



OFX Group Limited

Modern Slavery Statement

FY2022

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Our commitment

This Modern Slavery Statement by OFX Group Limited (ACN 165 602 703) (OFX) is in respect of OFX and its subsidiaries for the financial year 1 April 2021 to 31 March 2022 (FY2022)

We recognise that, given our global operations, and as a significant purchaser of goods and services, we have a responsibility and opportunity to help eradicate modern slavery. We also recognise that our commitment to actions to address modern slavery risks in our operations and supply chain is essential to running a sustainable business.

We understand the importance of responsible procurement and ensuring that environmental, social and ethical considerations are taken into account when making procurement decisions. Our commitments in this Statement are consistent with the Environment Social and Governance commitments in the OFX Annual Report.

This Statement reflects our progress on meeting the requirements of the Australian *Modern Slavery Act 2018* (Cth) and the *Modern Slavery Act 2015* (UK) with a key focus on:

- Identification of modern slavery risks internal to our operations and in our supply chains;
- Mitigation actions for modern slavery risks;
- Assessment of the effectiveness of these actions.



CEO Statement

“

Modern slavery is an ongoing challenge around the world and an issue which needs to be tackled through the combined work of governments, businesses, and the community. We know that slavery can occur in many forms, including forced and child labour, domestic servitude, and human trafficking, and that as a global financial services provider, there is potential for us to contribute to or be directly linked to modern slavery risk.

We recognise the important responsibility we hold in identifying opportunities to positively impact human rights across our operations and supply chain, and we're committed to continually improving our behaviour to help eradicate human slavery from our supply chain and our operations. We do this by putting in place the right policies and measures to assist us in identifying and doing what we can to mitigate against modern slavery across our global footprint. We also recognise the importance of increasing the awareness and capabilities of our people to help address and mitigate modern slavery risks in the course of our interactions with customers and suppliers.

”

Skander Malcolm
Chief Executive Officer and Managing Director

Our policies and procedures

Our policies on slavery

We are committed to assessing and updating our policies and procedures to help eradicate modern slavery from our supply chains and ensure it is not in any part of our business. Our processes and achievements reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery is not taking place anywhere in our supply chains.

Our work on Modern Slavery is supported by key OFX Group policies, including:

- Code of Conduct
- Remuneration Policy
- Anti Money Laundering and Counter Terrorism Financing Policy
- Whistleblower Policy
- Anti-Bribery & Corruption policy

About OFX

Our structure, operations and supply chain

OFX grew from the idea that there had to be a better, fairer way to move money around the world. That was 20 years ago, and we're still driven by the same mission. Today, OFX can transfer money to over 190 countries in 55 different currencies. To date, we have helped over 1 million customers worldwide and have transferred over US\$100 billion.

Our clients are all over the globe, so we are too. We operate in offices in Sydney, Auckland, Hong Kong, Singapore, London, Dublin, Toronto and San Francisco to provide global expertise, delivered locally.

Our operations are divided into three regions – APAC, UK and Europe & North America. The OFX Group is supported by global shared services that support our customer offerings and business operations.

Regional operating structure with global shared services

Board/CEO		
APAC	North America	EMEA
Technology & Cybersecurity		
Marketing & Products		
Operations, Risk & Compliance		
Legal		
Finance & Strategy		

OFX is supported by a supply chain composed of a reasonably complex global network across 10 countries. Our day-to-day operations facilitate the provision of remittance and foreign exchange services globally, providing an online international payment service to individuals and corporate customers.

More information about our business is set out in our [2022 Annual Report](#).

OFX's modern slavery risks

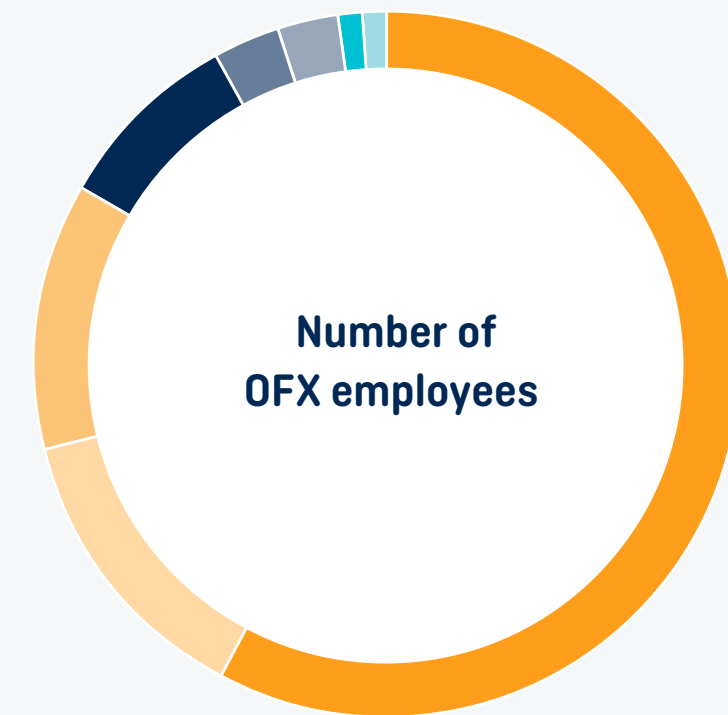
We recognise that there are risks that OFX may cause, contribute to or be directly linked to modern slavery across our supply chain and our operations more generally. This risk can arise:

- As an employer;
- As a purchaser of goods and services – if modern slavery is involved in the production or delivery of those goods or services;
- As a financial services provider – if our financial products are used for activities that involve modern slavery.

Our employees

The risk of exploited labour within a workforce tends to be higher in countries where there is higher risk of modern slavery and in the case of low skilled, indirect employment arrangements

More than 96% of the OFX Group employees are based in Australia, New Zealand, United Kingdom, Dublin, Canada and United States and more than 96% of our employees are permanent employees. All of our people are qualified or skilled in financial services, technology or other support functions. This, and our employee policies ensure that there is low risk to our employees of modern slavery occurring in our business.



● Australia: 285	● Hong Kong: 15
● Canada: 66	● Ireland: 14
● United Kingdom: 60	● New Zealand: 5
● United States: 43	● Singapore: 5

Our supply chain

OFX has a global supply chain made up of approximately 1,500 direct suppliers, with payments being made by OFX to 525 suppliers in FY2022. Nearly 92% of these suppliers are concentrated in Australia, United States, United Kingdom, Canada and Hong Kong

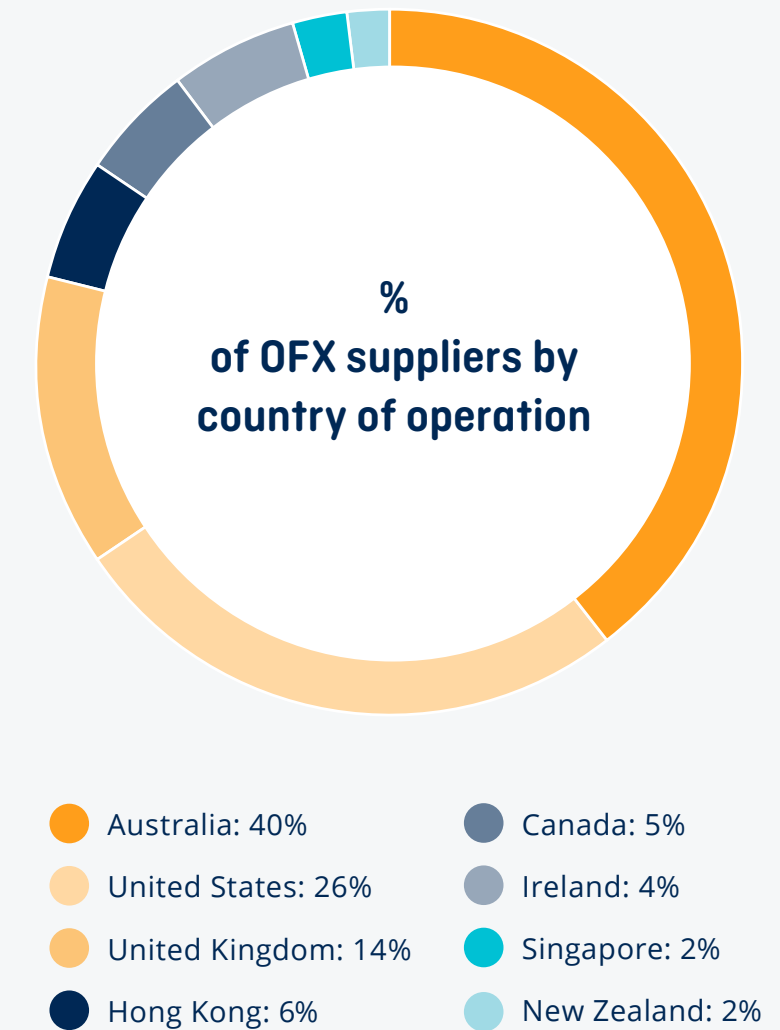
The following sectors are considered to be high risk for modern slavery in the OFX Supply chain:

- Technology (hardware, software and cloud services);
- Information, Communications;
- Office consumables;
- Marketing;
- Promotional merchandise;
- Property Services (including facilities management, utilities, cleaning, waste management and security);
- Professional services; and
- Business process offshoring.

The risk assessment on OFX's supply chain for FY2022 indicated potential for exposure to modern slavery and human trafficking in these sectors specifically through:

- Purchase of office consumables such as tea, coffee, sugar, cocoa and fruit for staff consumption;
- Cleaning services employed by building owners or facilities managers for buildings occupied by OFX;
- Purchase of corporate clothing;
- Purchase of office hardware and electronics;
- Construction services in relation to office fit outs.

Overall, OFX identified 7 high risk vendors in FY2022 which is a reduction by 9 high risk vendors from the previous year. This reduction in high-risk vendors is due largely to the updated medium risk rating of Singapore in the Global Slavery Index downgraded from high-risk.



Our approach

As a financial services organisation with a professional workforce, OFX considers the risk of modern slavery within its direct business operations to be low. However, OFX recognises that through its supply chain and customers it can be indirectly exposed to the risk of modern slavery and human trafficking. OFX seeks to do business with suppliers that have similar values, ethics and sustainable business practices, including those related to human rights.

OFX understands that the environmental, social and governance (ESG) risks relating to suppliers will vary depending on their industry, geographic location and company size and, therefore, the scope of OFX suppliers' policies, processes and systems are expected to reflect their specific ESG risks.

The risks of modern slavery in the OFX Group's operations and supply chains

The first step in addressing and reducing modern slavery is to understand the risks of modern slavery in our operations and supply chains. In evaluating the potential or perceived risks of modern slavery, OFX considered the following factors as they relate to our suppliers:

Industry risk

Supply of a good or service from an industry where modern slavery may be directly or indirectly present in the supply chain including: whether the industry has predominantly base skill or migrant workers, whether a high proportion of businesses in the industry utilise labour hire, outsourcing or third party contracting arrangements and the nature of the product and service.

Geographical risk

Suppliers based in a high-risk geography (per Global Slavery Index) – including levels of corruption, the population's skill or education levels, rule of law and strength of human rights or labour laws.

Annual spend

Those suppliers who are within the top quartile of suppliers for annual spend and have at least one additional medium or high-risk factor.

Our customers

As a financial services provider OFX recognise that our products could be used by customers for activities that involve modern slavery

We recognise that this risk may be higher where we are involved in activities or countries that are high-risk for modern slavery, for example through our customers transacting to and from certain territories or by facilitating investment in certain sectors. This includes linkages to modern slavery through entities that may use our financial services to launder money derived from modern slavery, such as child exploitation.

In accordance with AML/CTF legislation OFX collects specific information in order to identify and verify customers. Ongoing customer due diligence is also undertaken for the duration of the relationship.

OFX is a global money transfer specialist, with over 20 years' experience and eight offices around the world. With this tenure and global footprint, we see the diverse typologies of criminal financial activity and have built up years of data showing behavioural patterns to look out for. This includes typologies of low value payments to high risk countries which may be indicative of modern slavery.

We continually refine our detection strategies and actively investigate financial crime whenever we see it or suspect it. This is achieved through our processes, teams and systems:

- All employees are regularly trained to detect and report potential suspicious activity;
- We maintain experienced and highly capable compliance teams in each of our key regions who support OFX in ensuring we understand our local regulatory requirements, understand indicators of modern slavery and have effective compliance programs in place;
- Financial crime controls are consistently tracked and discussed at management, executive and Board level; and
- Across our markets we undergo regular independent assessments through audits of our AML programs, banking compliance reviews and regulatory reviews.

Our actions

Actions taken by the OFX Group to assess and address modern slavery risks – FY2022

The actions within this Modern Slavery Statement have been shaped by our assessment and prioritisation of our modern slavery risks based on the work carried out in FY2021.

In FY2022 we reassessed the modern slavery risks in our supply chain and made significant progress to address the actions identified last year:

Action Item	Action to be taken	FY2022 Status
Industry engagement and best practice	We are exploring being part of a Financial Sector Modern Slavery Consortium which is being established. The primary aim is to find ways to ensure the supplier enhanced due diligence processes are comprehensive	OFX has been part of a working group to establish a Financial Sector Modern Slavery Consortium and agree the information sharing protocols with already established Modern Slavery consortia such as those for the property and resources sectors
Increased awareness	References to modern slavery and human trafficking are being integrated into relevant internal communications and training which are designed to enhance employee awareness of the available avenues to escalate modern slavery concerns, including sessions delivered to staff on whistleblowing and unusual matter reporting. We are refreshing our modern slavery training to ensure that it is more targeted for each of the relevant jurisdictions in which we operate	The OFX Code of Conduct was updated in July 2021 The Anti-bribery and corruption policy was updated in July 2021 The global Whistleblower Policy is being updated Ensuring internal awareness of Modern Slavery is important to OFX because it is aligned to its ESG commitments and because it ensures staff are alert to and can act on any possible instances of Modern Slavery impacting our clients/vendors
Assessing effectiveness	We will seek feedback from key stakeholders during FY2022 to gain insight into the effectiveness of our actions and inform opportunities for improvement in future reporting periods. This will include tracking participation in general awareness training, updates to policy and procedure documents and outcomes of risk assessments	Tracked participation and feedback on training. 99% of all employees completed the Modern Slavery training within 30 days

Action Item	Action to be taken	FY2022 Status
Enhanced supplier due diligence	<p>During FY2022 those suppliers who have been determined by the OFX Modern Slavery Risk Assessment to be high-risk for modern slavery will be subject to enhanced supplier due diligence. This process entails:</p> <ul style="list-style-type: none"> The supplier will be asked to complete a self-assessment that is designed to assess the suppliers' policies and practices on slavery and human trafficking. We are planning to take additional steps to strengthen the EDD process with the aim of ensuring the HR suppliers actually complete the self-assessment questionnaires. Open source and proprietary systems will continue to be utilised for indication that the supplier may be involved in modern slavery. The supplier's Modern Slavery Statement will be reviewed (if applicable). The supplier is subsequently categorised as 'high-risk – no concern' or 'high-risk – remediation required'. <p>Records of the enhanced due diligence performed will be maintained in a dedicated Register which has already been created</p>	<p>New vendor management platform with Modern Slavery questions and requirements built in. Set up for sophisticated EDD into the future</p> <p>EDD process as applied in our new vendor management process is under review to ensure complete understanding of supplier chain risks for our high-risk supplier</p>
Enhanced engagement with suppliers	<p>OFX is in the process reviewing and updating our Vendor Management Policy. The proposed updates include incorporating the OFX Modern Slavery Risk assessment into the vendor onboarding process</p> <p>This new Vendor Management Policy governs both the initial onboarding of suppliers and any ongoing due diligence, including oversight of vendor management risks, as required</p>	Ongoing work to incorporate modern slavery risk assessments into the vendor management process
Remediation	<p>We are committed to investigating any reported concerns or incidents, and if those concerns are substantiated, taking appropriate steps to address the issues raised. We are also committed to maintaining the integrity of the reporting and investigation processes</p> <p>All substantiated incidents of modern slavery will be formally documented, investigated and reported to the Chief Legal Officer, and at least annually to Audit Risk & Compliance Committee</p> <p>We are committed to being open and transparent should any modern slavery incidents be substantiated and, where possible, we will report on the outcomes and remediation actions in future Modern Slavery Statements</p>	No substantiated instances of modern slavery during the FY22

Effectiveness assessment

We anticipate our operations are susceptible to modern slavery risk

We manage that risk by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and attempt to avoid modern slavery in all environments in which we operate in, regardless of whether the environment or the suppliers with whom we work are more or less vulnerable to modern slavery.

We are committed to continually improving our approach to advancing human rights.

OFX recognises that the risks posed by modern slavery and human trafficking are constantly changing. As such OFX continues to monitor the effectiveness of our approach to preventing modern slavery and human trafficking in our supply chains.

We regularly review and assess the effectiveness of our policies, codes and standards as part of the OFX Risk Management Framework. The details of the FY2022 changes are as set out in detail above in section 6.

Measuring the effectiveness of our actions will help inform the future work plan and activities in relation to modern slavery. This will enable us to identify areas where staff require training, engagement with suppliers could be improved or efficiency improvements can be made to new or existing processes.

Governance and accountability

Human rights risks, including modern slavery, are considered within our broader ESG approach which is described in the [2022 Annual Report](#)

Working Group

The OFX Legal and Compliance teams are tasked with assessing and addressing risks of modern slavery practices across our operations and supply chain. This Working Group continues to oversee the actions required to implement these actions.

Implementation

The OFX Legal and Compliance teams are responsible for ensuring ongoing training and awareness raising for OFX employees is in place with respect to modern slavery. The OFX Legal and People & Culture teams are responsible for managing cases of any breach of the Code of Conduct.

CLO and COO

The Chief Legal Officer and the Chief Operating Officer report as required into the Audit Risk and Compliance Committee.

ARCC

The Audit Risk and Compliance Committee manage the risk of modern slavery in accordance with the OFX Risk Appetite and report to the OFX Board.

Board

The OFX Board are ultimately responsible for oversight of OFX's risk.

Consultation with the OFX Group of companies in preparing this statement

OFX's global operating model means that, in most cases, a single supplier is used for supply in connection with OFX Group operations irrespective of the jurisdiction. This global operating model also means that the executive with oversight of a particular function has visibility to all relevant suppliers irrespective of the entity that is procuring the relevant goods or services.

While legislative obligations relating to modern slavery and human trafficking may only apply to certain entities within the OFX Group, OFX recognises that as a truly global business servicing customers globally and as a significant purchaser of goods and services we have a responsibility and opportunity

to help eradicate modern slavery and human trafficking. As a result, OFX addresses modern slavery compliance at a global level.

Our Global Executive Team assisted to compile and endorse this statement.

The OFX Board Audit Risk and Compliance Committee retains oversight of our human rights and modern slavery risks through our Risk Management Framework.

The OFX Group Limited Board approved this statement on 14 September 2022 and committed to review it again in FY23.

Signed



Patricia Cross
Chair and Non-Executive Director

14 September 2022



Skander Malcolm
Chief Executive Officer and
Managing Director

14 September 2022



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