Smart Group

Modern Slavery Statement

2025

This statement is a Joint Modern Slavery Statement made by Smartgroup Corporation Ltd and associated reporting entities in accordance with section 14 of the Modern Slavery Act 2018.

Smart Group™

Kengatha-nak-thangi Grow Mother Country

Artist Statement

Co-existing with Mother Earth from the first days of understanding of kinship and the importance of caring for Country. Preparing for the future and prospering by putting country first which started through gatherings of our ancient ancestors which continues through time to this day, Country has always been an important part of First Peoples of Australia cultures.

Country has sustained us, revitalised, and rejuvenated our mind, body, and spirit for many millennia. And by putting Country first it will continue to do so. It has been our most important commandment handed to us down throughout the generations through loving careful instructions. A nourishing thought for the ages of our continuous culture on this ancient landscape.

Narrative written by Jade Kennedy of the Tatti-Tatti/ WadiWadi/Muddi-Muddi-West Kulin Nation and Wajak/Kaardjin-NoongarNation.

Acknowledgement of Country

Smartgroup acknowledges the Custodians of Country throughout Australia. We pay our respects to them and to Elders past and present and thank them for their ongoing custodianship of this land and community.

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A message from Smartgroup's CEO

Our ongoing commitment to reducing modern slavery risks

Smartgroup remains alert to the possibility of adverse human rights impacts occurring within our own operations or supply chain. We have a zero-tolerance approach to modern slavery in any form and strive to put in place appropriate controls to minimise these risks.

We recognise the important role we can play in ensuring ethical business practices in our operations and those of our suppliers and are committed to continually upholding, reviewing, and improving these practices. This ensures we are taking all appropriate steps to reduce the risk of modern slavery and contributing to global efforts to eradicate all forms of it.

In 2024, we adopted our first Human Rights and Modern Slavery Roadmap and released our third Modern Slavery Statement. This reinforces our unwavering commitment to preventing modern slavery and safeguarding human rights in our business and supply chain. Additionally, we achieved several key targets across our Human Rights and Modern Slavery agenda, including refreshed and enhanced scanning for modern slavery and environmental, social and governance (ESG) risks across our supply chain.

Smartgroup's commitment to operating ethically and contributing positively to the broader community is reflected in our new core business values: Customer first always, Drive results - Always own it, and Always strive for better. This commitment is also reflected in the ongoing significant investment and support across the three core areas of our social impact framework:

- Inclusive, equitable communities,
- Natural climate solutions and decarbonisation technologies,
- Financial wellbeing and education.

Smartgroup has a dedicated Group Risk, Internal Audit and Compliance Team and a Group Procurement Manager responsible for driving and managing Smartgroup's response to modern slavery risks, with the support of the Group Legal Team, Group Executive Team and the Board. Smartgroup's ESG Board Committee, established in 2021, is responsible for overseeing modern slavery risk management in our business. The ESG Committee is governed by a Charter, which can be viewed here.

We are committed to upholding, reviewing and improving ethical business practices and ensuring we remain accountable for our role in helping to eradicate modern slavery in our global communities.

In 2022, the Board endorsed a formal Sustainability Strategy, containing a comprehensive set of targets and initiatives. Our 2024 Sustainability Report highlights the status of these initiatives. We have made significant progress, including the completion of modern slavery risk assessments for all Tier 1 and Tier 2 suppliers and the development and endorsement of our first Environmental Management Policy and Human Rights and Modern Slavery Roadmap. We have also improved our ESG assessment framework and included ESG credentials within the procurement due diligence process for all new Tier 1 suppliers.

This Statement outlines the tangible steps and actions that Smartgroup has taken to ensure that we have:

1. A clear insight into the risk of modern slavery throughout our own operations and supply chains;
2. A set process to assist our suppliers to ensure they understand and are appropriately managing modern slavery risk in their operations and supply chains; and
3. A specific action plan to address and reduce any risk of modern slavery practices identified in our operations and supply chains.

Scott Wharton

Scott Wharton
Chief Executive Officer

This Modern Slavery Statement has been approved by both the ESG Committee and the Smartgroup Board and covers the period from 1 January 2024 to 31 December 2024.

Our structure, operations and supply chains

Smartgroup believes that good governance is key to ensuring risk is identified, assessed and managed. At Smartgroup, our values guide us in our behaviours and actions, are the foundation for every decision we make, and reflect our commitment to our customers, communities, suppliers, investors and each other.

Our business, structure and operations

Smartgroup simplifies salary packaging, novated leasing and fleet management solutions for organisations across Australia.

Central to our approach is our commitment to delivering an exceptional experience to our employer clients and their employees - from the tens of thousands of calls we take to the industry-leading technology we develop. Underpinning our entire operation is our engaged, customer-focused and highly capable workforce. The link between the engagement of our employees and the satisfaction of our customers is unequivocal, so we continually strive to positively impact our team members by providing a supportive environment where people bring their best self to work and fulfil their potential.

We have approximately 772 employees working across Australia, with offices in Sydney, Melbourne, Adelaide, Brisbane, Canberra and Perth.

Of these employees, 705 were full-time permanent employees, 49 were part-time permanent employees and 18 were fixed term, temp or casual employees (as at 31 December 2024).

We also have 61 nearshore workers in the Philippines who are not employees, in addition to 9 temporary workers employed by temp agencies, and 5 independent contractors.

The most common types of workers who are not employees include customer service consultants engaged in Australia via preferred agencies on a temporary basis, as well as technical IT roles (e.g. testers, developers, business analysts and desktop support analysts).

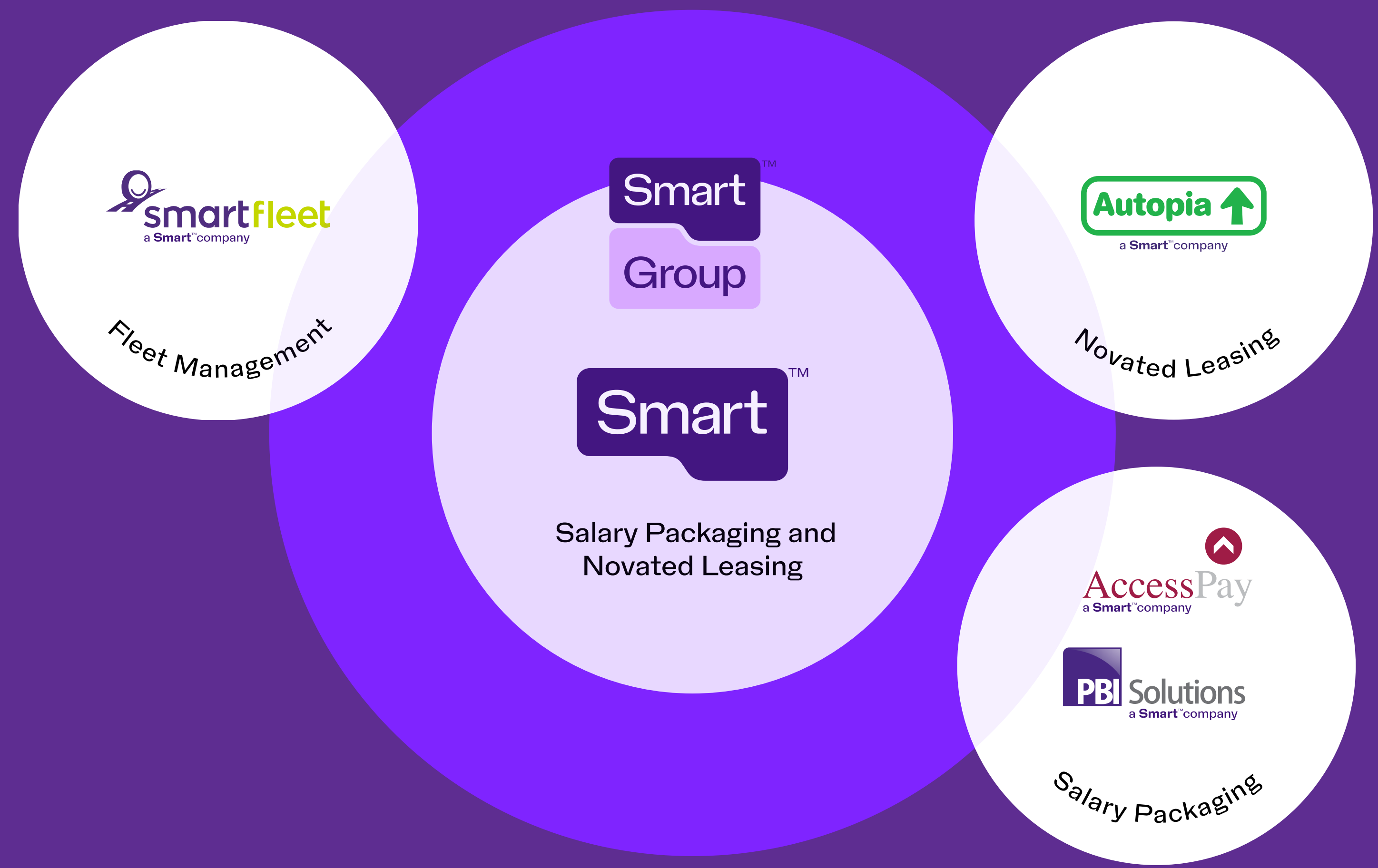
Our workers who are based in the Philippines are engaged via our nearshore business partner, Satellite Office, as their employees, and in parallel, are permanent team members of Smartgroup. Our modern slavery assessment extends to these team members and operations.

Current Business Landscape

We offer salary packaging, employee benefits, novated leasing and fleet management services to a range of clients across numerous industries, including government, healthcare, not-for-profit, education and corporate.

Further information can be found at:

https://www.smartgroup.com.au/what-we-do



Goods and services we buy

As a provider of employee benefits to employers throughout Australia, Smartgroup procures goods and services for the purpose of managing and delivering our services to clients, as well as managing the offices from which we work.

In 2024, our business sourced goods and services from over 1,100 suppliers predominantly supplying goods and services within Australia. We also work with a small number of overseas suppliers in the areas of outsourced technology and professional services.

Did you know?

95%

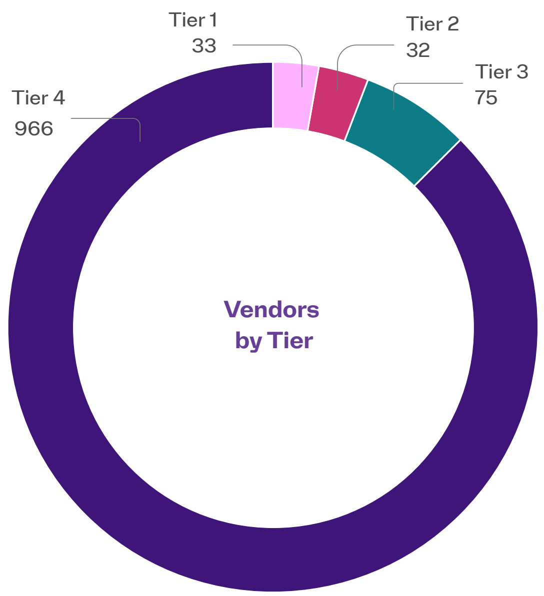
Of our vendors are Australian based.

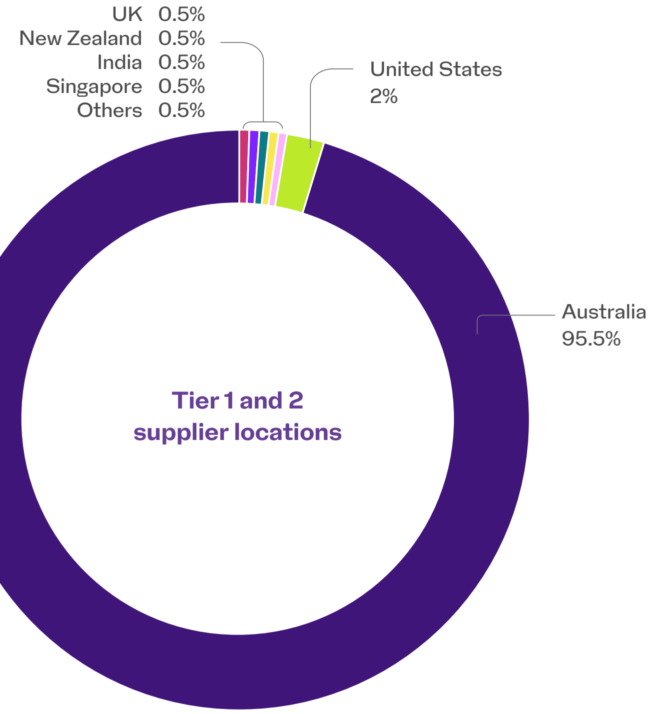
Goods and services we buy include:

- Corporate real estate leasing
- Office facilities and products
- Human resources services
- Financial services
- Information and research services
- Marketing and events
- Fuel and maintenance for vehicle fleet
- Professional services
- Travel services and products
- Technology services and products

Supply chain

Of our suppliers we have 33 Tier 1 suppliers and 32 Tier 2 suppliers, with 95% of these Tier 1 and 2 suppliers (by number) operating in Australia.





Supplier business operations

Assessment of modern slavery risks in our supply chains

We have assessed the categories in which we have material spend in goods and services as having a low inherent risk to modern slavery using the following factors:[1]

Vulnerable populations – – Personal characteristics or circumstances that may lead people to be more susceptible to harm;

High-risk business models – Practices that reduce visibility between product or service beneficiaries and the provider's labour conditions;

High-risk geographies – Locations where human rights protections are weaker or obscured from oversight; and

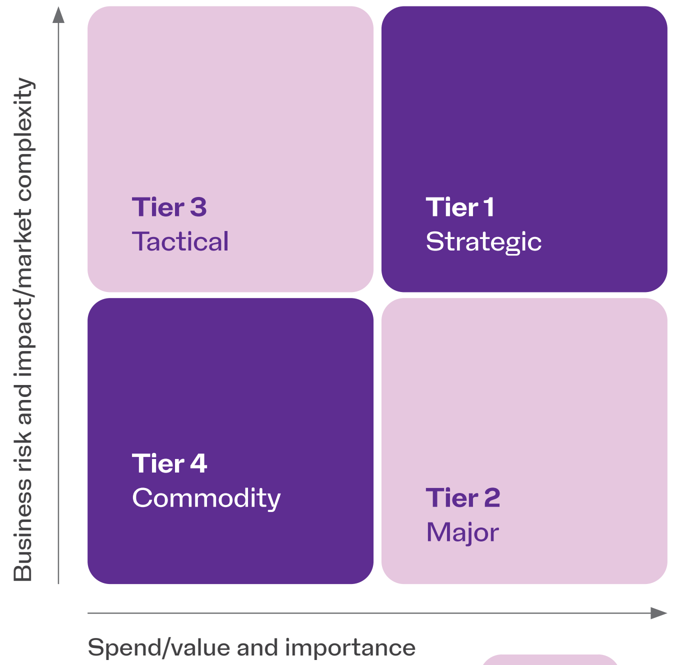
High-risk categories – Known high-risk products and services, based on the confluence of the above risk factors, which are often sector specific.

Our assessment further considered:

- All our employees are aged over 18 years;
- As a financial services and employee benefits company, all our employees work in office based and home-based roles or roles which involve travel and sales activities at clients' sites – these are low risk activities for the purpose of modern slavery;
- We undertake annual remuneration reviews, including a review of wages to ensure compliance with legislative requirements. We have not identified any material instances of wage underpayments and maintain compliance measures to ensure that this risk is monitored and mitigated on an ongoing basis;
- We continue to undertake gender pay gap reviews and corrections to ensure a reduced gender pay gap and pay equity when comparing salaries for 'like for like' roles;
- We are proud to have been recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency and as an Inclusive Employer by Diversity Council Australia.

1 Source: Typologies and Indicators of Modern Slavery Working Paper Edition 1 March 2022 – Australian Banking Association and KPMG

Our assessment process is prioritised according to the materiality of spend as well as strategic value of services that a supplier provides to Smartgroup as follows:



Tier 1

Strategic Vendor

Spend exceeds $1M pa.
Suppliers are aligned to Smartgroup's IT and business strategy.
Significant impact on business and provides significant business value.
Vendors are committed to sharing the risk and are governed by senior executives on both sides of the relationship.

Tier 2

Major Vendor

Annual spend between $500k and $1M.
Critical to business operations.
High risk vendors.
Reasonably complex and/or deeply integrated into overall business operations.
High switching cost.
Strategic growth decision or for market positioning.

Tier 3

Tactical Vendor

Annual spend between $100K and $500K.
Low – medium switching cost.
Unique vendor capabilities (including sole source, IP dependant, etc.).
Limited vendors and/or only readily available from a single source.
SG to maintain a level of investment (or increase) over time.

Tier 4

Commodity Vendor

Limited technical complexity or existing capability.
Goods and services are readily available.
Existing alternate products and services.
Low value, small individual transactions or once-off purchase.
Many existing alternate products and services.
Large number of vendors.
"Anyone" could buy it.

Identifying modern slavery risks in our supply chains

We continuously look to identify, assess and manage the risks of modern slavery within our supply chain, through building awareness, improving policies and process and enhancing due diligence.

In 2024, our Human Rights and Modern Slavery Roadmap was completed and endorsed by the Board, reinforcing our commitment to mitigating human rights and modern slavery risks in our supply chain.

We have completed third-party Modern Slavery Assessments on all Tier 1 and Tier 2 suppliers through the Ethixbase360 Platform, using Ethixbase Perceived Risk Indicator (PRI), the Instant Due Diligence (IDD) reporting function and our modern slavery questionnaire. The next phase of this assessment is to issue new modern slavery questionnaires to these suppliers, with a goal to have all questionnaires completed in 2025.

This year we also made progress in improving the robustness of our ESG assessment framework through third-party assessment tools and audit trails available in the EthiXbase360 platform. ESG credentials are now in place within the assessment framework for new Tier 1 suppliers. We plan to roll this out, by way of a reassessment, to all Tier 1 and Tier 2 suppliers over 2025.

We note we have experienced a delay in these workstreams due to resource constraints and extensions in the engagement timeframe for supplier assessments.

An overview of our IDD reporting and Modern Slavery questionnaire process is set out below.

a. **Instant Due Diligence (IDD) Reporting**
   An Instant Due Diligence (IDD) report gives us a risk indicator for our suppliers based on the following:

   i. **Company Registry Information** – we run a check of the relevant supplier organisation names against a global database of over 170 million online registry records. Where company registry records are available, ethiXbase will verify the organisation is legally registered.

Did you know?

We continuously look to identify, assess and manage the risks of modern slavery within our supply chain, through building awareness, improving policies and process and enhancing due diligence.

   ii. **Sanctions & Enforcements Lists** –the IDD process checks the company name and any associated individual names during the Company Registration search against a detailed global list of sanctions and enforcements.

   More than 1,000 checks have been conducted since 2022 on companies in our supply chain.

b. **Modern Slavery Questionnaire**
   Our questionnaire was developed by ethiXbase with the expertise of global law firm Norton Rose Fulbright's Risk Computations for Third Parties.

   The Modern Slavery Questionnaire uses advanced analytics to create personalised risk profiles that identifies specific risks relating to jurisdiction, Activity, Workforce, Policies, Systems, and Human Rights across the supply chain for each of our vendors. It does so by weighing questionnaire responses against a set of criteria and third party databases.

The Modern Slavery Questionnaire reviews the following five key areas associated to human rights risk across the supply chain:

1. Business activities (industries)
2. Geographic footprint
3. Second and third-tier supply chains, potential presence of sanctioned products in the supply chain
4. Employee health and safety practices, policies, processes and training,
5. Compliance with the client's supplier code of conduct/adequate procedures requirement

As noted above, we have rolled out our Modern Slavery Questionnaire to all Tier 1 and Tier 2 Suppliers and continue to work with our Suppliers to ensure all surveys are completed and submitted as part of our due diligence assessment.

We have also committed to extend our Modern Slavery Questionnaires to all Suppliers in our supply chain who are operating in high-risk industry sectors or in higher-risk countries as identified by the Australian Government, the United Nations and the Global Slavery Index with a plan to complete this in 2025.

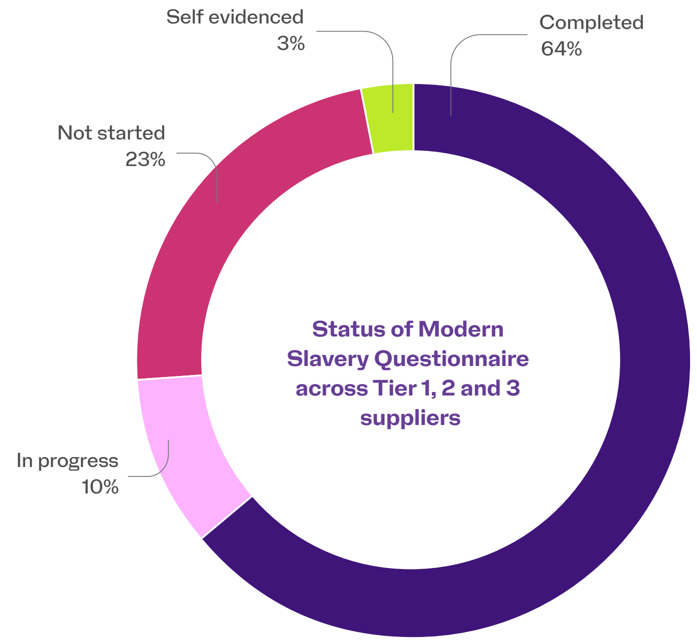
In addition to these assessments, in 2023, we compared our supplier base against, the most recent, as of the date of the submission of this statement, International Trade Union Confederation ("ITUC") Global Rights Index and the Global Slavery Index. This review identified that the locations of two of our suppliers (India and the Philippines) were designated by the Global Slavery Index as having a medium risk of modern slavery and accordingly given a Rating 5 (No guarantee of rights) by ITUC.

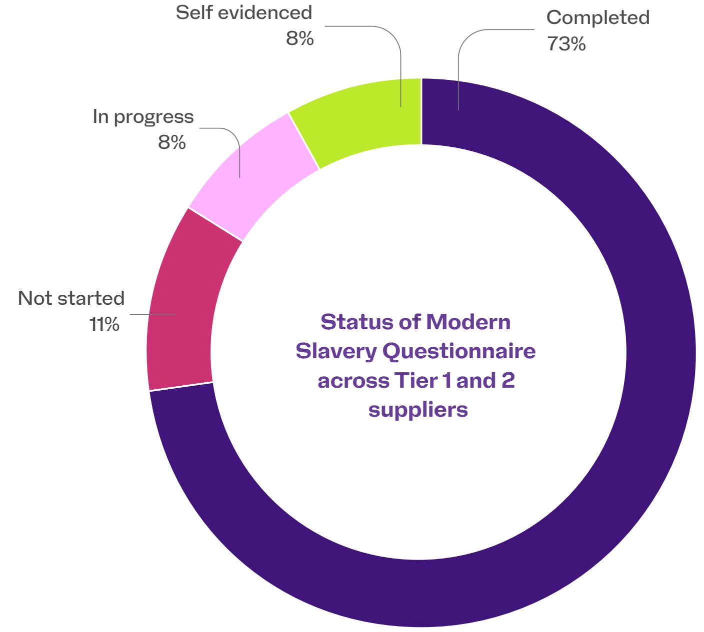
The two relevant vendors located in these locations have completed our Modern Slavery Questionnaire and been assessed by and our third-party due diligence platform. No material risk issues were identified through these assessments.

The above risk assessment process enables us to identify and assess modern slavery risk efficiently and accurately, ensuring we focus our efforts on remediation and supplier improvement where required.

Given our broad supply chain, there is always a potential risk of negative impact on human rights. We have zero tolerance for modern slavery in any form within our business and supply chain. We are committed to continually reviewing and improving our practices to reduce the risk of modern slavery in all aspects of our business and to contributing to global efforts to eradicate all forms of modern slavery.

We are pleased that our reviews so far have not identified any instances of modern slavery in our own operations and only one instance of a historical high-risk practice in our supply chain, which was satisfactorily addressed and resolved.





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Did you know?

Other actions taken to assess and address modern slavery risks

1. Policies

Our Procurement Policy

Smartgroup's Group Procurement Policy outlines risk management, regulatory compliance and guidelines, and commercial and operational considerations in managing suppliers. It also includes a requirement for Group Legal to review all supplier contracts and proposed terms and conditions before they are signed to ensure compliance with the Modern Slavery Act.

Speak Up Policy

This policy has been developed to encourage both employees and other external partners, including suppliers, to speak up if they have concerns regarding potentially unethical, unlawful or improper practices or behaviours, without fear, knowing that they will be protected from reprisal.

Smartgroup encourages employees and external partners to confidentially report actual or potential instances of reportable misconduct via the Smartgroup Speak Up Portal, which utilises the Whispli platform. The reports submitted through the Smartgroup Speak Up Portal are assessed by an independent third-party expert to enhance confidentiality of the reported concerns.

Human Rights Policy

A Board endorsed Human Rights Policy was adopted in April 2023 to set out how Smartgroup ensures it identifies, prevents and addresses any potential human rights impact its operations may have.

Copies of these policies, and a range of other Smartgroup policies are available at our website.

2. Modern Slavery Training

Modern Slavery training

The Executive Team, Senior Leaders and members of the People and Culture Team are required to complete mandatory e-module training on the Modern Slavery Act and Smartgroup's response to modern slavery risks.

Amongst other things, the training covers the requirements under the Modern Slavery Act, relevant internal policies and procedures regarding modern slavery, procurement and Smartgroup's response to identifying, assessing and responding to potential modern slavery risks in its operations and supply chains.

Refresher training is run annually.

3. Supplier contracts

Our supplier contracts include modern slavery clauses which require our supply partners to:

1. Comply with the Modern Slavery Act and any other legislation prohibiting modern slavery practices;
2. Take reasonable steps to ensure there is no modern slavery in the supplier's or its agents, contractors and/or sub-contractors supply chains or in any part of its business;
3. Notify us of any issue identified in their supply chains or any relevant convictions or investigations regarding modern slavery; and
4. Implement due diligence procedures to ensure there is no modern slavery in their supply chains.

Assessing the effectiveness of our actions

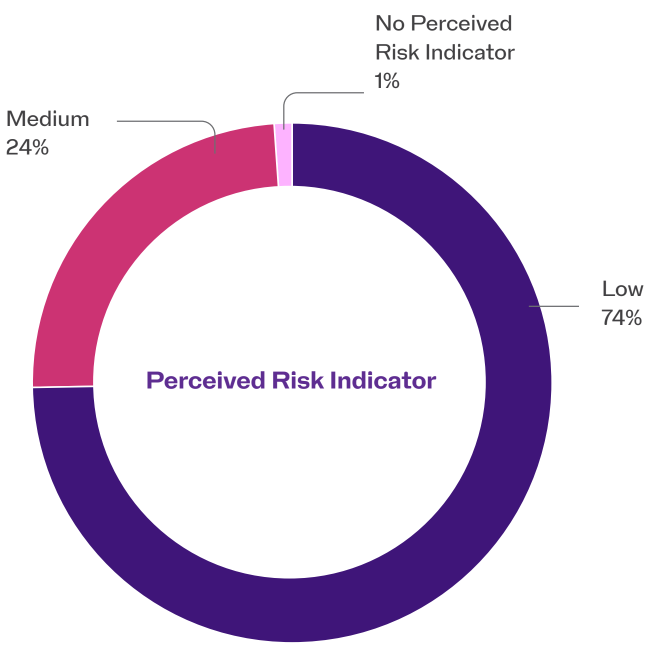
Our process begins with the Perceived Risk Indicator (PRI). The PRI is a grading system that ethiXbase provides to measure the potential risk of an entity. It's in essence a rating to help in decision making in due diligence on an organisation.

An example of a PRI risk rating may be based on three factors, each with its weightage:

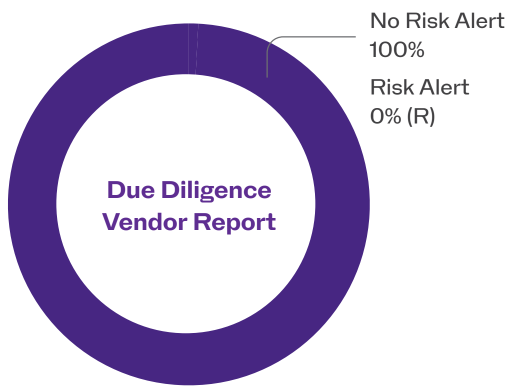
- The third party's industry (25%)
- Its location (25%)
- Its public risk profile (50%)

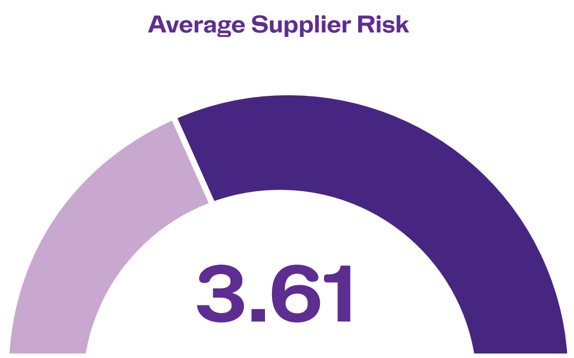
Through our ongoing assessment, we're pleased to see there has been little change in metrics reported year on year. This was in line with expectations, as we had previously not identified any material risk issues through these assessments.

Of more than 1,100 suppliers assessed, we identified 2% with High perceived risk indicators and 24% with Medium perceived risk indicators:



When further investigated and IDD reporting completed, we found that in the 26% of suppliers flagged with medium and high perceived risk indicators, none of the suppliers were indentified on a Watchlist or had a valid Sanction or Enforcement.





Based on our assessment our average Supplier Risk across our Tier 1 and Tier 2 suppliers is 3.61*

*Supplier Risk is classified as: 1-4 Low, 5-7 Moderate, 8-10 High

Plans for future action

We're committed to taking specific actions to reduce the risk of modern slavery in all aspects of our business. Given some challenges with the full implementation of our targets in 2024, we have refreshed our targets for 2025, and will focus on:

- We will complete a detailed modern slavery risk reassessment on ethiXbase for all our Tier 1 and Tier 2 suppliers by the end of 2025.
- We will continue to develop and publish a Supplier Code of Conduct which defines Smartgroup's ethical, social and environmental core values and standards which we expect all suppliers to adhere to.
- We will continue to work towards extending the modern slavery risk assessment to all suppliers within our supply chain who are operating in high-risk industries or in higher-risk geographic areas as identified by the Australian Government, the United Nations and the Global Slavery Index by the end of 2025.
- We will include ESG credentials within the procurement due diligence process for all new Tier 1 suppliers by the end of 2025.
- We intend for 20% of our suppliers by number to be diverse suppliers such as B Corps, female-owned companies, Aboriginal and Torres Strait Islander businesses, SMEs, and Not-for-Profit enterprises by the end of 2026.
- We have partnered with Supply Nation to track our supplier spend with Aboriginal and Torres Strait Islander businesses and continue to identify suppliers who meet the diversity criteria so we can run targeted projects to increase supplier spend in these areas.
- We are working to source more sustainable products that meet our environmental and social criteria and support our overall sustainability performance

Consultation with subsidiaries in preparing this statement

Smartgroup has one, group-wide procurement, finance, risk and legal function that governs procurement, finance, risk and legal matters for all subsidiaries of Smartgroup Corporation. Further, all supply arrangements are channelled through the group wide procurement, finance and legal function.

Accordingly, there is one management team responsible for coordinating Smartgroup's response to Modern Slavery risks in its operations and supply chains and preparing this statement.

Reporting entities

Smartgroup Pty Ltd (ACN) 126 266 831 has made this statement according to section 16 of the Modern Slavery Act 2018. The statement applies to the following Smartgroup entities:

1. Smartgroup Corporation Ltd (ACN 126 266 831)	11. ABM Corporation Pty Ltd (ACN 137 874 741)
2. Smartgroup Foundation Ltd (ACN 631 512 162))	12. Pay Plan Pty Ltd (ACN 086 752 534)
3. Smartgroup Benefits Pty Ltd (ACN 119 344 740)	13. SET Leasing Pty Ltd (ACN 121 686 673)
4. Health-e Workforce Solution Pty Ltd (ACN 122 930 287)*	14. Australian Vehicle Consultants Pty Ltd (ACN 088 563 464)
5. Smartfleet Management Pty Ltd (ACN 142 370 643)	15. Fleet West Pty Ltd (ACN 116 808 461)
6. Smartsalary Pty Ltd (ACN 096 796 100)	16. PBI Benefit Solutions Pty Ltd (ACN 099 401 751)
7. Salary Packaging Solutions Pty Ltd (ACN 092 250 989)	17. Smartsalary Software Solutions Pty Ltd (ACN 076 050 283)
8. Salary Solutions Australia Pty Ltd (ACN 083 233 309)	18. AccessPay Pty Ltd (ACN 098 850 803)
9. Autopia Group Pty Ltd (ACN 109 098 008)	19. Autopia Management Pty Ltd (ACN 111 369 049)
10. Selectus Pty Ltd (ACN 116 270 501)	

Approval of statement

In accordance with section 13 of the Modern Slavery Act, this statement was approved by the Board of Smartgroup Corporation Ltd (ACN 126 266 831) on 19 June 2025.

*On 17 July 2024, we divested our software solutions company, Health-e Workforce Solution Pty Ltd.

Cross reference to modern slavery act

Statement Reference (with link)	Act reference	Reporting requirement summary
A Message from Smartgroup's CEO on behalf of the Smartgroup reporting entities	Section 16.1 (a)	Identify the reporting entity.
Our Business Structure and Operations	Section 16.1 (b)	Describe the structure, operations, and supply chains of the reporting entity.
Modern Slavery Practices in our operations and Supply chains	Section 16.1 (c)	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.
	Section 16.1 (d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.
Assessing the effectiveness of our actions	Section 16.1 (e)	Describe how the reporting entity assesses the effectiveness of such actions.
Consultation with subsidiaries in preparing this statement	Section 16.1 (f)	Describe the process of consultation with any entities that the reporting entity owns or controls; and in the case of a reporting entity covered by a statement under section 14 – the entity giving the statement.
Plans for future action	Section 16.1 (g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.

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