



The letters 'IOOF' are rendered in a large, white, outlined font, positioned over a landscape photograph. The background shows a large tree in the foreground, a body of water in the middle ground, and mountains in the distance under a sunset sky. The sun is visible behind the tree trunk, creating a lens flare effect.

Modern Slavery Statement

IOOF Holdings Limited
Year ending 30 June 2020

A statement from our CEO

This is a joint Modern Slavery Statement under section 14 of the Modern Slavery Act 2018 (Cth) made by IOOF Holdings Ltd (ABN 49 100 103 722) on behalf of itself and the following subsidiary companies:

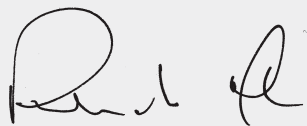
- Australian Wealth Management Limited (ABN 53 111 116 511);
- IOOF Investment Management Limited (ABN 53 006 695 021);
- IOOF Service Co Pty Ltd (ABN 99 074 572 919);
- Oasis Asset Management Limited (ABN 68 090 906 371); and
- OnePath Custodians Pty Limited (ABN 12 008 508 496)

(collectively referred to as 'IOOF' in this Statement).

IOOF is submitting this Statement for the period 1 July 2019 to 30 June 2020. This statement has been prepared in consultation with senior executives, division representatives and external industry experts.

The Board of Directors of IOOF has reviewed and approved this statement on behalf of itself and the other reporting entities covered by the Statement.

I hereby authorise the Statement to be signed in my capacity as CEO.



Renato Mota
Chief Executive Officer, IOOF



Our commitment to combating Modern Slavery

IOOF is committed to combating Modern Slavery issues.

By proactively addressing this issue, IOOF hopes to raise awareness in the community that supporting Modern Slavery practices (directly or indirectly) is abhorrent and does not align with our business core values or culture.

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Our corporate governance

IOOF is committed to upholding good corporate governance practices. Our corporate governance policies and practices are reviewed annually, and are continually updated to reflect industry best practice.

The IOOF Group is committed to the highest standards of conduct and ethical behaviour in all our business activities, and to promoting and supporting a culture of honest and ethical behaviours, corporate compliance and good corporate governance. IOOF's Code of Conduct (Code), sets out the expected values and standards of behaviour applicable to all IOOF employees and is linked to our purpose – understand me, look after me, secure my future.

The Code in conjunction with other IOOF policies is designed to support ethical behaviour and to support IOOF in selecting professional and reputable suppliers and service providers. Our procedures also mandate regular reviews of our suppliers to ensure that they meet IOOF's standards on an ongoing basis.

Other key policies are:

- the Anti-Bribery and Anti-Corruption Policy;
- the Whistleblower Policy;
- the Conflicts of Interest Policy; and
- the Outsourcing Policy

While acknowledging the existing governance framework, IOOF has also developed a standalone Modern Slavery Policy to affirm its commitment to preventing Modern Slavery and to outline IOOF's approach to reducing the risk of Modern Slavery practices within our supply chain and operations.

Our structure, operations and supply chain

IOOF have been helping Australians secure their financial future since 1846. During that time, IOOF has grown to become a leading provider of quality financial services.

As an ASX top 200 company, and with more than \$202.4 billion in funds under management, administration and advice (as at 31 December 2020), IOOF currently provide services to more than 1 million clients around Australia. IOOF are one of the largest financial services groups in the industry, with a forward focus on putting our clients first to deliver on our purpose of **'understand me, look after me, secure my future'**.

IOOF provide advisers and their clients with the following services:

- financial advice through our extensive network of financial advisers;
- platform management and administration for advisers, their clients and employers in Australia;
- investment management solutions to suit a wide range of investor needs; and
- trustee services including compensation trusts and estate planning.

Further information about IOOF can be found at

www.ioof.com.au

IOOF distributes its products and services via various channels, including directly, in person and online, or via financial advisers.

The IOOF Group is made up of several leading brands that provide financial advice and estate and trustee services, namely:

- Australian Executor Trustees Limited (ABN 84 007 869 794);
- Bridges Financial Services Pty Ltd (ABN 60 003 474 977);
- Consultum Financial Advisers Pty Ltd (ABN 65 006 373 995);
- Financial Services Partners (ABN 15 089 512 587);
- Lonsdale Financial Group Ltd (ABN 76 006 637 225);
- Millennium 3 Financial Services Pty Ltd (ABN 61 094 529 987);
- RI Advice Group Pty Ltd (ABN 23 001 774 125); and
- Shadforth Financial Group Limited (ABN 27 127 508 472).

IOOF has an established registered charitable foundation, the IOOF Foundation (ABN 68 505 198 156), that operates as a trust. In the FY19–20 reporting period, the IOOF Foundation continued its commitment to creating opportunities for disadvantaged families, youth and the elderly by investing in initiatives that improve quality of life and help others achieve their potential to contribute in the community.

IOOF strives to provide the best outcomes for our clients and believe that success only comes from caring about people, providing outstanding service and demonstrating consistent performance.

In response to its Modern Slavery Act 2018 (Cth) reporting requirements, IOOF established a Modern Slavery Team and engaged external subject matter experts 460degrees to both assess the number of IOOF's Tier 1 suppliers and to understand how those Tier 1 suppliers manage their own suppliers and supply chains.

The assessment of IOOF's supply chain included a review of all external payments made by the group. After excluding those entities which did not meet the definition of a supplier and suppliers who received under \$1,000 for the reporting period, it was determined IOOF had 1,132 Tier 1 suppliers.

IOOF's Tier 1 suppliers are primarily service based, with 94 percent of IOOF's Tier 1 supply chain made up of services (based on spend). This includes financial and insurance services (49%), professional, scientific and technical services (26%) and information media and telecommunications (11%). Other smaller segments include property and corporate expenses, administration and support and other services.



¹ For the purposes of this Statement, Tier 1 suppliers are those who directly supply products or services to IOOF's operations and supply chain.

² The geographic location of IOOF suppliers include Australia, Ireland, India, Philippines, New Zealand, the UK, the USA and Vietnam.

Risks within our operations and supply chain

Given the nature of IOOF's business, the risk of Modern Slavery practices occurring within our own business operations is assessed as low.

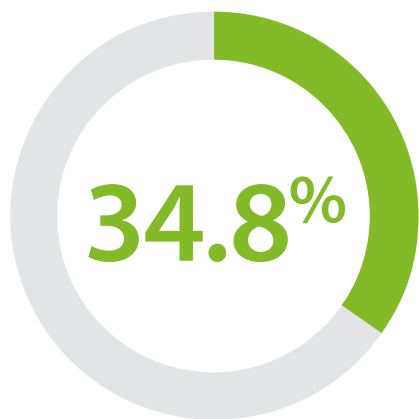
This is based on IOOF's business being in a low-risk sector, combined with its operations being Australia-based. However, we recognise the possibility exists that we have indirect exposure to Modern Slavery practices within our supply chain.

As most of our Australia-based suppliers have a lower inherent risk of Modern Slavery practices, the risk within our supply chain is also assessed as low.

IOOF also has indirect exposure to the potential risk of Modern Slavery practices via investments made by fund managers appointed to invest on behalf of IOOF's multi-manager funds. This risk is heightened where the business ultimately receiving the capital from IOOF is domiciled in a high-risk jurisdiction or where it is involved in an industry known to have a high risk of Modern Slavery practices.

IOOF used an industry-recognised risk management software platform to send an online questionnaire to its 1,132 Tier 1 suppliers.

The questionnaire allowed IOOF to establish a benchmark for our suppliers' practices and to determine if there were any heightened Modern Slavery risks within their businesses or supply chains.



Response rate from 1,132 Tier 1 suppliers with 394 questionnaires returned.

Questionnaire

IOOF conducted a detailed Modern Slavery risk assessment across our supply chain and operations for the FY19–20 reporting period. IOOF used 6Clicks, an automated risk and compliance operating system to disseminate the risk assessment questionnaire to all 1,132 Tier 1 suppliers. The tool collated all supplier responses to assist in identifying potential risks. The overall IOOF response rate was 34.8 percent, with 394 questionnaires returned. Despite the low response rate, it is in line with both industry standard and our first-year reporting expectations.

A total of 2,461 risks were categorised as either low (297), medium (1,295), high (848) or very high (21) across all divisions. These risks were preliminary and assisted in identifying the supplier responses requiring further investigation before being accepted as a Modern Slavery risk by IOOF.

IOOF acknowledges the existence of a risk indicator does not necessarily indicate Modern Slavery activity within a supplier. In most cases, there were multiple indicators that raised suspicion of potential activity. The presence of indicators led to further engagement with the supplier to better understand their responses.

Findings

IOOF's questionnaire did not identify any red flag breaches (suppliers who have had a record of any previous adverse association to Modern Slavery). Our assessment did however identify a number of 'High' and 'Very High' risks, with 5.4 percent of Tier 1 suppliers assessed as 'Very High' risk – predominantly due to the supplier's use of casual or seasonal workers or due to a supplier having requested an employee to reimburse the supplier for the costs of their recruitment.

Remediation of identified risks

Following an initial analysis of the supplier responses to the questionnaire, IOOF identified 202 suppliers (who recorded one or more high or very high-risk indicator) requiring remediation activity. The remediation process centred on gaining a better understanding of the risk and to confirm if appropriate risk mitigation has been implemented.

There was a 91 percent response rate to the remediation activity indicating a strong willingness to cooperate with IOOF in its efforts to prevent Modern Slavery in its supply chain.

Modern Slavery Watch List

Where remedial action or appropriate mitigation had not occurred – or a supplier had not responded to the Questionnaire – the impacted supplier has been placed on IOOF's Modern Slavery Watch List (Watch List). Of the 1,132 Tier 1 suppliers, 738 (65 percent) have been added to the Watch List due to not responding to the questionnaire.

Of the suppliers who responded to the questionnaire, eight percent have been added to the Watch List for further monitoring over the coming 12 months.

Further monitoring by IOOF will take place over the coming 12 months with the expectation that each supplier on the Watch List will either demonstrate their management of Modern Slavery risks to an appropriate level or provide a response to future questionnaires as applicable.

IOOF expects the Watch List will decrease in size in subsequent reporting periods as we work with our suppliers to develop appropriate responses or remediation plans, provide a response to the annual questionnaire, along with the maturity of the suppliers approach to Modern Slavery risks.

Should a Tier 1 supplier be unwilling or unwilling to engage with IOOF in its efforts to prevent Modern Slavery in its supply chain, or if appropriate remedial action does not occur within a reasonable time, IOOF may ultimately cease the supplier relationship.

Modern Slavery Policy

IOOF's Modern Slavery Policy (Policy) will be published in the FY20–21 reporting period. The Policy outlines IOOF's approach to reducing the risk of Modern Slavery practices within its operations and supply chain. As compliance with the Policy is mandatory for all employees, it will also form an important accountability mechanism.

Modern slavery training

General awareness training

A Modern Slavery general awareness training module has been developed and deployed via IOOF's online HR system, MyIOOF. The general awareness training is mandatory for all IOOF employees to complete. The training incorporates the Modern Slavery Policy and provides directions to follow if a suspected or actual case of Modern Slavery is observed.

Targeted training

Targeted training of employees involved in supplier relationships will occur separately to assist them in identifying risk indicators amongst supplier types, relationships and scenarios where Modern Slavery risks may occur. This will enhance the procurement and due diligence process and where an unsatisfactory Modern Slavery risk is identified with a prospective supplier, IOOF will not look to onboard or engage them.

Assessing effectiveness

To determine the effectiveness of IOOF's Modern Slavery initiative, an annual review will be undertaken to examine:

- the level of supplier engagement against key performance indicators;
- the data quality of supplier information in our procurement system;
- benchmarking of supplier engagement and performance against our peers;
- the number of incidents or breaches relating to the Modern Slavery Policy in the review period;
- stakeholder feedback;
- response rate of Tier 1 suppliers to the annual questionnaire (and in following years assessing response rates for subsequent tiers);
- the volume of Tier 1 suppliers the organisation engages to ensure we mitigate risk of using numerous suppliers for similar functions;
- quarterly management and Board reporting to report on IOOF's current risk position as it relates to Modern Slavery, the number of supplier questionnaires completed, any refusals, status of remediation activities, details of IOOF's risk register and watchlist;
- the effectiveness of incident and breach reporting of potential and actual Modern Slavery risks; and
- the appropriateness and effectiveness of the questions within our procurement and due diligence processes to ensure any potential Modern Slavery risks are identified before onboarding a supplier.

Consultation

This Modern Slavery Statement has been approved by the Board of IOOF Holdings Ltd.

In preparing the Modern Slavery Statement, IOOF Holdings Ltd consulted with and received input from representatives across applicable subsidiaries, the IOOF Senior Executive Team and the IOOF Group Risk and Compliance Committee.

The impact of COVID-19

COVID-19 has not materially impacted IOOF's ability to produce its Modern Slavery Statement nor IOOF's planned remediation actions. IOOF acknowledges the social and economic impacts of COVID-19 and the potential to increase the risk of Modern Slavery practices in our supply chain despite no material impact being identified during the remediation process, there may be a latent impact yet to be identified. IOOF will continue to monitor and engage with its suppliers in respect of any developments that COVID-19 has on their operations.

Next steps

IOOF is committed to improving response rates from its suppliers over the next five years, as well as enhancing its education regarding its operations and supply chains.

In the FY20–21 reporting period, IOOF will focus on the improvement stage of its maturity plan, committing to:

- taking a multi-tiered approach to assessing modern slavery risk as per Australian Border Force requirements;
- increasing the response rate of Tier 1 suppliers to approximately 60 percent;
- commencing Tier 2 supplier engagement with approximately 20 percent response rate;
- implementing Know Your Supplier (KYS) procedures;
- improving the procurement function to streamline supplier engagement;
- obtaining Board approval for the Modern Slavery Policy; and
- strengthening IOOF’s risk and compliance culture, with the CEO and Senior Executives regularly communicating IOOF’s stance on modern slavery, its current requirements and the expectations of employees to ensure IOOF identifies and addresses any modern slavery risks.

IOOF is also committed to reducing the number of Tier 1 suppliers we engage with, recognising the volume of Tier 1 suppliers carries unnecessary risk to IOOF. The procurement team will identify the common functions suppliers undertake and will determine which suppliers we will continue to engage and which suppliers the relationship may end/expire.

The procurement team will develop and embed additional questions to its procurement and due diligence processes to ensure any potential modern slavery risks are identified before onboarding a supplier.

