

Modern Slavery Statement FY2022

Netwealth Group Limited

ABN 84 620 145 404

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Melbourne VIC 3000

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28 October 2022

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Acknowledgment of Country

We acknowledge the traditional owners of the lands that we work and live on.

Our offices are on the traditional lands of the Wurundjeri people of the Kulin Nation in Melbourne, the Turrbal and Jagera peoples in Brisbane, the Gadigal people of the Eora Nation in Sydney, the Kaurna people of the Adelaide Plains and the Whadjuk Nyoongar people in Perth.

We celebrate the stories, culture and traditions of Aboriginal and Torres Strait Islander people of all nations, and pay our respects to Elders past, present and emerging.

This statement is made by Netwealth Group Limited on behalf of its reporting entities for the financial year ending 30 June 2022.

Introduction

Netwealth¹ is committed to seeing wealth differently and discovering a brighter future. As an industry leader and ethical supplier of products and services we believe in using our influence to help in educating our supply chains and stakeholders on the risks of modern slavery.

Netwealth expects all its suppliers respect the human rights of their employees and local communities and will comply with all relevant laws relating to human rights, including upholding fair and decent working conditions, not using forced or child labour and not engaging in human trafficking or debt bondage. Netwealth has a zero-tolerance approach, and we are committed to eliminating modern slavery risks throughout our supply chain and operations.

During this reporting period, as a responsible entity under the Modern Slavery Act 2018 (Cth) (**Act**), we reflected on our internal framework and worked with our external stakeholders to improve working conditions whilst using our influence to reduce the risk of modern slavery in the following three areas of our operations including supply chains; investment managers; and internal operations.

In FY2022, The Corporate Sustainability Board Committee was established which has been appointed to oversee our modern slavery program and goal deliverables.

On behalf of the Netwealth team I am pleased to share our FY2022 Modern Slavery Statement. This statement reflects our actions to date and our ongoing commitment towards best practice. For any questions about this Modern Slavery Statement please contact us at CSR@netwealth.com.au.



Grant Boyle
Chief Financial Officer

¹In this statement, 'Netwealth' means Netwealth Group Limited and/or one or more of its subsidiary companies, as the context requires.

Governance and Oversight

Role	Responsibility
Netwealth Group Limited (the Board)	<ul style="list-style-type: none"> Oversight and approval of Netwealth’s annual Modern Slavery Statement
Netwealth Group Corporate Sustainability Committee	<ul style="list-style-type: none"> Nominated by the Board to oversee Netwealth’s modern slavery program Review reports from the business around potential and actual modern slavery risks, and steps being taken to address and mitigate these risks Direct oversight of the success and improvements of Netwealth’s modern slavery program
Finance Team	<ul style="list-style-type: none"> Conduct the modern slavery risk assessment on all suppliers Oversight of Netwealth’s supplier register Oversight of the work undertaken to formulate Netwealth’s annual Modern Slavery Statement

FY2022 progress report



1.0 FY2022 progress report

In our FY2021 Modern Slavery Statement, we outlined goals for FY2022. Please find below an update on the progress of these initiatives:

Goals identified in FY2021 Modern Slavery Statement	Status	Corresponding section of this Statement	Progress in FY2022
Finalise the Supplier Policy and provide training to all staff	Complete	Section 3.1.2	<p>Complete: Supplier Policy approved by the Board on 27 October 2021</p> <p>Complete: Creation of a Supplier Checklist in October 2021</p> <p>Complete: Training on the new supplier policy rolled out to the wider business in November 2021</p>
Conduct a deep dive into all Netwealth suppliers located outside of Australia	Complete	Section 3.1.5	<p>Complete: Review of suppliers by location undertaken in May 2022</p>
Review the successfulness of embedding modern slavery assessment of risks into the due diligence process for Investment Research	Complete	Section 3.2.2	<p>Complete: Review into Investment Managers completed in May 2022</p> <p>Complete: MIS Investment Management Policy reviewed and updated September 2021</p> <p>Complete: Investment manager onboarding process updated September 2021</p>
Assess how many Investment Managers consider their modern slavery risks in FY2022 compared to FY2021	Complete	Section 3.2.1	<p>Complete: Letter to Investment Managers on considering the implications of modern slavery sent out in May 2022</p> <p>Complete: Comparison between FY2021 and FY2022 completed in May 2022</p>
Create a Corporate Sustainability Committee	Complete	Section 3.3.4	<p>Complete: Corporate Sustainability Committee established by the Board on 27 October 2021</p> <p>Complete: First Committee meeting held on 10 November 2021</p>

Our business structure, operations and supply chains



2.0 Our business

Netwealth is a financial services company listed on the Australian Securities Exchange (ASX: NWL). Netwealth was founded in 1999 with an entrepreneurial spirit to challenge the conventions of Australia’s financial services industry.

We are a technology company, a superannuation fund trustee and an administration business. Above all we exist to inspire people to see wealth differently and discover a brighter future. Netwealth is one of the fastest growing wealth management businesses in Australia and is rated No.1 by our clients for providing exceptional service. Independent researchers continue to rate our technology as best in class.

For more information about our business structure and strategy, please refer to our 2022 Annual Report.

2.1 Our structure, operations, and supply chains

This statement covers the activities of Netwealth Group Limited and its controlled entities. As a technology provider and regulated provider of financial products and services, Netwealth’s expenses include our employee benefits, taxes, operating and occupancy expenses.

Netwealth’s key operating entities and operations and the associated supply chains are set out below. All Netwealth entities are Australian, and all direct employees are residents of Australia in FY2022. This statement is a joint Modern Slavery Statement for all our reporting entities.

Company / Structure	Main operations	Supply chains
Netwealth Group Limited ABN 84 620 145 404	<ul style="list-style-type: none"> Group entity listed on the ASX Oversight, governance and controlling entity of the Group entities 	<ul style="list-style-type: none"> Professional services (including auditors, law firms and consultants)
Netwealth Investments Limited ABN 85 090 569 109	<ul style="list-style-type: none"> Operator of Investor Director Portfolio Service (“IDPS”) products Responsible Entity for a managed account, managed funds and managed / mandate managed investment schemes (MIS) Custodian of domestic assets Administrator and call centre Developer of financial technology products 	<ul style="list-style-type: none"> Professional services (including consultants, law firms, mail distributors) Investment management Brokers, banking and custodians Operational management and support (including as IT software) Development support Marketing and sales (including graphic designers, sponsorship agreements and advertisers) Advisers and their associated entities as appointed to offer Netwealth products to clients
Netwealth Group Services Pty Ltd	<ul style="list-style-type: none"> Corporate services for Netwealth Group including Finance, Risk, 	<ul style="list-style-type: none"> Professional services (including recruitment agencies,

Company / Structure	Main operations	Supply chains
ABN 89 135 940 840	Compliance, Product, Investment Research, Human Resources, Marketing and Sales <ul style="list-style-type: none"> Employing entity of all Netwealth's employees 	consultants, IT software and sponsorship agreements) <ul style="list-style-type: none"> Business support services (cleaning, catering, office supplies) Office premises and services (including building leases, office furniture, hardware, or physical goods) Technology infrastructure (including IT software programs) Staff support services, (including employee gifts, employee assistance provider, staff training and other staff benefits)

The Netwealth Group also consists of:

- Netwealth Superannuation Services Pty Limited (ABN 80 636 951 310) which is the Trustee of the Superannuation Master Fund (Netwealth Superannuation Master Fund ABN 94 573 747 704).
- Netwealth Holdings Limited (ABN 57 133 790 146) which supplies operational reserves to the Group and controls the entities Netwealth Investments Limited, Netwealth Group Services, Netwealth Fiduciary Services and Netwealth Superannuation Services Pty Limited;
- Netwealth Fiduciary Services Pty Ltd (ABN 68 114 802 532) which acts in an administration capacity to the Group; and
- WealthTech Pty Ltd ABN 92 637 362 460 which was not operational in FY2022.

This Statement has been drafted on behalf of all Netwealth reporting entities. Our Executive Management team is shared across all entities except for Netwealth Superannuation Services, which is governed by the Office of the Trustee. All Netwealth entities named in the above table in this section have reviewed and endorsed the publication of this statement.

Identifying, assessing and addressing modern slavery risks in FY2022



3.0 Identifying, assessing, and addressing modern slavery risks in FY2022

Our modern slavery risk mitigation cycle is used internally by Netwealth with oversight from the Governance Team to identify, assess and address modern slavery risks throughout our internal and external operations:



The key areas that were identified as part of the risk mitigation cycle:

Key areas	Assessed risk of modern slavery
Supply Chains	Low
Investment Managers	Very Low
Internal Operations	Very Low

Identifying, assessing and addressing modern slavery risks in FY2022

As part of Netwealth Group Limited's larger risk management framework mitigating modern slavery is captured through the following:

Risk identified in risk management framework	Impact on modern slavery
Monitor key third-party suppliers or outsourced functions adequately perform the functions and services provided	Identify and manage modern slavery risks in third-party supply chains
Perform adequate due diligence in the appointment of a supplier and / or monitor provision of services in accordance with the contract	Complete high-level risk assessment of key third-party suppliers and training on modern slavery risk
People and Culture team manage, train, motivate and retain staff in accordance with employment and workplace regulation	Meet employment regulations and standards (including the Modern Slavery Act 2018 (Cth))
Controls, protection and training to ensure that Netwealth workplaces are safe	Identify and manage modern slavery risks in internal operations
Execute appropriate governance over Managed Accounts	Identify and manage modern slavery risks in third-party supply chains

3.1 Supply chains

3.1.1 Modern slavery risk assessment framework

As a supplier of financial services, the risk of contributing to or being linked to modern slavery through our supply chains is low. However, we also realise that it is important to fully understand any potential risks of modern slavery within our external supply chains. The risk assessment categories include:

Area of risk

1. Geographic location of the supplier
2. The nature of goods or services being provided by the supplier
3. The business model of the supplier
4. The engagement of the supplier with vulnerable populations

The above categories form Netwealth's framework for managing risk with our third-party suppliers and is used to assess all our existing contracted suppliers on is part of the supplier onboarding process. A risk calculation occurs on each category based upon Netwealth's risk tolerance and combines to form an overall risk score which determines the inherent modern slavery risk rating of the supplier. Where it is determined that a supplier is based overseas, the location of the supplier is analysed for modern slavery risks according to the Global Slavery Index.

Case study

The modern slavery risk assessment framework was applied when onboarding Supplier A into our supplier register. This supplier engaged in high-risk activities in accordance with our framework, flagging the need for an in-depth Modern Slavery Assessment to occur. Supplier A provided services which engaged in vulnerable populations. Investigation occurred in accordance with our third-party supplier onboarding process, and it was determined that Supplier A posed a low risk of modern slavery due to the location and business model of the supplier. By considering all four areas of risk and the risk mitigating factors, including geographical location, Netwealth determined that the residual modern slavery risk rating of low was appropriate.

The risk assessment framework allows Netwealth to:

- Appropriately identify risks associated with our supply chains on an ongoing basis;
- Take appropriate action to mitigate or control any potential or actual risks of modern slavery that are found, such as working with the Supplier to understand and influence what actions they are taking to address modern slavery; and
- Embed modern slavery risk-assessments into considerations when choosing to engage a new supplier, or re-contracting with an existing supplier.

3.1.2 Supplier and purchasing policy

The policy was reviewed and approved by the Board in October 2021. The risk assessment framework was incorporated into the policy for the onboarding and ongoing management of suppliers. Training on the new Supplier and Purchasing Policy was rolled out to the business in November 2021. Targeted training session for IT, People & Culture and Marketing was conducting in November 2021 as well. These sessions included discussion on identifying and assessing modern slavery risks when engaging with suppliers. This policy is made public on our For Shareholders webpage. This can be located here: www.netwealth.com.au/web/about-netwealth/shareholders/

3.1.3 Supplier code of conduct

During FY2022 Netwealth drafted a Supplier Code of Conduct which covers the minimum ethical standards and behaviours that is expected of our Suppliers. This Code was approved and adopted by the Board in March 2022. The purpose of the Code is to detail Netwealth's expectations in relation to all suppliers providing goods and/or services to us including assessing and addressing the risks of modern slavery. We distributed the Code to all our existing Suppliers, and it is publicly available to read and review on our website: www.netwealth.com.au/web/about-netwealth/shareholders/.

3.1.4 Due diligence

For all new supplier and purchasing agreements that Netwealth enters, a Supplier Management Checklist must be completed. This checklist is reviewed before any supplier agreement is signed. We have included a user-friendly modern slavery risk assessment tool within this checklist to ensure that employees have considered the implications of modern slavery before entering into any agreement.

3.1.5 Supplier location review

In FY2022, Netwealth spent approximately \$38 million on goods and services from over 320 suppliers. We analysed the spread of these suppliers across six global regions:

- Australia
- United Kingdom
- U.S.A.
- New Zealand
- Asia
- Europe

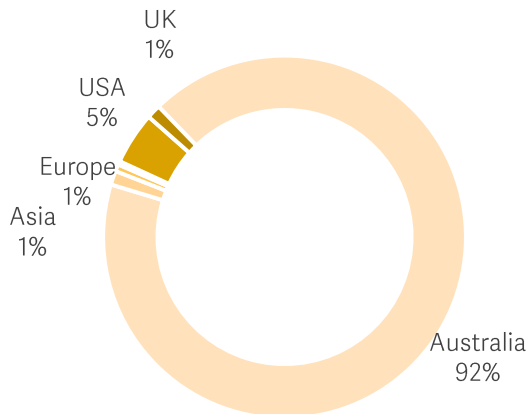
Identifying, assessing and addressing modern slavery risks in FY2022

The table below outlines the location of the types of products and services we procured across five categories:

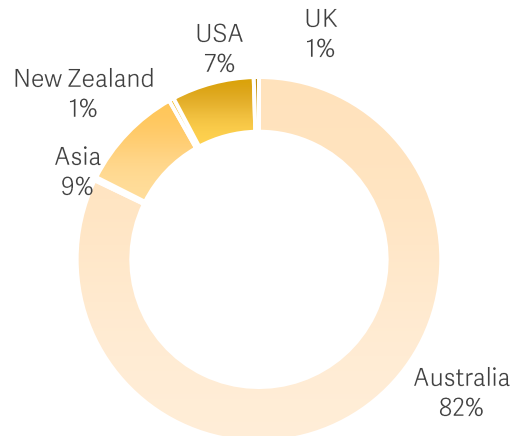
Technology	Professional Memberships & Sponsorship	Professional Services	Property	Workplace Services
<ul style="list-style-type: none"> • Australia • Asia • United Kingdom • Europe • U.S.A. 	<ul style="list-style-type: none"> • New Zealand • Australia • U.S.A. 	<ul style="list-style-type: none"> • Australia • Asia • United Kingdom 	<ul style="list-style-type: none"> • Australia 	<ul style="list-style-type: none"> • Australia

The majority of our suppliers are located within Australia (92%) equating to 82% of our total spend. By keeping supply chains local it reduces modern slavery risk and enhances business sustainability. Understanding the location of our suppliers can allow us to better identify whether we are at risk of contributing to the modern slavery cycle. Whilst 1% of our suppliers are located in Asia it is our second largest spend location. This coincides with our standing partnership with our Vietnam Development Centre. We have chosen to use Vietnam for development as they have exceptional skills and work in a complementary time zone to Australia ensuring close collaboration to deliver shared goals (Section 3.3.2).

Supplier location



Supplier spend by location



3.1.6 Effectiveness measures

Effectiveness measure	Key performance indicators
Modern slavery due diligence risk assessment embedded into the risk assessment framework for suppliers	<ul style="list-style-type: none"> • A Supplier Policy that encompasses modern slavery risk • A robust risk assessment framework that is applied to all new suppliers • A Supplier Code of Conduct which sets out expectations for our third-party suppliers
Areas of medium or high-risk that are identified through the modern slavery risk assessment are mitigated and addressed appropriately	<ul style="list-style-type: none"> • Successfully identifying medium and high-risk suppliers • Devising a remediation process for medium and high-risk suppliers
Fit for purpose training is conducted on modern slavery risks for all employees involved in the procurement process	<ul style="list-style-type: none"> • Appropriate training is rolled out to the business annually or as needed

3.2 Investment managers

To provide a wide range of investment opportunities through its platform, Netwealth Investments Limited works with over 500 investment and fund managers located both domestically and internationally. Each investment and fund manager offer a portfolio of investment products which span a range of industries and jurisdictions. In many cases, the investment managers employ staff overseas, but these are well-paid investment professionals which involves highly skilled labour. We consider Investment Managers to be separate from our third-party suppliers due to the nature of our business, and as such they are not assessed through the modern slavery supplier risk assessment framework.

3.2.1 Supply chain review of medium and high-risk investment managers

Since FY2020 we have conducted annual reviews of our Investment Managers. This is done by classifying each investment product based on the modern slavery risk presented by reviewing the industry and jurisdiction of their product. Off the back of the FY2021 review we reached out to the Investment Managers who were allocated a medium and high-risk rating and did not provide evidence of any modern slavery controls in the last review. These Investment Managers received a letter outlining modern slavery risks and are strongly encouraged to include these risks into their policies and decision making.

Case study

One medium-risk investment manager who had previously not responded our engagement in these reviews have now provided evidence of a Modern Slavery Statement. It is a positive result that they are formally considering modern slavery risks in their operations. At Netwealth we believe that continued communication enables us to use our position as an industry leader to influence those around us in positive and impactful ways.

3.2.2 Investment manager due diligence

The MIS Managed Funds Policy was approved by the Investment Committee in November 2021. The policy review included expanding the onboarding process for new Investment Managers to confirm whether they have a Modern Slavery Policy or Statement. The focus of Netwealth is to provide the choice of products on our platform for our clients to choose. We do not stop Investment Managers from being on our platform if they do not have any evidence of assessing their modern slavery risks, we aim to influence by example and through outreach. Netwealth is willing to offer support and guidance to a manager to help formulate their approach to modern slavery risks.

3.2.3 Effectiveness measures

Effectiveness Measure

Encourage and educate Investment Managers to explore modern slavery risks within their own supply chains

Key performance indicators

- Review Investment Managers annually
- Offer support to Investment Managers in assessing their modern slavery risks
- Onboarding process includes modern slavery risk considerations

3.3 Internal operations

Netwealth's policies and governance processes, combined with our size, regulated industry and geographic location make it highly unlikely that modern slavery exists within our operations.

3.3.1 Our people

The risk of modern slavery through our hiring practices for employees is low. Netwealth employs 455 staff members as of 30 June 2022, with most being based in Netwealth's head office in Melbourne. 441 of our employees are permanent full time and part time. We had four interns move to permanent positions during this reporting period. We contribute to and use market data from the Finance institutions Remuneration Group and industry information (salary reports) to understand trends and remunerate our staff accordingly.

We are committed to providing a safe, diverse and inclusive workplace and have in place a number of policies:

- The Way We Work Together Code of Conduct;
- Diversity and Inclusion Policy;
- Whistleblowing Policy;
- Work Health and Safety Policy;
- Working From Home Policy; and
- Internal standards that outline flexible leave management, parental leave, employee benefits and services and carers management.

3.3.2 Impacts of Covid-19

The Covid-19 pandemic has created further challenges in addressing modern slavery risk and has increased social and economic disparities globally. Whilst Netwealth has been able to maintain regular business practices and controls throughout the duration of the pandemic without making material

changes, we identified that these changes may have had a material impact on some employee's health and wellbeing. Netwealth followed government regulations and enabled all staff to work from home during the lockdowns. Netwealth's People and Culture team have been in contact with staff throughout the period to ensure that they are supported and to promote wellbeing and mental health.

3.3.3 Vietnam Development Centre

As a leader in financial technology solutions, Netwealth is continually developing the technical functionality of our platform. In FY2019, Netwealth identified an opportunity to work with a technology partner in Vietnam to provide additional IT development support to our business. Netwealth closely monitors the activities of the IT staff employed by its partner in Vietnam and those staff are part of 'scrum' teams with Netwealth's Australian staff, creating diverse blended teams. This high level of engagement means that the risk of exploitation or coercion of staff is significantly reduced.

Our FY2021 Statement conducted an in-depth review of the working conditions and worker rights. Following on from this we continued to encourage transparency and mitigated the risk of modern slavery by:

- Annual Risk Assurance Report to the Vietnam Development Centre in March 2022;
- Providing whistleblowing training to staff at the Vietnam Development Centre in March 2022;
- Distributing the results of the Working Condition Survey in early FY2022 which was conducted late FY2021; and
- Conducting a virtual working conditions tour of the Vietnam facility in finalised in March 2022. This tour included employee interviews to gauge awareness of worker rights. Due to the ongoing travel restrictions resulting from Covid-19 this tour had to be virtual.

We look forward to further developing our relationship with the Vietnam Development Centre for years to come.

3.3.4 Whistleblowing audit

In FY2021 an audit on our internal whistleblowing processes were undertaken. As a result of this review, Netwealth has made a number of improvements to its whistleblowing processes.

3.3.5 Corporate sustainability committee

The Corporate Sustainability Board Committee was established by the Board on 27 October 2021. This Committee has direct oversight over Netwealth's corporate social responsibility initiatives, including Netwealth's modern slavery response. The first Committee meeting was held on 10 November 2021 and sits at least quarterly.

3.3.6 The way we work together code of conduct

This year we combined the policies which address employment arrangements and expectations in to one The Way We Work Together Code of Conduct to provide staff a single source of truth through a comprehensive employee code of conduct policy.

3.3.7 Effectiveness measures

Effectiveness measures

Monitoring whistleblowing disclosures as per the Whistleblowing Policy

Key performance indicators

- Annual employee training on whistleblowing disclosure procedures and the policy
- Whistleblowing disclosures are treated in accordance

Effectiveness measures	Key performance indicators
	<p>with the Whistleblowing Policy</p> <ul style="list-style-type: none"> Whistleblowing disclosures are recorded to the whistleblowing register
Regulatory awareness training for Netwealth Employees	<ul style="list-style-type: none"> Fit for purpose training is provided to all employees Employees are aware of their regulatory requirements and company processes
Ongoing monitoring requirements Vietnam Development Centre	<ul style="list-style-type: none"> Wages paid are comparable to the Vietnamese average Working conditions remain safe and stable Satisfactory site visit when restrictions allow Annual whistleblowing training

Actions for FY2023



4.0 Actions for FY2023

To continue to improve our approach to identifying, assessing and addressing modern slavery risks, we have identified the following focus areas for FY2023:

Action for FY2023	Effectiveness measures
Work with building management to understand their supply chains for goods offered in the office by them.	<ul style="list-style-type: none"> Understand building management’s supply chains for goods offered in our office. Where appropriate, suggest alternative solutions that better encompass modern slavery considerations.
Netwealth office supplies review.	<ul style="list-style-type: none"> Where appropriate, alternative solutions have been explored and implemented.
Gauge acknowledgement and acceptance of the Code of Conduct from our key suppliers.	<ul style="list-style-type: none"> Questionnaires conducted on an annual basis to understand compliance. If non-compliance demonstrated, appropriate remediation options are considered.
Conduct internal audit on modern slavery processes.	<ul style="list-style-type: none"> Request a review of current modern slavery processes in place and their effectiveness. Review to be conducted by our internal auditor, RSM Australia. Consider and implement the findings from the audit into modern slavery processes.
Improve whistleblowing process.	<ul style="list-style-type: none"> Review current process of external whistleblowing disclosure. Implement a search functionality of the website to improve the whistleblowing process disclosure. Create a whistleblowing web form to allow notification of a disclosure through the corporate website.

5.0 Approval

This Statement was approved by the Board of Netwealth Group Limited.

A handwritten signature in black ink, appearing to read 'T. Antonie'.

Tim Antonie
Chairman of the Board: Netwealth Group Limited
28 October 2022

Appendix 1 – Modern Slavery Act 2018 (Cth) Reporting Requirements

The requirements under the [Modern Slavery Act 2018 \(Cth\)](#) have been listed in the body of the Modern Slavery Statement as follows:

ASX Recommendation	Location
16(1)(a) Identify the reporting entity	Section 2.1
16(1)(b) Describe the structure, operations, and supply chains of the reporting entity	Section 2.0
16(1)(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any other entity that the reporting entity owns or controls	Section 3.0
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	Section 1.0 & 3.0
16(1)(e) Describe how the reporting entity assesses the effectiveness of such actions	Sections 3.0
16(1)(f) Describe the process of consultation with: i) any entities that the reporting entity owns or controls	Section 3.0
16(1)(g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Throughout the Statement