

AFCA Modern Slavery Statement for the financial year ended 30 June 2020

About AFCA

Structure

Australian Financial Complaints Authority Limited (AFCA) is a not for profit company limited by guarantee, with its principal activity being the external dispute resolution (EDR) provider for the financial services industry in Australia.

Operations

AFCA provides consumers and small businesses in Australia with fair, free and independent dispute resolution for financial complaints. We consider complaints about financial products and services, this includes credit, finance and loans, insurance, banking deposits and payments, investments and financial advice and superannuation. AFCA's service is offered as an alternative to tribunals and courts to resolve complaints consumers and small businesses have with their financial firms.

AFCA operates out of two centres in Australia – Sydney and Melbourne and employs approximately 786 employees.

Supply chains

AFCA has approximately 660 vendors with 30 vendors accounting for 80% of total expenditure, supplying from the following sectors:

- Real Estate (inc Facilities)
- Professional services
- Financial Services (inc Insurance)
- Technology
- Travel

Of the above – 93% are based in Australia (in the lowest 7 of 167 countries rated for modern slavery risks by the Walk Free Foundation's Global Slavery Index)

AFCA Supply Chain Modern Slavery Risk

AFCA has formed a working group, with representation from People & Culture, Finance, Risk, Procurement and Legal to consider our exposure to as well as controls, policies and processes to manage modern slavery risk.

This working group has made use of guidelines and resources published by the Australian Commonwealth, non-government organisations such as the Walk Free Foundation and international organisations such as the International Labour organisation in assessing our risk exposure.

Areas of risk

AFCA, as a values-based organisation, considers it an important responsibility to ensure that we identify and respond to any incidents of modern slavery in an appropriate and timely manner.

The exposure to modern slavery risk in AFCA relates to people risk and supplier risk – both are which are assessed to be low risk.

People risk

AFCA is a people centric organisation that has strong controls in place to reduce the risk of modern slavery that include:

- Published minimum salary ranges above National Employment Standards (NES) and modern award requirements within Remuneration Policy;
- Annual salary review aligned with Fair Work Commission wage review outcomes;
- AFCA employment agreements and policies in line with legislative changes;
- Overtime approved by Senior Leader and Executive General Manager based on operational requirements;
- Wellness Policy and regular wellbeing check-ins with managers;
- Regular communication, such as Town Halls, across AFCA to support an inclusive and collaborative culture;
- Staff engagement surveys conducted with results and actions arising discussed by the Leadership and all people managers;
- Code of conduct setting expectations from all employees;
- Procedures and channels to raise any grievance concerns about any type of problems encountered.

Supplier risk

Our procurement activity is geared towards vendors based in Australia, but we acknowledge that these vendors may have downstream suppliers that may give rise to the risk of modern slavery.

AFCA uses standard procurement templates and is establishing vendor panels to improve scrutiny of procurement activity. The majority of non-people spend relates to facilities, office furniture for the offices in Melbourne and Sydney as well as professional fees.

We have analysed our vendor base and are undertaking additional analysis of our top 30 vendors that account for over 80% of our spend. This analysis has mapped our suppliers against the following risk factors:

- Industry / sector;
- Category; and
- Geographic

Supplier Survey questions have been developed for ongoing use with the highest risk / prioritised suppliers. This survey is designed to improve AFCA's understanding of supply chain management within the supply base, with focus on modern slavery risk practices.

Continuing initiatives and forward view of focus:

AFCA is committed to progressing the journey towards understanding, mitigating and remediating modern slavery risk, domestically and within its supply chain.

This activity will include the following:

- Ongoing deployment of supplier surveys with prioritisation and dialogue with vendors that are identified as having exposure to modern slavery risk. This will include vendor management plans to address any concerns arising.
- Raising awareness of modern slavery with all AFCA employees.
- Review of procurement contract templates to ensure that AFCA expectations are understood.
- Vetting vendors on existing procurement panels.

This statement was approved by the Board of Australian Financial Complaints Authority Limited on 23 March 2021.

Signature



Chairperson of the Board
The Hon Helen Coonan

Date: 24 March 2021