

# Joint Modern Slavery Statement 2024

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*Acknowledgement of Country : In the spirit of reconciliation, AFG acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.*

## Joint Modern Slavery Statement 2024

This Modern Slavery Statement is a joint statement (this **Statement**) made by Australian Finance Group Ltd (**AFG**) and Australian Finance Group Securities Pty Ltd (**AFG Securities**) under section 14(1) of the *Modern Slavery Act 2018* (Cth) (the **Modern Slavery Act**).

AFG and AFG Securities are each a reporting entity under the Modern Slavery Act.

AFG and AFG Securities published their first Joint Modern Slavery Statement in March 2021 (relating to the financial year ending 30 June 2020).

This is AFG and AFG Securities' fifth Modern Slavery Statement. It sets out the actions taken during the financial year ended 30 June 2024 (**FY24**) by AFG and AFG Securities to ensure that modern slavery practices are not taking place within our organisation or our supply chains.

In FY24 our approach to Modern Slavery remained consistent with previous years. Throughout the FY24 we have focused on:

- continuing our commitment to identifying, assessing and addressing modern slavery risks in our supply chains;
- reviewing and analysing the actions of our peers in addressing modern slavery risks, to assist with identifying any opportunities for improvement;
- embedding our Supplier Code of Conduct, which was developed in FY23, outlining expectations of our suppliers in relation to human rights;
- extension of our modern slavery due diligence and audit process to incorporate our fully owned subsidiary BrokerEngine (comprising Mortgage Processing Software Pty Ltd and Mortgage Broker Services Pty Ltd). This follows the integration in FY23 of majority owned subsidiary Fintelligence (comprising National Finance Alliance Pty Ltd, Fintelligence Pty Ltd, Credit Concierge Pty Ltd, Zebrafi Pty Ltd and Broli Finance Pty Ltd);
- ensuring, where possible, that new and any existing supply arrangements that have been renegotiated specifically refer to the modern slavery laws;
- our Management Sustainability Committee ensuring that modern slavery is within its governance stream;
- conducting a targeted risk assessment on modern slavery within our existing operations and supply chain;
- mandatory training for AFG employees at induction on modern slavery risks, followed by annual refresher training; and
- offering training on modern slavery risks to AFG brokers through our online training platform. We also require brokers who outsource services to an offshore vendor to provide us with details about the vendor's own policies and procedures in relation to modern slavery. Where available, these policies and procedures are reviewed to ensure they meet our expectations.

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AFG is a values-driven organisation that is committed to operating ethically and sustainably. Fundamental to that is treating people with utmost care and respect, and we are committed to upholding internationally-recognised human rights, which include freedom from all forms of modern slavery.

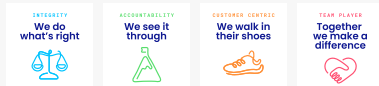
AFG therefore takes actions to help combat all forms of modern slavery.

This approach to stamping out exploitation and caring for people is at the core of our “I ACT” values (Integrity, Accountability, Customer and Team Player) and supports our commitment to the United Nations Sustainable Development Goals, particularly Goal 8 (Decent Work and Economic Growth), Goal 10 (Reduced Inequalities) and Goal 12 (Responsible Consumption and Production).

By integrating these values and goals into our operations, we strive to create a safe, fair, and sustainable environment for all.”

**Greg Medcraft**

Chair, AFG

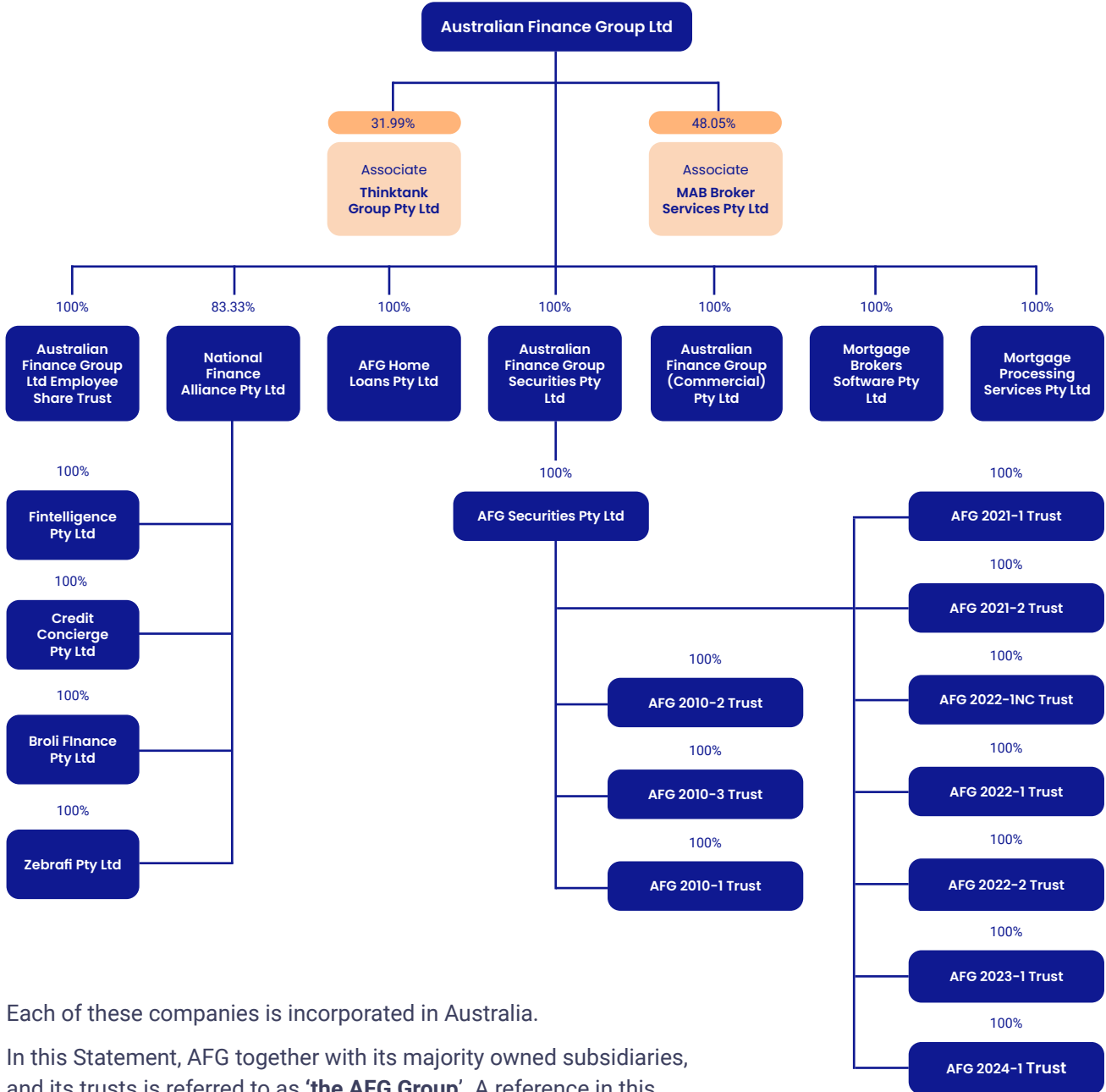


# 1. Structure of AFG and AFG Securities

AFG and AFG Securities are companies incorporated in Australia. AFG is listed on the Australian Securities Exchange. AFG Securities is a wholly owned subsidiary of AFG.

The following other companies and trusts also form part of the corporate structure of the AFG Group:

## AFG Group structure as at 30 June 2024



Each of these companies is incorporated in Australia.

In this Statement, AFG together with its majority owned subsidiaries, and its trusts is referred to as **'the AFG Group'**. A reference in this Statement to 'we' or 'our' is a reference to the AFG Group.

AFG also holds minority interests in Thinktank Group Pty Ltd and MAB Broker Services Pty Ltd. These companies are not within the scope of this Statement.

## 2. Process of Consultation

AFG is committed to developing and maintaining a group-wide response to modern slavery. AFG prepared this joint Statement in consultation with AFG Securities and each of the controlled entities listed in Section 1 above.

AFG consulted with AFG Securities, through a modern slavery working group, which is also part of the AFG Management Sustainability Committee. Modern slavery is a standing item on the quarterly agenda of the Management Sustainability Committee meetings. Separate, more focussed Modern Slavery meetings are also held outside this forum.

The working group represented key areas of the AFG Group's business including risk, finance and legal, together with key personnel including senior management.

The personnel forming part of the working group operate across all business functions for AFG and AFG Securities. The consultation process involved consideration of the modern slavery risks across the AFG Group, considering ways to improve our processes, reviewing the supplier due diligence procedure, reviewing modern slavery training and preparation of this Statement.

## 3. AFG Group Operations

As at 30 June 2024, the AFG Group, employed 317 people.

Currently the AFG Group's operations, all its offices and employees are located in Australia.

The AFG Group's head office is in Perth, Western Australia. The AFG Group also has offices and employees located in Sydney, New South Wales; Melbourne, Victoria; Adelaide, South Australia; and Brisbane and the Gold Coast in Queensland.

### 3.1 AFG

AFG is primarily an aggregator - an intermediary between lenders and mortgage and finance brokers. AFG facilitates brokers accessing loan and finance products (residential mortgages, commercial loans, asset finance products and personal loans) from a range of lenders for their customers. As at 30 June 2024 the AFG Group had more than 4,000 affiliated brokers throughout Australia who have entered into contracts for our services.

AFG's services include facilitating access to over 10,000 finance products from a panel of over 80 lenders.

AFG also provides business tools, support and technology platforms to its brokers to assist with running their businesses.

AFG offers own-branded residential and commercial mortgage products to customers of its brokers under its AFG Home Loans and AFG Commercial brands. This includes residential mortgage and commercial loan products. These loans are funded by third party wholesale funding providers.

AFG also makes available to its brokers a range of insurance products for distribution to customers through referrer arrangements with insurers.

### 3.2 AFG Securities

AFG Securities is a securitisation funding business with its primary role being arranging and managing home loans funded by securitised vehicles. The table in Section 4 below provides more detailed information about the operations of the AFG Group.

## 4. Supply Chain

### 4.1 General information

The AFG Group operates from offices located throughout Australia. The supply chain of each entity predominantly consists of goods and services purchased by those offices to operate the AFG Group business.

Key categories of goods and services procured by the AFG Group are predominantly technology services, insurance, residential property valuation, banking and finance, office space, other professional services (including research and analysis, accounting, legal and consulting), human resources, credit bureaus, travel, cleaning, office consumables, hospitality, and catering services.

The AFG Group recognises that there are modern slavery risks across these categories and is committed to identifying and addressing them. The table below summarises the main operations and supply chain of the AFG Group.

Entity / Business	Main Operations	Supply Chain
<b>AFG</b>	Service provider: Aggregation services to mortgage brokers, commercial finance brokers, asset finance brokers and personal loan brokers in Australia.	<ul style="list-style-type: none"> <li>• Technology services including lending platforms, customer relationship management systems, software development services and IT hardware.</li> <li>• Insurance broking services including insurance for professional indemnity, directors and officers, occupational safety and health, cyber security and workers' compensation.</li> <li>• Office space including offices in Perth, Sydney, Melbourne, Adelaide, and Brisbane.</li> <li>• Banking and finance services including deposit taking and lending services provided by Australian banks.</li> <li>• Credit bureaus including Australian consumers' credit history services provided by Australian credit bureaus.</li> <li>• Travel services including domestic and international travel, accommodation and conference management services.</li> <li>• Professional services including accounting, legal, and consulting services.</li> <li>• Recruitment services for employees and contractors provided by Australian recruitment agencies.</li> <li>• Regulatory bodies including ASIC.</li> <li>• Cleaning, office consumables, hospitality and catering services.</li> </ul>
<b>AFG Securities</b>	Originator and servicer of securitised mortgage products to customers in Australia.	<ul style="list-style-type: none"> <li>• Insurance services including lenders' mortgage insurance (LMI) providers.</li> <li>• Residential property valuation including valuation services for Australian residential properties to support secured lending activity.</li> <li>• Mortgage servicing including support and administration services in relation to loan manufacturing and ongoing loan servicing.</li> <li>• Banking and finance including domestic and international lenders to contribute to funding of securitised lending activities.</li> <li>• Technology services including core banking system functionality, lending-platforms and customer relationship management systems.</li> <li>• Professional services including legal, accounting, financial research and analysis and Australian property market analysis.</li> <li>• Credit bureaus including Australian consumers' credit history services provided by Australian credit bureaus.</li> </ul>

Entity / Business	Main Operations	Supply Chain
<b>Fintelligence</b>	Asset finance aggregator	<ul style="list-style-type: none"> <li>• Technology services including finance broking platforms, customer relationship management systems, software development services and IT hardware.</li> <li>• Office space in Gold Coast, Queensland and Melbourne, Victoria.</li> <li>• Insurance broking services including insurance for professional indemnity, directors and officers, occupational safety and health, cyber security and workers' compensation.</li> <li>• Credit bureaus including Australian consumers' credit history services provided by Australian credit bureaus.</li> <li>• Travel services including domestic and international travel, accommodation and conference management services.</li> <li>• Professional services including accounting, legal, and consulting services.</li> <li>• Recruitment services for employees and contractors provided by Australian recruitment agencies.</li> <li>• Cleaning, office consumables, hospitality and catering services.</li> </ul>
<b>BrokerEngine</b>	Software service provider.	<ul style="list-style-type: none"> <li>• Technology services including lending platforms, customer relationship management systems, software development services and IT hardware.</li> <li>• Office space in Brisbane, Queensland.</li> <li>• Insurance broking services including insurance for professional indemnity, directors and officers, occupational safety and health, cyber security and workers' compensation.</li> <li>• Insurance broking services including insurance for professional indemnity, directors and officers, occupational safety and health, cyber security and workers' compensation.</li> <li>• Travel services including domestic and international travel, accommodation and conference management services.</li> <li>• Professional services including accounting, legal, and consulting services.</li> <li>• Recruitment services for employees and contractors provided by Australian recruitment agencies.</li> <li>• Cleaning, office consumables, hospitality and catering.</li> </ul>

The AFG Group recognises that there are modern slavery risks across these categories and is committed to identifying and addressing them. The table below summarises the main operations and supply chain of the AFG Group.

#### 4.2 Outsourcing

During FY24, the AFG Group continued outsourcing arrangements with a number of overseas suppliers related to IT, marketing and employment services. This helped support our requirement for specialist skillsets, extended time-zones and flexible and scalable resource models.

In entering into these contracts prior to FY24, the AFG Group conducted modern slavery due diligence in accordance with its process on each of the contractors. Each contract included a provision regarding compliance with relevant modern slavery laws. AFG will continue to monitor its relationship with each of these contractors.

## 5. Addressing and Assessing Risks of Modern Slavery

### 5.1 AFG Group's Policies and Procedures

The AFG Group does not tolerate any form of modern slavery, including forced labour, human trafficking, the worst forms of child labour, child sex trafficking, bonded labour or debt bondage, domestic servitude or coercion, within our operations or within our supply chain.

The AFG Group is committed to, and supports, fundamental human rights as set out in the Universal Declaration of Human Rights and core International Labour Organisation conventions ratified by Australia, including those relating to forced labour.

The AFG Group is a participant in the United Nations' Global Compact, and is therefore committed to upholding its ten principles (focussed on the areas of human rights, labour, environment and anti-corruption), and actively contributing towards achieving the 17 Sustainable Development Goals. Our work on Modern Slavery is one part of actioning our commitment toward these goals.

AFG strives for continuous improvement and is committed to ensuring that we have the correct policies, systems and processes in place to identify and address any modern slavery issues or risks.

The AFG Group relies on a strong Governance framework and a range of established policies and procedures to ensure that it operates ethically and with integrity in all of our business relationships and to ensure compliance with all relevant laws. These policies are also designed to protect the human rights of our people and manage the potential risk of modern slavery in our business operations and supply chain, and are reviewed and updated as required regularly.

These policies include AFG Group's:

- Risk Management Policy
- Code of Conduct
- Supplier Code of Conduct
- Anti-Bribery and Corruption Policy
- Diversity, Equity and Inclusion Policy
- Whistleblower Policy and Procedure

A copy of each of these policies is available on AFG's website at <https://investors.afgonline.com.au/investor/?page=corporate-governance>.

### 5.2 Risk Management Framework

The AFG Group's Risk Management Framework consists of a Risk Management Policy (referred to in sub-section 5.1), a Management Risk and Compliance Committee, and a Board Risk and Compliance Committee (**BRACC**) (**Risk Management Framework**). The charter of the BRACC (which is available at the website listed above) requires the BRACC to:

- evaluate the adequacy and effectiveness of the AFG Group's identification and management of economic, environmental, and social sustainability risks, and its disclosure of any material exposures to those risks;
- review policies the AFG Group has in place to monitor and confirm compliance with laws and regulations; and
- review the AFG Group's policies and culture with respect to the establishment and observance of appropriate ethical standards.



### 5.3 Due Diligence

As an organisation we review our processes regularly to identify opportunities to improve our systems.

In addition to our policies and procedures and Risk Management Framework we have a Modern Slavery and Anti-Bribery and Corruption Supplier Procedure, which uses a risk-based approach based on product categories and geographical domicile, to assist us to:

- identify and assess potential modern slavery risk and bribery and corruption risk areas in our supply chain;
- mitigate the risk of modern slavery and bribery and corruption occurring in our supply chains; and
- monitor potential risks of modern slavery and bribery and corruption.

Our Modern Slavery and Anti-Bribery and Corruption Supplier Procedure involves, depending on the type of supply contract, a combination of our employees conducting modern slavery and bribery and corruption due diligence, our new suppliers completing questionnaires, and/or audits of our existing suppliers.

If a modern slavery or bribery and corruption issue is identified, our process has in place a procedure for escalation within our organisation. We also ask our suppliers to agree to contractual provisions which require compliance with relevant modern slavery and anti-bribery and corruption laws. In FY24, the Modern Slavery and Anti-Bribery and Corruption Supplier Procedure was extended to Broker Engine's operations, following on from being extended into Fintelligence's operations in the previous year.

In addition to its Modern Slavery and Anti-Bribery and Corruption Supplier Procedure, AFG makes available on our website a Supplier Code of Conduct, which outlines our expectations of suppliers in relation to human rights and areas including the environment.

These processes have been developed over time and continue to be implemented and embedded in our organisation.

During FY24, targeted modern slavery reviews were conducted on 10 existing suppliers (entered into prior to the establishment of the Modern Slavery and Anti-Bribery and Corruption Supplier Procedure), and 17 new/onboarding suppliers, for which the AFG Group had expenditure expected to be worth more than \$100,000 annually and/or is located overseas. No modern slavery issues were identified through this process.

### 5.4 Whistleblower process

AFG has a Whistleblower Policy in place to provide a framework for disclosure by a whistleblower of misconduct within AFG. The policy applies to all current and former AFG officers and employees including permanent employees and to current and former individual suppliers.

The policy encourages reports, via a range of channels, of any misconduct by AFG or its current or former suppliers. Under this policy any whistleblower reports are confidential and secure, and there are protections in place for the whistleblower.

## 6. Actions Taken to Address the Risks of Modern Slavery

The AFG Group's commitment to addressing the risks of modern slavery within its organisation and its supply chain has continued in FY24.

Our approach in FY24 to addressing the risks of modern slavery practices was to:

- **Ensure the risks of modern slavery are embedded in our Risk Management Framework:** Modern Slavery is noted as a risk item on our Risk Register and is reported to the Board Risk Committee.
- **Supplier terms:** We have and will continue to, where practical, insert a standard clause in our contracts with suppliers requiring our suppliers to comply with applicable modern slavery laws.
- **Supplier Code of Conduct:** Our AFG Supplier Code of Conduct is published on our website, which outlines our expectations of suppliers in relation to modern slavery.
- **Modern Slavery and Anti-Bribery and Corruption Supplier Procedure:** We have continued to implement a Modern Slavery and Anti-Bribery and Corruption Supplier Procedure for our supply contracts and extended this procedure to BrokerEngine during FY24, following on from extending to Fintelligence in FY23.  
The procedure guides employees involved in procuring services through the process of due diligence to enable the AFG Group to assess the risk of modern slavery for that supplier. The procedure also includes questions relating to Anti-Bribery and Corruption.
- **Training and awareness building:** All AFG staff are required to complete modern slavery training as part of their induction. During FY24 all staff were required to also complete annual refresher training on modern slavery risks.
- **Broker training:** We have made modern slavery training available to our AFG broker network through our e-learning platform.
- **Broker due diligence:** For brokers looking to outsource services to an offshore vendor, it is now a requirement that they provide details about the vendor's;
  - policies and procedures on minimum labour standards, modern slavery, human rights, ethical training and whistleblowing;
  - memberships to ethical trading, working conditions and/or modern slavery initiatives and charters; and
  - modern slavery track record (ie details about any modern slavery concerns, investigations or breaches of law).
- **Audit:** We have conducted targeted audits of some of our existing suppliers and new suppliers to assess the risk of modern slavery practices. We did not identify any concerns with the suppliers reviewed.
- **Whistleblower process awareness:** We have continued to promote our whistleblower process, through our website and at annual staff training.

- **Integrate modern slavery into sustainability considerations:** We continue to integrate modern slavery considerations into our Management Sustainability Committee’s responsibilities, as shown in the chart below: The Management Sustainability Committee meets a minimum of four times a year and the inclusion of modern slavery on the agenda enables further collaboration and contributions of content to support the AFG Group’s modern slavery efforts, and in the preparation of this statement.



In FY24 we identified, through our compliance department, one potential issue of modern slavery through an offshore technology provider. Following engagement by our legal and risk departments with the supplier, the issue was resolved to our satisfaction. There were no other issues identified.

## 7. Risks of Modern Slavery in Operations and Supply Chains

We have undertaken a risk assessment of our operations and supply chain for FY24.

Based on our assessment, and given the nature of the services provided by the AFG Group, we consider there to be a low risk of modern slavery in our organisation and supply chain. This has not changed since producing our first Modern Slavery Statement in 2021.

Our evaluation is based upon the following:

- we have assessed our modern slavery risks based on the demographics of our suppliers, economic size of supply spend and the nature of the transactions;
- our offices and employees are all located in Australia, which is a low-risk location;
- goods and services we procure are predominantly from countries that have been identified as not high-risk locations;
- where we have entered into contracts with contractors located overseas, we have followed our Modern Slavery and Anti-Bribery and Corruption Supplier Procedure to assess the risk of modern slavery associated with the relevant contractors and we have not identified any suppliers that we consider high risk;
- the goods and services we procure from our direct suppliers are predominantly not high risk; and
- in making procurement decisions we take into consideration the values and reputation of the supplier rather than focusing on price alone.

Where risks do emerge – such as the incident highlighted in section 6 – action is taken to address and remediate the issue.

## 8. Assessing Our Effectiveness

We have achieved the following goals – set at the start of FY24 - with respect to our position on modern slavery for FY24:

- assessing and monitoring the modern slavery risks in our supply chain;
- aiming for new and existing supply arrangements to specifically refer to the modern slavery laws;
- following and further embedding our Modern Slavery and Anti-Bribery and Corruption Supplier Procedure into our organisation;
- integrating the BrokerEngine and Fintelligence businesses into our assessments of modern slavery risks including applying the Modern Slavery and Anti-Bribery and Corruption Supplier Procedure to the supply chains for these business;
- continuing to provide modern slavery training to all new AFG employees at induction, along with annual refresher training.
- providing modern slavery training to brokers who are affiliated with AFG in relation to the risks in their own businesses, and enhancing requirements for those outsourcing services to overseas vendors.

We rely on the AFG Group’s Risk Management Framework to assess our effectiveness.

Our Board Risk Committee conducts quarterly risk analysis and report assessments. As noted in section 6, modern slavery has been included in this process.

## 9. Future Commitments

The eradication of modern slavery in our business and supply chain is an ongoing process, and our focus in FY25 is to continue to develop our response to support actions to combat modern slavery risks.

Over the next year the AFG Group will continue:

- assessing and monitoring the modern slavery risks in our supply chain;
- aiming for new and existing supply arrangements to specifically refer to the modern slavery laws;
- to embed our Modern Slavery and Anti-Bribery and Corruption Supplier Procedure within our business;
- to require all new AFG employees to complete mandatory training on modern slavery at induction, and require all managers and leaders to complete targeted annual refresher training;
- to publish our Supplier Code of Conduct on our website to enable our suppliers to be aware of our expectations about their conduct;
- to integrate human rights and modern slavery considerations into our sustainability considerations; and
- to monitor relevant government and industry guidance on the assessment of modern slavery risks.

We will also focus on:

- embedding our Modern Slavery and Anti-Bribery and Corruption Supplier Procedure to enable us to delve deeper into our supply chains in relation to high-risk goods and services;
- providing modern slavery education and training to brokers who are affiliated with AFG in relation to the risks in their own businesses;
- conducting further risk assessments and due diligence on existing suppliers.

This joint Modern Slavery Statement is made by Australian Finance Group Ltd and Australian Finance Group Securities Pty Ltd, for the financial year ended 30 June 2024. This Statement was approved by the Board of Directors of Australian Finance Group Ltd as the parent entity and is signed by a member of the board on 13 November 2024.



**Greg Medcraft**

Chair, Australian Finance Group Ltd