

MODERN SLAVERY STATEMENT

2024



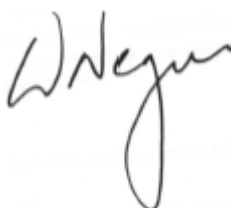
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Important information.

This Modern Slavery Statement (**Statement**) is made on behalf of Bank of Queensland Limited (ABN 32 009 656 740) (**BOQ**) and its subsidiaries (collectively, **BOQ Group or Group**), under the *Modern Slavery Act 2018* (Cth) (the **Act**). This Statement identifies the actions BOQ Group has taken to recognise, assess, and address modern slavery risks across its operations and supply chains over the financial year ending 31 August 2024 (FY24).

“We”, “us” and “our” are used throughout this Statement and are intended to collectively refer to all reporting entities and all other subsidiaries that form part of the BOQ Group.

This Statement has been approved by the Board of BOQ, the parent entity of the BOQ Group.



Warwick Negus
Chair

Leadership message.

At BOQ, we recognise that we have an obligation to minimise incidents of slavery, slavery-like practices, human trafficking and other forms of modern slavery through our operations and supply chain.

BOQ Group acknowledges that the decisions we make when conducting our operations and when sourcing products and services from suppliers can increase the risk that a person becomes a victim of modern slavery.

In 2023, the Group launched a multi-year program designed to continually improve our approach to modern slavery, with a specific focus on developing capabilities, refining our practices to identify risks, and addressing any identified instances of modern slavery.

During 2024, progress was made against this plan, delivering enhanced training supported by uplifted procurement frameworks, including specific requirements relating to our [Supplier Code of Conduct](#).

BOQ Group considers the risk of modern slavery within our direct business to be low, given our employees have access to trade union membership and employee policies include our commitment to diversity and inclusion. We respect the rights of our people and have a workplace that is open, fair and inclusive. The identification and reporting of modern slavery is a component of mandatory training to selected employees and representatives of the Group are required to undertake.

These steps demonstrate our commitment to promoting awareness across the Group of modern slavery risks, and of mitigating controls being implemented. The Group will continue to leverage our values to ensure we take a sustainable approach to modern slavery that is supported by our leaders.

For more information on BOQ Group's FY24 financial results and performance against Environmental, Social and Governance challenges and opportunities, see www.boq.com.au/2024.



Lou Pagano
Chief Procurement & Property Officer

BOQ Group's structure, operations and supply chain.

Our Structure.

Founded in 1874 as the Brisbane Permanent Benefit Building and Investment Society, 150 years later BOQ Group has evolved to what is now a leading mid-tier bank. The Group serves 1.4 million customers across all states and territories of Australia through our multi-brand offering, with 140 branches and corporate offices in Brisbane, Sydney and Melbourne. It is listed on the ASX and is regulated by the Australian Prudential Regulation Authority as an Authorised Deposit-taking Institution (**ADI**).

We have distinct offerings across our digital and relationship brands, offering customers many ways to interact with the Group on their terms.

Digital



ME: Home loans, personal loans, deposits and credit cards

ME is an online retail bank, which provides a wide range of banking products to customers through mobile bankers, direct channels and brokers. ME was acquired by BOQ Group in July 2021 and operates as a distinct brand within the Group.



VMA: Digital home loans, deposits, credit cards, insurance, and superannuation

VMA is a digital-first retail financial services company which provides a wide range of financial products that are easy to understand and is a compelling alternative to the 'big banks'. BOQ Group acquired VMA in 2013 and operates as a standalone brand within the Group.

Relationship



BOQ: Retail and SME lending, deposits, credit cards and insurance

BOQ is the retail banking arm of the BOQ Group, which includes 140 branches across Australia offering a range of banking products. Through the branch network, customers are supported with their lending and day to day banking, along with insurance products.



BOQ Business: Commercial lending, deposits, and financial markets

BOQ Business is a relationship-led business with specialist bankers providing client solutions across small business, agribusiness, corporate banking, property finance, healthcare and retirement, and tourism, leisure and hospitality. BOQ Business also works closely with the branch network to support commercial customers who value a more intimate business banking relationship.



BOQ Finance: Asset finance, Cashflow and Structured Finance solutions

BOQ Finance is a wholly-owned subsidiary of BOQ Group specialising in asset finance and leasing solutions. BOQ Finance is a midmarket financier providing deep industry and product skills to its partner base. BOQ Finance has been operating in the Australian and New Zealand markets for more than 45 years.



BOQ Specialist: Commercial lending, asset finance, home loans and consumer banking

BOQ Specialist delivers distinctive banking solutions to niche market segments including medical, dental and veterinary professionals. BOQ Group acquired the business (previously Investec Professional Finance) from Investec Bank (Australia) Limited in 2014. BOQ Specialist operates as a niche brand within BOQ's Business Bank.

Our operations.

BOQ Group operates nationwide through specialist bankers and digital channels, with a network of over 140 branches and a workforce of over 3,200 employees throughout Australia.

BOQ Group's operations primarily involve the provision of financial products to customers located in Australia.

BOQ Group has approximately 1.3 million customers located in every state and territory.

Our functions.

BOQ Group's business lines are supported by a number of Group functions including Retail Banking, BOQ Business, People and Culture, Finance, Transformation and Operations, Risk, Customer Advocate Office, and Technology. These key functions support our bank by managing our operations, property, strategy, finance, treasury, technology architecture, infrastructure and operations, risk, compliance, legal, human resources and corporate affairs.

Further information about BOQ Group's business can be found on our website www.boq.com.au.

Risk management.

Risk management underpins the strength and resilience of the BOQ Group and is the foundation of everything that we do for our stakeholders. Risks exist across the Group and are inherent in our operations. Our ability to manage risk effectively allows us to deliver on our objectives and protect the interests of our customers, shareholders and people. This is achieved through the BOQ Group's risk management framework, documented in the risk management strategy.

The risk management framework comprises the systems, structures, policies, processes and people that identify, measure, evaluate, control, monitor and report on both internal and external sources of material risk. The risk management strategy describes our approach to managing the material risks we face and promotes a strong risk culture and a three lines of defence model.

For further information on risk management, refer to the Group's 2024 Annual Report.

BOQ Group Policy framework.

The Board regularly reviews BOQ's policy framework to assess whether it is appropriate and contemporary and meets the needs and expectations of key stakeholders.

The following key policies and procedures apply across the Group and are designed to ensure that the Group can both detect and reduce the risk of modern slavery in our business operations and supply chains:

- Anti-Bribery and Corruption Policy
- Anti-Money Laundering and Counter-Terrorism Financing Policies
- Complaints Management Policy
- Credit Risk Management Policies
- BOQ Code of Conduct
- BOQ Group Financial Crimes Policy
- BOQ Whistleblower Policy
- Modern Slavery Policy
- Operational Risk Management Framework

- Procurement and Outsourcing Policy
- Remuneration Policy
- Recruitment and Selection Policy
- BOQ Sanctions Policy
- Supplier Management Standard
- Supplier Code of Conduct

Our supply chain.

In FY24, BOQ Group procured a range of goods and services from more than 1,800 suppliers.



Key categories of spend in FY24 include property and facilities management, business services (including risk, legal and treasury), technology products and services, recruitment, and marketing services.

BOQ Group aims to contract with predominantly Australian based organisations, noting that some of our suppliers have overseas operations from which goods and/or services are provided. Some of the locations our suppliers utilise include India, Germany, Singapore, Canada, Philippines, Japan, New Zealand, Ireland, Poland, France, the Netherlands, and Romania. When addressing modern slavery risk, BOQ Group takes a risk-based approach to focus on higher-risk supplier categories and locations.

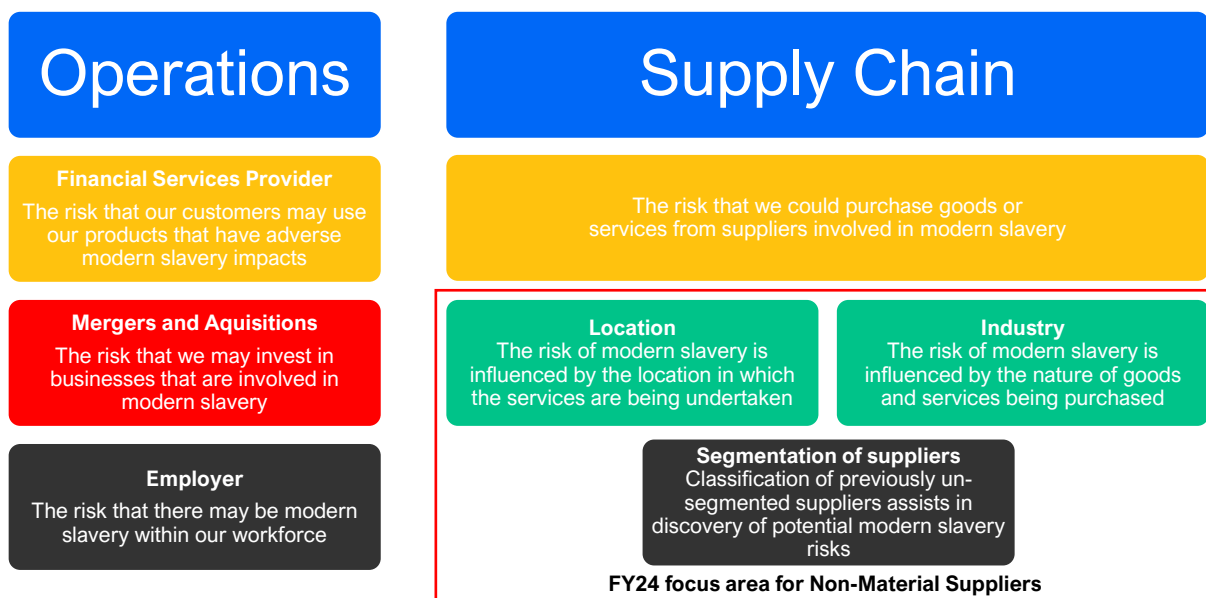
¹ Procurement Spend Data from our Accounts Payable system for the period 1 July 2023 to 30 June 2024

² Procurement Spend Data from our Accounts Payable system for the period 1 July 2023 to 30 June 2024

Assessing risks of modern slavery.

BOQ Group recognises that respecting and protecting human rights across our operations and supply chains is an area of great importance to our organisation, its shareholders, customers and the communities in which we operate.

As guided by the United Nations Guiding Principles on Business and Human Rights, we acknowledge that BOQ Group’s supply chain and operations may cause, contribute or be directly linked to adverse human rights impacts and modern slavery risks.



Our operations.

BOQ Group’s assessment continues to be that the risk of modern slavery within its direct business operations is low. The basis for this view is that:

- We have policies and processes in place to help our people understand the standard of behaviour expected and how to speak up when they feel something isn’t right, including the Whistleblower Policy, Whistleblower Standard and Speak Up Standard.
- BOQ partners with Sonder, a digital safety and wellbeing platform, to provide 24/7 confidential and immediate support for our people’s medical, safety and mental health needs.
- Our Anti Money Laundering/Counter-Terrorism Financing (AML/CTF) obligations are managed through the customer lifecycle, with subsequent monitoring, internal policies and procedures governed by part A and part B of our AML/CTF program. An AML/CTF officer is responsible for maintenance and oversight of this program, which has Board oversight and approval. Through the AML First Program, we are implementing a range of enhancements to our compliance approach. There remains a risk that our products may be used for modern slavery within customer supply chains and operations.

- The Group does not lend to borrowers considered prohibited under our Commercial Lending Credit Policy’s prohibited and restricted industries/activities list, and additional executive approval is sought in specific industries, categories or customer groups that might be associated with a high risk of financial crime and as a result modern slavery.
- BOQ Group operates under a three lines of defence model, which helps our people understand the roles they are expected to play in risk management.

Our supply chain.

The majority of BOQ Group’s supplier expenditure is with large, established Australian-based entities and, as such, is considered to have a low level of inherent risk of modern slavery at an organisational level.

In FY24, BOQ refreshed and expanded its desktop risk assessment based on industries with heightened modern slavery risk and locations to additional levels of non-material suppliers. Of the 223 additional suppliers assessed, one supplier was identified to present a high risk due to the services being delivered from Albania. Most suppliers were assessed as low risk with their countries of operation falling into a low category of risk for modern slavery³.

Case Study: Services in Albania

As part of our FY24 assessment, BOQ identified that Deloitte provides services from Albania. Albania has a high prevalence of modern slavery.

Analysis identified that BOQ leverages skilled IT services (non-production software development and testing) from the jurisdiction and Deloitte complies with all modern slavery and Supplier Code of Conduct requirements.

The residual risk is low however BOQ will continue to monitor the supplier through our frameworks.

Table: Services provided to BOQ from suppliers based in high and moderate rated modern slavery risk locations

Location	Rating	Services
Albania	High	Skilled IT services (non-production software development and testing).
Bulgaria	Moderate	Skilled IT services (high severity incident management). Indirect support services (4th party).
India	Moderate	Skilled IT services (development, testing and support services for infrastructure and systems)

Our procurement team has also refreshed the review of all material suppliers and their associated contracts to assess the inclusion of modern slavery-specific clauses. This review covered the relevant

³ Locations were assessed against Walk Free’s Global Slavery Index 2023

Master Services Agreement (or equivalent) and relevant variations and schedules for each material contract to identify appropriate clauses and exceptions. Where gaps were identified, contracts were uplifted to include modern slavery-specific clause resulting in a 24% uplift in material supplier agreements containing modern slavery clauses.

100% of material supplier contracts contain modern slavery clauses⁴

92% of assessed suppliers have low modern slavery risk⁵

Our people.

BOQ Group considers the risk of modern slavery within our direct business to be low, given our employees have access to trade union membership and employee policies include our commitment to diversity and inclusion. We respect the rights of our people and have a workplace that is open, fair and inclusive.

The identification and reporting of modern slavery is a component of the mandatory training that selected employees and representatives of the Group are required to undertake. All BOQ employees and contractors receive periodic training on the Code of Conduct, and there is ongoing monitoring of conduct. Consequences apply for breaches of the Code and, in accordance with BOQ's Board Charter, material breaches of the Code of Conduct are reported to the Board.

Our actions to address modern slavery risks.

The Group delivered against its FY24 Modern Slavery program of work by completing the following activities:

- Uplifted BOQ Group's Procurement & Outsourcing Policy to include specific Modern Slavery Act 2018 requirements for inclusion as part of tendering and contracting.
- Expanded mapping of our supply chain against high-risk countries of modern slavery to non-material suppliers.
- Developed and published an internal and external supplier portal to reaffirm our expectations relating to social procurement, modern slavery and Supplier Code of Conduct.
- Extended the Supplier Monitoring Framework to provide centralised governance and oversight of non-material suppliers.
- Commenced rollout of an updated Supplier Attestation for material suppliers. The Supplier Attestation embeds annual review requirements of key suppliers to enhance compliance to BOQ's modern slavery and Supplier Code of Conduct requirements.
- Expanded the supply chain focused modern slavery program of work to include actions to support First Nation's suppliers and Supplier Code of Conduct.

⁴ Material suppliers as at June 2024

⁵ Significant and Non-Critical suppliers as at April 2024

- Completed targeted clause remediation for material suppliers resulting in 100% of material supplier contracts containing modern slavery clauses.
- Included standardised modern slavery and Supplier Code of Conduct inclusions into tendering, contract and risk assessment templates.
- Published communications to approximately 450 People Leaders to reinforce requirements set out in the Modern Slavery Policy, including how to raise concerns if modern slavery is suspected within our operations or supply chain.
- Developed a mandatory supplier management and modern slavery e-learning module for BOQ Group employees with responsibilities relating to supplier management, business strategy, risk and compliance.
- Implemented system enhancements to enable tracking of modern slavery location risk, and contract clause compliance for modern slavery, CPS 231/230, Supplier Code of Conduct and Annual Attestation.
- Implemented a baseline review of Supplier Code of Conduct compliance for material suppliers.
- Further developed our multi-year roadmap to ensure continuous improvement in modern slavery risk prevention practices across BOQ Group.
- Matured the Procurement Risk Forum to deliver targeted reporting to relevant risk management committees and raising of risk events where non-compliance events are identified.

Assessment of effectiveness.

BOQ Group uses its operational risk framework to assess the effectiveness of our controls to identify any modern slavery risks. This includes through:

- The development of a risk profile that considers the likelihood, impacts, controls and residual risk rating for key risks.
- The inclusion of third-party risk in all Group Divisional risk profiles to strengthen the understanding and accountability of supplier operations and management.
- Business unit-led control self-assessments supported by periodic Group Risk and Internal Audit control testing.
- Identified control deficiencies that are tracked through centralised reporting and escalated to management where required to ensure appropriate closure.

The operational risk framework also stipulates a hierarchy of risk management forums that is subject to oversight by our three lines of defence.

The Procurement Risk Forum strengthens oversight within the supply chain with responsibilities to:

- Oversee the implementation of procurement policies.
- Track internal audit open actions and planned audits.
- Review key procurement indicators and determine appropriate actions.
- Review and monitor policy exceptions, including raising of risk events for non-compliance.
- Oversee the effectiveness of procurement governance frameworks (e.g. controls and control testing).

BOQ is also undertaking Program rQ, designed to strengthen our risk culture, governance and financial and operational resilience so we are a stronger, simpler and digitally enabled bank. The key themes of the Program are:

- Role of the Board
- Governance and reporting
- Risk management framework
- End-to-end risk and control environment
- Risk culture framework
- Capability and capacity
- Accountability, performance and consequence management.

Looking to the future.

As part of our commitment to continuously improving our Procurement-led program of work, which includes our Modern Slavery Framework, we continue to review and refine our actions based on learnings internally and in the broader industry. This enables us to maintain a sustainable approach to managing modern slavery.

Over the next two years the Group will undertake the following activities:

- Develop and pilot a deep dive review of a supplier within a high-risk industry in our supply chain to further understand modern slavery risk.
- Continue to embed our Supplier Monitoring Framework within our non-material supply chain.
- Extend mapping of our suppliers against the established high risk industry list.
- Align our modern slavery approach to leverage Program rQ and APRA CPS 230 'Operational Risk Management' to capture additional contractual and due diligence requirements.
- Leverage system enhancements to enhance tracking of modern slavery location risk.
- Set operational KPI targets for implementation of modern slavery and Supplier Code of Conduct clauses across new material suppliers.
- Maintain effective monitoring of the Group's supply chain to identify any modern slavery issues.

Consultation.

BOQ Group consulted with all the relevant entities that it owns and controls (outlined in Appendix A) in preparing this Statement. There has also been consideration and review of *Modern Slavery Act 2018* reporting requirements, actions undertaken, and risks, by leadership teams including BOQ Group's Executive Committee prior to the submission of this Statement to the Board for approval.

Our brands are wholly owned by the Group and under the remit of BOQ Group policies and processes. This allows us to conduct internal consultation and delivery of common processes across our brands leading to a consistent application of modern slavery frameworks across the entire BOQ Group.

Appendix A: Relevant Entities

- BOQ ASSET FINANCE & LEASING PTY LTD
ABN: 79 074 206 634
- BOQ CREDIT PTY LIMITED
ABN: 92 080 151 266
- BOQ EQUIPMENT FINANCE LIMITED
ABN: 78 008 492 582
- BOQF CASHFLOW FINANCE PTY LTD
ABN: 68 062 762 921
- BOQ FINANCE (AUST) LIMITED
ABN: 56 065 745 735
- BOQ FUNDING PTY LIMITED
ABN: 35 079 936 495
- BOQ HOME PTY LIMITED
ABN: 72 051 900 380
- BOQ SPECIALIST (AUST) PTY LIMITED
ABN: 55 071 292 594
- BOQ SPECIALIST PTY LTD
ABN: 94 110 704 464
- B.Q.L. MANAGEMENT PTY. LTD.
ABN: 87 081 052 342
- HOME CREDIT MANAGEMENT PTY LTD
ABN: 84 009 108 123
- MEMBERS EQUITY PTY LIMITED
ABN: 56 070 887 679
- STATEWEST FINANCIAL PLANNING PTY LTD
ABN: 32 009 137 508
- VIRGIN MONEY (AUSTRALIA) PTY LIMITED
ABN: 75 103 478 897
- VIRGIN MONEY FINANCIAL SERVICES PTY LTD
ABN: 51 113 285 395
- BOQ FINANCE (NZ) LIMITED
NZ COMPANY No 708549
- ALLIANCE PREMIUM FUNDING LIMITED
NZ COMPANY No 5705689