible to all Group customers to listen and represent their voice. Whilst this is a general customer feedback service, it can also be used to report concerns related to modern slavery.</p> <p>All complaints are acknowledged, assessed and investigated and responded to.</p>	

We recognise that we need to continually strive to improve opportunities for workers to raise issues through our grievance mechanisms and we are also committed to engaging in remediation where appropriate.

## Engagement and advocacy

The Group continued to contribute towards the development of practical responses to instances of modern slavery in the banking industry during the year by playing an active role in the Australian Banking Association working groups. The working groups include those that consider human rights, climate risk, natural capital and corporate sustainability.

To ensure we continue playing a role and collaborating for impact, this year the Group joined the United Nations Global Compact (“**UNGC**”) and the Australian Sustainable Finance Institute.

Our participation in the UNGC will enable the Bank to accelerate and scale our impact as part of a global collective. It will also allow us to uplift the capability of our people and demonstrate our commitment to the Ten Principles of the United Nations Global Compact covering human rights, labour, environment and anti-corruption. We look forward to becoming an active participant of the Global Compact Network Australia Modern Slavery Community of Practice.

We recognise the importance of working with peers and across industry to address modern slavery, add value by sharing our approach and experience, and learn from others. We will continue to seek out new partnerships which contribute to these aims.

## Assessing the effectiveness of our approach

Assessing the effectiveness of our actions to manage and mitigate modern slavery risks in our operations and supply chain is key in knowing that we are genuinely managing our risks. This process also informs areas of future focus to improve on our approach. However, defining metrics that evaluate the success of an approach to modern slavery risk is complex.

We use the following processes to review the effectiveness of our modern slavery actions:

- **The Modern Slavery Roadmap:** sets out our plan of action to respond to modern slavery risks.
- **Modern slavery governance:** we have strong and established governance frameworks in place to oversee and report on modern slavery risks.
- **Assessment processes:** various processes are in place to ensure effective assessment of modern slavery risks across our operations and supply chain including our internal reporting process for suspicious or unusual activity detected by our employees.
- **Stakeholder engagement:** engaging with our employees and suppliers ensures awareness of modern slavery and understanding of obligations.

We currently track the following metrics in order to better understand the effectiveness of our approach and seek to evolve and enhance our monitoring approach over time:

Focus area	Indicator
<b>Governance</b>	Number of policies in place to manage human rights and modern slavery risks. FY23: 10 policies
<b>Training &amp; awareness</b>	Number of employees who completed the mandatory modern slavery awareness training online module. FY23: 7,128 employees
<b>Supplier engagement</b>	<p>Percentage of suppliers with high modern slavery risk that have undergone additional due diligence. FY23: 29%</p> <p>Number of supplier checks made for modern slavery risks through our third-party modern slavery risk monitoring platform. FY23: 1,500</p>
<b>Grievances &amp; reporting</b>	<p>Number of reports of slavery or trafficking through the Whistleblower Service. FY23: 0</p> <p>Number of modern slavery issues raised through our Unusual Activity Reporting (UAR) process. FY23: 205 matters were identified and escalated to our Financial Crime Risk team. One of these was referred to AUSTRAC due to modern slavery concerns. AUSTRAC does not provide us with visibility of their investigations. For more information refer <i>In Our Operations – Financial products and services section above</i>.</p>

Measuring effectiveness remains an area of focus for us under our Modern Slavery Roadmap. We will continue to work towards identifying and developing further indicators to assess the effectiveness of our actions.

## Consultation

Bendigo and Adelaide Bank Limited is the sole reporting entity in the Group and provides this Statement on behalf of itself and the entities it owns or controls. Entities we own or control were consulted in preparing this Statement.

Our Modern Slavery Working Group is the key engagement and consultation mechanism across the Group. The working group's cross-functional representation includes Risk, Compliance, Enterprise Procurement, Financial Crime, Human Resources, Social Purpose, ESG and Sustainability, Corporate Affairs, as well as our Consumer, Business and Agribusiness and Wealth businesses.

The development of this Statement was led by our ESG & Sustainability team with input from our Modern Slavery Working Group. Our Executive Committee has been part of the consultation process for the preparation of this Statement and recommended this Statement to the BAC and Board for approval.



## Looking forward

Driven by our purpose 'to feed into the prosperity of our customers and communities, not off it', we remain committed to protecting and upholding human rights through the ongoing enhancement of our approach to identifying, assessing and managing the risks of modern slavery in our value chains.

We have identified the following actions to improve our approach in 2024 and beyond (some of which are prior year actions that will be continued in 2024):

- Implement new procurement software tools to consolidate a number of existing supplier management processes including tender documents and contract templates.
- Continue embedding the Supplier Code of Conduct in our existing governance and operational processes.
- Introduce regular modern slavery supplier survey requirements for high-risk suppliers.
- Develop an enterprise-wide human rights approach.
- Review grievance mechanisms and implement potential improvements.
- Use risk assessment data to review high modern slavery risk areas in Business and Agribusiness portfolios and identify potential enhancements to our due diligence processes.
- Continue to identify further industry collaboration opportunities.
- Continue to deliver our Modern Slavery Roadmap principles and embed across our business, with partners and suppliers.
- Consider the recommendations of the statutory review of the Modern Slavery Act and plan the path forward.

We will continue to stay abreast of developments following the release of the *Modern Slavery Act 2018* (Cth) statutory review recommendations. We will carefully consider the statutory review recommendations against our current approach and planned future activity.

This Statement has been approved by the Board of Bendigo and Adelaide Bank on 27 November 2023 in their capacity as principle governing body of the Bendigo and Adelaide Bank Group.

### David Foster

Chair  
Bendigo and Adelaide Bank  
27 November 2023

### Marnie Baker

Managing Director &  
Chief Executive Officer  
Bendigo and Adelaide Bank  
27 November 2023





**Bendigo and  
Adelaide Bank**

Bendigo and Adelaide Bank Limited. ABN 11068 049 178