



2023 Modern Slavery Statement

Liberty Financial Group Limited (ABN 59 125 611 574)

**Liberty Fiduciary Ltd (ABN 80 119 884 623) as responsible entity for the
Liberty Financial Group Trust (ARSN 644 813 847)**

1. Overview

- 1.1 This Modern Slavery Statement (**Statement**) is for the period 1 July 2022 to 30 June 2023 (**Reporting Period**) and is made in accordance with the *Modern Slavery Act 2018* (Cth) and has been approved by the Board of Liberty Financial Group Limited (ABN 59 125 611 574) and Liberty Fiduciary Ltd as responsible entity of the Liberty Financial Group Trust (**Liberty**) on 13 December 2023.
- 1.2 This Statement is a joint statement of Liberty Financial Pty Ltd (ACN 077 248 983), Liberty Funding Pty Ltd (ACN 128 856 422) and Minerva Holding Trust (the trustee being Minerva Fiduciary Pty Ltd (ACN 637 593 849)) and applies to Liberty and its related bodies corporate (**Liberty Group**).
- 1.3 As a highly regulated Australian and New Zealand financial services business with a professional workforce, we consider the risk of modern slavery within our direct business operations to be low. However, we recognise that through our customers and supply chains we are indirectly exposed to modern slavery risks.

2. Liberty Group

- 2.1 The Liberty Group was founded in January 1997 on the premise of fairness and financial inclusion. A premise that understands providing credit for good purpose has a sustainable and positive impact on society.
- 2.2 Liberty is an ASX listed diversified finance group with operations in Australia and New Zealand. The Liberty Group products include residential and commercial mortgages, motor finance, business loans, personal loans, brokering, real estate services and insurance. The Liberty Group has advanced over \$40 billion to over 700,000 customers and currently employs over 500 staff across Australia and New Zealand.
- 2.3 You can find more information in our [2023 Annual Report](#) and [2023 ESG Report](#).

3. Commitment

- 3.1 Liberty is committed to the highest standards of honesty, integrity, and ethical behaviour in all our business activities including responsible procurement.
- 3.2 The Liberty Group is B Corporation certified and is part of the corporate movement to make a positive impact across its workers, customers, suppliers, community, and the environment. Certified B Corporations meet the highest standards of verified social and environmental performance, public transparency and accountability to balance profit and purpose.

4. Policies and procedures

- 4.1 Given the Liberty Group's high ethical standards and practices and a strong corporate governance framework in place, the Boards have delegated the authority to their Audit and Risk Committee to oversee the approach to non-financial risks associated with environment, social and governance issues.

4.2 This approach is also aligned with our B Corporation certification, internal training programs and associated policies including:

- (a) Whistleblower policy;
- (b) Supplier selection policy
- (c) Diversity policy;
- (d) Code of conduct;
- (e) Anti-bribery and corruption policy; and
- (f) Anti-money laundering and counter terrorism financing policy and program.

5. Operations and people

5.1 We have assessed whether across Liberty Group's operations an employee could be subject to conditions amounting to modern slavery. The assessment considered risks associated with our processes for recruitment and management of employees. We have also considered the adequacy of our training, and the effectiveness of established grievance reporting channels to resolve issues or challenges arising in the workplace. Our remuneration practices are designed to be consistent with financial services industry practices in Australia and New Zealand and are attractive to compete for talent. Staff remuneration consists of both a fixed and variable component, based on achievement of corporate and financial objectives as well as the individual achieving a positive assessment against their own goals.

5.2 Liberty is also committed to establishing and maintaining an inclusive workplace that embraces and promotes diversity. Our diversity policy helps us with our strategic goals by:

- (a) Ensuring we treat all team members with equality and respect;
- (b) Attracting, rewarding and retaining staff with a diverse range of skills and experience;
- (c) Developing flexible workplace practices to recognise and meet the diverse needs of staff;
- (d) Building and maintaining a safe and open workplace; and
- (e) Contributing to the community by fostering a culture of acceptance and teamwork.
- (f) We promote a culture that understands, encourages and supports equity and belonging through affirming, daily rituals and practices. During the year we hosted guest speakers on thought provoking topics, delivered training and introduced cultural immersion activities. We made sure these opportunities were available to everyone in the business.
- (g) To measure accountability for diversity, we have updated leaders' positions descriptions to include gender diversity KPIs.

6. Supply chain

- 6.1 Our supply chain comprises of suppliers of both small businesses and large corporations. Whilst our supply chain is not overly complex, the following areas of our supply chain require ongoing review. These include vendors and suppliers in relation to:
- (a) Building products and services;
 - (b) IT (hardware and software);
 - (c) Catering;
 - (d) Office and marketing supplies; and
 - (e) Fleet management.
- 6.2 The key element of our due diligence is to identify whether our supply chain has committed to adhering with Modern Slavery regulations in their jurisdiction. We have confirmed that the majority of our supply chain have made statements regarding their commitment to these regulations.
- 6.3 The risks associated with the Liberty Group's supply chains are considered to be low. While we did not identify any incidents or circumstances of high risk with any of our vendors or suppliers this year, we continue to undergo regular due diligence to ensure that the Liberty Group is not exposed to the risks of modern slavery. Where effective due diligence for occasional purchases from overseas suppliers is not possible, we will seek to source goods locally.
- 6.4 Liberty now conducts regular due diligence of new and existing supplier arrangements. We will act against suppliers that fail to improve their performance in line with action plans, including terminating the business relationship. Prior to engaging in proposed new supplier arrangements, Liberty:
- (a) will conduct a risk assessment of the proposed new supplier and, where necessary, will request further information where there is a high risk of modern slavery identified; and
 - (b) will perform an evaluation of the modern slavery risks associated with the proposed new supplier.
- 6.5 To embed the practice of ethical and social impact sourcing, we developed a supplier selection policy. In selecting any new service providers or supplier, we are committed to supporting, wherever possible, ethical businesses owned and operated by historically disadvantaged groups. This includes First Nations peoples, women, and people with disabilities. Each business is required to investigate aligned suppliers and prioritise them if the needed services and standards are met.

7. Business operations

- 7.1 Prior to engaging in any lending, Liberty captures the proposed customer's information for the purposes of compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006. These steps are taken to verify the proposed customer's identity.
- 7.2 The majority of Liberty's lending business comprises Australian and New Zealand consumer lending for residential property purchase, motor vehicle purchase and other personal needs. We assess the risk of modern slavery being enabled or involved in consumer lending to be low.
- 7.3 Liberty's commercial lending portfolio primarily comprises lending to Australian based self-managed superannuation funds for the purpose of property investment. We assess the risk of modern slavery being enabled by, or involved in, the process of investing retirement savings in property to be low.
- 7.4 Liberty provides business lending products providing capital for business acquisition and working capital for small to medium business enterprises (SME) in Australia. The volume of lending in this segment during the Reporting Period remains small. Liberty's business loan assessment and underwriting are conservative and involve the collection and verification of financial and business information concerning each customer's activities for the purposes of loan underwriting. We assess the risk of modern slavery being enabled by, or involved in, the operations of the customers acquired during the Reporting Period as low.
- 7.5 The majority of Liberty's business is introduced by mortgage and finance brokers. Each broker is accredited by Liberty prior to any loan application being submitted, with various checks completed by either an aggregator or Liberty to confirm the identity of the broker. Liberty has assessed the risk of modern slavery being enabled by, or involved in, the operations of accredited brokers as low.
- 7.6 Our customer service centres are based at our head offices in Melbourne and Auckland. Our teams manage all aspects of our customer care program. We do not outsource any aspect of it, nor do we sell any customer obligation to any other organisation.
- 7.7 Liberty has also signed Platinum Partnership Agreement with Kinaway. As a result, we are committed to continuing to work with First Nations small business members of Kinaway to explore how our small business lending team can help.

8. Group entities

- 8.1 In preparing this statement we consulted across the Liberty Group. The core group of operating entities are centrally and collaboratively managed and supported by the same compliance, risk, finance, legal and executive teams. As such, formal consultation with individual entities was unnecessary.
- 8.2 The Liberty Group's operational risk and compliance team undertake consultation with businesses that are not centrally managed, including the Liberty Group's New Zealand based businesses.
- 8.3 All Liberty staff are included in the Modern Slavery training.

9. Assessing effectiveness

- 9.1 The actions taken in financial year ended 30 June 2023 have been effective in reducing the risk of exposure to modern slavery.
- 9.2 Review of the supply chains did not identify any high-risk arrangements.
- 9.3 A program of ongoing risk monitoring to identify and maintain effective management of modern slavery risks has been implemented and remains in operation.

10. Moving forward

- 10.1 We remain committed to the identification and mitigation of modern slavery risk during the year ending 30 June 2024.



James Boyle
Chief Executive Officer
13 December 2023