

Futurity Investment Group

# Modern Slavery Statement

Financial Year 2021 – 2022

# About this Statement

This Modern Slavery Statement is prepared and issued by Futurity Investment Group Limited, ACN 087648879, AFSL 236665, ACL 236665. (Futurity, "we", "us", or "our").

Futurity's second modern slavery statement ("Statement") is published in accordance with the *Modern Slavery Act 2018* (Cth) (Modern Slavery Act) on a voluntary basis covering the period 1 July 2021 to 30 June 2022 ("Reporting Period").

## MODERN SLAVERY ACT REPORTING CRITERIA

### CRITERION 1 AND 2

Identify the reporting entity and describe its structure, operations and supply chains.

 **2, 4, 8, 9**

### CRITERION 3

Describe the risks of Modern Slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.

 **7, 8, 9**

### CRITERION 4

Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.

 **7, 8, 9, 10, 11**

### CRITERION 5

Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address Modern Slavery risks.

 **3, 7, 8, 9, 10**

### CRITERION 6

Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement).

 **3**

### CRITERION 7

Any other relevant information.

 **8**

# Introduction from the Chairman and CEO

**This Modern Slavery Statement outlines Futurity’s approach to identifying, assessing and addressing modern slavery risks in its operations, supply chain and investments.**

Modern slavery refers to situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom.

Futurity understands that modern slavery can occur in every industry and sector and has severe consequences for victims.

Futurity is fully committed to identifying, assessing and mitigating its modern slavery risk across both its own operations and supply chain, and its investment activity.

As an Australian-based financial services organisation providing education-purposed savings and investment products, Futurity may be exposed to the risk of modern slavery on two levels - in its operations and supply chains, but also through its investment activity. We see this as an opportunity to use our influence in setting clear expectations around modern slavery risk mitigation.

Futurity’s assessment of its overall modern slavery risk in our operations and supply chain has resulted in a low risk rating.

Our efforts over 2021 /2022 involved us delving deeper into our supply chains at an even more granular level and this has not changed our view.

As part of our ongoing monitoring efforts, where activities are identified or brought to Futurity’s attention which may contribute to modern slavery risk, Futurity will act immediately to address that risk.

Our Modern Slavery Statement is prepared and submitted on a voluntary basis. Futurity will continue to submit Modern Slavery Statements in accordance with its obligations and its commitment to ensuring these practices are eliminated.

Futurity’s Board of Directors, through its Impact and Sustainability Committee, has reviewed and endorsed this Statement.

**This Statement was endorsed by the Board on 7 December 2022.**



**Craig Dunstan**  
Chairman



**Ross Higgins**  
Chief Executive Officer

# About Futurity

**Futurity Investment Group is an independent and mutually structured financial institution that has supported the education journeys of families for close to 50 years.**

As Australia's leading issuer of tax-effective, life-event Education Bonds, we seek to enable Members to attain financial self-sufficiency to meet lifelong education objectives for themselves and their families.

We support families and individuals to achieve these objectives through our ground-breaking range of Education Bonds, strong and active education-purposed advocacy, and philanthropy.

With total assets of \$1.036 billion, Futurity's financial strength and capital reserves enable us to meet our long-term commitments to Members through all investment cycles.

Since Futurity's inception, more than 565,000 children have received education benefits and \$3.6b has been paid to our Members and their Education Beneficiaries. We are regulated and supervised by APRA and are licenced as a friendly society-based life company.

## OUR VISION AND PURPOSE

Our Vision is that everyone has access to the education and lifelong learning opportunities needed to fulfil their aspirations.

Our Purpose is to fulfil this vision by:

- providing our Members financial products to assist them to save and plan for the lifelong education costs of themselves, their families and others dear to them,
- advocating for a quality education that is affordable, accessible and inclusive across all sectors of society, and
- philanthropic endeavours that break down barriers and enable educational pathways to disadvantaged sectors of our community.



## FUTURITY'S STRATEGIC DIRECTION

Over 2021/22 our strategic direction continued along a growth path aimed at fulfilling our Vision and Purpose under three strategic pillars. Success with Futurity's Education Product lines pillar is the critical financial enabler of our two other long-entrenched strategic pillars – education-purposed Advocacy and Philanthropy.

The overarching organisational goals of the strategic plan are to:

- maintain and strengthen our position as Australia's leading issuer of tax-effective, life-event education savings and investment products,
- maintain and strengthen our capital resources to ensure Futurity's long-term sustainability as a mutual,
- strengthen our reputation, broaden our brand recognition and education-purposed reach, and
- achieve our Impact and Sustainability goals.



# Our Policy Framework

**Futurity is committed to living its values of curiosity, courage, care, passion, and results. A critical part of this is not only ensuring that we conduct our business within the law, but that we as an organisation seek to act as a model corporate citizen.**

Futurity operates under a Code of Conduct known as Our Ways of Working which outlines the ethical framework we operate within. Our Ways of Working support and build on our values by describing how we strive to live our values in our day-to-day activities.

**Futurity's policy framework extends to Board policies relating to:**

<b>ANTI-BRIBERY AND CORRUPTION</b>	<b>FIT AND PROPER</b>
<b>RISK MANAGEMENT AND FRAUD CONTROL</b>	<b>GOVERNANCE</b>
<b>RESPONSIBLE INVESTING</b>	<b>OUTSOURCING</b>
<b>WHISTLEBLOWER</b>	<b>ANTI-MONEY LAUNDERING</b>

## Modern Slavery Risk Assessment

**As an Australian-based financial services organisation providing education-purposed savings and investment products, Futurity may be exposed to the risk of modern slavery on two levels - in its operations and supply chains, but also through its investment activity.**

Futurity's assessment of its overall modern slavery risk resulted in a **low** risk rating.

Futurity further enhanced our modern slavery risk identification and assessment process over 2021 /2022. We tested our supply chain at an even more granular level to include suppliers who may otherwise have not been considered previously. Pleasingly, this work has not changed our risk rating.

Futurity's investments may be indirectly exposed to modern slavery risks through the operations of the companies in which the external funds invest.

Futurity, in its investment activities, undertakes its selection of external investment managers by considering their commitment to the UN Principles for Responsible Investing (UNPRI). We aim to invest more than 90% of total funds under management with investment managers which are signatories to either of the UNPRI and/or the UNGC.

In addition we ask every external investment manager to complete a modern slavery focused questionnaire or conduct a review of their corporate Modern Slavery Statement.



# Our Structure, Operations, Supply Chain and Investments

## STRUCTURE

Futurity, formerly Australian Scholarships Group Friendly Society, is a registered Friendly Society, operating primarily in Australia, with its funds in New Zealand now closed to new business.

We are a mutually structured company limited by shares and guarantee with only customer members.

No shares are currently issued.

The parent company currently has six controlled entities. One manufactures the Education Loan product the remainder are non-operating, therefore not requiring consultation.

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## OPERATIONS

Futurity distributes its Education Bonds products via two main channels, online or via licensed financial advisers. It distributes its Education Loans products online.

Given the nature of Futurity's business, the risk of modern slavery practices occurring within our own business operations is assessed as low.

This is based on Futurity being a financial services business providing investment and savings plan style products, combined with its business operations being Australia-based, with some members in New Zealand.

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## SUPPLY CHAIN

Futurity recognises the possibility that we have indirect exposure to modern slavery risk within our supply chain.

We operate in Australia and New Zealand, and the products and services purchased by Futurity are generally limited to information communication technology, professional services, marketing materials and office operating supplies.

As most of our Tier 1 suppliers are Australia-based who have a lower inherent risk of modern slavery practices, the risk within our supply chain is also assessed as very low.

To understand the Tier 1 supplier risk more fully, Futurity either reviewed the modern slavery statements of its suppliers or obtained the results of a targeted modern slavery questionnaire for a larger number of suppliers than in the prior year (33 suppliers assessed in 2021 vs 51 suppliers assessed in 2022).

The results supported Futurity's assessment of the risk as low.



## INVESTMENTS

Futurity may have indirect exposure to modern slavery risk via investment decisions made by external investment managers appointed to invest on behalf of Futurity's multi-manager funds.

This risk could be heightened where the business ultimately receiving the capital from Futurity is domiciled in a high-risk jurisdiction or where it is involved in an industry known to have a high risk of modern slavery.








While Futurity does not make the individual investment decisions in these circumstances, it is important for us to make sure our investment managers consider modern slavery risk in their investment processes.

In the investment manager selection process, we assess how investment managers address and incorporate ESG issues as part of their investment approach.

For all appointed managers, Futurity records on an annual basis their commitment to United Nations Principles for Responsible Investing and either reviews their modern slavery statement or requires response to a targeted modern slavery questionnaire.

# Commitments

For the past Reporting Period (1 July 2021 to 30 June 2022), Futurity committed to progress:

Commitment	Progress Report	
Enhance the focus on modern slavery at an organisational level	Futurity's Impact and Sustainability Committee has included Modern Slavery on its Workplan for calendar 2022 and 2023 and is now a focus of the Group Leadership Team and investment protocol.	
Enhance Futurity's ability to identify, assess and address modern slavery risk	Futurity is currently implementing a new Governance Risk and Compliance (GRC) system. The system will be configured to address all material risk areas, including modern slavery.	
Implement modern slavery training for staff and contractors	An online modern slavery training course has been rolled out to all staff and contractors.	
Enhancement of processes through which we assess the modern slavery policies and approaches of our external investment managers	<p>The Impact and Sustainability Committee received a briefing from Futurity's investment consultants on investment managers' approach to Environment, Social, Governance, including modern slavery risk.</p> <p>A modern slavery questionnaire was developed for one investment manager who had not lodged a modern slavery statement. This sought information on policies, processes and actions taken to identify and mitigate modern slavery risk.</p> <p>Modern slavery statements for all other investment managers were reviewed for their assessment of modern slavery risk in underlying investments.</p>	
Review of contracts with material suppliers in relation to modern slavery obligations	As a relatively small financial institution, Futurity is effectively a "contract taker" with limited scope to negotiate major supplier agreements. Alternative processes have been developed, refer to 'Future Actions' below.	
Review of services agreements in relation to slavery obligations for suppliers	As a relatively small financial institution, Futurity is effectively a "contract taker" with limited scope to negotiate major service agreements. Alternative processes have been developed, refer to 'Future Actions' below.	
Development of an improved modern slavery questionnaire intended to help assess the modern slavery risk profile of both existing and new Tier 1 suppliers	<p>A redesigned modern slavery questionnaire was developed and circulated to suppliers who received payment above the Futurity Board's material contracts threshold.</p> <p>This extended the modern slavery due diligence process to 51 suppliers and investment managers in 2022.</p>	

# Further Actions

In the coming Reporting Period (1 July 2022 to 30 June 2023), Futurity will progress the following:

Topic	Commitment
Implement modern slavery questionnaire for all suppliers	Futurity will expect suppliers to complete Futurity's modern slavery questionnaire on contract renewal providing Futurity with an upfront understanding of supplier modern slavery risk.
Continuous monitoring program	Futurity will implement a continuous monitoring program in order to further enhance its commitment to combating modern slavery across the organisation. This will include reporting in the Annual Report and other publications.





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