



Modern Slavery Statement

Liberty Financial Group Limited (ABN 59 125 611 574)

**Liberty Fiduciary Ltd (ABN 80 119 884 623) as responsible entity for the
Liberty Financial Group Trust (ARSN 644 813 847)**

1. Overview

- 1.1 This Modern Slavery Statement (**Statement**) is for the period 1 July 2020 to 30 June 2021 (**Reporting Period**) and is made in accordance with the *Modern Slavery Act 2018* (Cth) and has been approved by the Board of Liberty Financial Group Limited (ABN 59 125 611 574) and Liberty Fiduciary Ltd as responsible entity of the Liberty Financial Group Trust (**Liberty**) on 8 December 2021.
- 1.2 This Statement is a joint statement of Liberty Financial Pty Ltd (ACN 077 248 983), Liberty Funding Pty Ltd (ACN 128 856 422) and Minerva Holding Trust (the trustee being Minerva Fiduciary Pty Ltd (ACN 637 593 849)) and applies to Liberty and its related bodies corporate (**Liberty Group**).
- 1.3 As a highly regulated Australian and New Zealand financial services business with a professional workforce, we consider the risk of modern slavery within our direct business operations to be low. However, we recognise that through our customers and supply chains we are indirectly exposed to modern slavery risks.

2. Liberty Group

The Liberty Group was founded in January 1997 and is an ASX listed diversified finance group with operations in Australia and New Zealand. The Liberty Group products include residential and commercial mortgages, motor finance, business loans, personal loans, brokering, real estate services and insurance. The Liberty Group has advanced over \$40 billion to over 600,000 customers and currently employs over 500 staff across Australia and New Zealand.

3. Commitment

- 3.1 Liberty is committed to the highest standards of honesty, integrity, and ethical behaviour in all our business activities including responsible procurement.
- 3.2 The Liberty Group is B Corporation certified and is part of the corporate movement to make a positive impact across its workers, customers, suppliers, community, and the environment. Certified B Corporations meet the highest standards of verified social and environmental performance, public transparency and accountability to balance profit and purpose.

4. Policies and procedures

- 4.1 Given the Liberty Group's high ethical standards and practices and a strong corporate governance framework in place, the Boards have delegated the authority to their respective Audit and Risk Committees to oversee the approach to non-financial risks associated with environment, social and governance issues. This is aligned with our B Corporation certification, internal training programs and associated policies including, but not limited to:
 - (a) Whistleblower policy;
 - (b) Diversity policy;
 - (c) Code of conduct;
 - (d) Anti-bribery and corruption policy; and
 - (e) Anti-money laundering and counter terrorism finance policy and program.

4.2 Our remuneration practices are designed to be consistent with financial industry practices in Australian and New Zealand and are sufficiently attractive to compete for talent. Staff remuneration consists of both a fixed and variable component, based on achievement of corporate and financial objectives as well as the individual achieving a positive assessment against their own goals.

4.3 Liberty strives to create a work environment which is inclusive of all people regardless of gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or other areas of potential difference. We provide our staff with flexible and safe workplace arrangements as well as an employee assistance program to anonymously help resolve issues or challenges arising in the workplace or in our staff's personal life in a positive

5. Supply chain

5.1 Our supply chain comprises of more than 350 suppliers and consists of both small businesses and large corporations. Whilst our supply chain is not overly complex the following areas of our supply chain require ongoing review. These include vendors and suppliers in relation to:

- (a) IT (hardware and software);
- (b) Office and marketing supplies;
- (c) Building products and services; and
- (d) Fleet management.

5.2 The key element of our due diligence is to identify whether our supply chain has committed to adhering with Modern Slavery regulations in their jurisdiction. We have confirmed that the majority of our supply chain have made statements regarding their commitment to these regulations.

5.3 While we did not identify any incidents or circumstances of high risk with any of our vendors or suppliers, we continue to undergo regular due diligence to ensure that the Liberty Group is not exposed to the risks of modern slavery. Where effective due diligence for occasional purchases from overseas suppliers is not possible, we will seek to source goods locally.

5.4 Liberty conduct regular due diligence of existing supplier arrangements and will act against suppliers that fail to improve their performance in line with action plans, including terminating the business relationship. Prior to engaging with new supplier arrangements, Liberty will:

- (a) conduct a risk assessment and request further information where there is a higher risk of modern slavery; and
- (b) perform an evaluation of the modern slavery risks of new suppliers.

6. Business operations

6.1 Prior to engaging in any lending, Liberty captures the proposed customer's information for the purposes of compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2009. These steps are taken to verify the proposed customer's identity.

6.2 The majority of Liberty's lending business comprises Australian and New Zealand consumer lending for residential property purchase, motor vehicle purchase and other personal needs. We assess the risk of modern slavery being enabled or involved in consumer lending to be low.

- 6.3 Liberty's commercial lending portfolio primarily comprises lending to Australian based self-managed superannuation funds for the purpose of property investment. We assess the risk of modern slavery being enabled by or involved in the process of investing retirement savings in property to be low.
- 6.4 Liberty provides business lending products providing capital for business acquisition and working capital for small to medium business enterprises (SME) in Australia. The volume of lending in this segment during the Reporting Period remains small. Liberty's business loan assessment and underwriting is conservative and involves the collection and verification of financial and business information concerning each customer's activities for the purposes of loan underwriting. We assess the risk of modern slavery being enabled by or involved in the operations of the customers acquired during the Reporting Period as low.
- 6.5 The majority of Liberty's business is introduced by mortgage and finance brokers. Each broker is accredited by Liberty prior to any loan application being submitted, with various checks completed by either an aggregator or the Liberty to confirm the identity of the broker. Liberty has assessed the risk of modern slavery being enabled by or involved in the operations of the accredited brokers as low.

7. Group entities

- 7.1 In preparing this statement we consulted across the Liberty Group. The core group of operating entities are centrally and collaboratively managed and supported by the same compliance, risk, finance, legal and executive teams. As such formal consultation with individual entities was unnecessary.
- 7.2 The Liberty Group operational risk and compliance team undertake consultation with businesses that are not centrally managed, including the Liberty Group's New Zealand based businesses.
- 7.3 All Liberty staff are included in the Modern Slavery training.

8. Assessing effectiveness

- 8.1 The actions taken in financial year ended 30 June 2021 have been effective in reducing the risk of exposure to modern slavery.
- 8.2 Review of the supply chains did not identify any high-risk arrangements.
- 8.3 A program of ongoing risk monitoring to identify and maintain effective management of modern slavery risks has been implemented.

9. Moving forward

- 9.1 We remain committed to the identification and mitigation of modern slavery risk during the year ending 30 June 2022.

James Boyle



Chief Executive Officer
10 December 2021