



MODERN SLAVERY STATEMENT

FY2020

This statement is made by HUB24 Limited (ACN 124 891 685) pursuant to section 13(1) of the Modern Slavery Act 2018 (Cth) and is current at 24 March 2021. It constitutes the statement of HUB24 Limited and its owned and controlled entities (together the HUB24 Group) during the financial year ended 30 June 2020, from 1 July 2019 to 30 June 2020.

This statement covers the activities of HUB24 Limited (ACN 124 891 685) (**HUB24**) and its owned and controlled entities (together the **HUB24 Group**) during the financial year ended 30 June 2020.

This is our first modern slavery statement under the *Modern Slavery Act 2018* (Cth) and sets out the actions HUB24 has taken to identify, assess and address modern slavery risks in our operations and supply chains.

This statement was approved by the Board of HUB24 on 24 March 2021.

ABOUT US

HUB24 is a financial services company incorporated in Australia and our registered office is located at Level 2, 7 Macquarie Place, Sydney NSW 2000. HUB24 is listed on the Australian Securities Exchange (ASX:HUB).

HUB24 was established in 2007 by a team with a strong track record of delivering market-leading platform solutions in the Australian wealth management industry.

HUB24 is proud of its brand and reputation and maintains high standards of ethics and conduct. HUB24 is committed to protecting the rights of all people including our employees, the communities in which we operate, and those who may be impacted by our business activities and those within our supply chains.

At HUB24 we seek to make a difference in our customers' lives by connecting them to innovative solutions that create better outcomes.

Our Code of Conduct outlines the values and principles that we expect all our people to observe.

OUR VALUES ARE:

- **Integrity** – do the right thing
- **Client** – be easy to deal with
- **Passion** – invest energy to make a difference
- **Collaboration** – act as one team, one company
- **Excellence** – strive to be awesome
- **Innovation** – think big and outside the square

WE EXPECT ALL OUR PEOPLE TO ADOPT THE FOLLOWING BEHAVIOURAL PRINCIPLES:

1. To act ethically and responsibly
2. Behave with high standards of personal integrity, honesty and trust
3. Act with professionalism, responsibility, care and diligence
4. Deal with our staff, customers and suppliers with respect, courtesy and fairness
5. Know and comply with laws and regulations that apply to the HUB24 Group and its operations
6. Speak up and report conduct that breaches our Code of Conduct and Ethics

OUR STRUCTURE

The subsidiaries of HUB24 during the 2020 financial year included:

- HUB24 Custodial Services Limited (HUBCS)
- HUB24 Management Services Pty Ltd
- HUBConnect Pty Ltd (HUBConnect)
- Agility Applications Pty Ltd (Agility); and
- Paragem Pty Ltd¹ (Paragem)

Please refer to Page 98 of the HUB24 Annual Report year ending 30 June 2020 for further details of the owned and controlled entities within the HUB24 Group.

[\(ASX-RELEASE-25-AUGUST-2020-FY20-HUB24-ANNUAL-REPORT.pdf\)](#)

Our core operations are performed from our registered office located at Level 2, 7 Macquarie Place, Sydney NSW 2000. We also have offices in Queensland, Victoria, Western Australia and South Australia. We employ approximately 300 employees nationally and we are supported by a supplier base of over 120 contractors and suppliers.

OUR OPERATIONS

During FY 2020 the HUB24 Group operated the three core business segments:

- Platform – HUB24 Investment and Superannuation platform business
- Advice Licensee – Paragem authorised advice practices providing financial advice; and
- IT Services – Agility providing application and technology products, including HUBConnect.

The Platform is a leading portfolio administration service that provides financial advisers with the capability to offer their clients access to a wide range of investments including market leading managed portfolio functionality, efficient and cost-effective trading, insurance and comprehensive reporting for all types of investors including individuals, companies, trusts or self-managed super funds.

Paragem (the licensee) provides boutique dealer group licensee services to financial planning businesses. It comprised a network of 37 financial advice businesses which deliver high quality, goals-based advice. It provides compliance software, education and support to the practices enabling advisers to provide clients with financial advice across a range of products.

¹ It should be noted that effective 1 February 2021, the ownership and control of Paragem Pty Ltd was transferred to an external entity. For the purpose of this statement being effective 30 June 2020, Paragem Pty Ltd was included in this statement. In addition, HUB24 gained control of XPLORE Ltd and its subsidiaries effective 2 March 2021 and these have not been included in this statement.

Agility (IT Services) provides application and technology products to the financial services industry, currently servicing approximately 45% of Australian stockbroking market. It earns software licenses and consulting fees from data, software and infrastructure.

HUBConnect provides advisers and their clients with technology solutions, allowing them to obtain a consolidated view of their wealth by facilitating the integration of data from different sources.

Our online products and services are offered and supplied in Australia. Our customers can access our online platform both in Australia and globally.

OUR SUPPLY CHAIN

We have identified more than 120 suppliers that support us in operating our business. Whilst these suppliers are primarily located in Australia, we also work with suppliers from a number of countries that include the United States of America, the United Kingdom and countries in Europe.

The types of goods and services that we procure are mainly in relation to the HUB24 Platform Service and include:

- software and IT services
- financial services (for example, sub-custody services)
- third-party trustee and responsible entity services
- investment management
- investment facilities; and
- IT consulting services.

Information relating to our Platform products and services, is available in our product disclosure documents on our website (<https://www.hub24.com.au/product-documents/>).

We also procure services from professional service providers. For example, legal services, accounting and auditing services.

In addition, we have several indirect suppliers, including IT hardware, office supplies, cleaning services and facilities management for our offices located in Australia.

We engage our material service suppliers following relevant due diligence and enter into formal contractual arrangements with them on terms that reflect the extent and nature of the services provided.

Typically, a relationship manager is appointed in respect of material service providers and we maintain monitoring and oversight arrangements for material service providers. To assist with the identification, monitoring and supervision of suppliers, we have a centralised supplier database.

MODERN SLAVERY RISKS

We recognise that an exposure to modern slavery risk could impact our brand and reputation and may breach of our Code of Conduct. We take responsibility for managing modern slavery risk through our operations and supply chains by applying a risk-based approach to identify, assess, manage and mitigate these risks. We are committed to regularly reviewing and further strengthening our approach to the management of modern slavery risk.

RISK ASSESSMENT METHODOLOGY

We have developed a risk assessment methodology which considers a number of indicators of modern slavery risks including sector and industry, the type of products and services, geographical location and specific entity risk.

Our risk assessment has indicated that our operations and supply chain have a low potential for modern slavery risks. Our assessment of our risk profile is summarised in the table below.

RISK PROFILE

Risk exposure by:	Risk Management Comments
Sector/Industry	More than 70% of our suppliers were assessed as falling within the professional technology and financial services industry in Australia. These sectors typically carry a low level of risk associated to modern slavery practices. Other sectors and industries comprising the remaining 30% include: marketing media, telecommunications, financial education, compliance, and property management.
Product/Service	Risks associated with a specific product or service were assessed as low for the period. This is predominantly as a result of the profile of our core suppliers who specialise in technology, software, financial services and professional services. We have minimal exposure to suppliers with cyclical production and/or high-risk raw material usage to manufacture the products and services that we consume.
Geographic	With approximately 70% of suppliers headquartered in Australia, our geographic exposure risk to modern slavery practices during the period was deemed low. The remaining 30% were suppliers based in the USA, United Kingdom, Europe, and Singapore.

	There were no suppliers identified that were headquartered in 'high risk' ² jurisdictions.
Specific Entity	There were no specific entities identified during the period that we deemed as having significant risks associated with modern slavery practices.
COVID-19 risks	HUB24 experienced minimal disruption to its supply chains as a result of COVID-19 as most of our suppliers had well developed business continuity arrangements (being within the software, technology, financial services and professional services industries). As a result, COVID-19 had a minimal effect on HUB24's modern slavery risks.

ACTIONS TO ASSESS AND ADDRESS RISK

We understand the importance of working collaboratively with our employees, suppliers and the broader industry to combat modern slavery risk. During our first reporting period we introduced a number of steps to assess and address modern slavery in our operations and supply chains, including:

- Development of modern slavery risk profile criteria
- Completing an initial risk assessment of each of the suppliers to identify potential for modern slavery risk
- Completing a more detailed assessment of any suppliers or relationships that were deemed higher risk
- Providing information and awareness to key oversight bodies within HUB24, including our Group Executive, Committees and Boards

Based on our risk profile criteria that were developed in line with our Group Risk Management Framework and Board Risk Appetite Statement, we performed a review of our suppliers. No 'high-risk' suppliers were identified for the period FY2020 based on these criteria.

We plan to conduct further detailed risk profiling in FY2021 of our supplier arrangements as part of a broader program of work. Where HUB24 considers appropriate, a detailed questionnaire will be issued to our suppliers.

² *Global Slavery Index 2018* published by the Walk Free Foundation

GOVERNANCE AND ACCOUNTABILITY

HUB24 has a set of values that recognise our responsibilities to all stakeholders, including shareholders, customers, employees and the community more broadly.

The Board, places great importance on high standards of governance and regularly reviews its governance practices to address our obligations as a responsible corporate citizen. Members of the Board and staff are responsible for upholding the values of HUB24, as reflected in our Code of Conduct.

HUB24's corporate governance framework, policies and practices are designed to ensure the effective management and operation of HUB24 and will remain under regular review.

The Board has implemented several statements, policies and procedures to ensure it is able to achieve its commitment to good corporate governance and observes the ASX Good Governance Principles 4th Edition.

Our governance arrangements are set out in our Corporate Governance Statement on our [public website](#).

As part of our cyclical policy review process, we will consider including modern slavery risk more expressly into these documents.

In addition, we are developing a Modern Slavery Policy for our business that establishes our commitment to addressing modern slavery risks in our business and driving an accountability for ethical business practices across our organisation.

TRAINING

At HUB24, a comprehensive training program is in place and training is provided to new employees, including on our Code of Conduct, values, compliance arrangements and risk management practices. Training is delivered to employees via self-paced online learning, customised workshops and short courses. Our training programs are being updated to specifically include training on modern slavery risks and our response to that risk. Training has already commenced for our key staff who have undertaken modern slavery risk training given by an external specialist provider and updates have been provided to key executives on modern slavery through our regulatory forums.

COVID-19

The COVID-19 pandemic has brought further challenges to addressing modern slavery risks and highlighted social and economic inequalities worldwide. The business has been able to maintain its practices and control environment through the pandemic and was not required to make any material changes to its business in response to the pandemic that would give heightened exposure to modern slavery risk.

Further to this, HUB24 liaised with its material suppliers through the pandemic by regularly enquiring about their approach to managing the pandemic and the steps undertaken relating to staff welfare, inclusive of offshore locations.

ASSESSING OUR EFFECTIVENESS

HUB24 has the following arrangements and committees in place to oversee and monitor the effectiveness of the HUB24 modern slavery approach:

- HUB24 Limited Board
- HUB24 Audit Risk and Compliance Committee
- HUBCS Board
- HUB24 Group Executive
- HUBCS Risk and Compliance Committee

We are committed to reviewing the effectiveness of our actions and have established a HUB24 Modern Slavery Working Group (MS Working Group) for the development, implementation and assessment of our approach to managing modern slavery risks.

HUB24 operates its risk and compliance framework on the three lines of defence model and has audit programs in place to conduct audits on our financial statements and our internal control environment. Consideration will be provided on engaging internal audit in future years to review our modern slavery framework, processes and controls.

CONSULTATION

During FY2020, there was consultation and collaboration in relation to management of modern slavery risks between senior management and executives of the HUB24 Group. Consultation and collaboration occurred through established regulatory change forums, the distribution to committees of discussion papers on the impacts of the *Modern Slavery Act 2018* (Cth) and other reading materials by the legal team, the regulatory change forum (that includes participation by HUB24 subsidiary entities) and through the MS Working Group.

FY2021 FOCUS

As this is our inaugural statement, we recognise that our approach to assess and address the risks of modern slavery in our operations and supply chains will continue to evolve.

In FY2021 our focus areas are anticipated to be:

- enhancing HUB24's modern slavery framework and policy
- implementing a supplier questionnaire for the suppliers where we identify higher risk or potential red flags
- further integrating our modern slavery governance and compliance arrangements into the HUB24 Risk Management framework; and
- providing formal training to employees on understanding how to identify modern slavery practices when engaging with our suppliers.

This statement was approved by the Board of HUB24 Limited on 24 March 2021.



Andrew Alcock
Managing Director
HUB24 Limited