



Commonwealth Bank  
of Australia

# 2023 Modern Slavery and Human Trafficking Statement

This Statement is prepared on behalf of the Commonwealth Bank of Australia (CBA or the Bank), together with the entities it owns or controls, including the Reporting Entities listed in Appendix A (together, the Group<sup>1</sup>).

This Statement outlines the actions taken by the Group to identify, assess and mitigate modern slavery and human trafficking risks in our operations and supply chains, over the financial year ending 30 June 2023 (FY23).

This Statement has been prepared in response to the reporting requirements of both Section 14 of the Modern Slavery Act 2018 (Cth) and Section 54 of the *Modern Slavery Act 2015 (UK)*.

In this Statement, we refer to 'modern slavery' as defined by the *Modern Slavery Act 2018 (Cth) (MSA)*. References to 'slavery', 'servitude', 'forced or compulsory labour', and 'human trafficking' are references to those terms as they are defined for the purposes of both the MSA and the *Modern Slavery Act 2015 (UK)*.

In this Statement, the collective expressions 'we', 'us', 'our' and 'the Group' are used for convenience where reference is made, in general, to all Reporting Entities covered by this Statement and any entities which the Reporting Entities own or control. Save where explicitly identified, we operate using Group-wide policies and procedures to assess and address modern slavery risk.

### Acknowledgement of Country

We respectfully acknowledge the Traditional Owners of the Lands across Australia. We pay our respect to their Elders, past and present. Our registered office is located on the Lands of the Gadigal Peoples.

This is an interactive PDF and this Statement is best viewed with Adobe Reader. Click on the links and use the home button in the footer to navigate the Statement.

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<sup>1</sup>Whilst Commonwealth Bank Officers Superannuation Corporation Pty Limited forms part of the Group's corporate structure, given it has prepared and submitted its own Modern Slavery Statement, references to the Group throughout this document should be taken to exclude Commonwealth Bank Officers Superannuation Corporation Pty Limited.



# Introduction

## A message from our CEO

The Commonwealth Bank of Australia's commitment to building a brighter future for all means playing a leading role in Australia's transition to a more modern, resilient and sustainable economy.

This extends to respecting human rights, which underpin the way we do business. We recognise the ongoing challenges modern slavery and human trafficking poses, and that it can present in many forms. The Walk Free Global Slavery Index 2023<sup>2</sup> estimated that 50 million people were living in modern slavery on any given day in 2021, and with current geopolitical activity rapidly evolving the nature of this issue, we need to be proactive and vigilant in our efforts to prevent exposing people to it.

As part of our commitment to assessing modern slavery and human trafficking risks in our business, and to help us mature our people centred approach to addressing this issue, this year we have established a Modern Slavery Advisory Council.

Matt Friedman, CEO of The Mekong Club, and Professor Jennifer Burn AM, Director of Anti-Slavery Australia, University of Technology Sydney, have joined the Modern Slavery Advisory Council as external advisors. We thank them for their continued support and we look forward to learning from them as we seek to understand emerging issues and continually enhance our approaches.

This Statement provides an important opportunity to reflect on our efforts and actions taken throughout the 2023 financial year, and share our progress to date.

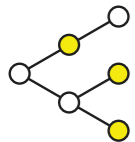
### **Matt Comyn**

CEO Commonwealth Bank

<sup>2</sup>Walk Free Global Slavery Index 2023, [Global-Slavery-Index-2023.pdf \(walkfree.org\)](#), p2.

## Key initiatives in FY23

- Established the Modern Slavery Advisory Council to seek external perspectives to continually improve our approach to modern slavery and human trafficking issues. The inaugural meeting was held on 4 July 2023.
- Released a new modern slavery online learning module designed to continue building knowledge of modern slavery among our employees.
- Became the first financial services company to achieve Cleaning Accountability Framework Building Certification at a nominated site.
- Undertook a human rights risk assessment in our retail bank to identify, understand and prioritise human rights risks and impacts in our retail division.
- Provided additional resources to enhance the ability of our Business Banking and Institutional Banking & Markets frontline and credit risk team members to complete customer Environment, Social and Governance (ESG) risk assessments.
- Enhancements were made to the ESG risk assessment tool and industry risk ratings were reviewed.
- Delivered an interactive training module to every branch in Australia, designed to continue to build knowledge and awareness in our customer service teams on methods to detect, and deter human trafficking and modern slavery related activity in Australia.



# Our business structure, operations and supply chain

## Our Strategy and Purpose

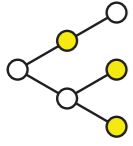
Our purpose of building a brighter future for all is focused on four strategic priorities - leadership in Australia's recovery and transition; reimagined products and services; global best digital experiences and technology; and simpler, better foundations.

We continue to execute our strategy of building tomorrow's bank today for our customers. Our strategy reflects a bolder ambition and our commitment to use the strength of Commonwealth Bank Australia (CBA) to support our customers, invest in our communities and provide strength and stability for the broader economy. With 35% of Australian consumers and 25% of Australian businesses naming us their main financial institution, deep customer relationships are a key differentiator. Our considered multi-decade investment in technology, data and analytics capabilities has resulted in high customer engagement – enabling us to better understand their needs and provide the best banking experience.

## Our Leadership Principles

Our Leadership Principles are a key element of our Organisational Culture Plan, describing both what to prioritise and what is required to lead successfully at CBA. Embedded throughout the organisation, the principles are intentionally aspirational and aimed at provoking fundamental shifts to mindsets and behaviours. Our Leadership Principles are:

- Obsess over customers: Prioritising the customer above all else; relentlessly improving our customers' lived experience; and anticipating and solving unmet customer needs.
- Lead as an owner: Creating clarity, removing complexity and building alignment; applying good judgement to take smart risks and focusing on value; and seeking out obstacles and finding solutions.
- Be curious and humble: Seeking feedback, reflection and improvement; asking questions and never stop learning; and setting ambitious goals and persevering.
- Create exceptional teams: Attracting and developing great people and unleashing their potential, inspiring confidence, openness and trust and delivering better outcomes, sooner and safer.



## Our Code of Conduct

Our Code of Conduct sets out expectations for how we act, solve problems and make decisions. It is the ultimate guide for how we do things at the CBA. It describes the standards of conduct we expect. The Code connects our Purpose, Values, and key Group Policies, with a 'Should We?' test, to help us to deliver the right outcomes for all our stakeholders.

## Our Values

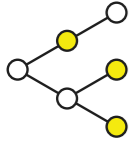
Our Values are what we stand for and they guide us in everything we do:

- Care: We care about our customers and each other – we serve with humility and transparency.
- Courage: We have the courage to step in, speak up and lead by example.
- Commitment: We are unwavering in our commitment – we do what's right and together we find a way.

## Risk culture

Risk culture is the beliefs, values and behaviours within the Group that demonstrates how risks are identified, measured, governed, and acted upon. A positive risk culture drives the right risk decisions and helps the Group make sound judgements in new and unfamiliar circumstances. The risk behaviours that demonstrate a positive risk culture and are expected of employees by the Board, senior management, customers, communities, shareholders and regulators, are underpinned by our CBA Values.

Our risk behaviours, in particular, require us to support constructive debate and challenge, adhere to the Code of Conduct for better customer outcomes, reflect on our mistakes and share our learnings so we can become a better bank.



## Our structure and operations (as at 30 June 2023)

Across Australia, CBA employs more than 36,000 full-time equivalent (FTE) employees. By headcount<sup>3</sup>, more than 32,200 of our employees are permanent full-time workers, more than 6,600 are permanent part-time and 529 are casual workers. The Commonwealth Bank Group (the Group) structure also includes subsidiaries operating in Australia and overseas. Across the Group, the bank employs over 49,000 FTE employees. Outside of Australia, the bank has employees in New Zealand through ASB (6,016 FTE), India (4,721 FTE) and other countries (2,020 FTE), including Indonesia.

We are one of the leading banks in Australia, serving more than 15 million customers. Our domestic brands include well-known names in banking and financial services in Australia:



## International locations

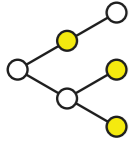
With branches in China, Hong Kong, Japan and Singapore, the bank offers a range of banking and financial services to both Australian clients with interests in Asia and clients within the region who have business interests in Australia. CBA also has representative offices in China. Our offices in New York, London and Amsterdam provide services that may include lending facilities and market products to corporate and institutional clients.

Our products and services are provided through our divisions, Retail Banking Services, Business Banking and Institutional Banking and Markets.

<b>Retail Banking Services (RBS)</b>	Retail Banking Services (RBS) provides simple, convenient and affordable banking products and services to personal and private bank customers, helping them manage their everyday banking needs, buy a home or invest for the future. RBS also includes the retail banking activities conducted under the Bankwest and Unloan brands <sup>4</sup> .
<b>Business Banking (BB)</b>	Business Banking (BB) serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions. BB also provides Australia's leading equities trading and margin lending services through our CommSec business. BB includes the financial results of business banking activities conducted under the Bankwest brand.
<b>Institutional Banking and Markets (IB&amp;M)</b>	Institutional Banking and Markets (IB&M) provides domestic and global financing and banking services to large corporate, institutional and government clients, through dedicated product and industry specialists. This includes access to debt capital markets, transaction banking, sustainable finance, capital structuring solutions, tailored research and analytics.

<sup>3</sup> Headcount means the number of Australian employees as at 30 June who are permanent employees working in full-time, part-time or casual positions, including job share or on extended leave. It excludes ASB businesses in New Zealand, fixed contractors and contingent workers.

<sup>4</sup> On 30 September 2022, CBA completed the sale of its Australian General Insurance business to Hollard Group (Hollard).



## Our Total Committed Exposure

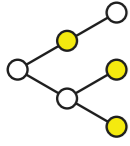
As a provider of financial services, we recognise that there are potential modern slavery risks in the provision of these services, including as a lender.

The following chart shows the Group's Total Committed Exposure (TCE) across sectors.

TCE is defined as the balance outstanding and undrawn components of committed facility limits.

It is calculated before collateralisation and excludes settlement exposures on derivatives.

	Group TCE (\$bn)	
	Dec 22	Jun 23
Consumer	765.6	776.8
Government administration & defence	233.6	231.3
Finance & Insurance	93.1	97.9
Commercial property	89.9	91.9
Agriculture & forestry	28.5	30.0
Transport & storage	25.4	24.7
Manufacturing	19.3	19.3
Entertainment, leisure & tourism	14.8	16.1
Wholesale trade	14.4	15.9
Retail trade	14.7	15.4
Health & community services	13.5	14.7
Business services	14.3	14.6
Electricity, gas & water	13.0	13.7
Construction	11.8	11.8
Mining, oil & gas	7.5	7.4
Media & communications	5.8	5.7
Education	3.7	3.7
Personal & other services	3.2	3.3
Other	4.9	5.9
<b>Total</b>	<b>1,377.0</b>	<b>1,400.1</b>



## Our Supply Chain

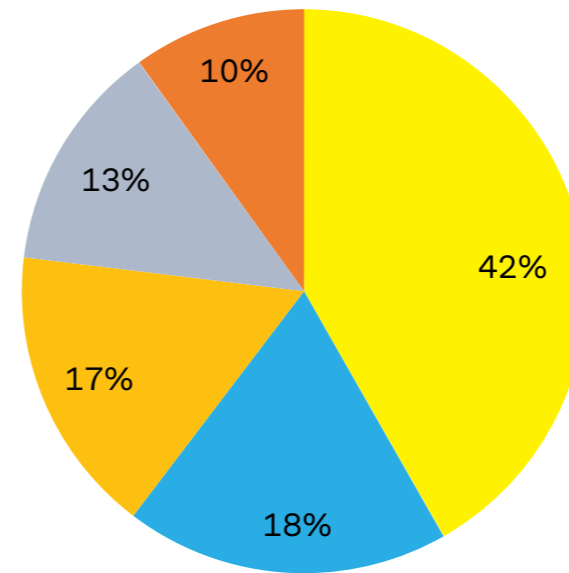
CBA partners with more than 5,000 suppliers, while ASB partners with more than 1,900 suppliers, to help us deliver products and services to our customers. During FY23, CBA spent approximately AUD5.7 billion and ASB spent approximately NZD580 million with direct suppliers, ranging from large multinational corporations to small businesses.<sup>5</sup>

Our five largest procurement categories are: information technology; professional and employment services; occupancy and equipment; product and marketing; and other (predominantly lending services, corporate services, legal fees, and postage).

The top five countries where our direct suppliers are based, and which account for 99.1% of our addressable spend are Australia, the United States, Great Britain, Ireland and Singapore.

For suppliers under our Group Supplier Lifecycle Policy, we consider the primary countries involved in the sourcing, manufacture and/or delivery of the product or service when assessing their inherent modern slavery risk. When we identify an industry or country with a high or very high risk of modern slavery, we may conduct further due diligence on that supplier. The map on the next page identifies the high-risk countries involved in our supply chain, as assessed during the inherent risk screening process.

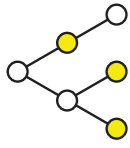
FY23 Group spend across all categories



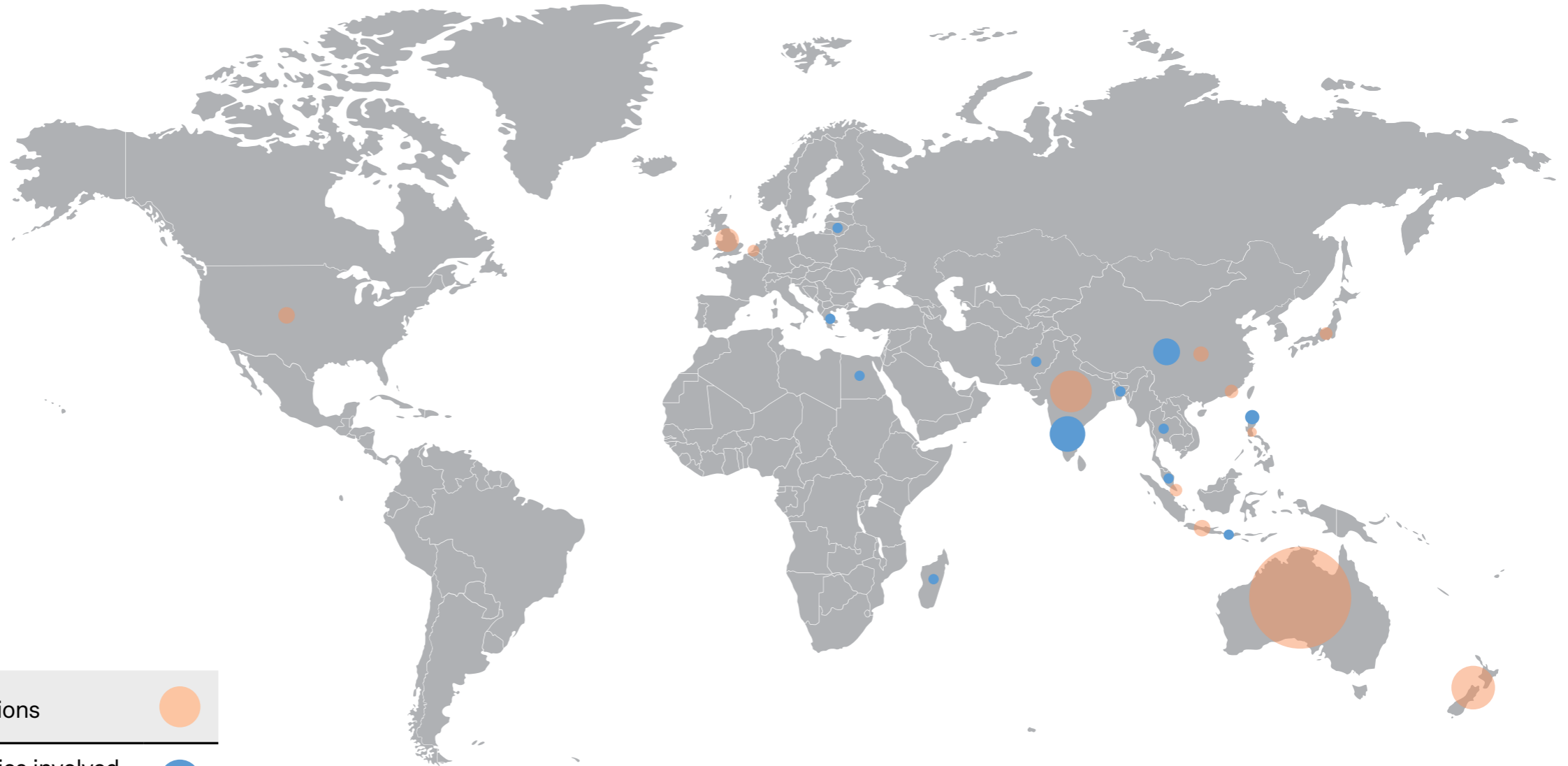
- Information Technology (incl. application service providers, infrastructure, software, telecommunications)
- Professional & Employment Services (incl. consultants, labour and employment services)
- Occupancy and Equipment (incl. leasing, facilities management, operations)
- Other
- Product & Marketing (incl. loyalty programs, media buying services, advertising & marketing)


<sup>5</sup>Supplier numbers and spend excludes PTBC, intercompany, regulatory payments and brokers' fees.






**Our business: Map of workforce locations and high-risk countries involved in sourcing, manufacturing and/or delivery of products and services for the Group.**



Workforce locations 

High-risk countries involved in our supply chains<sup>6</sup> 

Geographical location is one of the data points that we leverage to identify and assess modern slavery risk in our supply chain. We also have suppliers and operations in low risk countries, and we remain focused on respecting human rights in those countries, including the rights of First Nations peoples and vulnerable communities.

<sup>6</sup>Supplier numbers exclude PTBC suppliers.



# Managing human rights risks in our business

## Environment and Social Policy

CBA's Environmental and Social (E&S) Policy and the public E&S Framework (together referred to as the E&S Policy) details our commitment to respect human rights.

Our E&S Policy reflects the key matters we have identified through feedback and engagement with our customers, people, communities, and shareholders. It provides a reference point for our people and stakeholders on the minimum standards we seek to abide by, the targets we seek to implement, and the governance and oversight in place to support our endeavours.

In our 2023 E&S Policy, we have commitments specific to assessing and addressing modern slavery risk in operations. These commitments include:

- a. We respect human rights in our role as a provider of banking products and services by, where reasonably practical, working to assess and address the risks of modern slavery in our Financing<sup>7</sup> decisions as reported in our annual Modern Slavery and Human Trafficking Statement.
- b. We respect human rights in our role as a procurer of goods and services by, where reasonably practical, working to assess and address the risks of modern slavery in our business operations and Supply Chains as reported in our annual Modern Slavery Statement and Human Trafficking Statement; and engaging with our Suppliers rated as high risk for modern slavery, to assess and address the risks of modern slavery in their operations.

Through our E&S Policy, we expect our Clients<sup>8</sup>, Suppliers<sup>9</sup> and other business partners to identify, manage, monitor, and redress any adverse impacts on human rights where their business is involved.

<sup>7</sup>The provision of project finance or Corporate or Trade finance to a Client. It does not include such things as the bank providing more general transactional banking services or activities or Bond Facilitation.

<sup>8</sup>A customer who is relationship managed by the Group's Institutional or Business Bank with Financing transactions AUD5 million or greater.

<sup>9</sup>A person, organisation or entity that provides goods or services to the Group directly.

## Environment and Social Governance

We are committed to embedding environmental and social considerations into our business processes and decision-making. Our approach is facilitated by our risk management framework, and by targets and minimum standards for a range of specific sectors.

The CBA Board is responsible for approving the E&S Policy and overseeing adherence to it, while our people are responsible for meeting the requirements of the E&S Policy. Our senior leaders are responsible for promoting and championing the environmental and social considerations outlined in the E&S Policy through their business decisions and interactions. Appendix B provides an overview of our approach to E&S governance.

## Executive Remuneration

The Board recognises the importance of integrating E&S accountability into our executive remuneration framework. E&S objectives are considered in short and long-term variable remuneration decisions through target setting, performance assessment, risk framework and remuneration outcomes. This includes consideration of progress against our E&S Framework, which includes modern slavery. Our remuneration structure is designed to meet our strategic goals and sustainability commitments.



## Integration of human rights risk into our risk framework

CBA manages risks through our Risk Management Framework (RMF), which evolves to accommodate changes in the business operating environment, better practice approaches, and regulatory and community expectations.

The RMF incorporates the requirements of APRA's Prudential Standard CPS 220 Risk Management supported by three key components:

1. The Group Risk Appetite Statement (RAS) articulates the type and degree of risk the Board is prepared to accept and the maximum level of risk that the institution must operate within.
2. The Group Risk Management Approach (RMA) describes CBA's approach to management of its material risks in support of achieving its strategic goals and objectives.
3. The Group Strategy outlines the Group's approach to the implementation of its strategic objectives and considers material risks to the organisation.

Our RMF enables us to gain an overview of the material financial, non-financial and strategic risks the Group is exposed to. The Group recognises four RMF enablers: governance and reporting; policies and procedures; infrastructure; and accountabilities and skills. These enablers are in place for each risk type and allow the Group to identify, assess, manage and report on our material risks, as well as allowing our people to adopt and apply good risk culture, behaviours and practices.

A diagram of CBA's RMF is provided in Appendix C.

## Group Risk Taxonomy

In the Board approved Group Risk Taxonomy, human rights violation (including modern slavery) is defined as a separate sub-risk type under the E&S material risk type category. This, combined with our regulatory Obligation Management processes, guides the business in considering the risk of negatively impacting on human rights, including modern slavery. Material risk types are subject to higher levels of governance, reporting and oversight by executive committees and the Board. This focus supports us to deliver on our commitments and manage our modern slavery risks.

### *Risk and Control Self-Assessment*

An established annual Risk and Control Self-Assessment (RCSA) process exists within the Group where business units and support units identify and assess the risks to achieving their business objectives. In FY22, CBA formalised a detailed E&S Risk and Controls Taxonomy, and integrated E&S risk into our annual RCSA process.

The Group uses a 5x5 risk assessment matrix tool to evaluate the likelihood and impact of risks occurring across the organisation, including E&S Risk. The impact scales are assessed based on financial impact, as well as impact to customer, operations, reputational, legal, compliance and people impacts.

The annual completion of E&S RCSAs promotes awareness of E&S risks across the business and increases transparency of E&S risks, issues and incidents across CBA. Ongoing compliance against the MSA is monitored through Compliance Self Assessments as part of the E&S RCSA process. Compliance is governed and reported through the Non-Financial Risk Committee channels across CBA.



# The risks of modern slavery practices in our operations and supply chains

## How modern slavery is defined

The MSA defines modern slavery as trafficking in persons, slavery, debt bondage, servitude, forced labour, forced marriage, the worst forms of child labour and deceptive recruiting for labour or services.

Modern Slavery Type	Explanation	Modern Slavery Type	Explanation
Human trafficking	The unlawful act of transporting or coercing people in order to benefit from their work or service, typically in the form of forced labour or sexual exploitation.	Forced labour	A perpetrator forces a person to work against their will, under threat of punishment.
Slavery	When a person has had power of ownership exerted over them by another, including being made an object of purchase and use of their labour in an unrestricted way.	Forced marriage	When a person gets married without freely and fully consenting, because they have been coerced, threatened or deceived, or because they are incapable of understanding the nature and effect of a marriage ceremony, for reasons including age and mental capacity.
Bonded or indebted labour	Forcing a person to work to pay off a debt, such as visa fees or recruitment fees. Tricking them into working for little or no pay, with no control over their debt. Most or all of the money they earn goes to pay off their loan, and the value of their work invariably becomes greater than the original sum of the money borrowed.	Worst forms of child labour	When a child is subject to modern slavery, sexual exploitation, involvement in illicit activities (e.g. the production and trafficking of drugs), or work that is likely to harm their health, safety or morals.
Servitude	A form of forced labour that includes the use of coercion, threat or deception to prevent a person from leaving, for example, employing a person to provide seemingly normal live-in domestic services to a household, but then exploiting and controlling them.	Deceptive recruiting practices	Exploiting a person by deceiving them into a type of modern slavery, including requiring them to sign blank documents and resignation letters, or not providing documents in their own languages.



## United Nations Guiding Principles on Business and Human Rights

The United Nations Guiding Principles on Business and Human Rights (UNGPs) guides our understanding of how we may 'cause', 'contribute to', or be 'directly linked' to human rights risks and impacts. For the purposes of the Statement, we use the UNGPs to assist us in reporting on how we assess and address risks across our business as an employer, a provider of banking products and services, and a procurer of goods and services.

### Type of potential involvement (using the UNGP framework as a reference for the Modern Slavery Statement)

Type of potential involvement	Cause	Contribute to	Directly linked
Definition of involvement	'Causes' human rights harm through our own acts or omissions.	'Contributes to' human rights harm through our own acts or omissions.	'Directly linked' to human rights harm through our operations, products, or services by a business relationship.
Management principle	Cease or prevent the harm and provide for or cooperate in legitimate remediation processes.	Cease or prevent contribution and use leverage to mitigate any remaining harm and provide for or cooperate in legitimate remediation processes.	Seek to use leverage to prevent or mitigate the harm, increase leverage where it is lacking and where it is appropriate to do so, and consider the need to provide remediation.
Through our role as:			
An employer	Potentially impacting our people		
A provider of banking products and services		Via our Clients and customers	
A procurer of goods and services		Via our Suppliers	



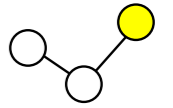
## How modern slavery practices might arise in our business

Respecting human rights requires us to understand our own relationship to modern slavery risks or impacts. When considering these risks and impacts, modern slavery due diligence should focus on risks and impacts to people, rather than risks to the business.

Due to the nature and complexity of our business, we consider the following types of modern slavery risks to be most likely to arise in our business operations and supply chain.

Our role as an employer	Our role as a provider of banking products and services	Our role as a procurer of goods and services
<ul style="list-style-type: none"> <li>• Forced labour</li> <li>• Debt bondage</li> <li>• Deceptive recruiting for labour or services</li> </ul>	<ul style="list-style-type: none"> <li>• Trafficking in persons</li> <li>• Slavery</li> <li>• Forced labour</li> <li>• Debt bondage</li> <li>• Worst forms of child labour</li> <li>• Deceptive recruiting for labour or services</li> </ul>	<ul style="list-style-type: none"> <li>• Slavery</li> <li>• Forced labour</li> <li>• Debt bondage</li> <li>• Worst forms of child labour</li> <li>• Deceptive recruiting for labour or services</li> </ul>

## Our Modern Slavery Advisory Council

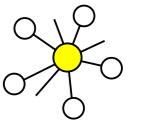


As part of our focus on addressing modern slavery risks in our operations and supply chains, in FY23 we established a Modern Slavery Advisory Council to continually mature our people-centred approach to social impact.

Through our Modern Slavery Advisory Council, we will seek guidance on the implementation of our responses to assess and address modern slavery risk in order to continually improve our approach. Along with Matt Friedman and Professor Jennifer Burn AM, the Modern Slavery Advisory Council includes senior leader representation from across the business.

The inaugural meeting of the Modern Slavery Advisory Council was held on 4 July 2023.

## Modern Slavery Working Group



The Modern Slavery Working Group, led by Corporate Affairs, includes representatives from business and support units who have responsibility for elements of our modern slavery program of work (see page 38 for further details).

The Working Group meets regularly to discuss initiatives underway to assess and address modern slavery risk, share information, receive updates on external collaboration, and prepare this Statement.



## Key modern slavery risk factors

As identified by the [Australian Human Rights Commission and KPMG](#) in their guide for managing modern slavery risks in the financial services sector, four key factors elevate the risk of modern slavery. These are vulnerable populations, high-risk business models, high-risk categories, and high-risk geographies.

Risk issue	How we consider this in our due diligence
Vulnerable Populations	<ul style="list-style-type: none"> <li>We recognise that certain clients and suppliers operate in industries where there is likely to be an increased proportion of vulnerable populations within the workforce e.g. migrants, seasonal or unskilled workers.</li> <li>We focus our ESG risk assessments on the industries with higher risks of exposing people to modern slavery, including agriculture, forestry, mining, manufacturing, construction, electricity generation, and property (see page 19 for further details).</li> </ul>
High-risk business models	<ul style="list-style-type: none"> <li>High risk business models that CBA has exposure to include sub-contracting, third-party labour hire and outsourcing.</li> <li>These high risk business models may be taken into consideration in the due diligence we conduct in our role as a procurer of goods and services (see from page 25 for further details).</li> </ul>
High-risk geographies	<ul style="list-style-type: none"> <li>Where CBA has business exposure to countries with high social risk, these countries are rated high for Social Country risk in the Corporate and Institutional Pathway tool (see page 19 for further details).</li> <li>ASB has assessed potential modern slavery risk exposure in relation to our funds under management (FUM) based on companies incorporated in potentially high risk countries according to the Walk Free Global Slavery Index 2023. These investments were in companies incorporated in potentially higher risk countries such as India, Philippines and Saudi Arabia (see page 21 for further details).</li> </ul>
High-risk procurement categories	<ul style="list-style-type: none"> <li>To understand our exposure to high-risk procurement categories, this year we mapped our updated procurement categories (spend taxonomy) against industry categories (using ANZSIC codes) and assigned a modern slavery risk rating to each.</li> <li>24% of procurement categories were rated as very high and high risk, across eight categories; being real estate, IT infrastructure, facilities management and operations, card services and production, conferences and events, promotional, corporate supply chain and travel (see page 25 for further details).</li> </ul>



# Actions taken to assess and address modern slavery risk

## Our role as an employer

We respect the rights of our people and are committed to operating a workplace that is fair and inclusive and where our people feel comfortable to raise issues via confidential grievance mechanisms. Globally, more than 98% of our people are permanent full-time or permanent part-time workers, and all are qualified or skilled in financial services or support functions.

We recognise there are varying levels of Government responses to modern slavery in a number of countries in which we operate<sup>10</sup>. We have employees located in three countries that the Walk Free Global Slavery Index 2023 identifies as countries with a medium to high prevalence of people in modern slavery – China (4.0 per 1,000 of population), Indonesia (6.7 per 1,000 of population) and India (8.0 per 1,000 of population)<sup>11</sup>.

These operations align to the Group policies and processes regarding employees, with some variations due to local laws or cultural reasons. For those parts of the Group that are impacted by foreign or local laws, regulatory requirements or contractual obligations that conflict with various policies, the more stringent requirement applies, provided that in doing so, employees are not to breach any local laws.

In our Modern Slavery and Human Trafficking Statement 2021, we said we would consider, as a next step, conducting a deep dive risk assessment for PT Bank Commonwealth Indonesia. An initial assessment is underway.

In November 2022, our Human Resources (HR) Controls Office undertook an assessment of CBA's Group Human Resources processes and policies<sup>12</sup> to assess modern slavery risks and to confirm our key business operations have adequate controls and compliance arrangements to meet our modern slavery compliance commitments<sup>13</sup>.

The residual environment was assessed as "Low" for the risk that the setting and execution of CBA's strategy is insufficient in relation to management of human rights impacts (includes but not limited to modern slavery) through its HR's business operations.

The assessment considered the number of satisfactory controls and compliance arrangements in place including, but not limited to, regular assurance reviews and Group policies such as our Group Conduct Policy, Group Recruitment, Selection and Appointment Policy (supported by procedures) and the Group Inclusion and Diversity Policy.

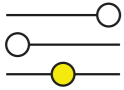
<sup>10</sup>Walk Free Global Slavery Index 2023, [Global-Slavery-Index-2023.pdf \(walkfree.org\)](#), p32.

<sup>11</sup>Walk Free Global Slavery Index 2023, [Global-Slavery-Index-2023.pdf \(walkfree.org\)](#), p203 and 204.

<sup>12</sup>The assessment excluded supplier processes.

<sup>13</sup>Due to the scope of some of the listed compliance arrangements, the assessment was conducted in the context of Commonwealth Bank of Australia employees in Australia, BWA Group Services Pty Ltd employees in Australia, and employees in off-shore locations including CBA Services Private Limited and Commonwealth Bank of Australia (Europe) N.V. It did not include PT. Bank Commonwealth Indonesia, ASB Limited or other subsidiaries.





## Our policies to maintain an open and safe workplace

The Australian Human Rights Institute states that modern slavery is best understood as existing on a continuum of exploitation - with modern slavery at the most extreme end of a spectrum that ranges from decent work to serious criminal exploitation.<sup>14</sup> Given people can be exposed to working conditions that gradually worsen over time, we recognise the important role we play as an employer to respecting the human rights of our employees.

We have the following policies in place that support behaviors and practices that may indirectly reduce the risk of modern slavery occurring in our own operations.

### Our Code of Conduct

Our Code of Conduct sets out expectations for how we act, solve problems and make decisions. We recognise that environmental and social risks can impact our business and communities and we are committed to ensuring that these risks are identified and managed appropriately.

## Group Conduct Policy

Our Group Conduct Policy applies to everyone who carries out work for the Group. It defines the standards of behaviour that we will hold ourselves and each other accountable for. This commitment reflects the right of our employees to work in an environment that is free from all forms of unlawful discrimination, harassment, bullying and victimisation of people in the workplace, as well as other unacceptable conduct. The policy also outlines our commitment to support freedom of association for Group employees choosing to join, or not join, trade unions.

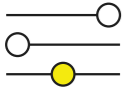
## Workplace Health and Safety Policy

Our Workplace Health and Safety Policy outlines the Group's commitment and approach to the physical and psychological health and safety of people who carry out work at the direction of the Group, as well as customers and visitors.

## Group Inclusion and Diversity Policy

Our Inclusion and Diversity Policy supports us to maintain a diverse workforce and inclusive culture that help us fulfil our purpose. Reflecting the diversity of our customers and communities enables us to better understand and serve their needs, build trust and make better business decisions. Fostering an inclusive workplace culture, where our people can safely share their perspectives, skills and experiences.

<sup>14</sup>Source: Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities, p9.



## Our role as a provider of banking products and services

### Our approach to due diligence

We conduct due diligence on customer transactions in a number of ways.

- 1. CBA ESG risk assessments:** CBA's ESG risk assessment tool plays an important role in the corporate lending decision process, by assisting our frontline bankers to:
  - Identify and assess the E&S risks that our customers are exposed to.
  - Assess the mitigating actions that our customers take to manage their E&S risks.
  - Assess how lending to our customers aligns to the commitments in our E&S Policy.
- 2. ASB risk assessments:** In New Zealand, business and rural customers with over NZD1m in lending are assessed through the ASB customer assessment tool. ASB also holds assets under management for New Zealander investors and companies, which are assessed for alignment to the UN Global Compact Principles and related international norms and standards, by an independent third party research provider.
- 3. Financial crime monitoring:** Customers are assessed through our financial crime monitoring, screening transactions for behaviour that triggers red flags.

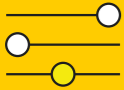
If, through our due diligence, we assess Clients' existing mitigating actions to be insufficient to address the risks identified, we may choose not to proceed with the proposed transaction.

### 1. CBA ESG risk assessments

In 2023, ESG risk assessments were performed on all CBA Institutional corporate lending and Business Banking customers with current or proposed corporate lending greater than or equal to AUD1.5 million. These assessments are performed in one of two ways:

- The Corporate and Institutional Pathway is used to assess larger Business Banking customers within Business Banking's Major Client Group and Regional and Agribusiness Specialised Agribusiness Solutions segments, and Institutional corporate lending.
- The Commercial Pathway is used to assess Business Banking customers in the Commercial Banking, Regional and Agribusiness Banking, and Broker, Agency and Specialist Sales segments.

The ESG risk assessment tool is supported by a dataset of initial risk ratings across ten focus areas, including climate and energy; climate physical risk; water; pollution; biodiversity; human rights; labour rights and modern slavery; Indigenous rights; workplace health and safety; and anti-corruption and governance. The tool also includes specific questions to establish a customer's alignment to the commitments in the E&S Policy.



## Corporate and Institutional Pathway due diligence

The Corporate and Institutional Pathway facilitates risk assessments of large businesses that typically have ESG strategies and approaches to managing E&S risks. The Corporate and Institutional Pathway has been used and progressively updated since 2015.

The Pathway includes questions that are designed to direct bankers' focus to relevant E&S commitments that potentially apply to that transaction. The ESG risk assessment tool directs users to escalate assessments either to their General Manager to determine if further escalation is required or to relevant committees. For relevant transactions, the ESG risk assessment tool steps the banker through a process of identifying key risks across the ten focus areas, including labour rights and modern slavery, and describing the mitigants customers have in place to manage these risks. The tool directs and records the approval process required by business and credit risk teams. The escalation pathway to senior management or governance forums is determined by the final escalation rating.

The inherent risk ratings in the ESG risk assessment tool guide our frontline teams to focus on the industries with higher risks of exposing people to modern slavery, including agriculture, forestry, mining, manufacturing, construction, electricity generation, and property.

Our Social Country risk ratings were most recently reviewed internally, referencing country risk scores from an independent third party. Countries with higher prevalence of risk of modern slavery have a high Social Country risk rating in the Corporate and Institutional Pathway tool.

### Process Overview: Corporate and Institutional Pathway



#### Initial Rating

Initial rating derived based on the country and initial industry risk ratings.



#### Validation

Bankers identify the key ESG risks related to the transaction and customer's business and answer mandatory questions around the Group's E&S Framework Commitments.



#### Mitigation

Bankers record the strategies the customers have in place to mitigate key ESG risks, for example public targets or commitments.



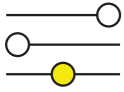
#### Approval

Business and risk teams approve ESG assessments. The level of approval required is determined by the final ESG risk ratings.



#### Escalation

Additional escalation may be required if the ESG assessment is for customers in sensitive industries, requires additional review or requires additional review against the E&S Framework.



## Process Overview: Commercial Pathway



### ANZSIC code assessment

Identification of high and very high ESG risk areas based on client industry.



### Complete assessment questions

Bankers consider the ESG risk profile of their customer and complete assessment questions for high and very high risk areas.



### Assessment approval

Completed assessments are approved by the designated business and risk approver.



### Escalation

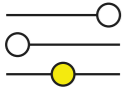
Additional escalation to senior management or governance committee may be required based on the assessment responses.

## Commercial Pathway due diligence

The Commercial Pathway is used for the identification and assessment of ESG risks of typically less complex businesses managed in higher volume portfolios. In 2023 it was used to assess Business Banking customers with greater than or equal to AUD1.5 million in corporate lending managed in the Commercial Banking, Regional and Agribusiness Banking and Broker, Agency and Specialist Sales segments. Given the diversity of our Clients, their exposure to modern slavery risks can be complex and varied.

This Pathway uses multiple-choice questions to identify and assess a customer's exposure to ESG risk factors, and determine a customer's alignment to the Group's **E&S Framework**. For example, we may ask a residential property developer questions as to whether they engage sub-contractors and whether those sub-contractors engage vulnerable worker groups, such as migrant or unskilled labour.

Depending on the responses to the assessment questions, business approval of Commercial Pathway assessments may be escalated to senior management or governance committees. During 2023 Risk Management approval was made mandatory for all Commercial Pathway assessments for customers with greater than or equal to AUD5 million in corporate lending.



## 2. ASB risk assessments

### Customer risk assessments

In FY23, ASB launched a new E&S risk assessment process enabling us to measure customers' performance and behaviours against the commitments and expectations outlined in the [ASB E&S Framework](#). The assessment covers the six focus areas of the ASB E&S Framework: climate change; people, culture and human rights; biodiversity; agriculture, fisheries and forestry; defence; and social and community harm. As part of assessment development, ASB risk-mapped each focus area against ANZSIC codes and assigned them a High, Medium or Low risk rating.

From June 2023, all business and rural customers with over NZD1m in lending are required to be screened for E&S risk annually and when credit is increased or restructured. Additionally, ASB assess customers for modern slavery risk, including the agriculture, forestry, manufacturing and hospitality industries.

Alongside the introduction of the tool, formal escalation pathways for decision-making on business customer E&S risks were agreed. The tool automatically escalates any areas where a customer's performance indicates greater scrutiny and analysis is required.

Approval of lower-risk lending decisions is made by ASB teams, with higher-risk decisions being escalated to management or committees for decision.

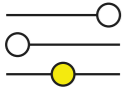
### ASB Asset Management

ASB holds around NZD20.9 billion (as at 30 June 2023) in assets under management for New Zealander investors through ASB and ASB Group Investments (ASBGI), a wholly owned subsidiary of ASB. Modern slavery forms part of the ongoing due diligence of our external investment managers. ASB sends its external investment managers an annual due diligence questionnaire, requesting information on how they assess and manage risks associated with modern slavery, both in their own business operations and in the companies in which they invest. Companies that are assessed by ASB's independent third party research provider as having violated one or more of the UN Global Compact principles, and related international norms and standards, are excluded from investment consideration.

The UN Global Compact is a voluntary initiative aimed at implementing universal sustainability principles. It comprises 10 Principles defining the minimum fundamental responsibilities that companies are expected to meet in respect to human rights, labour, the environment and anti-corruption practises. Of the UN Global Compact Principles, the following most directly encompass modern slavery considerations:

- Principle 4 (Businesses should uphold the elimination of all forms of forced and compulsory labour).
- Principle 5 (Businesses should uphold the effective abolition of child labour).

ASB currently excludes companies assessed as violating UN Global Compact Principles, including those that encompass modern slavery considerations. ASB's current investment holdings are monitored daily to ensure companies on its exclusions list are not owned by ASB's funds.



## FY23 key insights from CBA ESG risk assessments

In FY23, we analysed the ESG risk assessments of Institutional Banking Clients to understand modern slavery risks identified by our Clients. Client-identified areas linked to potential modern slavery risk factors included:

- Operating in countries with poor labour regulations.
- Having multi-tiered supply chains e.g. offshore, onshore.
- Working with suppliers operating in industries or with products with high risk of modern slavery e.g. manufacturing, construction, agriculture, cement.
- Client's operations in areas where there is likely a big proportion of vulnerable populations within the workforce e.g. migrants, seasonal or unskilled workers.

Across our ESG risk assessments, we have seen a year-on-year increase in focus on the following areas:

- Understanding their modern slavery exposure through mapping modern slavery risk in their operations.
- Producing modern slavery policies and statements, often in response to local and overseas regulation.
- Use of Supplier Code of Conduct, audits, and questionnaires to manage supply chain risk.
- Introducing modern slavery internal awareness seminars and workshops.

### Emerging trends

- Use of third-party platforms (e.g. Supplier Ethical Data Exchange) to help manage modern slavery risk.
- Use of grievance mechanisms and remediation procedures.
- Clients disclosing that they are informed by international frameworks such as UN Guiding Principles for Businesses and Human Rights or OECD guidelines.

## FY23 key insights from ASB risk assessments

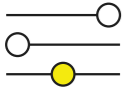
Modern slavery risks can exist at an individual company level in any jurisdiction. Some jurisdictions are assessed as being at a high risk of modern slavery.

ASB has assessed potential modern slavery risk exposure in relation to our funds under management (FUM) based on companies categorised as potentially high risk according to the Walk Free Global Slavery Index 2023. As at 30 June 2023, approximately 1% of FUM, or around NZD209M was invested in potentially high-risk countries. These investments were in companies incorporated in potentially higher risk countries such as India, Philippines and Saudi Arabia.

Under our Global Standards Screen, ASB currently place one company on our list of excluded investments that has been determined by our research provider to be in violation of Global Compact Principles directly relating to modern slavery (Principles 4 and 5).

### Emerging issues

A small number of companies are assessed as being 'watchlist' meaning they are at risk of violating global standards, including those domiciled in countries assessed as at high risk of modern slavery. These companies are subject to ongoing assessment and engagement from our research provider.



### 3. Financial crime monitoring

We recognise we have a critical role to play in combatting financial crime to protect our customers and the community in order to protect the integrity of the financial system. We are required to comply with legislation targeting financial crime activities globally, including those relating to sanctions, anti-money laundering and counter terrorism financing (AML/CTF), anti-bribery and corruption (AB&C), and Anti-Tax Evasion Facilitation.

We are aware that criminals, including those who exploit other people and cause or contribute to modern slavery, can profit from this exploitation by employing the financial system to transfer funds from victims, amongst other criminals and to themselves. These risks are identified through guidance from regulators and NGOs, and by screening transactions for behaviour that triggers red flags. All of our employees have an obligation to be alert to, and report, unusual customer activities or transactions. This allows the Group to quickly and confidentially investigate and report the matters to the relevant regulators if required.

Financial crime risks have increased over the last year and through the coronavirus pandemic, we have observed an increasingly sophisticated use of technology by criminals targeting vulnerable people. The Group uses a library of red flags and typologies to identify potential money laundering, terrorism financing and other financial crime offences including specific red flags and typologies for modern slavery and child exploitation. Red flags relate to behaviours by customers in accounts, loans, use of cash and participation of third parties. Red flags that could relate to modern slavery activity, or other exploitation, include cash payments to accounts with certain descriptions, or payments involving specific high-risk industries.

We update our source documents, as required, based on guidance from regulators, authorities, industry bodies and NGOs. Relevant teams are trained in monitoring human slavery and trafficking as a typology. They may submit a 'suspicious activity' report to the relevant authorities, irrespective of whether they have established evidence of offending.

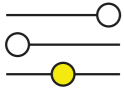
During FY23, we delivered an interactive training module to every branch in Australia, designed to continue to build knowledge and awareness in our customer service teams on methods to detect, and deter human trafficking and modern slavery related activity in Australia. The module aimed to enhance employee knowledge on how best to identify customer behaviours which may indicate they are a victim of, or are involved in, human trafficking or modern slavery.

### FY23 key insights

- As part of transaction monitoring, a recent review of negative news screening highlighted an existing customer's involvement in lodging false visa claims for exploited foreign workers, including sex workers. Enhanced due diligence revealed connections to several other individuals who were also subject to similar allegations. A review of transactional activity confirmed a number of red flags. The accounts of the individual and connected parties were terminated.
- In New Zealand, ASB continues to report on modern slavery typologies to the New Zealand Police. In 2021, the ASB Financial Crime Investigation team reported a customer's suspicious transactions activity to the New Zealand Police. The customer had previous convictions for purchasing and possessing explicit child sexual material. As a result of information provided by ASB, in mid-2022 the customer was arrested, and jailed in April 2023 for possession of explicit material involving child victims having purchased images and media using ASB accounts.
- In the first half of FY23, Retail Banking Services undertook a human rights risk assessment to identify, understand and prioritise its human rights risks and impacts.
  - Four human rights were identified as having a high inherent risk rating, including risk of supplier child/forced labour. Employee labour conditions was identified as having a medium inherent risk rating.
  - The human rights Improving Risk & Control Self-Assessment (iRCSA) process identified that each of these rights areas are managed based on existing policy frameworks (e.g. privacy, supplier lifecycle).

### Emerging issues

- We are aware of sophisticated scamming schemes that are also entangled in human trafficking and modern slavery. We continue to monitor this complex issue.



## Training provided to our people

In order to increase understanding across the business on how modern slavery practices can arise in our business operations and supply chain, we provide training to key roles, and to priority suppliers.

### *IB&M training programs.*

As part of ongoing work to improve employee capability, mandatory training on ESG risk was assigned to IB&M employees in FY23, which covers modern slavery content.

1,295 employees completed this training. The modern slavery content helps staff to understand how corporates identify and manage modern slavery risks, and outlines considerations to support their due diligence.

### *BB training programs.*

Throughout FY23, BB put concerted focus on enhancing our frontline and Credit Risk team members' ability to complete high quality customer ESG risk assessments in our ESG Tool.

We conducted classroom sessions to re-clarify the features of high quality ESG risk assessments and the expectations of our team members responsible for preparing and reviewing them. We also developed enhanced guidance for ESG assessment reviewers to support their ability to identify risk factors that require increased scrutiny or escalated decisioning.

### *ASB training programs.*

ASB continues to upskill its knowledge and awareness of red flag indicators for modern slavery. The implementation of new technology and processes were supported by intensive internal education and training for relevant ASB team members.

This program covered fundamentals of our E&S policy and our role as bankers, as well as how to support customers in environmental and social matters. ASB has rolled out specific modern slavery trainings to some frontline bankers in Commercial and Business teams.

In October 2022, the ASB FCI team attended a presentation from the Managing Director of the International Centre of Missing and Exploited Children (Singapore) and investigators from the Ministry of Business, Innovation and Employment (MBIE) on migrant worker exploitation (this presentation included case studies).

The refreshed learning module for modern slavery was released in July 2022 and assigned to frontline team members in Business Banking and Corporate Banking. In FY23, 775 employees completed our module on modern slavery.

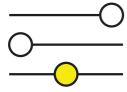
Additionally, 1,116 completed the ESG Risk Fundamentals and 1,069 employees completed ASB's E&S Commitments.

### *FCC training programs.*

Financial Crime Compliance has enhanced existing training to provide additional context on modern slavery. Financial Crime Compliance has also supported the retail business in the development of a targeted modern slavery training module.

In addition to mandatory Financial Crime Compliance training, which includes examples of modern slavery and human trafficking, approximately 85% of the ASB FCO team have completed this non-mandatory external training in modern slavery, provided by the Association of Certified Anti-Money Laundering Specialists (ACAMS).





## Our role as a procurer of goods and services

### Managing risk through the Modern Slavery Program of Work

As part of our Supply Chain Modern Slavery Program, we work with our own people and our suppliers to mitigate risks and ensure there are suitable remedies available to anyone impacted.

CBA has a Program Steering Group (PSG) led by the Executive General Manager, Group Corporate Services, which provides thought leadership, governance and delivery oversight of the modern slavery program of work for Group Procurement. The PSG comprises of subject matter experts from across the bank, specialising in procurement, risk, legal and corporate affairs. The PSG meets monthly and is governed by a Charter.

In addition to the PSG, our material and key suppliers (Tier 0 & 1) have monthly governance meetings with Business Owners and Relationship Managers, with any issues arising related to human rights or modern slavery included on the agenda, if required.

Further, we also review the progress of our Supply Chain Modern Slavery Program through the Group Supplier Governance Council (includes senior business leaders and senior risk professionals from across the Group) and the Group Corporate Services Governance Forum to ensure we are addressing the risks of modern slavery in our supply chains, educating our leaders and looking for continuous improvement opportunities.

### FY23 key insights

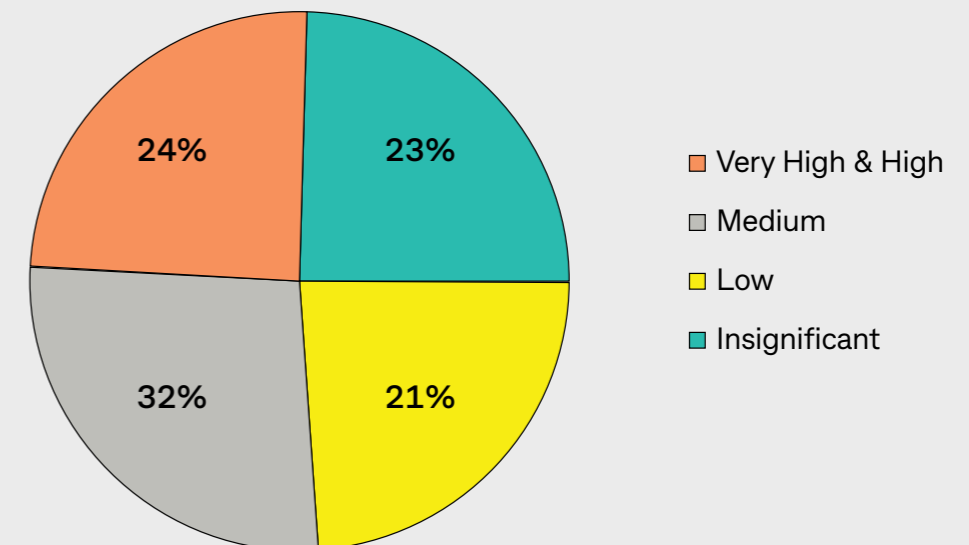
Throughout FY23 we continued to refine our modern slavery risk management processes and tools. In doing so, we collaborated with business stakeholders across the Group which further deepens our people's awareness and understanding of our modern slavery risk management practices.

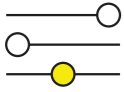
A key initiative undertaken this year involved mapping our updated procurement categories (spend taxonomy) against industry categories (using ANZSIC codes) and assigning a modern slavery risk rating to each. These risk ratings are used to trigger the Human Rights Control Program for a more detailed assessment of modern slavery risk. We partnered with our procurement category managers to map Group spend to the most appropriate ANZSIC code. Through this partnering category managers continue to build their understanding of the modern slavery risk in their portfolios, as well as further their experience with our modern slavery risk management program

In FY23, 24% of procurement categories were rated as very high and high risk, across eight categories. These categories include:

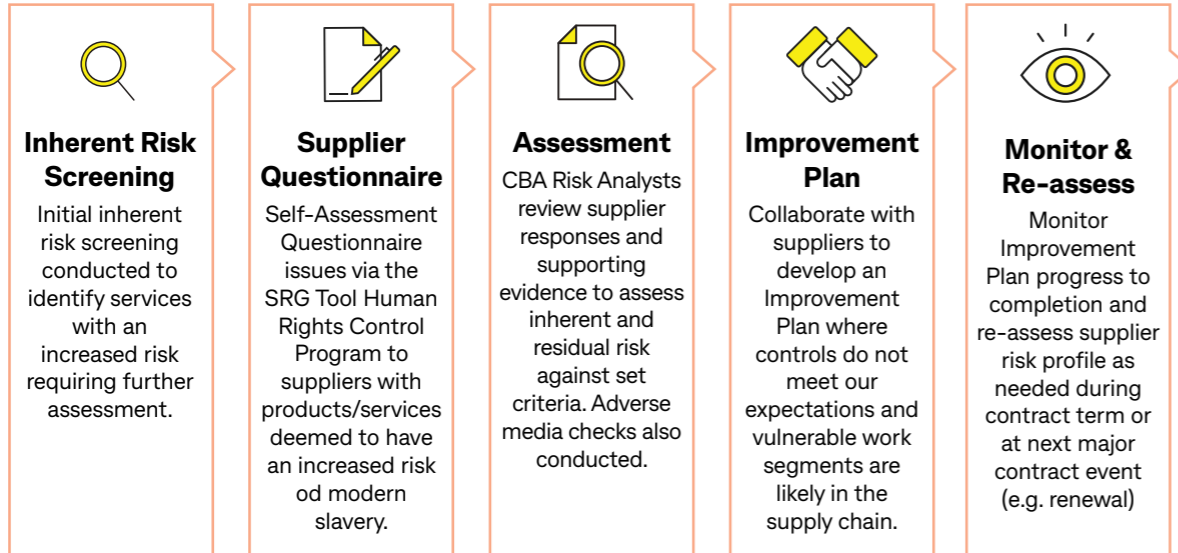
- Real estate (leasing)
- IT infrastructure
- Facilities management & operations
- Card services & production
- Conferences & events
- Promotional
- Corporate supply chain
- Travel

Procurement categories - breakdown by modern slavery risk ratings





## Supplier due diligence.



The Group continues its commitment to improving and modernising our approach to supplier risk management. In FY22 we digitised our modern slavery risk assessment process with the rollout of our Supplier Risk Governance (SRG) Tool to our domestic and international offices (excluding PTBC and ASB). The SRG Tool is used to screen CBA's supplier base to identify goods/services that have an increased inherent risk of modern slavery and, where appropriate, launch the Human Rights Control Program to assess the residual risk and need for a Supplier Improvement Plan.

While our efforts continue to be currently focused on our direct suppliers where we have the most influence, we acknowledge the potential risk within our suppliers' supply chains (4th Parties). In order to manage this fourth party risk, for the majority of our suppliers we use our standard supplier contract terms and our Supplier Code of Conduct to communicate our expectations that our direct suppliers assess modern slavery risk within their own supply chains.

We have had two suppliers disclose modern slavery supply chain issues this year through our supplier governance processes. These two suppliers self-disclosed non-compliance findings related to labour standards (exceeding the statutory overtime hour limits for workers). Our suppliers identified these issues through independent social compliance audits of their own suppliers (fourth suppliers to CBA). Remediation action plans are now being implemented, and follow-up audits will be conducted by our suppliers to confirm remediation of the identified issues.

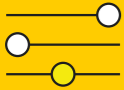
## FY23 key insights



<sup>15</sup>Inherent risk assessments are conducted at an engagement or relationship level rather than a supplier level hence multiple assessments may be carried out for a supplier.

<sup>16</sup>Questionnaires not completed in the current reporting period will be captured in following year's completion numbers.

<sup>17</sup>Includes questionnaires not completed last reporting period.



## Supplier risk assessments

We use our inherent risk assessment process to screen services, when onboarding new suppliers or for major contract events, such as renewals or variations, to identify our most salient modern slavery human rights risks – where harm to people is most likely to be experienced within our supply chain.

The inherent risk assessment process provides an early indication of modern slavery risk and determines whether further assessment is required. This initial screening is based on an assessment of two key inherent risk factors that indicate a higher likelihood of modern slavery risk – geography and industry category.

As a next step, services with an increased inherent risk undergo a more detailed assessment via the Human Rights Control Program. This involves issuing a self-assessment questionnaire (SAQ) to suppliers directly from the SRG Tool. The SAQ is designed to collect information to assist us in further understanding the inherent modern slavery risk of the good/service and to determine what management systems and controls the supplier has in place to manage their modern slavery risk.

Once the supplier has completed the SAQ, specially trained Risk Analysts review responses against our defined standards to determine the residual risk rating and whether an Improvement Plan is recommended.

## FY23 key insights

In FY23, we significantly increased the number of Human Rights Control Programs completed, almost tripling the previous year's number of 60 completions.

Additionally, we enhanced our reporting capability enabling us to generate valuable insights that we can leverage to measure change over time. Of the 176 suppliers who were risk assessed:<sup>18</sup>

**69%**

Suppliers assessed told us they have a policy commitment in place to address modern slavery risk and 9% are in the process of developing one.

**39%**

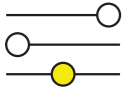
Suppliers assessed told us they do not currently have a program to address modern slavery risk.<sup>19</sup>

**45%**

Suppliers assessed told us they have a grievance or whistleblower policy in place.

<sup>18</sup>Based on responses provided in the self-assessment questionnaire by suppliers identified as having an increased risk of modern slavery.

<sup>19</sup>Includes 11 percent that answered that they did not know if they had a program, and 11 percent that answered "not applicable".



## Supplier policies and contractual controls

The Group's Supplier Code of Conduct (SCOC) and Human Rights Compliance Clause are two critical mechanisms we use to set expectations and gain commitment from our suppliers to align with our values and principles. By leveraging these measures, we are able to work with our suppliers to share our commitment to ethical business practices and respect for human rights.

The SCOC establishes specific requirements for suppliers to comply with human rights laws and manage their operations and supply chains in accordance with the United Nations Guiding Principles. Suppliers demonstrate their commitment to complying with our SCOC by agreeing to our SCOC compliance clause in their contracts.

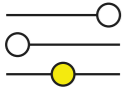
Introduced in 2020, our Group standard long form Human Rights Clause requires suppliers to comply with our SCOC and human rights and modern slavery laws and to make reasonable efforts to procure their own suppliers' compliance as well. It also requires suppliers to have and maintain adequate and reasonable policies, controls, procedures, and training designed to prevent, detect, assess, mitigate, and remediate any instances of adverse human rights impacts in their operations and supply chains. This clause supports our engagement with suppliers, helps us gain a deeper understanding of our supply chain, and sets expectations for our suppliers on developing their own supplier management practices.

## FY23 key insights

Over the last 12 months, in response to feedback from internal stakeholders on our standard long form clause, and recognising the upcoming changes to the unfair contracting terms regime in Australia, we prepared a shorter form Human Rights Clause and revised playbook guidance for contracts involving lower human rights risk. This standard short form clause allows us to better calibrate supplier compliance obligations to the inherent human rights risk in their engagement, while still requiring suppliers to take reasonable steps to identify, assess and address risks of modern slavery practices in their operations and supply chains.

We have set an expectation to include the appropriate Group standard Human Rights Clause in our standard supplier contracts and wherever we consider it practical, seek to incorporate the appropriate Group standard Human Rights Clause into variations of existing supplier contracts that do not already have this in place.

In FY23, we also improved our tools and processes for capturing and reporting material deviations from our standard contract clauses. This enhancement will allow us to more effectively track and address potential gaps, as well as gather data for the purpose of continuous improvement.



## Supplier Improvement Plans

We expect our suppliers to have in place adequate and reasonable policies, controls, procedures, and training designed to identify, manage, monitor, and remedy any adverse impacts on human rights associated with their business operations. These expectations are aligned to the UN Guiding Principles on Business and Human Rights and appropriate for application across our supplier base globally.

If we find through our risk assessment process that a supplier does not meet our expectations, and if there is an increased risk of harm to vulnerable populations in the supply chain, we engage with the supplier to make them aware of the gaps where practicable. We also provide them with support, tools and resources to help them develop and implement a time-bound Improvement Plan appropriate to the size and nature of their organisation. We monitor progress through to completion, and if necessary, re-engage to further support suppliers in uplifting their control measures.

This year, we reviewed our supplier modern slavery risk controls, to support our maturity in assessing risk across our supply chain. This led to us identifying a need to enhance the articulation of our supplier risk controls to define the desired level of supplier control maturity. As a result we now define strong modern slavery risk controls as follows:

- Having a public policy-level commitment to address modern slavery (or its various forms: slavery-like practices, human trafficking, forced, bonded, indentured, and child labour) in both operations and supply chain, that details the organisation's approach to address modern slavery, and is signed by the senior-most level of the organisation.
- Conducting appropriate modern slavery risk management to assess and address risks and impacts in operations and supply chains.
- Having in place effective grievance mechanisms (such as a speak up tool, whistleblowing hotline, informal reporting, worker voice surveys, worker

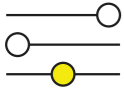
representatives or other safe avenues) for managing labour or modern slavery concerns or reports, that is available to employees and workers in the supply chain. These mechanisms protect workers from retaliation or victimisation.

- Providing appropriate modern slavery training to all relevant employees that is organisation and context specific, including what it is, how the risk is relevant to the organisation, and how to escalate concerns. This may include role-specific training to employees with modern slavery risk management responsibilities

Our Supplier Improvement Plan (SIP) collateral is in the process of being updated to incorporate the re-articulated controls. These will be communicated to suppliers we engage with as part of our SIP process in FY24.

Leveraging learnings and insights from the 11 Supplier Improvement Plans undertaken the previous year, in FY23 we reviewed and refined our methodology to enable our process to be scaled up effectively and efficiently with more suppliers. Our updated Supplier Improvement Plan process focuses on empowering suppliers to drive their own improvements by building supplier capability (through guidance and tools) so they can implement the most suitable measures independently. This new approach includes building the capability of our supplier Business Owners to enable them to support and guide their suppliers throughout the process.

We are currently supporting 14 suppliers to undertake Supplier Improvement Plans and have 15 currently in our FY24 pipeline. Engaging with our suppliers through the improvement plan process continues to be instrumental in raising our suppliers' awareness and understanding of the modern slavery risk in their business. Through this engagement, we strive to create a collective commitment to eradicating modern slavery and upholding human rights throughout the entire supply chain.



*"Many thanks...for taking the time to talk me through your process and offer assistance. It's the first time we have been given this kind of support and I have filled in a few modern slavery surveys!"*

*– IT partner*

## **FY23 key insights**

In FY23, through our Human Rights Control Program we identified 38 suppliers who had an increased risk of exposure to modern slavery in their supply chain and inadequate controls in place. We did not proceed with an improvement plan for ten of these suppliers due to limited leverage to achieve meaningful change (i.e. one-off or low value engagements). Also, Improvement Plans for our India-based suppliers (13 in total) were deferred or put on hold until FY24 as we seek to tailor our approach to take into account India's modern slavery legislative environment and cultural context (further details on page 31).

Similar to the previous year, the majority of the suppliers we engaged with were small businesses employing less than 100 people. Several of these smaller suppliers had a limited awareness of the risks associated with modern slavery in their supply chain and actions they could take to mitigate this risk.

Several suppliers continue to express their appreciation for CBA collaborating with them to uplift their maturity. They have informed us that, although they have completed modern slavery risk self-assessment questionnaires for other clients, CBA is the first to actively collaborate with them to uplift their modern slavery risk controls.

## **Becoming the first Financial Services organisation to join the Cleaning Accountability Framework**

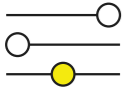
The cleaning sector in Australia is widely recognised as a key risk area for modern slavery, and is one of our highest risks areas we are addressing as a priority.

In FY23, we continued to mitigate modern slavery risk in our cleaning supply chain and achieved a significant milestone by becoming the first financial services company to achieve Cleaning Accountability Framework (CAF) Building Certification at a nominated site (our South Eveleigh workplaces), and only the second tenant to actively engage in the CAF certification process.

The CAF Standard audits compliance against six elements to ensure that workers providing contracted cleaning services are employed in safe working environments, enjoy freedom of association, have job security and that stakeholder engagement throughout the supply chain is maintained.

During the Building Certification process, CBA, together with Mirvac, the United Workers Union, and BIC Services, collaborated closely with CAF to address and remediate 16 issues identified through the CAF audit process. Identified issues included workloads, training, health, safety, equipment, wages, freedom of association, labour productivity, and record-keeping. By actively addressing these challenges, South Eveleigh achieved compliance with the CAF 3 Star Standard, which serves as an industry benchmark in cleaning services procurement. As part of our commitment to sustaining these high standards, CAF Annual Health Checks will be undertaken at South Eveleigh to ensure continued compliance.

Following the success of our first CAF certifications at South Eveleigh, we plan to work with CAF and our major landlords to certify more of our buildings in the future.



## Working with suppliers based in India

Since introducing our Supplier Improvement Plan process in FY22, we have identified 17 India-based suppliers that did not meet our modern slavery risk control expectations (four in FY22 and 13 in FY23). When we started our engagement with the four suppliers in FY22, we quickly realised we needed to adjust our Australian-based Improvement Plan approach when supporting suppliers in different countries, to take into account that country's modern slavery legislative environment and cultural context.

Based on discussions with suppliers in SIP engagement meetings, we found the average level of understanding and acknowledgment of modern slavery in supply chains amongst our Indian suppliers was lower versus our domestic supplier base. This is understandable given India does not have mandatory reporting legislation in place for businesses as Australia has. In line with our Australian experience, this was more evident among the small and medium-sized enterprises we engaged with. We also quickly realised that to be effective in achieving meaningful change, we need to have local voices on the ground to engage with suppliers and to help build our suppliers' understanding and capability.

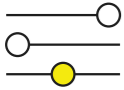
Armed with these learnings and insights, in FY23 we drew on the expertise of specialists in human rights to undertake an independent review of our Supplier Improvement Plan process, tools and engagement approach for Indian suppliers. This provided assurance that our expectations pertaining to our suppliers' modern slavery risk management controls align with international standards and are appropriate for all our suppliers globally. This work has also provided guidance on tailoring our Improvement Plan process to the Indian context.

Our FY24 plan will include developing and delivering capability-building for both our CBA India employees and our India-based suppliers requiring an Improvement Plan and piloting our tailored Supplier Improvement Plan process and tools with our India-based suppliers.

## Addressing social risks provides competitive edge

In FY23, we worked with an India-based promotional merchandise supplier who was highly receptive to addressing gaps to meet our expectations. This motivated supplier impressed us by taking swift action to implement several key measures within a short period of time. These measures included publishing a public-facing policy commitment to address modern slavery risks, introducing modern slavery clauses in supplier contracts and purchase order agreements, and including a modern slavery specific question in their supplier evaluation form.

It is worth noting that this particular supplier had established relationships with several multinationals and understood the increasing expectation on suppliers to proactively address social risks in their supply chains. They recognised the competitive advantage of doing so and were motivated to improve their practices accordingly.



## Managing risk in ASB's supply chain

In FY23, ASB re-ran a supplier risk assessment to determine the number of suppliers and proportion of annual procurement spend in industries assessed as high potential risk for modern slavery (including construction, facilities management, maintenance, security, cleaning, and catering); infrastructure (including workplace technology and data storage), telecommunications, card services and production.

ASB requires all new, ongoing suppliers to complete an E&S questionnaire at time of on-boarding. This questionnaire required them to confirm they accept the ASB Supplier Code of Conduct. The Supplier Code of Conduct requires suppliers to take appropriate steps to both understand the modern slavery risks in their own operations and supply chain, and to enact measures to address those risks.

In FY23 we completed implementation of new contract terms for critical facilities management suppliers. The ASB Purchasing Terms require suppliers to have adequate measures in place to prevent and mitigate the risk of modern slavery in their operations or supply chain, and to remediate any instances of modern slavery.

Over the past year, questions used in our Sourcing Risk Assessment tool were redesigned to improve ease of use by the suppliers. The questions aim to identify risk to people and probe whether appropriate controls are in place to prevent harm. Risk questions covered geography; vulnerability of the supplier's workforce (migrant workers, those on temporary contracts etc.); and any reported breaches or incidents of modern slavery. We requested information about controls, including policies; external audits; leadership accountability for initiatives; risk assessments; employee training and grievance mechanisms. This screens any new suppliers before on boarding and was triggered to large technology suppliers in June 2023.

## FY23 key insights

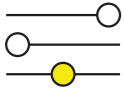
In FY23, ASB extended engagement with its property and facilities management suppliers to gain a more detailed view of their modern slavery awareness and practices. ASB surveyed all suppliers in this category, achieving a 100% response rate.

Insights from ASB property and facilities management supplier questionnaire:

- 76% advised that they are taking steps to increase transparency and traceability across their supply chain.
- 49% advised that they do not hire employee on a casual basis, including through agencies, intermediaries.
- 41% advised that they are training employee to raise awareness of modern slavery.

ASB are using these insights to update our modern slavery education material for suppliers when completing the survey.





## Training provided to identify risks in our supply chain

### ***Modern Slavery Training for our Procurement, Supplier Risk and Property employees.***

Our Procurement, Supplier Risk and Property teams are some of the teams most connected to dealing with modern slavery risk in our supply chains. As such, this year we made it mandatory for them to complete modern slavery e-learning to help build their awareness. This learning focuses on helping our employees understand the impact of modern slavery, our legislative obligations, what indicators to be alert for and what to do if they suspect modern slavery in our supply chain.

*“I had no idea of the extent that this was prominent in our country. It was quite heart breaking to watch and read about, and I am glad I have not witnessed this first-hand. However, I appreciate that I have a much deeper understanding about it, as well as what to do about it, upon completing this module.”*

**– Client Services team member**

*“This really opens your mind on how Slavery is still very much around and how those who are vulnerable could find themselves in this situation. Out of the need to better themselves and their families they may be taken advantage of. This training really builds that connection between those vulnerable and impacted people and how as a major financial institution we can help to reduce Modern Day Slavery through awareness and action.”*

**– Supplier Risk team member**

### ***Modern slavery training for teams in CBA India.***

In FY23, we collaborated with The Mekong Club to organise a webinar for 50 employees from our Procurement and Supplier Risk teams in Bengaluru, India. The primary objective of the webinar was to raise awareness of modern slavery risks in our supply chain from an Indian perspective and improve employee confidence in discussing modern slavery risk management with suppliers.

The webinar focused on human trafficking in India and its correlation with modern slavery in various sectors. It also emphasised compliance with international laws and guidelines, such as the United Nations Guiding Principles on Business and Human Rights and provided practical guidance on recognising red flags and taking action to address modern slavery risks in the supply chain.

*“Modern slavery was just one control program that we had to complete, but post the session, I now know the importance of having different mechanisms to eradicate modern slavery”*

**– Supplier Risk Analyst.**

The e-learning was completed by 424 people in FY23 (97% of the target audience).

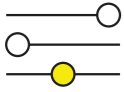
The effectiveness of the e-learning training was evaluated through a feedback survey. Of the 150 people that completed the survey, almost all (99%) reported that, after completing the e-learning they:

- had a deeper understanding of modern slavery risk in our business; and
- were more confident in identifying modern slavery red flags and had an improved understanding of what to do if modern slavery is suspected.

We evaluated the effectiveness of the webinar through a feedback survey, and nearly half (48%) of the attendees responded. The survey results were encouraging,

- 91% of the respondents reporting a better understanding of the controls that suppliers can implement to mitigate modern slavery risk;
- 74% of the respondents considered themselves highly aware of modern slavery risks in our supply chain as a result of the webinar.

As a result, we are planning to conduct more customised sessions for our Indian teams in FY24.



## Training provided to identify risks in our supply chain

### ***Training focused on IT sector risk.***

Ensuring that our people understand the risks of modern slavery in the IT sector is crucial, given that almost half of our Group's expenditure is allocated to this area. To address this, we collaborated with The Mekong Club for a second time in FY23 to deliver a webinar for our procurement and risk teams, and business owners who engage with IT sector suppliers.

The presenter gave an extensive overview of the areas in the IT sector with the highest modern slavery risk, including raw material sourcing, manufacturing, distribution, and delivery. The presentation offered valuable insights into the complex factors that perpetuate modern slavery in the IT industry.

*"It's shocking to see modern slavery is so prevalent in today's society. I'm glad an organisation like CBA has the ability to make a change. While we have made an impact in recent years there is still more to do with our downstream supply chains."*

The session was well attended with 225 people viewing the live webinar. The recorded session has been viewed over 200 times since.

28% of attendees completed the post-training survey and all of them rated the session favourably, and 98% reported that the webinar deepened their level of awareness of the risk of modern slavery in technology supply chains.

### ***Raising awareness via our risk assessment process.***

Our modern slavery risk assessment process plays an important role in increasing our suppliers' awareness and understanding of modern slavery risks and our expectations. Throughout process touchpoints with suppliers, we leverage opportunities to share information and resources.

In FY23 we sent emails to 187 suppliers, via our SRG Tool, requesting completion of our self-assessment questionnaire. Links to our Supplier Toolkit, Supplier Code of Conduct, and FAQs were included in the emails.

### ***Awareness for onsite contractors.***

Contractors who work in our offices and branches must complete induction through our Avetta contractor management system. These workers can include low-skilled workers and people who may be more vulnerable to exploitation and modern slavery.

This year more than 5,000 contractors completed the induction and were informed that they can raise issues through the SpeakUP hotline.

### ***Awareness for our Managing Contractors.***

In September, we engaged with all of our managing contractors that we use for construction work in our retail branches to raise awareness of modern slavery risk in their sector and to outline our approach for addressing modern slavery risk in our supply chain. We articulated in these sessions our expectations for our supplier human rights controls.

In FY23 we collaborated with four managing contractors, via our Supplier Improvement Plan process, to further build their capability.

# Raising a complaint or issue through our grievance mechanisms

We provide customers, Suppliers and employees with access to mechanisms through which grievances and complaints, including those related to modern slavery, may be raised and through which we can work with them to find solutions that are fair and reasonable.

## Workplace Grievance Review

We aim to provide a work environment where all employees can demonstrate our Values as set out in the Code of Conduct and that is free from unlawful discrimination, bully, harassment, victimisation and any form of unacceptable workplace conduct.

The Workplace Grievance Review is an internal process that the Group provides for our people<sup>20</sup> to seek a review of decisions, actions or behaviours they consider may have affected them unfairly.

**There were no known incidence of modern slavery, including slavery, servitude or trafficking, reported through our Workplace Grievance Review in FY23.**

## Customer complaints

The Group takes instances of customer complaints seriously. If there's something we can improve, or if our customers are not satisfied with our products, services, employees, complaint handling process or how we handle Consumer Data Right (CDR data), it is important we hear about it so we can work to address complaints and try to find a solution that's fair and reasonable. At all times, we follow our complaint handling principles.

**There were no known complaints relating to people impacted by, or concerned about, slavery, servitude or trafficking reported through our customer complaints channel in FY23.**

## SpeakUP Program

We are committed to fostering a culture that encourages our people to speak up about issues or conduct that concerns them. This could be anything from illegal conduct to behaviour that isn't in line with our values or Code of Conduct. Supplier and service providers of the Group are also encouraged to report any concerns they see in their interactions with the Group. Identifying potential problems and risks allows the Group to continue to improve the way it does business and provide the best possible service to our customers.

Sometimes individuals speaking up may be concerned about being identified, or feel that they need support and protection. This is why we have a comprehensive Group Whistleblower Policy designed to encourage, support and protect people to report issues. The type of concerns that can be reported to SpeakUP include fraud or theft, corruption, illegal activity, a serious or systematic breach of our internal policies (including the Code of Conduct), negligent acts, a breach of trust or a breach of duty, a significant risk to public safety or the stability of the financial system or a breach of law.

The Group has a Whistleblower Protection Officer, whose role is to oversee the protection and wellbeing of whistleblowers. The Group's Misconduct Governance Committee, which includes senior executives who report to the CEO, oversees the effectiveness of the whistleblower program.

**There were no known reports relating to people impacted by, or concerned about, slavery, servitude or trafficking, raised through the SpeakUP Program in FY23.**

<sup>20</sup>Includes Employees (full-time, part-time and casual employees of the Group), Directors of a Group entity board, graduates, volunteers, Interns, trainees, Contractors (individuals who are not Employees, and corporations or organisations, engaged by the Group to perform services for the Group), Suppliers and resellers of our products and services in the Commonwealth Bank Group within Australia.



# Measuring the effectiveness of our actions

How we measure / indicator	FY23 result
Code of Conduct training completion rates.	99.8% completion of Code of Conduct mandatory training. There are remuneration consequences for employees who do not meet their mandatory training obligations.
Number of ESG Rural attestations received for eligible clients (coverage) ASB.	Since March 2021, ASB Rural have completed 2,581 attestations.
Number of inherent risk assessments completed in the SRG Tool (unique suppliers).	1,306 suppliers were screened via an inherent risk assessment.
Number of Human Rights Control Programs completed in the SRG Tool (unique suppliers).	176 control programs.
Number of suppliers recommended for a SIP.	38 suppliers.
Number of Supplier Improvement Plans initiated.	13 suppliers.
Number of Supplier Improvement Plans completed.	8 suppliers.
ESG Training (including modern slavery content) (# completed trainings).	13,552 (headcount) completed ESG Training.
ASB ESG Learning (# completed trainings).	2,960 ASB ESG Learning completed.



# FY24 program of work

Focus area	Deliverable	Details	Responsibility
Policy settings and strategy	Finalise Modern Slavery Strategy with relevant teams across the business.	Deepen our understanding of our role in respecting human rights and the impacts of our operations on people.	Marketing and Corporate Affairs
Governance	Provide regular updates to E&S governance committees.	Provide E&S governance committees with regular updates on progress made by the Modern Slavery Working Group towards implementing the Modern Slavery Strategy.	Marketing and Corporate Affairs
	Oversee Supply Chain Modern Slavery Program.	Continue to provide governance and delivery oversight of the modern slavery program of works.	Financial Services
Risk management	Complete annual E&S RCSAs for the human rights violations sub-risk type.	Business and support units to complete RCSAs for E&S sub-risk types, including human rights violations.  Use insights from RCSA to determine additional guidance and support.	Risk Management
	Review ESG risk assessment ratings.	Review Industry and Country ESG ratings in the ESG Risk Assessment Tool.	Institutional Banking and Markets / Business Bank
Due Diligence	Review and refresh ESG risk assessment tool.	Update modern slavery due diligence questions in Commercial Pathway.	Business Bank
	Maintain modern slavery due diligence in our sourcing processes.	Continue to work to include Supplier Code of Conduct and human rights clauses in supplier agreements in new and updated standard supplier contracts wherever practical.  Support high-risk suppliers flagged for a Supplier Improvement Plan to improve their modern slavery risk controls to meet CBA's expectations.  Update Supplier Improvement Plan collateral to incorporate the re-articulated supplier modern slavery risk controls and communicate these to suppliers we engage with as part of our SIP process.	Financial Services
	Deliver training to priority teams.	Provide modern slavery awareness training sessions to key internal teams, as identified in the grievance mechanisms review.	Marketing and Corporate Affairs
Capability building	Deliver mandatory E&S online training.	Review content in the E&S online learning and re-issue to relevant employees.	Institutional Banking and Markets
Measurement	Evolve impact measurement for modern slavery.	Present paper to the Modern Slavery Advisory Council on options to continue to evolve measurement of our responses.	Marketing and Corporate Affairs
Collaboration	Maintain Modern Slavery Advisory Council.	Convene at least two meetings with the Modern Slavery Advisory Council, and share insights and areas of concern with the E&S Action Group.	Marketing and Corporate Affairs
	Share our knowledge and seek to learn from others.	Endeavour to collaborate with other leading Australian businesses to share knowledge and good practice to more effectively assess and address risks in supply chains.	Marketing and Corporate Affairs



# Progress on FY23 program of work

Focus area	Deliverable	Status	Progress
Policy settings and strategy	Advancing the Group's E&S programs which outlines the Group's commitments to managing E&S risks, including modern slavery.	Completed	Modern slavery commitments included in 2023 Policy refresh.
	Executive Leadership Team E&S Committee chaired by the CEO and supported by a Business Action Group meeting monthly.	Completed	The E&S governance committees provide oversight of our Environment and Social Commitments. The E&S Action Group receives monthly updates on progress towards implementing our modern slavery commitments.
Governance	Executive-led PMG overseeing supply chain actions.	Completed	PMG to provide governance and delivery oversight of the modern slavery program of works.
	Modern Slavery Working Group.	Completed	Regular meetings were held with the Modern Slavery Working Group to coordinate the development of the bank's modern slavery statement, monitor progress against modern slavery initiatives and activities and provide a forum for sharing information across the bank. In addition, a Modern Slavery Advisory Council has been established.
Risk management	Ongoing screening of transactions for unusual behaviours.	Completed for FY23	Financial crime monitoring forms a key part of our due diligence process and reporting on screening will continue as part of our annual update on due diligence activity.
	Complete E&S Risk Controls Self-Assessment for the human rights violations sub-type.	Completed	Business and support units completed RCSAs for E&S sub-risk types, including human rights violations. This is now an ongoing BAU activity.
Capability building	Deliver annual refresher ESG online training.	Completed	Reviewed content in the ESG Risk Fundamentals online learning and re-issued to IB&M employees.
	Deliver supply chain focused ESG online learning.	Completed	New Group-wide modern slavery online learning program was launched in FY23, providing introductory information and awareness on modern slavery and is available via the E&S Hub on our intranet. This replaced the supply chain focussed course introduced by Group Procurement in FY20/21.
	Review environmental and social capability program and potential impact measurement.	Completed	The newly launched online ESG e-learning includes a post-learning impact assessment which aims to inform additional learning uplift.



Focus area	Deliverable	Status	Progress
Due diligence	Review and refresh our ESG risk assessment tool and its focus areas, inclusive of modern slavery.	Completed	Enhancements were made to the ESG risk assessment tool and industry risk ratings were reviewed during the reporting period.
	Undertake annual E&S assessment for ASB's agricultural and horticultural clients.	Completed	ASB has transitioned to new ESG Risk Assessment Tool. The tool applies to clients with >=NZD1m lending at entity level and covers all ANZSIC codes. It became mandatory 1 June 2023.
	Work with high-risk suppliers on improving their controls around modern slavery and their ability to cascade controls down their supply chains.	Completed	Supplier Improvement Plans (SIP) have been embedded into our business-as-usual supplier risk management process and we continue to build our people's capability. 8 suppliers completed SIPs in FY23 and SIPs initiated with 13 suppliers.
	Issue Supplier Code of Conduct to suppliers.	Completed	The Supplier Code of Conduct (SCOC) is publicly available on our website. Suppliers demonstrate their commitment to complying with our SCOC by agreeing to our SCOC compliance clause in contracts.
	Implement human rights compliance clauses for supplier agreements.	Completed	The Human Rights compliance clause has been implemented as a standard clause in our supplier agreements. A short form clause was introduced in FY23 for contracts involving lower human rights risk.
	Review of grievance mechanisms and implement potential improvements.	Completed	Review of grievance mechanisms for potential human rights response improvements has been completed. The review identified opportunities for additional training for specialist roles and this is being delivered to relevant teams.
Collaboration	Endeavour to collaborate with other leading Australian businesses to share knowledge and good practice to more effectively assess and address risks in supply chains.	Completed for FY23	<p>We collaborated with our peers via the Australian Banking Association Human Rights Working Group.</p> <p>CBA became a CAF member in 2023 and is the first financial services company to achieve CAF Building Certification at a nominated site.</p>



# Collaboration

Considering the MSA's mandatory criteria of reporting other relevant information, we consider collaboration with businesses, industry associations, governments and NGOs an important action. We are active participants in the following industry and NGO groups.

## **Australian Banking Association Human Rights Working Group**

We are an active contributor to this group, which expanded its remit to cover broader human rights in FY22.

## **New Zealand Banker's Association (NZBA)**

ASB contributed to the NZBA's submission to the New Zealand government consultation on a legislative response to modern slavery and worker exploitation. In it, we agreed that modern slavery and worker exploitation have no place in Aotearoa New Zealand or overseas. ASB supported the alignment of approach with international best practice and existing overseas regimes.

## **Anti-Slavery Australia**

Professor Jennifer Burn AM, Director of Anti-Slavery Australia (ASA), University of Technology Sydney, has joined our Modern Slavery Advisory Council as an external advisor. ASA is a specialist legal practice, research and policy centre committed to the abolition of modern slavery in Australia.

## **The Mekong Club**

Matt Friedman, CEO of Mekong Club, has joined our Modern Slavery Advisory Council as an external advisor. The Mekong Club is a non-profit organisation working with the private sector to bring about sustainable practices towards the fight against modern slavery. We collaborated with The Mekong Club to provide training for our Procurement and Risk teams.

## **Fintel Alliance**

We are a partner in the Fintel Alliance, a public- private partnership that works to combat complex or emerging crimes impacting the community that require a collaborative approach.

The Fintel Alliance has adopted an innovative approach to combatting complex and emerging crimes, and has been instrumental in protecting the Australian community from serious and organised crime. The Alliance has worked on a range of crime types and various operations and adapted effectively to changing circumstances.

## **Global Compact Network Australia**

We are a member of UNGCNA's Modern Slavery Community of Practice, which connects members and enable learning and discussion on the opportunities and challenges of identifying, managing and communicating modern slavery risks. We also deliver an annual Communication on Progress on implementing the UNGC principles.

## **Responsible Investment Association Australasia (RIAA)**

We are a member of the RIAA Human Rights Working Group which connects RIAA members to foster a deeper understanding of human rights, better identify and comment on due diligence processes and understand investor and company roles in remedying human rights abuses and violations.

## **Cleaning Accountability Framework (CAF)**

CBA became a CAF member in 2023 and is the first financial services company to achieve CAF Building Certification at a nominated site. CAF's mission is to improve labour practices in the cleaning industry and it works with cleaners, tenants, contractors, property owners, facility managers, and investors across the cleaning supply chain to ensure ethical labour practices through the promotion of decent work, ethical procurement, and best practice.



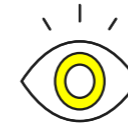


## Consultation

CBA is the Reporting Entity giving this joint Statement on behalf of the Reporting Entities identified in Appendix A, which are part of the Group. In order to prepare this joint statement, CBA consulted each of the Reporting Entities identified in Appendix A, and consulted the entities we own or control. A final draft statement was made available to the reporting entities' nominated representatives before its publication.

Executive leadership for CBA's business and support units have been part of the consultation process for the preparation of this Statement, and for overseeing the Group's actions to manage environmental and social risks, and the program of work for modern slavery. The ELT E&S Committee reviewed and approved the Statement before submitting it to the Board for approval.

The Reporting Entities consulted with representatives of entities they own or control on this Statement, including in relation to content and key messages and provided the opportunity for feedback. CBA has provided a final draft Statement to nominated representatives/the boards of Reporting Entities before its publication.



## Chair attestation

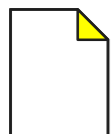
This Statement is approved by the Board of the Commonwealth Bank of Australia on 13 December 2023. Commonwealth Bank of Australia is a 'higher entity' within the meaning of section 14(2) (d)(ii) of the Modern Slavery Act 2018 (Cth), being the entity in a position to influence or control each other reporting entity covered by this statement.

This Statement is signed by Paul O'Malley in his role as Chairman of Commonwealth Bank of Australia.

**Paul O'Malley**

**Chair, Commonwealth Bank of Australia**

**13 December 2023**



# Appendices

## Appendix A: Reporting Entities and other entities owned by the Group<sup>21</sup>

Legal Name Overview of structure, operations, and supply chain.

**The following entity is the higher entity (as defined by section 14(2)(d)(ii) of the MSA) giving the Joint Statement.**

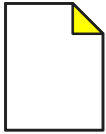
Commonwealth Bank Of Australia <sup>22</sup> (ACN 123 123 124)	Commonwealth Bank is Australia’s leading provider of integrated financial services. The company’s products and services are provided through its divisions, being Retail Banking Services, Business Banking and Institutional Banking and Markets. Across Australia, the company employs more than 36,000 full-time equivalent (FTE) employees. CBA has a complex and diverse supply chain made up of over 5,000 suppliers.
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**The following entities are Reporting Entities (as defined by section 14 of the MSA) covered by this Joint Statement.**

BWA Group Services Pty Ltd (ACN 111 209 440)	The company operates as a shared services function for CBA. The principal activity of the company is to provide labour services to the Bankwest division of CBA. The financial results for the Bankwest brand’s retail banking and business banking activities are reported through the CBA financial report. The company follows CBA policies relating to its employees and its supply chain activities are managed centrally by CBA.
Commonwealth Securities Limited (ACN 067 254 399)	The company comprises the CBA Group’s online trading platforms, cash and investment lending proposition for retail investors. CBA’s reporting of its financial results for its Business Banking division includes the financial results of business banking activities conducted under the CommSec brand. The company does not have any employees and its supply chain activities are managed centrally by CBA.
Commonwealth Insurance Holdings Limited (ACN 088 327 959)	The company acts in the capacity of a holding company for the Commonwealth Insurance Holdings Limited (CIHL) group of entities. The company does not have any employees and it does not have any supply chain activity of its own.
Colonial Holding Company Limited (ACN 074 706 782)	The company acts as a holding company for entities that were historically within the Wealth Management and International Financial Services divisions of the Commonwealth Bank of Australia. The company does not have any employees and it does not have any supply chain activity of its own.
CBA Covered Bond Trust (ABN 63 954 593 219)	The Trust’s principal activities during the financial year were the holding of loan receivables from CBA and the provision of guarantees and security over the issue of any covered bonds by the Bank. The Trust does not have any employees and it does not have any supply chain activity of its own.
Medallion Trust Series 2008-1R (ABN 47 624 727 267)	The Medallion Trust Program was established by CBA in October 1997 to enable the securitisation of our own assets. Securitisation involves creating debt securities directly out of cash flows from specific assets such as home loans or corporate loans. We use securitisation for funding, capital and credit portfolio management. The entity does not have any employees and it does not have any supply chain activity of its own.

<sup>21</sup>Appendix A does not exhaustively list all entities owned or controlled by CBA

<sup>22</sup>This is the only Reporting Entity for the purpose of the UK MSA.



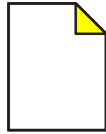
**The following are owned or controlled by CBA, operate in overseas locations and are not Reporting Entities. They have processes which are in some respects different to CBA and are specifically referenced in the Statement where relevant.**

ASB Holdings Limited (and other ASB entities)  
(ASB) (428135)

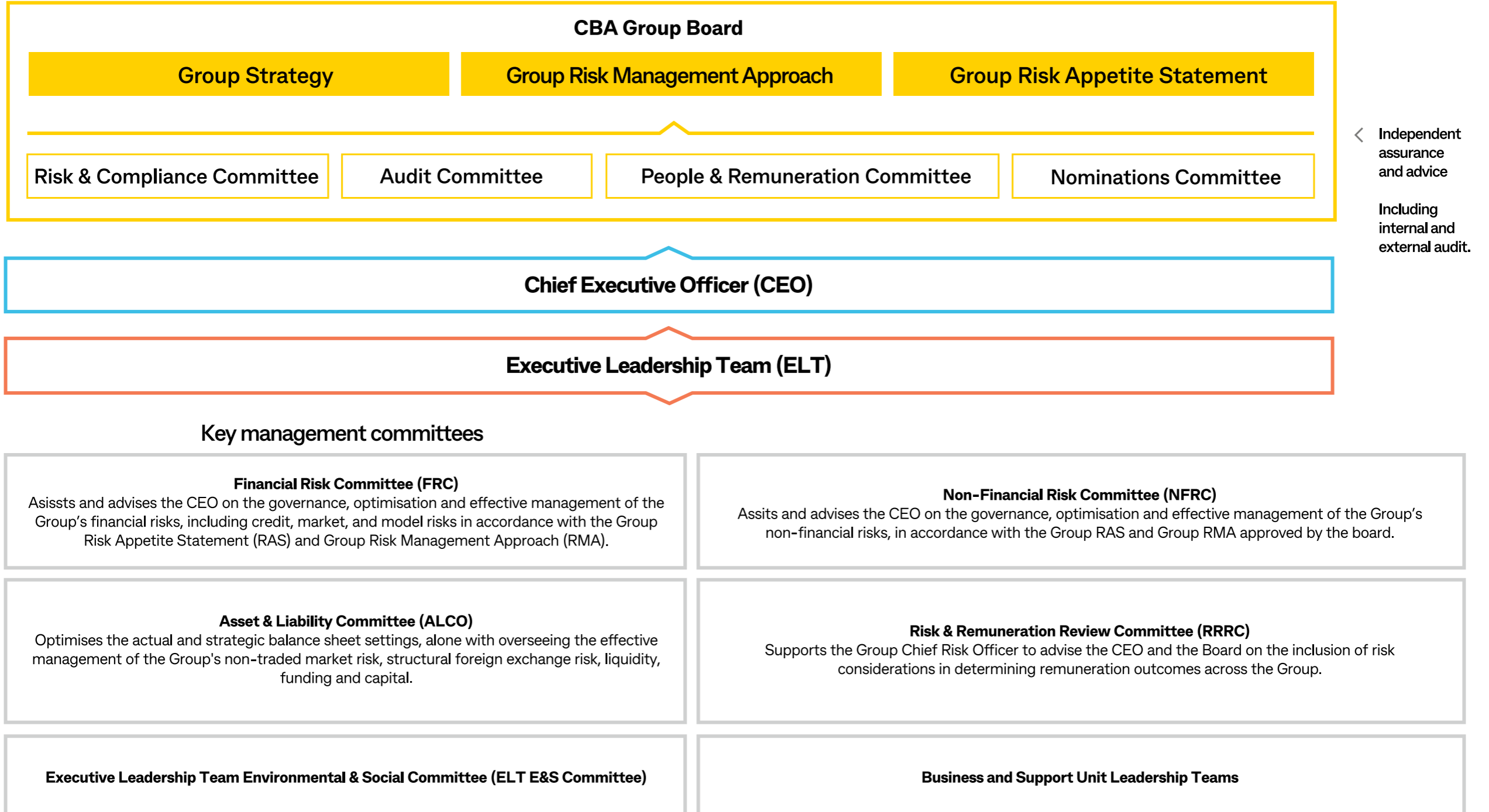
ASB provides a range of banking and investment products and services to its personal, business and rural customers in New Zealand. Section 4 of the statement describes the risks of modern slavery practices to the Group's operations and supply chain including ASB. Section 5 outlines the actions taken to assess and address these risks within ASB operations and supply chain.

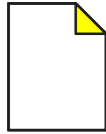
PT. Bank Commonwealth Indonesia  
(9120306442732)

PT. Bank Commonwealth (PTBC) focuses on both the Retail and SME segments, providing a full range of banking products and services – as well as being a leading provider of Wealth Management. In our Modern Slavery and Human Trafficking Statement 2021, we said we would consider, as a next step, conducting a deep dive risk assessment for PTBC. An initial assessment is underway.

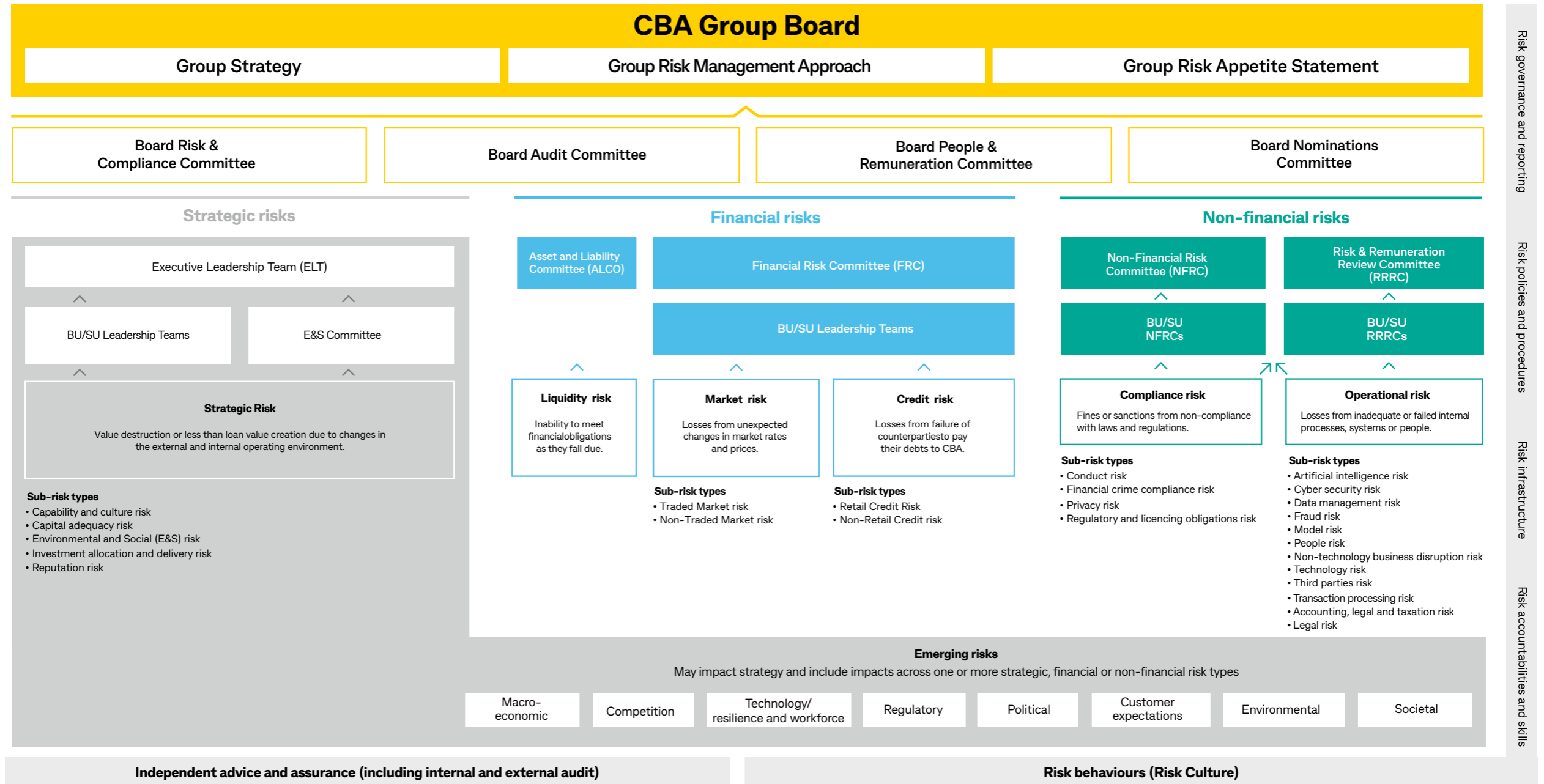


# Appendix B: Overview of our approach to E&S governance





# Appendix C: Commonwealth Bank's Risk Management Framework

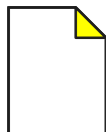


Risk governance and reporting

Risk policies and procedures

Risk infrastructure

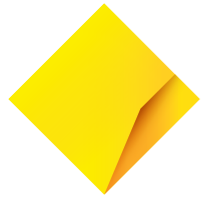
Risk accountabilities and skills



## Appendix D: Mandatory Reporting Criteria

This Statement complies with the requirements of the UK Modern Slavery Act 2015 and the mandatory criteria for the Australian Modern Slavery Act 2018. The following table references the content in this Statement, which complies with Section 16 of the Australian legislation.

Modern Slavery Act Mandatory Criteria	Page Reference
Identify the reporting entity.	Page 2 and Appendix A
Describe the structure, operations, and supply chains of the reporting entity.	Page 4 and Appendix A
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	Page 12
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Page 16
Describe how the reporting entity assesses the effectiveness of such actions.	Page 36
Describe the process of consultation with any entities that the reporting entity owns or controls. In the case of a reporting entity covered by a statement under Section 14 – the entity giving the statement.	Page 41



Commonwealth Bank  
of Australia