



# Modern Slavery Statement

## Loan Market Group (2022/2023)

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This is the first modern slavery statement (**Statement**) for the group of entities controlled by Loan Market Group Pty Ltd (**LMG**) ABN 83 105 221 967. LMG was previously included in three modern slavery statements under Group Administration Australia Pty Limited (**GAA**) ABN 30 010 374 731.

The Statement describes the actions LMG has taken for the 2022/2023 financial year to identify and reduce the risks of modern slavery in our operations and supply chains in accordance with the *Modern Slavery Act 2018* (Cth) (**Act**).

Slavery is a crime and violates fundamental human rights. LMG is committed to ethical business practices and legal compliance and we expect our suppliers, staff, and the brokers we support to embrace that commitment. A snapshot of our work in this reporting period to combat modern slavery issues shows that LMG has:

- Expanded our supply chain mapping exercise – no direct exposure to modern slavery issues identified. However, we recognise that this is a complex and ongoing exercise and will continue to monitor these risks.
- Provided training to senior management and relevant operational staff with procurement responsibilities to help them identify and respond to modern slavery risks in our procurement space.
- Completed site audits of our key offshore suppliers' offices.
- Introduced a modern slavery questionnaire into our RFP and onboarding process for suppliers and partners.
- Worked to increase broker awareness of modern slavery risks and included express obligations in our agreements with them.

# 1. Structure

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LMG was founded in 1994 by GAA and is the largest and most progressive aggregator group across Australia and New Zealand. We provide solutions to a community of over 6,000 brokers and advisers, helping them to deliver great customer outcomes and run better, more profitable businesses.

Proudly family-owned and led, LMG provides professional, administrative, management, compliance, training and technology services to the brokers that engage us, enabling those brokers to offer their customers products from more than 65 banks and lenders. At the end of the reporting period, we provided services to 394 franchisees who chose to operate their businesses under the Loan Market Brand and a further 1,944 businesses operating under their own brands.

The business has grown rapidly: we supported brokers across Australia and NZ to settle over \$130 billion worth of loans on behalf of over 300,000 of their customers in 2022.

Our principal activities during the year consisted of aggregation services provided to franchisees and/or independently branded mortgage broker businesses through the following subsidiaries:

- Loan Market Pty Ltd (ABN 89 105 230 019);
- LMG Broker Services Pty Ltd (ABN 67 632 405 504);
- Professional Lenders Association Network of Australia Pty Ltd atf PLAN Australia Unit Trust (ABN 24 086 084 832);
- Pennley Pty Ltd atf Pennley Unit Trust (ABN 53 348 526 415); and
- Finance & Systems Technology Pty Ltd (ABN 86 092 660 912).

We also operate businesses in complementary sectors that support our primary operations, including SaaS through MyCRM Pty Ltd (ABN 13 611 785 561)

We also provide mortgage aggregation services through a New Zealand subsidiary.

## 2. Operations

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LMG operates from business premises in most mainland States of Australia and across New Zealand. LMG entities employed approximately 380 people during the current reporting period and the workforce is comprised primarily of office-based professionals and other skilled labour.

Our workforce comprises of sales and distribution professionals, technology developers and support staff, finance, legal operations, customer operations, marketing, data analytics, payroll, administrative and HR teams. The majority of our workforce is engaged on an ongoing basis, although we utilise a small pool of casual employees, contractors and external consultants.

We are a member of the Financial Institutions Remuneration Group Inc (**FIRG**) and lodges data with FIRG twice annually. We utilise the data available as a FIRG member and review staff salaries annually against market data to ensure that our staff are fairly remunerated.

We operate a number of programmes to support professional development and the health and safety of our staff, including operating an Employee Assistance Program to support staff in dealing with personal, family and/or work-related concerns. We aim for continuous improvement in our treatment of our staff and frequently review the efficacy of our programmes in rewarding and supporting them.

We also utilise the services of offshore providers to complement our onshore workforce. The services we acquire from these providers are mainly in relation to technology development and administrative support. More detail on these offshore providers is included in the supply chain section of this report.

Having regard to the industry in which we operate and the nature of our workforce, we consider the risk of modern slavery issues in our operations to be very low.

Although the brokers that we support are independently owned and operated businesses, and so fall outside the scope of this Statement, because of the close connection between these entities, we are considering how we may more closely monitor their operations.

### 3. Supply Chain

For the 2022/2023 financial year, LMG again mapped our supply chain and identified the largest suppliers by dollar value. We also identified within this group of suppliers those that might be expected to pose the greatest modern slavery risk having regard to the industries in which those suppliers operate, their primary place of operation and the goods and services they supplied.

Our modern slavery review focused on suppliers that accounted for 80% of our total supplier spend. Reflecting our commitment to our modern slavery action plan, this expanded upon the number of suppliers reviewed in the previous year. These suppliers operate in the following industries, none of which is considered to involve a significant risk of modern slavery:

- banking and financial services (including credit cards);
- legal, accounting and other professional services;
- internet, software and technology services;
- commercial property leasing;
- conferences and events; and
- media, advertising and recruitment services.

The goods and services provided by these suppliers do not fall within the list of products that the 2023 Global Slavery Index (**2023 GSI**) published by the Walk Free Foundation has identified as being most at risk of modern slavery.

As well as operating in lower risk industries, the suppliers reviewed were based in jurisdictions identified in the 2023 GSI as having:

- a lower prevalence of modern slavery, including Australia, Canada, Germany and New Zealand; and/or
- a strong governmental response to modern slavery, including Australia, the United Kingdom, USA, Canada and Germany.

During the reporting period, we also contracted with five suppliers who provide offshore based workforces to aid in our operations. Four offshore suppliers provided workforce support out of the Philippines, with the fifth supplier being based out of South Africa.

Noting the elevated modern slavery risk described in the 2023 GSI, particularly in the Philippines, we undertook due diligence on each of these suppliers prior to engaging them. Although no slavery-related concerns were raised in due diligence, and we remain of the view that the risks associated with these suppliers is low, we continue to take active steps to monitor and manage modern slavery risk with these suppliers. This has included:

- maintaining regular and direct contact with the Philippines-based workforce;
- obtaining and reviewing copies of their anti-slavery policies; and
- conducting on-site audits of its South African supplier and one of the Philippines-based suppliers.

During the reporting period, we also undertook a review of offshore suppliers providing the same or similar services to us. Following this review, we terminated our agreements with the South African supplier and two of the Philippines-based suppliers.

We intend to continue our on-site audit programme during 2023/24 and, where offshore workforces are 100% remote, we will consider other avenues to verify there are no slavery-related issues within the supply chains.

We also continue to develop our understanding of our supply chains by expanding the number of suppliers that complete a questionnaire on their anti-slavery policies and procedures. We aim to approach the top 20 suppliers by spend who don't file Modern Slavery Statements under the Act.

We are implementing changes to the RFI and supplier onboarding process to improve our modern slavery due diligence on material prospective suppliers.

## 4. Modern Slavery Risks

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LMG recognises that modern slavery is a significant problem and that it can be difficult to identify in global supply chains. However, we have not identified any modern slavery risks that require immediate attention or action, nor have we identified any high-risk suppliers in our supply chain.

We operate in lower risk industries and, primarily, in countries that are not categorised as high risk from a modern slavery perspective. Our 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.

Our Whistleblowing Policy enables staff, suppliers, franchisees and the brokers we support to report possible contraventions of legislation guiding the operation of our businesses. As a responsible franchisor we expect our franchisees to comply with the Fair Work Act, and we promote our Whistleblowing Policy to our franchisees and associated personnel.

We are not aware of any modern slavery issues in our supply chains and did not identify any issues during our investigation of suppliers. We recognise that, whilst the processes and policies we have adopted and the steps we have taken to date are a good first step in understanding the risks of modern slavery in our operations and supply chain, more will need to be done in the future.

We have also not identified any issues that would suggest modern slavery issues exist within our franchise network, the other broker businesses that we support or within any LMG entity. Nor have we received any reports from staff or the franchisees and other broker businesses we support regarding modern slavery issues. These factors lead us to believe that the risk of modern slavery issues in our operations and first tier supply chain to be very low.

## 5. Action Plan

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We have undertaken a review of the template clauses that deal with modern slavery issues and have incorporated changes within our franchise and broker agreements. These clauses require the brokers we support to:

- use reasonable efforts to ensure they, their affiliates and suppliers comply with Modern Slavery laws;
- provide LMG with information to permit us to undertake due diligence on our suppliers;
- cooperate and assist with any investigation or legal proceedings; and
- maintain adequate and accurate records to be able to comply with these requirements.

We also propose to require suppliers to include a clause ensuring the suppliers' modern slavery compliance in any future contracts.

During the 2022/2023 financial year, we reviewed our supply chain and more than doubled the number of suppliers reviewed year-on-year. Our review covered 80% of our procurement spend. We also considered which of this group of suppliers might be expected to pose the greatest modern slavery risk having regard to the industries in which those suppliers operate, their place of operation and the goods and services they supplied.

We aim to expand our audit process during 2023/24 by requesting supplier questionnaires be completed during onboarding of material new suppliers as well as by those suppliers in the top 20 suppliers by spend who don't currently appear on the Australian Modern Slavery Register. This data will help us identify if any modern slavery risks exist, and how they can best be addressed and indicate whether further screening and analysis needs to be conducted before onboarding new suppliers into our supply chain.

We have also strengthened our audit process by conducting onsite audits of our key offshore partners, with the expectation that onsite audits be completed on an annual basis.

We have sent corporate communication to all our staff reiterating the commitment to the eradication of all forms of modern slavery and reminding our staff of the requirements under the human rights policy. The communication invited our staff to contact LMG's legal team if the policy raised any concerns. We intend to communicate with all staff on a yearly basis to ensure modern slavery prevention remains front of mind.

During 2022/23 we required senior leaders and relevant operational staff to complete training designed to help them identify and manage any modern slavery issues in our procurement processes. We intend to require all of our staff to undertake modern slavery training annually to help explain modern slavery practices and maintain awareness of this issue. We expect all of our staff to provide a first line of defence in the identification of modern slavery risks.

We are looking to make resources and training available to the brokers that we support during 2023/24 to raise awareness in the broader community.

## 6. Effectiveness

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We are pleased to confirm that we received no reports of modern slavery practices from staff, suppliers or franchisees during the reporting period. Nor have we identified any modern slavery practices during this period.

We recognise that the process of assessing and addressing modern slavery risks is a complex and ongoing task. We have made progress in this area by providing online training to senior staff to help them identify and manage modern slavery risks.

We will continue to review, develop and refine our policies and processes during 2024 and beyond. This includes proposing to conduct a more detailed risk review process for some of our suppliers, including onsite inspections and questionnaires for those suppliers either based in higher-risk countries or that supply products identified as being most at risk of having slavery issues.

We remain committed to identifying any supplier non-compliance with their modern slavery obligations. Ensuring those suppliers understand that we will require them to determine the cause of any problem identified, establish an action plan to correct the problem and report on the outcome of those actions, remains a key part of our Human Rights Policy and contributes to our effectiveness in addressing these risks.

## 7. Consultation

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LMG is fully beneficially owned and controlled by members of the White family. Senior members of the White family are directors of Loan Market Group Pty Ltd and responsible for its key operations. They were consulted and informed of Australia's modern slavery reporting obligations.

This modern slavery statement was approved by the board of directors of Loan Market Group Pty Ltd on 21<sup>st</sup> December 2023.

This statement is signed by Ewen Stafford in his role as a director of Loan Market Group Pty Ltd on 21<sup>st</sup> December 2023.

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*Ewen Kenneth Stafford*  
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Director