



Modern Slavery Statement

FY23



This Modern Slavery Statement is a joint statement (this **Statement**) prepared for ACS Australia Holdings Pty Ltd (ABN 39 655 692 176 (**ACS Australia**), and its subsidiary Shift Financial Pty Ltd, ABN 24 149 390 625 (**Shift Financial**), pursuant to the Modern Slavery Act 2018 (Cth) (MSA).

ACS Australia and Shift Financial are each a reporting entity under the MSA. For the purpose of this statement, both entities are collectively referred together as Shift and references to the Group means ACS Australia and its subsidiaries.

This Statement is the first for Shift and it's made in respect of the financial year beginning 1 July 2022 and ending 30 June 2023 (**Reporting Period**) and covers the operations and supply chains of the Group.

This Statement outlines our efforts in meeting the requirements under the Act, including:

- identifying and assessing modern slavery risks in our supply chains and operations;
- mitigating modern slavery risks identified in the risk assessment; and
- evaluating the effectiveness of these actions to address modern slavery risks.

Our Commitment

At Shift, we recognize and acknowledge our role in promoting and safeguarding the universal and fundamental human rights that ensure the dignity and equality of all individuals, including our suppliers, customers, and the communities impacted by our operations and supply chain. We are dedicated to upholding these principles.

This report describes the activities we have undertaken during 2023 including:

- Mapped our supply chains to understand and assess key risks. We did not identify any material direct exposure to modern slavery issues;
- Reviewed our key policies to ensure they adequately reflect expectations of employee, partner and supplier conduct and provide pathways for reporting areas of concern; and
- Developed our Modern Slavery action plan to enhance our policies and contract clauses as well as to provide enhanced due diligence when on-boarding future suppliers.

1. About Us

Shift is one of Australia's fastest-growing technology finance companies, providing credit and payment products that help businesses trade, pay and access funds.

Shift brings the same level of digitisation that consumers enjoy every day, to the business world so businesses can manage their finances with ease, flexibility and control.

Since its founding in 2014, Shift has provided more than AUD2.5 billion in funding to support the growth aspirations of established Australian businesses.

Shift is headquartered in Sydney, New South Wales

2. Structure

Shift's ultimate holding company is ACS Australia, a company incorporated in Australia. Shift Financial, is a wholly owned subsidiary of ACS Australia and the primary operating entity within the Group. As the key operating entity within the Group, Shift Financial holds an Australian Financial Services Licence, employs the majority of the staff, bears the majority of the operating costs for the Group, and is a credit provider of loans.

3. Operations

As at 30 June 2023 (end of the Reporting Period), Shift had 221 full-time equivalent employees spread across 4 national locations (Sydney, Melbourne, Brisbane, Perth) as well as a team in Bangalore, India.

Shift delivers its credit products and services online, supported by our account managers and technology platforms and distributed through a network of approved or accredited Australian, aggregator networks, comparison websites and merchant referrers.

Shift doesn't own company vehicles, have physical branches or create physical products. Instead, we operate predominantly in the digital realm, leveraging cloud-based tools and software to provide credit and payments services to customers.

At 30 June 2023, Shift maintained two warehouse facilities. Counterparties to these warehouses and Shift's rated securitisation trusts include Australian-and international banks and financiers.

Having regard to industries in which the entities in the Group operate and the nature of its workforce, Shift considers the risk of modern slavery issues in its operations to be very low.

4. Supply Chain

To support our core business activities, Shift engages a wide range of suppliers ranging from multinational organisations to small businesses.

Broadly, our Tier 1 suppliers provide us with products, goods and/or services in the following sectors:

- Funding: Our financiers (including large banks in Australia)
- Data Services: credit bureaus and other data providers to support provision of our credit products and services to customers and partners
- IT and technology: infrastructure, technology services, applications, software, data and equipment to support provision of our credit products and services to customers and partners as well as our internal operations that support our staff and other key stakeholders
- Marketing & digital services; such as advertising, and merchandise
- Recruitment: including recruitment, education and training of staff and related workforce management activities
- Facilities; including landlords, logistics and property management

services (such as furnishings, cleaning and servicing)

- Legal and settlement: legal and settlement services supporting our lending products and Treasury functions
- Professional services including accounting and specialized consulting services
- Administration; including travel and accommodation services, courier/delivery, office supplies, catering and consumables.

Supply Chain Mapping and Analysis

In mapping our supply chain, we focused on those suppliers from who we directly purchase products and services (Tier 1). Tier 2 suppliers (those who supply into Tier 1 suppliers), were out of scope of our review.

Shift has undertaken a risk-based approach based on geographical domicile, type of product or service and materiality to assist us to identify and assess potential modern slavery risks in our supply chain.

In the Reporting Period, we procured goods and services from over 1500 suppliers, however, most transactions

to these suppliers are relatively minor¹. In total only 50 of our suppliers meet our materiality threshold for monitoring, either due to their importance to our business operations, their higher risk or meeting a certain expenditure threshold.

These 50 suppliers collectively represent more than 80% of our total expenditure during the Reporting Period. All of these suppliers are located in Australia and USA.

Among the 50 significant suppliers, we conducted risk assessments focused on those with whom we maintain an ongoing (recurring) relationship. Our supply chain review findings show:

- 75% of our significant suppliers are based in Australia, 25% are based in the USA.
- More than half of our significant suppliers are committed to protections against modern slavery through their own, published Modern Slavery and/or Anti Human Trafficking statements.
- Our review of suppliers without a publicly available Modern Slavery statement or position revealed that all of these suppliers are based in Australia and that they mostly exist in low-risk industries such as legal or financial services.

- Among these suppliers lacking a Modern Slavery Statement, our review identified 8 suppliers where supplementary information was needed. We engaged those suppliers directly via a questionnaire to understand the modern slavery risks in their supply chain. No modern slavery risks have been identified to date. We will continue to work with our key suppliers to ensure their supply chains are understood and risks are known and mitigated.

¹ 80% of suppliers incurred expenditures of \$1000 or less each.

5. Modern Slavery Risks

Shift recognises that modern slavery is a significant problem and that it can be difficult to identify in global supply chains. In preparation for our inaugural Modern Slavery Statement, Shift conducted several activities to better understand our supply chains. Shift's risk assessment has been based upon the geographic, industry and sector profiles published in the [2023 Global Slavery Index \(2023 GSI\)](#) and having regard to information and resources published by other organisations.

Shift has not identified any modern slavery risks that require immediate attention or action, and nor has it identified any high-risk suppliers in its supply chain.

Our findings are supported by the following:

- All key Shift suppliers are based in Australia and USA.
- A significant proportion of our suppliers have published commitments and statements on Modern Slavery.
- The suppliers used by the Group operate in lower risk industries and, predominantly, in countries that are not categorised as high risk from a

modern slavery perspective.

- The goods and services provided by our Tier-1 suppliers predominantly do not fall within the list of products that the 2023 GSI published by the Walk Free Foundation has identified as being most at risk of modern slavery, with the exception of electronics and computing hardware.
- Electronics including laptop computers are subject to risks of modern slavery practices arising during the production and procurement of key raw materials and minerals in the production supply chain. Our preferred suppliers Dell, Samsung, LG and Apple have published Modern Slavery statements outlining the risks and steps taken to mitigate these risks in their own supply chain. We will continue to monitor and assess our future acquisition options with a consideration of supply chain risks for these products.

Having regard to industries in which the entities in the Group operate and the nature of its workforce, Shift considers the risk of modern slavery issues in its operations to be very low.

6. Action Plan

During 2022/2023 period, Shift has undertaken a number of activities to strengthen and enhance our position with regard to the MSA.

Supply Chain Mapping

For the 2022/2023 financial year, Shift assessed its supply chain. Shift's risk assessment has been based upon the geographic, industry and sector profiles published in the [2023 GSI](#) and having regard to information and resources published by other organisations. Shift has not identified any modern slavery risks that require immediate attention or action, and nor has it identified any high-risk suppliers in its supply chain.

Template Clauses

Shift's modern slavery action plan includes the integration of key contract template clauses addressing modern slavery risks and issues. These clauses document our expectations of key suppliers and their supply chains, emphasizing the necessity of implementing robust systems, processes, and controls to prevent any form of modern slavery within both our business and theirs.

Policies & Communications

Shift has reviewed its policies, and in the upcoming Reporting Period, it will launch key communications to staff. Additionally, enhanced policies will be published to ensure compliance with modern slavery regulations, providing clear guidelines and expectations for staff members in preventing and addressing issues related to modern slavery.

Vendor Management

Shift's strategy against modern slavery involves improving vendor management processes for the selection and onboarding of suppliers. The goal is to strengthen our ability to identify and mitigate modern slavery risks within our supply chain, with a particular focus on key vendor relationships.

7. Effectiveness

Shift is pleased to report that it does not detect notable modern slavery risks in our operations. Nor has Shift identified any modern slavery practices during this period.

However, Shift recognises the process of assessing and addressing modern slavery risks is a complex and ongoing task and Shift will continue to review, develop and refine its policies and processes during 2024 and beyond. This includes enhancing our vendor selection and onboarding processes for some of our suppliers.

8. Consultation

At 30 June 2023, all entities in Group were engaged via consultation with senior management that supports the Group. The preparation and approval process for this Statement was joint and consultative.

This Statement was approved by the Board of ACS Australia as the parent entity of the Group for the financial year ending 30 June 2023 and is signed by the Chairman of the Board.

Signed by:



Jamie Osborn

Chairman and Director of ACS Australia Holdings Pty Ltd
(on behalf of the Shift Group)

14 December 2023