



# Modern Slavery Statement FY20-21

Reporting period:	FY20-21
Version:	2
Review:	Annual
Date:	December 2021



This joint Modern Slavery Statement discloses the actions taken by Pepperstone Group Limited and its related bodies corporate (“**Pepperstone Group**”, “**Pepperstone**,” “**we**,” “**us**,” and “**our**”) to address the risks of modern slavery and human trafficking in our business (“**Statement**”). This statement is prepared to comply with the requirements of the Australian *Modern Slavery Act 2018* (Cth) (“**the Act**”).

The Reporting Period for this Statement is 1 July 2020 to 30 June 2021 (“**FY20-21**”).

## 1. Pepperstone Group structure, operations and supply chains

Pepperstone provides traders globally with the technology, tools, insight and support to allow those traders to access a range of over-the-counter derivative products, including margin foreign exchange (“**forex**”) contracts and other contracts for difference, via our online trading platforms. Pepperstone was founded in 2010 and has since grown to become one of the largest forex brokers in the world.

Pepperstone Group Limited is licensed and regulated by the Australian Securities and Investments Commission, AFSL No.414530.

The Pepperstone entities listed below are reporting entities under the Act in their own right. Each of the listed reporting entities has approved the preparation of a joint statement on their behalf.

### **Reporting Entities** as of 30 June 2021:

- FX HoldCo Pty Ltd, Australian registered (ACN 609 955 062)
- FX MidCo Pty Ltd, Australian registered (ACN 610 799 865)
- FX BidCo Pty Ltd, Australian registered (ACN 609 955 053)
- Pepperstone Group Limited, Australian registered (ACN 147 055 703)

This statement also covers Pepperstone Group’s global subsidiaries and activities, including:

- Pepperstone GmbH, German registered (HRB: 91279)
- Pepperstone EU Limited, Cyprus registered (Company Number HE 398429)
- Pepperstone Financial Services DIFC Limited, DIFC registered (Registered Number: 3460)
- Pepperstone Limited, UK registered (CN: 08965105)
- Pepperstone Markets Limited, Bahamas registered (IBC No. 177174 B)



- Pepperstone Finance EU Limited, Cyprus registered (Organisation Number: 408465)
- Pepperstone Finance Pty Ltd, Australian registered (ACN 135 927 918)
- Pepperstone Operations Pty Ltd, Australian registered (ACN 637 203 448)
- Pepperstone Markets Kenya Limited, Kenya registered (PVT-PJU7Q8K)

Pepperstone Group operating entities have largely the same policies and procedures, collaborate closely and share many aspects of their supply chains.

## 2. Modern slavery risks in our operations and supply chains

Pepperstone rejects any form of modern slavery. We're committed to implementing controls to ensure it does not occur in our business and raise awareness about it, both in our own business and supply chain. In this statement, the term 'modern slavery' is used to include a range of exploitative practices including human trafficking, sexual exploitation, forced labour, forced criminality, domestic servitude, child exploitation and forced organ removal.

We understand that the bigger risk for us, with respect to modern slavery, is the possibility of modern slavery occurring in our supply chain. Suppliers provide us with a range of goods and services including web and software services, electronics and technology, professional services (legal and accounting) and property leasing.

We have and will continue to focus our efforts on our supply chain as a key risk area. That said, given the nature of our business, we consider the risk of modern slavery in our supply chain to be low. We're not aware of any modern slavery in our supply chain during FY20-21 and as at the date of this Statement,.

## 3. Actions taken to assess and address those modern slavery risks

### Internal Operations

Within the Pepperstone Group, we have robust onboarding and HR policies to prevent against the risks of modern slavery within our organisation and operations. We undertake a thorough employee onboarding process, which includes background checks. We also have HR policies which govern, among other issues, workplace safety, leave entitlements, equal employment opportunities, discrimination, harassment and bullying and a grievance resolution process.



In March 2021, we published Pepperstone's Modern Slavery Policy. We expect that any person or entity that has, or seeks, a relationship with Pepperstone to familiarise themselves with the Modern Slavery Policy and to act in a way that is consistent with its values. The Modern Slavery Policy will be reviewed annually.

We conducted annual Modern Slavery Awareness Training and training on our new Modern Slavery Policy for our Australian based staff on 18 June 2021. This training has been made available to all new staff members and we'll provide refresher training on a periodic basis.

### Our Suppliers

At Pepperstone, we currently focus our supply chain review efforts on 'Key Suppliers'. A supplier is categorised as a Key Supplier if:

- the value of the supply agreement is greater than AUD\$100,000 per annum; or
- if the supplier is located in a 'High Risk' jurisdiction as per our internal Jurisdiction Risk Matrix; or
- the supplier is located in a medium-to-high risk jurisdiction, as categorised by the Global Slavery Index ([www.globalslaveryindex.org](http://www.globalslaveryindex.org))

We continue to consider this definition to be appropriate for our current supply chain review goals given the low risk nature of our business operations

Review and collaboration with the Key Suppliers, as defined above, is an important step in our engagement with the Act. We are committed to continuous improvement with respect to identifying risks of modern slavery in our supply chain.

Of our Key Suppliers, many of these organisations are themselves required under either the Australian Modern Slavery Act 2018, the Modern Slavery Act 2015 (UK) and or California Transparency in Supply Chains Act (California, USA) to prepare a modern slavery statement. For other Key Suppliers, we seek their completion of a self-assessment questionnaire about their management systems and supply chains. We also provide them with a copy of our Modern Slavery Policy.

We received self-assessment questionnaires from 5 Key Suppliers during the FY20-21. Nothing in these questionnaires has given us cause for concern regarding these Suppliers' anti-modern slavery practices. We note that approximately 9 of our Key Suppliers were required to publish a modern slavery statement. Of the statements we reviewed during the period, we didn't identify any matters of concern



We expect our suppliers to have similar values to us regarding modern slavery and have ongoing plans to continue to engage with our suppliers in relation to their modern slavery statements or self-assessment questionnaire.

Our goals for FY21-22 are to:

1. select a number of Key Suppliers to engage with regarding a review of their suppliers; and
2. engage with new suppliers based in high-risk jurisdictions for them to agree to act in line with our Modern Slavery Policy.

#### Due diligence

We have an Outsourcing Policy in place to manage the selection, appointment, monitoring and supervision of external service providers. We require select suppliers to complete an AML/CTF Questionnaire as part of the due diligence process.

During FY20-21 we required 3 suppliers to complete an AML/CTF Questionnaire.

We reported in our FY19-20 Modern Slavery Statement that we were in the process of developing a Vendor Due Diligence Policy to further reinforce our onboarding requirements and ongoing review of suppliers. We're continuing to develop this policy as we're engaging with internal stakeholders and are now taking the opportunity to enhance and make this a more fulsome process. We plan to finalise this policy in FY21-22.

#### 4. How we assess the effectiveness of actions taken

We are committed to the ongoing review and assessment of our policies and procedures outlined above, focusing on the Key Suppliers within our supply chain. We will continue to engage with our suppliers regarding their modern slavery practices. We will conduct an annual review of this statement.

#### 5. The process of consultation in preparing this statement

All companies within the Pepperstone Group are committed to implementing controls to ensure modern slavery does not occur in our business and raise awareness about it, both in our own business and supply chain.



The companies within the Pepperstone Group are subject to the same policies and standards, the companies work closely together and provide support and assistance as required.

This statement was approved by the boards of each of the reporting entities covered by this statement on or before **01 February 2022**.

Tamas Szabo  
**Group CEO**  
**Director - Pepperstone Group Limited**  
**Director - FX HoldCo Pty Ltd**  
**Director - FX MidCo Pty Ltd**  
**Director - FX BidCo Pty Ltd**

**Signed: 01 February 2022**