



# Modern Slavery Statement

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netwealth Investments Limited

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10 March 2021

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## 1.0 Introduction

Modern slavery can be used to describe situations of human trafficking, forced labour, child labour, forced marriage, deceptive recruiting for labour or services and debt bondage. Modern slavery exploits victims and undermines the freedom and choices of those victims. Netwealth is strongly opposed to modern slavery and is fully supportive of the Modern Slavery Act 2018.

This 'statement' is our first Modern Slavery Statement for Netwealth.

Netwealth has six corporate values to which employees are encouraged to adhere; these include to be agile, curious, courageous, genuine, collaborative and optimistic. Netwealth seeks to be curious in its assessment of modern slavery risk within our supply chain and courageous and genuine in our actions to address these risks.

We believe that this first statement is the start of our journey and seek to partner with our suppliers and partners to work together to improve working conditions and use our collective influence to reduce modern slavery.

## 2.0 Our business

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

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 and independent researchers continue to rate our technology as best in class.

Our financial products are:

- Superannuation fund products including accumulation and retirement income options;
- Investor directed portfolio services (IDPS) for self-managed superannuation and non-superannuation investments;
- Managed accounts; and
- Managed funds.

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

<sup>2</sup> Investment Trends: December 2019 Platform Competitive Analysis and Benchmarking Report. Investment Trends: May 2020 Planner Technology Report.

Netwealth has over 300 employees in Australia and utilises the support of a development support business in Vietnam to continually update and enhance its product technology.

For more information about our business structure and strategy, please refer to our 2020 Annual Report.

### 3.0 Our structure, operations and supply chain

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 are predominantly our employee benefits, taxes and other operating and occupancy expenses.

Netwealth's key operating entities and operations and the associated supply chains are set out below. All entities are Australian, and all direct employees were located in Australia in FY2020.

This statement is a joint Modern Slavery Statement for all our entities.

Company / Structure	Main operations	Supply chain <sup>3</sup>
Netwealth Group Limited ABN 84 620 145 404	<ul style="list-style-type: none"> <li>Group entity listed on the ASX</li> <li>Oversight, governance and controlling entity of the Group entities</li> </ul>	<ul style="list-style-type: none"> <li>Professional services</li> </ul>
Netwealth Investments Limited ABN 85 090 569 109	<ul style="list-style-type: none"> <li>Trustee of a Superannuation Master Fund (Super Fund)</li> <li>Operator of IDPS products</li> <li>Responsible Entity for a managed account, managed funds and managed / mandate managed investment schemes (MIS)</li> <li>Custodian of domestic assets</li> <li>Administrator and call centre</li> <li>Developer of financial technology products</li> </ul>	<ul style="list-style-type: none"> <li>Professional services</li> <li>Investment management</li> <li>Brokers, banking and custodians</li> <li>Operational management and support</li> <li>Development support</li> <li>Marketing and sales</li> <li>Advisers and their associated entities as appointed to offer Netwealth products to clients</li> </ul>

<sup>3</sup> The supply chains listed represent Netwealth's current supply chain categories. In FY2020, Netwealth focused on three supply chain categories, being Investment Management, Development Support and grouped the remaining categories under Operational. In further developing our Modern Slavery Statement and risk assessment in FY2021, we identified an opportunity to improve our supply risk understanding and approach by more clearly defining our operational supplier category.

<sup>4</sup> Netwealth Superannuation Master Fund ABN 94 573 747 704.

Company / Structure	Main operations	Supply chain
Netwealth Group Services Pty Ltd	<ul style="list-style-type: none"> <li>Corporate services for Netwealth Group including Finance, Risk,</li> </ul>	<ul style="list-style-type: none"> <li>Professional services</li> </ul>

Company / Structure	Main operations	Supply chain
ABN 89 135 940 840	Compliance, Product, Investment Research, Human Resources, Marketing and Sales <ul style="list-style-type: none"> <li>Employing entity of all Netwealth's 300+ employees</li> </ul>	<ul style="list-style-type: none"> <li>Business support services</li> <li>Office premises and services</li> <li>Technology infrastructure</li> <li>Staff support services</li> </ul>

Netwealth Group Services Pty Ltd also consists of:

- 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 and Netwealth Fiduciary Services.
- Netwealth Fiduciary Services Pty Ltd ABN 68 114 802 532 which acts in an administration capacity to the Group.
- Netwealth Superannuation Services Pty Ltd ABN 80636 951 310 and WealthTech Pty Ltd ABN 92 637 362 460 which were not operational in FY2020.

## 4.0 Potential risks in Netwealth's operations and supply chains

During FY2020, Netwealth assessed its operations in accordance with the definition in the Modern Slavery Act 2018. Netwealth's extensive policies and governance processes, combined with its size, regulated industry and geographic location make it highly unlikely that modern slavery exists within our operations. Netwealth has in place policies covering expectations for conduct, working arrangements, leave, work health and safety, whistleblowing and diversity, which together set out our values and how we work together. In addition, processes set out how to manage succession, performance, under performance, recruitment and most recently how to access overtime (introduced in January 2021). As a result, we assess that there is very low risk in this area.

As a supplier of financial services (Netwealth Investments Limited) and the receiver of services to support our products and services (within Netwealth Group Services Pty Ltd), the risk of contributing to or being linked to modern slavery through our supply chains is low. However, Netwealth does not have direct insight into our supplier's practices and their supply chains.

Netwealth identified the highest risk of being linked through our suppliers is in our Investment Management supply chain and the Development Support supply chain.

- Investment Management – To provide a wide range of investment opportunities through its platform, Netwealth Investments Limited works with over 322 investment and fund managers located both domestically and internationally. Netwealth Investments Limited enters an arrangement with each Investment Manager to make their financial products available via our platform. Clients and their advisers may then invest in these products through the platform. Each investment and fund manager offers a portfolio of investment products. These products span a range of industries and jurisdictions. In many cases, the investment managers employ staff overseas but these are generally highly-paid investment professionals. Investment management generally does not involve low-skilled or manual labour.
- Development Support – 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. Vietnam is broadly considered to have an overall global 'B' modern slavery risk rating (on a scale of A-D) and an Asia Pacific region 'medium' risk rating, however these externally determined jurisdiction ratings tend to reflect risks associated with specific industries which are not applicable to the technology industry. Netwealth closely monitors the activities of the IT staff employed by its partner in Vietnam and those staff are generally part of 'scrum' teams with Netwealth's Australian staff. This high level of engagement means that the risk of exploitation or coercion of staff is significantly reduced.

## 5.0 Addressing the risk of modern slavery practices

Netwealth has developed a modern slavery risk mitigation cycle to assess and address modern slavery risk, involving seven areas.



During FY2020, the actions we have taken in each of these areas are set out below:

<b>1. UNDERSTANDING</b>	
Netwealth met with an industry expert to deepen its understanding of the requirements in early 2020 and appointed a Supplier Manager tasked to manage Netwealth's modern slavery response in April 2020	
<b>2. RISK ASSESSMENT</b>	
Netwealth's Supplier Manager conducted a risk assessment of Netwealth's modern slavery risks, identifying two key supply chains, of which Investment Management was the highest risk and Development Support the second highest. The remaining supply chains were deemed lower risk.	
<b>3. DETERMINATION</b>	
Having identified our highest risk supply chains, a strategy to review and determine if modern slavery for each was determined:	
Investment Management - The strategy agreed upon included classifying each investment product based on the risk presented (by reviewing the industry and jurisdiction). For high-risk Investment Managers the strategy involved contacting them to collect details of their modern slavery risk practices, assessing their responses and following up for any additional information.	Development Support – A full onsite assessment of our Development Support supplier occurred in June 2019 by Netwealth's General Manager Legal, Risk and Compliance prior to executing the contract. This had directly assessed the working conditions and arrangements of Vietnam operations, the treatment of employees and consideration of their workspace. To ensure conditions remain appropriate an annual site visit was scheduled for January 2020.
<b>4. ACTION</b>	
Investment Management – The risk assessment was performed identifying 45 higher risk Investment Managers. Communications were drafted and approved in June 2020. These communications were issued in July 2020.	Development Support – The site visit occurred as planned and considered working conditions, a workplace assessment and interviews with supplier personnel. Since that time and into FY2021, Netwealth employees continue regular daily one-on-one informal and formal engagement with their personnel.
<b>5. ESCALATE (due to occur in FY2021)</b>	
Following our actions, Netwealth has agreed within the Strategy for each supply chain risk a process of remediation should modern slavery be identified. Netwealth will work to try and resolve any unsatisfactory outcomes and work with the relevant supplier to put in place solutions which remove modern slavery risk. If they are unable or unwilling to manage these risks, Netwealth will consider other alternatives which will include using our influence to promote for change, and work with others in our industry to promote change.	
<b>6. REPORT (due to occur in FY2021)</b>	
We will publish the result of our work throughout the past financial year and our findings within our Modern Slavery Statement	
<b>7. REVIEW AND ASSESS</b>	
See 'Assessing the effectiveness of Netwealth's actions' below.	

## 6.0 Assessing the effectiveness of Netwealth's actions

Supply chains which present modern slavery risks will continue to be identified and Netwealth will progress those supply chains through its modern slavery risk mitigation cycle. For each supply chain a report will be

drafted and presented to the Netwealth Group Compliance and Risk Management Committee (the committee nominated by the Board to oversee the modern slavery program) at the conclusion of the project to review and assess the success of Netwealth's strategy and actions. This will provide the committee with direct oversight of the success and improvements of Netwealth's modern slavery program.

Preparation of the supply chain report will involve participation from all parts of the business involved in the modern slavery risk mitigation project. The report will seek to identify how improvements to the process can be implemented and how we can embed better practices into our business.

Internal audits will be recommended and scheduled to help bring greater insight to Management and to challenge our processes and practices. Audits will also provide the Netwealth Board with oversight of whether Management are addressing issues as required. Netwealth has scheduled an internal audit of its human resource practices in FY2021 and plans to schedule an audit of our modern slavery process in FY2022.

## 7.0 Process of consultation with owned and controlled entities

Netwealth employs 300 staff, with most being based in Netwealth's head office in Melbourne. All Netwealth entities currently share the same Executive Management team and the statement has been drafted on behalf of all entities. All Netwealth entities who have a supply chain (as shown on page 3) have reviewed and endorsed the publication of this statement.

## 8.0 Future commitments

Over the next year, our focus areas will be:

- Complete the supply chain review for high-risk Investment Managers.
- Embed modern slavery assessments of our Investment Managers into our processes.
- Audit of our HR Management processes and practices.
- Continue to develop and review our supplier (modern slavery) framework.
- Update policies and training and ensure whistleblowing policies cover our Development Support supplier in Vietnam (including training in Australia and Vietnam).
- Commence a review on our Marketing and Sales supply chain in accordance with Netwealth's modern slavery risk mitigation cycle.

## 9.0 Approval

This statement was approved by the board of Netwealth Group Limited.

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Tim Antonie  
Chair of the Board: Netwealth Group Limited  
10 March 2021

Contact Netwealth for more  
information about this or other  
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