

# JOINT MODERN SLAVERY STATEMENT

## Introduction

Zip Co Limited is an ASX listed (Z1P: ASX) leading global financial services company, offering innovative, people-centred products that bring customers and merchants together. Our mission is to be the first payment choice everywhere and every day. Zip offers point-of-sale credit and digital payment services in numerous markets around the world, including through strategic investments. Zip has a presence in Australia, Canada, Mexico, New Zealand, the United Kingdom and the United States. Zip provides fair, flexible and transparent payment options to individual customers and SMBs, helping them take control of their financial future and helping merchants to grow their businesses.

This joint Modern Slavery Statement (“**Statement**”) is Zip’s second Statement and covers the reporting period for 1 July 2020 to 30 June 2021. This Statement applies to Zip Co Limited and ZipMoney Payments Pty Ltd (as reporting entities under the Modern Slavery Act 2018 (Cth) (“the **Act**”)) and Zip Co Limited’s wholly owned subsidiaries operating in Australia, New Zealand, the United Kingdom, and the United States) (“**Zip**”, “**we**”, or “**our**”).

We understand that the measurement and assessment of modern slavery risks extends far beyond traditional legal notions of corporate responsibility, as modern slavery can occur in many forms, including forced labour, child labour, domestic servitude, and human trafficking. In this Statement, we refer to ‘modern slavery’ as defined by the Act.

Our approach to addressing modern slavery reflects the purpose and values that are integral to our business operations:

- Treat each other with respect and dignity;
- Respect the law and act accordingly;
- Be fair and honest in your dealings;
- Be responsible for your actions and accountable for their consequence; and
- Be responsible to the community and to the individual.

Our commitment to human rights is supported by an internal governance framework that enables us to effectively identify, assess and address the risks of modern slavery in our operations and supply chains. These include:

- Code of Conduct;
- Whistleblower Policy;
- Supplier Code of Conduct;
- Human Rights Statement; and
- Environmental and Social Policy.

This year has seen a rapid global expansion, with both acquisitions and organic growth delivering new market entries, including our presence in the United States and the United Kingdom. We continuously commit to operating our business lawfully and ethically. We expect our suppliers to do the same, including operating in accordance with all applicable modern slavery laws. We are committed to upholding all laws regarding corporate social responsibility, workplace health and safety and diversity, equity and inclusion.

## Progress in this reporting period

During this reporting period, we continued to implement and ensure compliance with our modern slavery commitments including completion of the following key initiatives (“**Initiatives**”):

- Updated our global merchant services agreement template and new supplier agreements to ensure they contain terms that are consistent with the Act;
- Developed Zip’s policies on modern slavery in operations and supply chains, including our Supplier Code of Conduct, Whistleblower Policy and Human Rights Statement;
- Performed risk assessments in our operations and supply chains for our wholly owned subsidiaries in Australia, New Zealand, the United Kingdom and the United States; and
- Built tailored and specific modern slavery training to assist employees to identify and manage modern slavery risks in our operations and supply chains. Over 90% of employees in Australia completed the training before the end of the reporting period. This training forms part of the suite of onboarding training modules to ensure that our new staff are equipped to understand and identify the modern slavery risks specific to Zip’s operations and supply chains.

The Boards of Zip Co Limited and ZipMoney Payments Pty Ltd have approved this Statement for lodgement, in accordance with the Act’s requirements on 30 November 2021.



---

**Larry Diamond**  
**CEO, Co-Founder and Director**  
**Zip Co Limited & ZipMoney Payments Pty Ltd**

## Zip's structure, operations and supply chains

Zip's journey began in 2013, when we launched our first product, Zip Money. Since that time, Zip has expanded its product and customer base, and globalised. During this reporting period, Zip has served 7.3 million customers globally, delivering \$5.8 billion in total transaction value to our 51,000 plus merchants helping them maintain and grow their businesses, including during the impact of COVID-19.

Our parent company, Zip Co Limited, is a publicly listed company (ASX: Z1P) that is registered and domiciled in Australia. ZipMoney Payments Pty Ltd, a wholly owned subsidiary of the parent, Zip Co Limited, operates Zip's operations in Australia (which include consumer products Zip Pay and Zip Money). Within the Zip Group, our services and products span a range of countries including Australia, the United States, the United Kingdom, and New Zealand. For this Statement, we have focussed on our core markets of Australian, New Zealand, the United Kingdom and the United States wholly owned subsidiaries for the reporting period. However, we will continue to broaden the scope of our modern slavery commitments to cover our global footprint.

We have over 1,000 employees across our offices globally. More than one third of our employees work within Product and Software Engineering, driving the innovation of our product and services, as well as employees that support our operational aspects of our business.

Same as our last Statement, our suppliers continue to predominantly consist of other professional services including IT (e.g., software applications and subscriptions, sales, advertising and marketing). We also purchase goods and services such as office supplies consisting of printing and stationery supplies and telecommunication services for our employees.

This is reflective of the high dependency of our business on technological products, software applications, finance and office related goods and services, which our staff use and operate from. Our suppliers are based both in Australia and globally.

## Zip's Modern Slavery Risks

This year, we engaged an independent industry specialist, Fair Supply, and utilised its proprietary algorithm and data-analysis system to identify and examine Zip's modern slavery risks in our supply chains and operations for the suppliers that were contracted by entities in Australia, New Zealand, the United States and the United Kingdom. Considering the nature of our industry, operations and products, the overall risk of modern slavery has been assessed again as being **relatively low**. To date, there were no reported cases of actual or suspected modern slavery or associated conduct.

We fully acknowledge that modern slavery risks may be hidden at much lower tiers of the supply chain, into which visibility is greatly restricted. We have based our risk assessment results on suppliers engaged by ZipMoney Payments, Zip Co Limited and wholly owned subsidiaries of Zip Co Limited operating in Australia, New Zealand, the United Kingdom and the United States, which are our core markets.

From our supplier industry risk assessment, we have identified the following areas as the top four industry risks categories. These industry categories have also been selected because potential modern slavery risks are likely to accumulate closer to direct suppliers of the supply chain:

- Computer and technical services;

- Advertising services;
- Services to finance and investment; and
- Market research and other business management services.

The above industry categories were identified based on the value spent of our supply chain and did not produce an elevated relative slavery risk.

## **Actions taken by zip to assess to address its Modern Slavery Risks**

Following completion of our last Statement, we have undertaken a review of our Modern Slavery road map and focused on the internal standards and framework governing modern slavery risks. We adopted appropriate policies and statements to support modern slavery risk mitigation, performed a risk assessment of our supplier chain to identify modern slavery risks and provided education to our employees to increase employee awareness of the nature of potential modern slavery risks within our operations and supply chains.

### **1. Modern Slavery Working Group and road map**

During this reporting period, our cross-functional and jurisdictional Modern Slavery Working Group (“**Working Group**”) continued to meet to assess the risks of modern slavery, and continue to develop our modern slavery response as an organisation. The Working Group is composed of members from a wide range of business functions including finance, legal, compliance, new markets and representatives of subsidiaries, including ZipMoney Payments Pty Ltd and Zip Co NZ Limited.

We are striving to ensure an appropriate, pragmatic, and business-wide response to modern slavery issues. During the reporting period, we have met regularly to monitor and implement our commitments (as outlined below) and report through to senior management on our ongoing modern slavery-related efforts.

To date, we have continuously worked on the key Initiatives (set out on page 2), that we have identified through our roadmap to support our modern slavery efforts. The roadmap was developed by the Modern Slavery Working Group alongside external subject matter experts and sets our goals and actions for addressing modern slavery risks for the next two years.

Our Working Group collaborated to develop our modern slavery response and this joint modern slavery statement. We consulted with subject matter experts (including lawyers specialising in this area) to develop the statement to reflect our practises and processes.

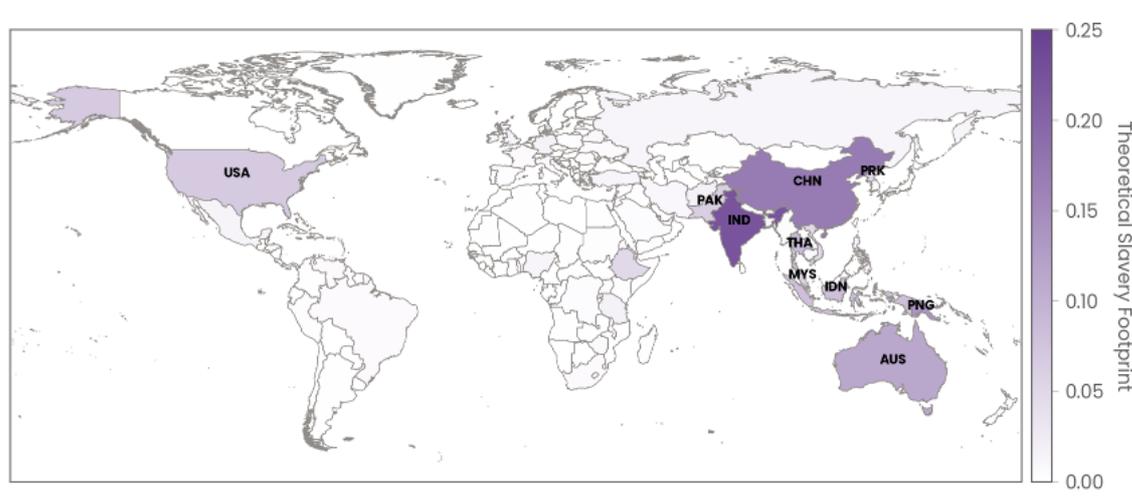
### **2. Due diligence and remediation**

#### **Risk Assessment and Supply Chain Mapping**

We have conducted a modern slavery risk assessment of our business operations and supply chains as part of our due diligence process during the reporting period. This has involved engaging subsidiaries in Australia and New Zealand, the United Kingdom and the United States for critical supplier data in order to undertake a mapping of each of their respective supply chains.

Following the initial risk assessment as noted in our first Statement, we will focus on our additional due diligence efforts on the industries and jurisdictions deemed higher risk. We have prepared Zip’s comprehensive supply chain map using the proprietary technology of our independent third-party industry specialist.

By completing the supplier risk assessments, we identified the jurisdictions which pose the greatest modern slavery risks aggregated across the supply chain. The slavery risks depicted illustrates the risks that may exist at any point within the tiers assessed.



Over time, we plan to expand our risk assessments to more suppliers across further jurisdictions where subsidiaries of Zip Co Limited are in operation.

### **Supplier Self-Assessment Questionnaires**

We have developed supplier self-assessment questionnaires. To date, we have adopted a risk based approach in providing questionnaires to higher risk suppliers depending on the industry and jurisdiction to which they operate.<sup>1</sup>

Where any issues are identified through the supplier questionnaires, we may request further information to better understand the issue and build in appropriate contractual requirements to mitigate any risks identified.

### **Policy and Document review**

We continuously review our internal governance frameworks, including the proposed updating of core policies and procedures. This includes incorporation of key clauses in our existing suite of policies and drafting additional documents that specifically address modern slavery. These documents will form part of our Corporate Governance Manual. A description of these documents is provided below.

### **Supplier Code of Conduct**

During this reporting period, a Supplier Code of Conduct ('Code') was drafted and approved by the Board and published on our website. The Code is tailored to address modern slavery issues and seek to influence our suppliers and their supply chains to identify, address and mitigate modern slavery risks. As stated above, we seek to include third parties' acknowledgement of, and compliance with, this Code through contractual means (as appropriate).

### **Modern Slavery related clauses**

<sup>1</sup>We have adopted this approach in a small number of contracting entities in the time since the reporting period, however we plan to build this into our processes over time.

Where appropriate and possible, we have included key modern slavery related clauses in contracts with our suppliers. The modern slavery clauses seek to impose our minimum expectations of suppliers to conduct their businesses in a way that effectively mitigates modern slavery risks in their supply chains.

In circumstances where we become aware that a supplier has breached a modern slavery related term, Zip will seek to enforce contractual mechanisms to compel compliance or exercise the power to terminate the contractual arrangement.

### ***Whistleblower Policy and Environmental and Social Policy***

During this reporting period, we updated a key clause in our Whistleblower Policy and Environmental and Social Policy to ensure reportable conduct is defined to expressly capture conduct associated with or involving modern slavery or contraventions of human rights standards. This includes serious breaches of our Human Rights Statement or any of Zip's other policies. Personnel that may report under this policy include former or current officers or employees, suppliers, associates (within the meaning of the Corporations Act) or relatives, dependant or spouses of the above-mentioned persons. Our Human Rights Statement and Supplier Code of Conduct specifically reference our Whistleblower Policy, to ensure that our own workers and workers of suppliers may report wrongdoing to us.

In the previous reporting period and at the time of lodging this Statement, no issues relating to modern slavery were identified through reports made via the Whistleblower regime. To date, we have acquired an independent Whistleblower service, Convercent, which allows officers or employees (including full time, part time, temporary), suppliers, associates or relatives, dependents or spouses of such in all jurisdictions, to anonymously lodge a whistleblower report through that platform.<sup>2</sup> Our Whistleblower Policy was specifically updated to include the ability to anonymous lodge reports through this platform.

### ***Internal Education & Training***

As reported in our first Statement, we have introduced modern slavery training for Australian employees.

The modern slavery training, which rolled out in June 2021 was completed by over 90% of employees in Australia before the end of the reporting period. This modern slavery training forms part of all new employee induction training program, and it was introduced to increase awareness of relevant policies and procedures that prohibit modern slavery and the implications of the Act for our supply chains.

### ***Remediation***

In line with our values and commitments, we confirm that where we are aware of any incidence of modern slavery we would take appropriate steps to rectify any confirmed incidences of modern slavery in our operations or supply chains.

### ***Assessing the effectiveness of our response***

We acknowledge that the methods of modern slavery due diligence and remediation are constantly being developed and refined. We are committed to continually improving our efforts to identify, assess and address modern slavery risks in our operations and supply chains.

---

<sup>2</sup> This service was contracted after the conclusion of the current reporting period and is in full operation at the time of lodging this Modern Slavery Statement.

We have been assessing and reviewing our modern slavery roadmap, which includes a three-year plan with input from external subject matter experts to guide our continuous improvement approach to modern slavery.

As part of the road map, we have developed internal Key Performance Indicators (**KPIs**) to demonstrate the continuous improvement approach taken to address modern slavery.

Some of these KPIs include:

- the number of suppliers disclosing information relating to modern slavery through the questionnaire;
- the roll out and implementation of policies; and
- the number of employees who have completed the modern slavery training.

We will continue to refine relevant KPIs, with the support of industry experts. This will ensure that our continuous improvement approach to modern slavery is multidimensional and includes both top down and bottom-up approaches that address our governance, suppliers, employees, education, practices and procedures.

We are committed to engaging and educating our employees and suppliers, as we believe this is an effective means by which to influence, prevent and mitigate modern slavery risks.

## Consultation

Zip's structure is set out earlier in this Statement.

Zip is a well-integrated business. The same practices and procedures regarding responsible business, ethics and compliance apply across Zip.

Our Working Group will continue to work on modern slavery initiatives by consulting with relevant stakeholders including subject matter experts. We will communicate with wholly owned subsidiaries of Zip Co Limited operating in Australia, New Zealand, the United Kingdom and the United States regarding this Statement and our approach to modern slavery noting they are subject to the same policies and processes as set out in this Statement.

## Any other relevant information

Our COVID-19 response plan focussed on the safety and wellbeing of employees and contractors, business continuity and management of the economic impacts of the pandemic. We acknowledge the impact that COVID-19 has had on vulnerable workers in our supply chain. We ensure that modern slavery considerations are taken into account as we continue to respond to the impact of the COVID-19 on our business.

We will continue to identify and engage with key suppliers to assist them in improving their own response to the risks of modern slavery. We also plan to enhance our ongoing disclosure through clear and accessible processes for responding to complaints and/or reported violations of policies and standards.