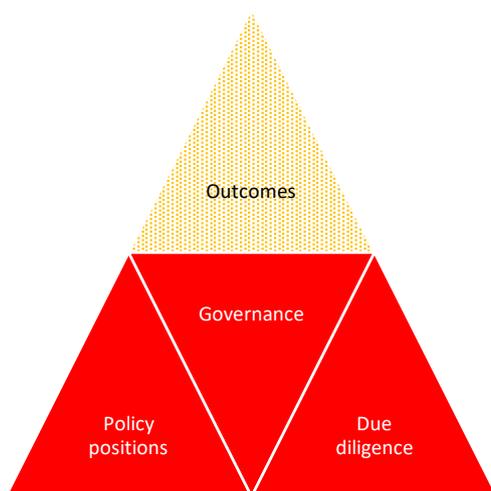


BANK OF QLD 2019 REPORT FINANCIAL SERVICES HUMAN RIGHTS BENCHMARK

Company Name	BANK OF QUEENSLAND LIMITED
Industry	regional bank
FY end	31 August
Revenue FY19	\$1.096 bn
Employees	2,495
Retail divisions	Retail Banking, St Andrews Insurance
CLIS divisions	BOQ Business
Law reform contributions	15
Overall level of disclosure	Moderate level of disclosure

Our overall rating of Bank of Queensland's human rights performance for each domain is set out below



RETAIL: RED

Bank of Queensland's governance of human rights risks is piecemeal. While privacy features in its commentary on governance (including the remit of the board Information Technology sub-committee), and there is attention to 'fair and equitable treatment of customers' in the operational risk considered by the Risk Committee. We also note policies around privacy, complaints handling (voice and participation) and hardship policies (economic security), plus an expressed desire to improve customer experiences. However there is no recognition of how the bank's interactions with its retail clients can be a source of human rights risk across all six of our human rights categories.

There was no evidence of any human rights due diligence in this domain.

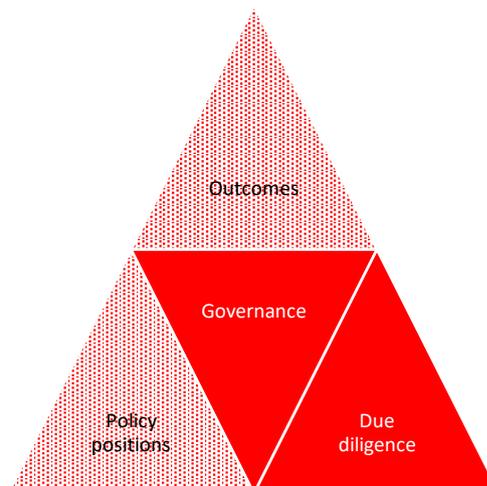
Outcomes are an area where Bank of Queensland could improve its disclosure practices. There is an absence of disclosure about matters such as customer complaint numbers (noting a 55% increase on the prior financial year) and their resolution (days to resolution) would complement the AFCA data for complaints raised by customers against the bank and its various entities. We note the 2,592 financial difficulty applications that were approved in FY19. While the bank indicates this is a lower level of applications than it approved in FY18, it is not clear whether this is a good outcome (because everyone who made an application was approved) or otherwise.

COMMERCIAL LENDING INVESTMENT AND SERVICES (CLIS): RED

BOQ Business includes services to the Agribusiness sector, reflected in an emphasis on environmental and animal welfare issues. There was little evidence of broader inquiry into human rights impacts in this domain.

The Hayne Royal Commission highlighted issues around SME lending, specifically involving Wendy's franchises. The events this case study refers to are outside our reference period, but raise issues around handling of business customer complaints. An opportunity to give updated information on its business customer complaints via its sustainability report wasn't taken up in the FY19 annual or sustainability reports.

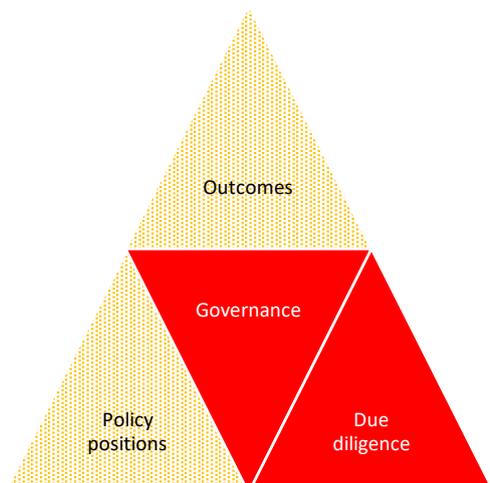
We note reports that BOQ has conceded its small business contracts in this domain are unfair as part of proceedings in the Federal Court of Australia although the judgment has been reserved (as at 24 November 2020).



This publication is presented for the purpose of disseminating information and research findings for the benefit of the public. It has been prepared on the basis of evaluation of human rights performance based on publicly available material for 22 ASX listed entities included in the sample. Refer to [main report] for more information.

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EMPLOYEES: AMBER

As one of the medium-sized employers in our sample, we note that while there was some recognition of the obligation to respect human rights of employees, but only across some of our human rights categories. We particularly note that while the Code of Conduct support for privacy, equality, non-discrimination, no harassment, bullying or intimidation, as well as providing a safe working environment, that document is directed at the responsibilities of employees in relation to these matters, rather than at the responsibilities of the Bank itself.

Our coding for policy positions reflects the public unavailability of many of the bank’s policies, although we identified a range of employee-focussed policies that could cover many of our six human rights categories in the documents we could access. What policies we can view do not indicate a feasible due diligence process for human rights in respect of employees.

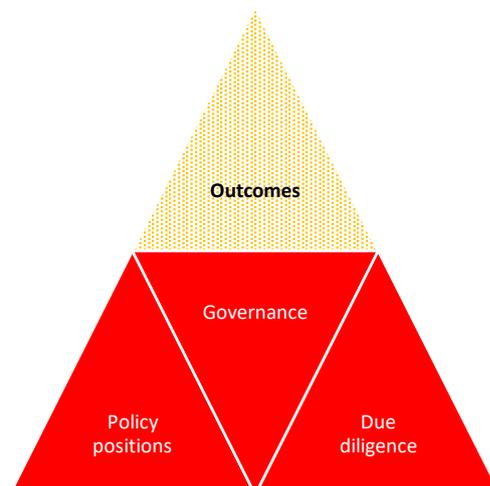
BOQ entered into a new enterprise agreement in 2019. We found evidence of negotiations leading up to this agreement, as well as the Fair Work Commission approval of that agreement that speaks to issues around ensuring adequate staff to cover planned and unplanned absences (Health & Safety), access to better leave for domestic violence (Economic Security), giving employees a say in performance targets (Voice & Participation), as well as provisions that didn’t meet the National Employment Standards (we note here the undertaking given by BOQ to the Fair Work Commission in this regard).

SUPPLY: RED

For FY2019, there was no real discussion of suppliers and any relevant human rights that we could find in the governance and policy positions disclosures.

We note that the first modern slavery statement from Bank of Queensland was released in December 2020 (outside the reference period for this report). We anticipate a fuller set of governance and policy position disclosures to emerge in response to the requirement to report.

Our coding for outcomes is common across our FSE sample.



SOCIETY: RED

There is no recognition at Board level of public policy advocacy as a source of human rights risk. We note that the Bank has an External Communications Policy: this is referenced in the Code of Conduct but we were not able to find a copy of it on the Bank’s public website. Our view, based on experience from reviewing similar policies at other banks, is that there is not likely to be any consideration of human rights. But if there is, publication would make that clear.

We do note the 2019 Sustainability Report identifies communities as a focus of its stakeholder engagement and states a commitment to creating positive social, economic and environmental impacts. It also speaks to contributing to public policy to improve the financial system and customer outcomes.

Given its extensive discussion of regulatory developments in the 2019 Director’s Report, it is surprising to see no public submissions from Bank of Queensland to most of the reforms we considered, especially as these reforms that would appear to be of direct interest to the bank. It appears to be a missed opportunity to contribute publicly to these reforms in a way that aligns with its commitment to creating positive social, economic and environmental impacts in its stakeholder communities.

Its submission to Reform 15 (ASIC on Responsible Lending Conduct), it demonstrates some awareness of customer human rights particularly around the use of data and privacy concerns.

