



Modern Slavery Statement

Liberty Financial Group Limited (ABN 59 125 611 574)

1. Overview

- 1.1 This Modern Slavery Statement (**Statement**) is for the period 1 July 2019 to 30 June 2020 (**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) (**Liberty**) on 24 March 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 \$36 billion to over 500,000 customers and currently employs over 450 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 the importance of responsible procurement.
- 3.2 In November 2019, the Liberty Group obtained B Corporation certification and officially became part of the corporate movement to make a positive impact across its workers, customers, suppliers, community, and the environment. Certified B Corporations are businesses that 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 in order to compete for talent. Staff have both a fixed component as well as a 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 also 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 way.
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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, a detailed review identified the following areas of our supply chain that 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 While we did not identify any incidents with the any of such vendors or suppliers, we recognise the need 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, Liberty will seek to source goods locally.
- 5.3 Liberty will conduct regular due diligence of existing supplier arrangements and prior to engaging with new supplier arrangements Liberty will:
- (a) conduct a risk assessment and request for further information where there is a higher risk of modern slavery;
 - (b) perform an evaluation of the modern slavery risks of new suppliers; and
 - (c) act against suppliers that fail to improve their performance in line with action plans, including terminating the business relationship.
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6. Business operations

- 6.1 The majority of Liberty's lending business comprises 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.
- 6.2 Liberty's commercial lending portfolio primarily comprises lending to 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.

- 6.3 During the Reporting Period, Liberty launched business lending products providing capital for business acquisition and working capital to fund business operations of small to medium business enterprises in Australia. The volume of lending that was undertaken in this segment during the Reporting Period was small. Liberty's business loan assessment and underwriting is conservative and involves the collection and verification of:
- (a) customer information for the purposes of compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2009; and
 - (b) financial and business information concerning each customer's activities for the purposes of loan underwriting.

Liberty has assessed the risk of modern slavery being enabled by or involved in the operations of the customers acquired during the Reporting Period as low.

7. Moving forward

- 7.1 We are committed to working closely with community members, business partners, suppliers, and customers to explore our business operations in greater depth throughout the 2020/2021 financial year.
- 7.2 In addition, the Liberty is committed to implementing further specialised training for all staff relating to modern slavery, as we know that education is an important tool to achieve the mutual goal of combatting modern slavery within our product and supply chains.



James Boyle
Chief Executive Officer
31 March 2021