

CSLR Modern Slavery Statement

For the financial year ended 30 June 2025

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (the Act) by the Compensation Scheme of Last Resort Limited ABN 17 669 477 052 (CSLR). The CSLR is a single reporting entity under section 5 and for the purpose of section 13 of the Act.

About CSLR

Structure

The CSLR is a not-for-profit organisation, established under the authority of the Australian Government, with the primary purpose of delivering financial redress of up to \$150,000 to eligible consumers. This compensation is provided in cases where a determination made by the Australian Financial Complaints Authority (AFCA) remains unpaid, typically due to the insolvency of the financial firm involved.

The CSLR is based in Australia, operating out of Melbourne and employs seven people.

Operations

The CSLR is managed independently and operates under the *Corporations Act 2001* (Cth). It is a vital part of Australia's financial ecosystem, stepping in to provide relief to victims of financial misconduct, who may otherwise struggle to obtain compensation. Its existence supports confidence in the financial services sector. The CSLR will facilitate the payment of up to \$150,000 in compensation to eligible consumers in relation to financial complaints pertaining to:

- Personal financial advice provided to retail clients on relevant financial products
- Securities dealing for retail clients
- Credit intermediation
- Credit provision

Supply chains

The CSLR has approximately 34 vendors, with 25 vendors accounting for 98% of the CSLR's total expenditure across the following sectors:

- Professional services (including consulting)
- Financial services (including insurance)
- Technology
- Travel

Of the above 100% have operational offices and ABN registrations in Australia.

Referencing the Global Slavery Index by the Walk Free Foundation, within Asia and the Pacific, Australia is ranked 26 out of 27 countries in terms of prevalence of modern slavery (with 1 being the highest), and 149 out of 160 countries globally.

CSLR's modern slavery risk

As a values-driven organisation, the CSLR is committed to promptly identifying and addressing any instances of modern slavery with integrity and responsibility.

Given its small scale and operational nature, the CSLR's primary exposure to modern slavery risk remains within its supply chain, particularly through its vendors.

Vendors

While the CSLR primarily engages vendors based in Australia, we recognise the potential lack of transparency in downstream supply chains and the heightened risk of modern slavery this may entail. We have assessed and identified several areas within our supply contracts that present elevated exposure, including:

- Enterprise technology
- Professional services, particularly surge workforce arrangements
- Event catering

To support our operational demands, the CSLR has partnered with a leading consultancy firm to provide workforce support. All roles filled through this arrangement require professionally qualified individuals, ensuring that personnel meet rigorous standards and reducing the risk of exploitative labour practices.

CSLR's actions to assess and address modern slavery risk

The CSLR is committed to progressing their journey towards understanding, mitigating, and remediating modern slavery risk, domestically and within its supply chain.

We conducted the following actions this reporting period to address our modern slavery risks;

- Ensuring all employees receive modern slavery compliance training.
- Ensuring senior management and the Board are aware of our modern slavery obligations.
- To strengthen its approach to ethical procurement and reduce the risk of modern slavery, the CSLR conducts an annual assessment using the Australian Government's Modern Slavery Procurement Toolkit vendor questionnaire. This is administered to 10 CSLR vendors, identified by total spend, and serves as a key tool in identifying, managing, and monitoring modern slavery risks within our supply chain. The questionnaire enhances CSLR's visibility into vendor practices by assessing:
 - whether they are required to report under the *Modern Slavery Act 2018 (Cth)*;
 - the extent of their supply chain transparency;
 - the measures they employ, such as screening processes and internal policies, to mitigate modern slavery risks.

In the last financial year, we analysed 10 vendors that account for 82% of our spend. Through this, we mapped our vendors against the following risk factors:

- industry/sector
- category, and
- geographic.

The analysis found that all vendors demonstrated a satisfactory level of compliance with the *Modern Slavery Act 2018 (Cth)*. This included providing evidence of structured internal policies, where available, and ensuring staff had access to appropriate resources and processes to identify, assess, and respond to modern slavery risks within their operations and supply chains.

CSLR sources a small portion of its technology services, primarily hardware, through a shared services arrangement with AFCA. While this represents a minor component of CSLR's overall operations (with no hardware purchases made in the last financial year), AFCA has implemented risk mitigation strategies to address the elevated risks associated with technology procurement. These include partnering with reputable resellers and restricting purchases to well-established, trusted brands. This approach supports ethical sourcing practices and helps reduce exposure to modern slavery risks in a high-risk industry.

Assessing effectiveness and the CSLR's planned actions

Assessing the effectiveness of action taken last financial year

In our 2024 Modern Slavery Statement, the CSLR outlined the following planned activities:

- conduct vendor surveys with suppliers identified as having elevated modern slavery risk, while also reviewing tender processes and procurement contracts to ensure appropriate clauses are incorporated to support ethical sourcing and risk mitigation;
- review policies and procedures to ensure appropriate controls were in place to identify and manage modern slavery risks; and
- raise awareness of modern slavery.

Vendor assurance and due diligence

The CSLR continues to use the Australian Government's Modern Slavery Procurement Toolkit vendor questionnaire. This tool supports engagement with suppliers and improves visibility into their practices.

Modern slavery clauses were incorporated where relevant to the nature of the services and where it was commercially feasible to do so. In some cases, constraints such as time-sensitive negotiations or commercial limitations prevented inclusion.

The CSLR continues to strengthen its procurement processes by embedding modern slavery considerations into contract templates and tender procedures, reflecting its ongoing commitment to ethical sourcing and continuous improvement.

Policies and procedures

No changes were made to the CSLR's policies. Given the organisation's small size and operational scope, existing policies are considered sufficient in addressing concerns related to modern slavery.

However, the CSLR remains open to revisiting and updating these policies in future review cycles should further enhancements be deemed necessary.

Education and awareness

All employees completed targeted compliance training delivered by a third-party provider, enhancing awareness and understanding of these issues across the organisation. Within the calendar year, the CSLR Board also received information and training materials in relation to modern slavery obligations and risks. A review of the CSLR's whistleblowing procedures confirmed that existing mechanisms adequately support the reporting of modern slavery concerns based on the description of disclosable matters. Additionally, the Board has received relevant information and training materials to support its oversight role and reinforce the CSLR's ethical governance.

Planned actions for next financial year

As a relatively small organisation, the CSLR is mindful of its capacity and resources while remaining committed to improving its understanding and management of modern slavery risks, both domestically and across its supply chain. Within these constraints, several practical and proportionate initiatives have been identified for the upcoming financial year. These include:

Vendor assurance and due diligence

- Continue annual use of the Australian Government's Modern Slavery Procurement Toolkit with CSLR's top vendors by spend.
- Maintain engagement with vendors identified as having elevated modern slavery risk (e.g., enterprise technology, surge workforce, catering).
- Retain current vendor management plans to monitor and address any concerns.

Policy and procedure review

- Continue annual review of internal policies to ensure alignment with modern slavery risk controls.
- Maintain inclusion of modern slavery clauses in procurement contracts, focusing on existing high-risk categories.

Maintaining a consistent education and awareness program

- Continue delivery of the existing online training module for employees.
- Continue Board-level training and awareness activities as planned in FY2025, ensuring leadership remains engaged and informed.

CSLR's process of consultation with entities it controls or owns

The CSLR does not own or control any other entities; therefore, this criterion is not applicable.

Consultation process

A modern slavery working group, comprising several CSLR employees, was established to actively engage, consult, and contribute to the development of this statement.

This statement has also been presented to the CSLR Board, with input being provided, prior to its execution.

Furthermore, in light of the Shared Services Agreement with AFCA, the working group has actively engaged with key executives within AFCA. This collaboration ensures transparency within each organisation's supply chain and mutually supports their commitment to respecting human rights.

The statement was approved by the Board of Compensation Scheme of Last Resort Limited on 24 September 2025.

Signed

A handwritten signature in black ink, appearing to read 'Jo-Anne Bloch', with a long horizontal stroke extending to the right.

Chairperson of the Board

Jo-Anne Bloch

Appendix

The table below outlines how this statement complies with the mandatory reporting criteria:

Mandatory reporting criteria under section 16(1) of the <i>Modern Slavery Act 2018</i> (Cth)	Statement page
(1) Identify the reporting entity	1
(2) Describe the structure, operations and supply chains of the reporting entity	1-2
(3) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	2
(4) Describe the actions taken by the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	2-3
(5) Describe how the reporting entity assesses the effectiveness of such actions	3-4
(6) Describe the process of consultation with any entities that the reporting entity owns or controls	N/A
In the case of a reporting entity covered by a statement under section 14 – the entity giving the statement	N/A
(7) Include any other information that the reporting entity, or the entity giving the statement, considers relevant	4-5