Slavery and Human Trafficking Statement 2017

This statement discloses the actions taken by the Commonwealth Bank Group (the Group) to prevent slavery and human trafficking in our business and supply chain, during the year ended 30 June 2017. This statement is intended to comply with the requirements 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 vision is to excel at securing and enhancing the financial wellbeing of people, businesses and communities.

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 vision and values of integrity, accountability, collaboration, excellence and service 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 policies include, but are not limited to:

- Our Commitments
- Workplace Conduct 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.

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Steps Taken in 2016 – 2017

Building upon the release of the Group's Human Rights Position Statement in the previous year, we continue to embed respect for human rights into the business.

Operations

Commonwealth Bank employs more than 51,000 people in operations globally. Our people are required to observe Our Commitments, ensuring professionalism, honesty, common-sense and fairness in their dealings with customers.

We expect our people to work in a safe and inclusive manner and uphold the Group's high standards of workplace conduct and these commitments are available in four languages, English, Bahasa-Indonesian, Simplified-Chinese and Vietnamese, to match our key countries of operation.

Training on Our Commitments was delivered Group-wide during the reporting period with a 98% completion rate.

Supply Chain

We conduct business with more than 5,000 suppliers in areas that include technology, business and professional services, property and marketing.

When initially launched, the Supplier Code of Conduct set compliance expectations regarding forced, bonded or involuntary labour, and human trafficking. This was updated in September 2016 to improve recognition of human rights and supplier compliance with international human rights laws.

The Supplier Code of Conduct has been embedded into the procurement processes for establishing new suppliers.

A new responsible procurement training program was developed for Procurement staff and budget holders, including specific content on modern slavery.

Key procurement staff attended a human rights and modern slavery awareness session, delivered by internal and external experts in the field of human rights.

All of the Group's suppliers must demonstrate compliance with the Group's Supplier Code of Conduct, as well as comply with all relevant laws and regulatory standards.

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 is a key social risk considered during this process. The Group is committed to assessing and measuring ESG impacts and risks across the lending portfolio and specifically exclude supporting 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 seven criteria, including labour conditions and human rights. Lending staff have received training on the application of the ESG lending commitments and use of the risk assessment tool.

Business units operating in Hong Kong have been promoting awareness of human rights and modern slavery in the region through support of the Mekong Club, a not-for-profit that is working to engage, inspire and support the private sector to lead the fight against slavery. Institutional Banking and Markets, and International Financial Services, have hosted awareness sessions by the Mekong Club for staff in Hong Kong and have provided in-kind support to their work.

Investing

The Group's Responsible Investing Framework integrates ESG factors across investment processes, consistent with the pursuit of sustainable long-term investment outcomes for our customers. This framework is supported by a training module that has been rolled out to our wealth management professionals.

A human rights guidance note and toolkit was issued for Colonial First State Global Asset Management and First State Investments. The guidance note references the UK Modern Slavery Act and details the process for identifying companies with human rights risks, assessing their approach to addressing risks and response to incidents or allegations.

First State Investments is screening counterparties of its fixed income business to assess compliance with responsible investment and business practices.

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