



Modern Slavery and Human Trafficking Statement 2018

The following statement has been prepared to comply with the requirements of Section 54 of the United Kingdom Modern Slavery Act 2015.

The statement has been prepared on a group basis and covers the following UK companies:

- First State Investments (UK Holdings) Limited
- First State Investment Services (UK) Limited
- First State Investment Management (UK) Limited
- First State Investments International Limited
- First State Investments (UK) Limited

The statement was approved by the Boards of those companies on 10 December 2018.

Signed:

A handwritten signature in blue ink, appearing to read "Chris Turpin", written over a dotted line.

Chris Turpin
Director

Modern Slavery and Human Trafficking Statement 2018

This statement discloses the actions taken by the Commonwealth Bank Group (the Group) to mitigate slavery and human trafficking in our business and supply chain, during the year ended 30 June 2018. This statement has been prepared to comply with the requirements of Section 54 of the United Kingdom Modern Slavery Act 2015.

Our business

The Commonwealth Bank is Australia's leading provider of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and sharebroking products and services. The Group services more than 16 million customers globally, with operations in 11 countries.

Our purpose is to improve the financial wellbeing of our customers and communities.

During the year, we spent more than \$4.8 billion on products and services in procurement categories including technology, business and professional services, property and marketing.

Although this statement has been produced to comply with Section 54 of the United Kingdom's Modern Slavery Act 2015, the Group intends to broaden the scope and detail of this statement in the coming financial year to comply with new modern slavery legislation in Australia.

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Our position

The Group is committed to maintaining and improving systems and processes to avoid complicity in human rights violations related to our own operations, our supply chain, and our products and services. We understand that slavery and human trafficking can occur in many forms, such as forced labour, child labour, domestic servitude, sex trafficking, workplace abuse and human trafficking. Therefore, in this statement we use the terms "slavery and human trafficking" to encompass these various forms of coerced labour.

Our commitment to human rights

Our commitment to respect human rights is guided by the United Nations Guiding Principles on Business and Human Rights. According to these principles, governments possess the primary duty to protect human rights; our responsibility is to respect human rights.

Human rights are universal and fundamental rights that preserve the inherent freedom, dignity and equality of all human beings.

The basis of international human rights law and norms are set out in the International Bill of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

Our approach to respecting human rights is detailed in the Group's [Human Rights Position Statement](#).

Our Policies, Processes and Procedures

Our purpose and values are integral to the way we operate our business.

Our commitment to human rights is supported by policies and processes that identify, assess and mitigate risks of slavery and human trafficking. These include, but are not limited to:

- Our Commitments¹
- Workplace Conduct Policy
- Remuneration Policy
- Human Rights Position Statement
- Anti-Money Laundering and Counter-Terrorism Financing Policy
- Supplier Code of Conduct
- Environmental, Social and Governance (ESG) Lending Commitments
- Responsible Investing Framework
- Outsourcing Policy
- Whistleblower Protection Policy

Our relevant processes and procedures include, but are not limited to the following:

- We monitor and review the effectiveness of relevant internal policies and how these have been implemented across our business areas
- We undertake supplier risk assessments and due diligence on proposed service providers
- We have a range of policies and implement programs to support an inclusive workplace
- Our employees and our suppliers have access to the Group's SpeakUP hotline, an external telephone and email service staffed by independent consultants, providing an avenue for our employees, or our suppliers and their employees, to anonymously report or raise any concerns or suspected unethical or corrupt behaviour.



Slavery and Human Trafficking Statement continued

Steps Taken in 2017 - 2018

Building on the Group's Human Rights Position Statement, we continue to embed respect for human rights into the business.

Operations

Training on [Our Commitments](#)² was delivered Group-wide during the reporting period with a completion rate of more than 99%. Our Commitments training highlights the guiding principles and values of the Group, and ensures our people understand and demonstrate our values through their conduct and interactions with our customers, shareholders, regulators, suppliers, colleagues and the communities in which we operate.

We updated our values this year, and these will guide us so that:

- We do what is right
- We are accountable
- We are dedicated to service
- We pursue excellence
- We get things done

Our values support the Group's commitment to mitigate the risks of modern slavery in our operations and supply chains. Disciplinary action may be taken against individuals who breach our values or internal policies.

Supply Chain

Our Supplier [Code of Conduct](#) (the Code) sets our compliance expectations regarding forced, bonded or involuntary labour, and human trafficking. The Group requires all suppliers to review and comply with the Code and the relevant laws and regulatory standards. Under the Code, suppliers must ensure all people directly or indirectly engaged across the Group's supply chain are protected from the risks of human rights abuses related to modern slavery and human trafficking.

A responsible procurement training program has been developed to provide the Enterprise Procurement and Partnerships team with the knowledge required to identify and mitigate the risk of slavery and human trafficking in the Group's supply chains. The program launched in FY18 with a number of people completing the training. All category managers will complete the training by the end of the next reporting year.

The training outlines the fundamentals of ESG risks, including topics related to modern slavery, and the information and tools required to mitigate these risks.

To complete the training, managers must demonstrate they:

- Understand the risks related to modern slavery and human trafficking in a supply chain, and the expectation on them to help mitigate these risks
- Are able to analyse procurement categories to identify and remediate these risks
- Understand the context and scale of slavery and human trafficking
- Are able to interpret and understand modern slavery regulatory requirements
- Understand the expectations set out in the Supplier Code of Conduct.

Lending

The Group's ESG Lending Commitments guide our lending activities and integration of ESG risk assessments and mitigation into decision-making processes. Human rights are a key social risk considered throughout this process. The Group is committed to assessing and measuring ESG impacts and risks across the lending portfolio and specifically excludes clients that are complicit in the abuse of human rights.

The commitments are supported by an ESG Risk Assessment tool which identifies the level of risk against eight criteria, including labour conditions and human rights. This risk assessment is compulsory for all Institutional Bank loans and for larger loans in other business units.

Lending employees receive training on the application of the ESG lending commitments and use of the risk assessment tool. More than 3,500 employees completed the annual refresher training for ESG Risk Fundamentals which was updated to include:

- Context and scale of slavery and human trafficking
- Modern slavery regulatory requirements
- Case studies on businesses exposed to incidents of modern slavery and human rights abuses

We continue to be an active member of the Mekong Club, a not-for-profit association that is working to engage, inspire and support the private sector to lead the fight against slavery in Asia. As a member of the Mekong Club's Financial Services Working Group, we have delivered awareness sessions on the issue of modern slavery to our people in Sydney and Hong Kong, and have provided in-kind support to the association.

Investing

The Group's Responsible Investing Framework integrates ESG factors across investment processes, with the aim of delivering sustainable long-term investment outcomes for our customers. The framework is supported by an ESG training module, which outlines the importance of labour and human rights considerations in the investment decision-making process, along with the risks associated with overlooking these factors. The training was rolled out to our wealth management professionals with more than 260 employees completing the training.

This year CommSec and CommPrivate developed new approaches to measuring ESG risks in their Approved Product Lists and Model Portfolios, and are now offering clients ethical investment solutions upon request.

This statement will be reviewed and updated annually.

This statement has been endorsed by the Board of the Commonwealth Bank of Australia.

C. B. Livingstone

Catherine Livingstone AO Chairman

²Please note, 'Our Commitments' apply to the FY18 reporting period. 'Our Commitments' were replaced with a revised Code of Conduct in September 2018.

