

AZ Next Generation Advisory Limited ACN 167 960 018

Modern Slavery Report – FY 2021

Contents

1	Introduction	3
2	Describe the Structure, Operations and Supply Chain	4
	2.1 Structure	4
	2.2 Operations	4
	2.3 Supply Chains	6
3	Risks of Modern Slavery	8
4	Action Taken to Assess and Address the Risks of Modern Slavery	9
5	Effectiveness	12
6	Consultation	12
7	Closing statement	13
	Annexure A - AZ NGA Subsidiaries	14



1 Introduction

This statement is prepared on behalf of AZ Next Generation Advisory Limited (**AZ NGA**) (ACN 167 960 018) under section 13 of the *Modern Slavery Act 2018* (Cth) (the **Act**) for the reporting period 1 January 2021 to 31 December 2021. AZ NGA is committed to upholding human rights and eliminating modern slavery in its operations and supply chains, and those of the entities it owns and controls. AZ NGA recognises that fulfilling this commitment will require taking proactive and meaningful action, and AZ NGA has outlined in this statement the steps it is taking to address modern slavery. Although not an easy task, through persistence and collaborative efforts, together we will eradicate modern slavery, and AZ NGA is dedicated to playing its part in this urgent and critical undertaking.

Further identifying details of AZ NGA are outlined below:

- **Registered Office:** AZ NGA's registered office is Level 10, 88 Phillip St Sydney NSW 2000;
- **Company type:** AZ NGA is a registered, unlisted Australian public company, limited by shares; and
- **Trading name:** AZ NGA operates under its company name (AZ Next Generation Advisory Limited) or an abbreviation of its company name (AZ NGA).

2 Describe the Structure, Operations and Supply Chain

2.1 Structure

AZ NGA is a collective of high-quality accounting and advisory firms and passionate business leaders who are united by common values and a shared vision to build an exceptional professional services group.

AZ NGA is owned by 119 shareholders, the largest of which is Azimut UK Holdings Limited (**Azimut**), one of Europe's leading independent financial services companies. The other shareholders are largely the owners of the businesses that AZ NGA invests in and acquires. In the reporting period, AZ NGA had 31 businesses that were a part of the organisation. These businesses are operated through AZ NGA and entities that AZ NGA owns and controls.

Please refer to Annexure A for a complete list of all the entities AZ NGA owns and controls as at 31 December 2021, including details regarding their principal businesses and business activities and where they are located. For ease of reference, these entities shall be referred to as the **AZ NGA Subsidiaries** throughout this Statement.

AZ NGA's head office is in Sydney. AZ NGA employs a total of 573 employees across the group. These employees undertake a range of functions including legal, management, advisory, procurement, human resources and office support. The group has 31 businesses in 47 locations across Australia.

2.2 Operations

(a) AZ NGA's vision and strategy

AZ NGA's vision is to become Australia's leading professional advisory services company. AZ NGA wants to inspire and support its people, clients and entrepreneurs to succeed and grow.

In order to achieve this vision, AZ NGA's strategy is to build a network of quality and entrepreneurial small and medium sized enterprises (**SMEs**) across Australia, who provide a range of financial services to their clients.

AZ NGA aims to implement this strategy by empowering business owners to run their business their way with the added benefit of input and oversight from AZ NGA's experienced senior leadership team and the backing of a large, listed parent company. AZ NGA provides support to establish business goals, targets and key performance indicators.

Further information on AZ NGA's principal business activities is discussed below and is also available on its website: <https://www.aznga.com/>.

(b) AZ NGA's principal business activities

AZ NGA invests in professional advisory businesses, specifically financial planning and accounting firms (**Member Firms**). Specifically, AZ NGA's principal business activities are:

- investing in and acquiring Member Firms (**Investment Activities**); and
- providing management and SME support services to the Member Firms (**Management and Support Services**),

(collectively, **AZ NGA's Business Activities**).

Further details on AZ NGA's Business Activities are outlined in the table below.

AZ NGA's Business Activities	
Investment Activities	Management and Support Services
<p>AZ NGA's purpose is to invest in Member Firms and support them and their business owners and management achieve their goals. These goals can include:</p> <ul style="list-style-type: none"> • succession planning and certainty for business owners looking to exit in the next 5-10 years; • capital and support for business owners looking to expand; and • the opportunity to be part of a collaborative community of inspirational, like-minded professionals. <p>Although each of AZ NGA's acquisitions and investments are different, business owners of Member Firms will generally acquire a stake in AZ NGA and otherwise continue to manage the operations of the Member Firm.</p>	<p>AZ NGA's supports the Member Firms to manage their operations and achieve their goals through the provision of:</p> <ul style="list-style-type: none"> • management services and advice; • capital; • succession planning advice, strategies and options; • advice, strategies and options to grow the business; • an SME toolkit; and • a community of experts and other business owners to assist with business development, growth and strategy.

(c) Location of AZ NGA's operations

AZ NGA's operations and AZ NGA's Business Activities take place in Australia. AZ NGA's Corporate office is located in Sydney. Each of the member firms operate out of their own corporate office space across Australia (or otherwise in accordance with business needs and AZ NGA's working from home policies).

(d) Member Firms

The Member Firms AZ NGA invests in are generally SMEs. The principal business activities of the Member Firms are the provision of financial services to clients.

The Member Firms operate 31 separate businesses which can be categorised into the following three categories:

Accounting Firms	These firms specialise in providing professional taxation and accounting advice and services to individuals, family groups, businesses and their related tax entities such as self-managed superannuation funds, family trusts and private companies.
Financial Advisory Firms	These firms specialise in providing professional taxation and accounting advice and services to individuals, family groups, businesses and their related tax entities such as self-managed superannuation funds, family trusts and private companies.
Integrated Financial Services Firm	These firms are focused on the providing advice for multiple client needs (other than just accounting or financial planning). This can extend to legal advice, finance, property advice and cash flow management.

In the reporting period there were 31 Member Firms, operating through the AZ NGA Subsidiaries, and located at 47 different locations across Australia.

2.3 Supply Chains

(a) AZ NGA

In this reporting period, AZ NGA had over 200 suppliers. These suppliers are predominately located in Australia (approximately 94%), with the small number of remaining suppliers located in either Malta or the United States.

Procurement and the products and services acquired by AZ NGA from suppliers reflects AZ NGA's Business Activities and includes but is not limited to:

- accreditation and training;
- the occupation of its premises and the associated commercial lease;

- telecommunication and IT-related services and products (including various software, web-design and web-hosting services);
- computer equipment and office supplies;
- various professional and consulting services, including legal and tax advice;
- travel and accommodation;
- food and beverage;
- insurance; and
- postage and courier services.

Given the nature of AZ NGA's Business Activities, many of the arrangements AZ NGA has with its suppliers are short-term and changeable as products and services are often acquired on an as needs (rather than an ongoing) basis. For example, AZ NGA's suppliers of:

- food, beverages, travel and accommodation will often depend on the particular needs relevant to the timing and location of AZ NGA's Business Activities; and
- training (and attendance at conferences) may depend on the particular skills and networks seeking to be developed at a particular point in time.

However, there are some arrangements that AZ NGA has with suppliers which are likely more stable and longer-term, including:

- commercial lease arrangements;
- contracts for various professional and consulting services; and
- supply agreements for IT hardware and software to support AZ NGA's Business Activities.

Further, with some of its suppliers and supply chains, AZ NGA has a large degree of choice and flexibility in respect of the products and services it acquires.

As this is AZ NGA's first Statement, AZ NGA has not yet mapped Tier 2 of its supply chain. A supply chain mapping exercise will be undertaken in subsequent reporting periods, which will, where feasible, extend to some of AZ NGA's Tier 2 suppliers.

(b) AZ NGA Subsidiaries

As this is AZ NGA's first Statement and given the significant number of entities AZ NGA owns and controls, AZ NGA is still in the process of

undertaking mapping of the supply chains of the AZ NGA Subsidiaries. Specifically, the businesses operated by the AZ NGA Subsidiaries are all unrelated businesses and therefore each have their own separate supply chains. AZ NGA will progressively undertake a high-level mapping of these supply chains in subsequent reporting periods.

3 Risks of Modern Slavery

AZ NGA has undertaken a high-level risk assessment of the risks of modern slavery practices within its operations and supply chain. In undertaking this high-level risk assessment, consideration was particularly given to:

- **product and services risks:** whether the products and services supplied by AZ NGA or its suppliers are associated with a particularly high risk of modern slavery practices;
- **sector or industry risks:** whether AZ NGA or its suppliers operate in a sector or industry with a particularly high risk of modern slavery practices;
- **geographic risks:** whether AZ NGA or its suppliers are located in a jurisdiction associated with a particularly high risk of modern slavery practices; and
- **other risks:** whether the personnel employed or contracted by AZ NGA or its suppliers are considered particularly vulnerable to modern slavery practices (for example, migrant or base-skilled workers).

Based on the high-level risk assessment, AZ NGA has identified three main risk categories with respect to modern slavery practices relevant to AZ NGA's operations and supply chains:

- **occupation of premises and commercial lease:** there can be high risks of modern slavery in relation to the building services which form part of a commercial lease. These high risk services generally include cleaning, security and maintenance of the commercial premises;
- **accommodation:** there can be high risks of modern slavery in relation to contract cleaners, including in hotels located in Australia and overseas jurisdictions; and
- **IT and electronic hardware:** there can be high risks of modern slavery practices in relation to the extraction of raw minerals required to manufacture electronics, as well as the manufacturing and disposal processes associated with IT equipment more generally. These risks typically manifest deep in the supply chains of these products and are often occurring in jurisdictions with high risks of modern slavery practices where

AZ NGA will have limited visibility over the suppliers and individuals at risk.

(a) Operations and supply chains of the AZ NGA Subsidiaries

As this is AZ NGA's first Statement, AZ NGA has only just commenced its journey to understanding the modern slavery risks within its own operations and supply chains. At this early stage, AZ NGA has undertaken a high-level risk assessment of the modern slavery risks within its own operations and supply chains.

AZ NGA has not yet undertaken a risk assessment of the modern slavery risks within the operations and supply chains of the AZ NGA Subsidiaries. Our preliminary review indicates that the modern slavery risks of the AZ NGA Subsidiaries may be similar to those of AZ NGA given the nature of the businesses undertaken by the AZ NGA Subsidiaries.

However, the AZ NGA Subsidiaries may have additional risks of modern slavery practices to the extent their businesses rely on out-sourced labour, including in respect of paraplanners and particularly where that labour is located in a high risk jurisdiction for modern slavery. Specifically, approximately 60 – 70% of the AZ NGA Subsidiaries use outsourcing service providers in foreign jurisdictions, including Vietnam, Malaysia and the Philippines. We expect that these outsourcing service providers located outside of Australia may present higher modern slavery risks and we intend to identify and assess, and consider appropriate actions to address these risks in subsequent reporting periods, having particular regard to the geographic, industry and sector-based risks associated with these outsourcing arrangements.

In order to better describe and understand the risks of modern slavery practices manifesting in the supply chains and operations of the AZ NGA Subsidiaries, in the next reporting period AZ NGA will begin to undertake a high-level risk assessment of the operations and supply chains of the AZ NGA Subsidiaries. The aim of this high-level risk assessment will be to identify those AZ NGA Subsidiaries whose operations and supply chains may present higher modern slavery risks, including those who rely on overseas outsourced labour (as discussed above). This will enable AZ NGA to use a risk-based approach to prioritise any engagement with the AZ NGA Subsidiaries to assess and address modern slavery risks.

4 Action Taken to Assess and Address the Risks of Modern Slavery

AZ NGA has policies in place that help to address the risks of modern slavery in its operations and supply chains. AZ NGA has a commitment to ensure that its employees and agents adhere to the highest

standards of ethics, integrity and behaviour during the course of their employment or engagement, including in their relationships with their co-workers and AZ NGA's suppliers. This commitment is outlined in and required by AZ NGA's Code of Conduct Policy (the **Code**) which specifically applies to dealings with suppliers and requires employees and agents to:

- comply with all laws and promptly report any violations of the law, ethical principles or the Code;
- be honest and fair in dealings with suppliers and co-workers; and
- treat suppliers and co-workers in a non-discriminatory manner with proper regard for their rights and dignity.

Violations of the Code may lead to disciplinary action, including termination of employment.

Whilst the Code indirectly addresses modern slavery risk through its high ethical standards and treatment of suppliers, the requirement to provide this Statement has highlighted the need for AZ NGA to take steps to assess and address the risks of modern slavery in its operations and supply chains, and the operations and supply chains of the entities it owns and controls, including through due diligence and remediation processes.

AZ NGA is committed to taking proactive action to assess and address modern slavery risks within its operations and supply chains. Accordingly, in the next reporting period AZ NGA will prioritise its own operations and supply chains and undertake the following actions to assess and address modern slavery risks:

- **modern slavery governance review:** policies and procedures will be reviewed to ensure adequate policies and processes are in place to identify, assess and address modern slavery risks;
- **identification of high-risk suppliers:** following the mapping of the supply chain, AZ NGA's high-risk suppliers will be identified and where possible further due diligence undertaken;
- **training:** AZ NGA staff, including the board and management, will complete modern slavery training;
- **allocation of responsibility:** a senior AZ NGA staff member will be allocated accountability for assessing and addressing modern slavery risks within AZ NGA's operations and supply chains, including with respect to steps that will be taken in subsequent reporting periods as contemplated by this Statement;

- **review of high risk supplier arrangements and mitigation measures:** undertake a review of contracts and supply arrangements with any suppliers identified as high-risk and consider appropriate methods to address and mitigate modern slavery risks (including through the inclusion of standard contractual clauses relating to modern slavery, requiring suppliers to sign up to AZ NGA's supplier minimum standards and/or periodic auditing of high risk suppliers); and
- **review of procurement processes:** review AZ NGA's procurement processes and establish procurement policies which embed consideration of modern slavery risks and mitigation measures in the procurement process.

Further, and as outlined above, in the next reporting period AZ NGA will begin to undertake a high-level risk assessment of the operations and supply chains of the AZ NGA Subsidiaries.

- (a) AZ NGA is committed to continually improving our approach to managing modern slavery risks and accordingly will undertake the following over subsequent reporting periods to develop and improve capabilities to respond to modern slavery risks across AZ NGA's operations and supply chains, and those of the AZ NGA Subsidiaries. AZ NGA

In subsequent reporting periods, AZ NGA will work towards:

- establishing a AZ NGA modern slavery policy, which will include further details regarding the due diligence and remediation processes to be implemented by AZ NGA in respect of modern slavery risk;
- developing supplier minimum standards, which will include specific provisions relating to modern slavery risk;
- undertaking additional due diligence on high-risk suppliers consistent with an established modern slavery due diligence framework, such as that outlined in the UN Guiding Principles on Business and Human Rights; and
- scoping new suppliers in relation to modern slavery risk and ensuring that arrangements with new suppliers and any contract renewals incorporate appropriate mitigation measures to address modern slavery risk (including by incorporating modern slavery clauses or supplier minimum standards).

- (b) AZ NGA Subsidiaries

In subsequent reporting periods, AZ NGA will look to the operations and supply chains of the AZ NGA Subsidiaries and consult with management, procurement staff and other relevant staff within each of the businesses of the AZ NGA Subsidiaries to:

- identify and assess the modern slavery risks within their operations and supply chains and the current action taken to assess and address those risks; and
- identify strategies moving forward to improve modern slavery risk identification and assessment within their operations and supply chains and better and more effective ways to assess and address those risks.

5 Effectiveness

In this first modern slavery Statement, AZ NGA has focused on mapping its supply chain and undertaking a high-level risk assessment to identify areas of its supply chains which present higher risks of modern slavery practices.

Accordingly, in this reporting period, AZ NGA has not yet put in place measures and frameworks to assess the effectiveness of the actions it takes to assess and address modern slavery in its operations and supply chains, and the operations and supply chains of the AZ NGA Subsidiaries.

Putting in place such measures and frameworks will be undertaken in subsequent reporting periods. The measures and frameworks may include:

- incorporating modern slavery clauses and supplier minimum standards as part of the on-boarding processes for new suppliers;
- monitoring the completion of training related to modern slavery;
- setting up a process to provide regular feedback and engagement between AZ NGA and the AZ NGA Subsidiaries on modern slavery risk; and
- establishing a periodic review process to evaluate the actions AZ NGA and the AZ NGA Subsidiaries are taking and to ensure risk assessment procedures are up to date (and are applied).

6 Consultation

The legal, operations and HR functions at AZ NGA assisted with the preparation and drafting of this statement. Management at AZ NGA was also involved in considering the future efforts required by AZ NGA to identify, assess and address modern slavery risks within the operations and supply chains of AZ NGA and the AZ NGA Subsidiaries.

Further, to assist with preparing this Statement, three subsidiaries operated by AZ NGA were contacted and asked to advise on any steps they had taken to identify, assess and address modern slavery risks within their operations supply chains.

7 Closing statement

AZ NGA is at the beginning of its journey to ensure that it addresses any modern slavery risks within its operations and supply chains, including those of the AZ NGA Subsidiaries. AZ NGA is committed to ensuring meaningful progress is made in each reporting period. AZ NGA looks forward to sharing the steps it has taken to further develop its modern slavery framework in the next reporting period.

This Modern Slavery Statement was approved by the board of AZ Next Generation Advisory Limited, on 29 June 2022.

A handwritten signature in black ink, appearing to read 'P. Brain', with a long horizontal stroke extending to the right.

Signed by

Paul Brain

Director

Annexure A

List of AZ NGA Subsidiaries

List of AZ NGA Subsidiaries		
Name and ACN	Type of business	Location(s)
Arc Global Wealth (AZ Global Wealth Management Australia Pty Ltd ACN 638 137 523)	Private Wealth	Level 10, 88 Phillip Street, Sydney NSW 2000
Blue Harbour Financial Partners (Tokim Holdings Pty Ltd ACN 086 307 831)	Financial Planning	Level 1, Raby Bay Harbour, 152 Shore Street West, Cleveland QLD 4163
Certe Wealth Protection Pty Ltd ACN 150 270 278	Financial Planning, Group Insurance	Level 7, 72 Pitt Street, Sydney NSW 2000 Level 15, 348 Edward Street, Brisbane QLD 4000
Cranage Financial Group Pty Ltd ACN 616 520 122	Financial Planning + Broking	Level 1/4 Riverside Quay, Southbank, VIC 3006
Dunsford Financial Planning Pty Ltd ACN 006 872 037	Financial Planning, Group Insurance	41 Lathams Rd, Carrum Downs, VIC 3201

List of AZ NGA Subsidiaries

Name and ACN	Type of business	Location(s)
Eureka Whittaker MacNaught Pty Ltd ACN 163 839 816	Financial Planning	Level 10, 88 Phillip Street, Sydney NSW 2000 Suite 3.3, 100 Creek St, Brisbane QLD 4000
Farrow Hughes Mulcahy (FHM Holdings Pty Ltd ACN 125 732 863)	Financial Planning	Level 14, 124 Walker Street, North Sydney NSW 2060
Financial Lifestyle Partners Pty Ltd ACN 608 139 877	Financial Planning	77-83 Park Road, Donvale VIC 3111
Harvest Wealth Pty Ltd ACN 114 512 177	Financial Planning	Suite 17/240 Pakington Street, Geelong West VIC 3218 82 Wyndham Street, Shepparton VIC 3632 93a Seventh St, Mildura VIC 3500
Henderson Matusch (HM Holdings Pty Ltd ACN 147 014 355)	Financial Planning + Broking	8/160 Upper Edward Street, Brisbane QLD 4000 Level 4 Transport House, 230 Brunswick Street, Fortitude Valley QLD 4006
Hurwitz Geller Pty Ltd ACN 134 701 983	Accounting	Level 10, 88 Phillip Street, Sydney NSW 2000
JPH Group Holdings Pty Ltd ACN 638 122 086	Accounting, Financial Planning, Broking	5/607 St Kilda Road, Melbourne VIC 3000

List of AZ NGA Subsidiaries

Name and ACN	Type of business	Location(s)
Kellaway Cridland Pty Ltd ACN 087 501 353	Accounting	18/96 Hunter Street, Sydney NSW 2000
Lifestyle Financial Planning Services (No 2) Pty Ltd ACN 607 041 145	Financial Planning	Level 1, 33 Nish Street, Echuca VIC 3564
Logiro Unchartered Pty Ltd ACN 154 725 747	Financial Planning	31 Murray St, Bowen Hills QLD 4006
Matthews Steer Pty Ltd ACN 006 726 736	Integrated Firm	2/7 English Street, Essendon Fields VIC 3041
McKinley Plowman (MP Holdings [WA] ACN 629 441 461)	Integrated Firm	Level 2, 5 Davidson Terrace Joondalup WA 6027 426-428 Albany Highway, Victoria Park WA 6100 Level 4, 16 St Georges Terrace, Perth WA 6000
Menico Tuck Parrish Pty Ltd ACN 618 205 011	Financial Planning	192 Mulgrave Rd, Westcourt QLD 4870
On-Track Financial Solutions Pty Ltd ACN 158 326 419	Financial Planning	Suite 40 & Suite 45, 11 Preston Street, Como WA 6152
Ottavo Financial Group Pty Ltd ACN 058 625 602	Financial Planning	207 Howick St, Bathurst NSW 2795 7/114 William Street, Port Macquarie NSW 2444

List of AZ NGA Subsidiaries

Name and ACN	Type of business	Location(s)
		Level 1, Unit 9, 37 Kesteven Street, Florey ACT 2615
		1/7-9 Bellevue Road, Figtree NSW 2525
People & Partners Pty Ltd ACN 607 866 508	Integrated Firm	Level 10, 88 Phillip Street, Sydney NSW 2000
		Level 1, Site 2, 72 Hargrave Ave, Essendon Fields VIC 3041
Pride Advice Pty Ltd ACN: 133 557 785	Financial Planning	Level 10, 88 Phillip Street, Sydney NSW 2000
&		
Pride Financial Pty Ltd ACN: 126 270 906		8/420 King William St, Adelaide SA 5000
Priority Advisory Group Pty Ltd ACN 003 743 379	Financial Planning	401B/799 Pacific Hwy, Chatswood NSW 2067
RI Newcastle & Lower Hunter	Financial Planning	43 Elgin St Maitland NSW 2320
(Gordon Financial Services Pty Ltd ACN 112 327 894)		Suite 5 Level 2 OTP House, 10 Bradford Close Kotara, NSW 2289
RI Toowoomba Pty Ltd ACN 609 619 285	Financial Planning	647 Ruthven St, South Toowoomba QLD 4350
Sage Business Group Pty Ltd ACN 075 116 826	Accounting	43 Gap Rd, Sunbury VIC 3429

List of AZ NGA Subsidiaries

Name and ACN	Type of business	Location(s)
Sterling Planners Pty Ltd ACN 098 942 584	Financial Planning	75 Miller St, North Sydney NSW 2060
Tempus Wealth Group Pty Ltd ACN 636 233 540	Financial Planning	Level 1, 550 Princes Highway, Kirrawee NSW 2232
Wealthmed Australia Pty Ltd ACN 164 523 120	Integrated Firm	11 Eccles Boulevard Cnr Florey Blvd &, Shine Ct, Birtinya QLD 4575
Wealth Wise Pty Ltd ACN 104 359 211	Financial Planning	Suite 2, Level 4, Building C The Garden Office Park 355 Scarborough Beach Road Osborne Park WA 6017 98 Allnutt Street Mandurah WA 6210 Unit 6, 41-43 Parkin Street Rockingham WA 6168 Suite E13, Plaza 817, 817 Beeliar Drive Cockburn Central WA 6164
Wise Planners (Lifestyle Financial Services Pty Ltd ACN 065 161 391)	Financial Planning	Suite 4.01, 9 Help Street, Chatswood, NSW, 2067