



OFX Group Limited | 2020

# Modern Slavery Statement



## Our commitment

This Modern Slavery Statement by OFX Group Limited (ACN 165 602 703) (OFX) is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and the Modern Slavery Act 2015 (UK) in respect of OFX and its subsidiaries for the financial year 1 April 2019 to 31 March 2020 (FY2020).

OFX recognises that as a truly global business 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 this 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.

## CEO Statement

Given that we operate globally, more than any other company we are committed to ensuring that human slavery is not part of our supply chain. We do this by putting in place the right policies and other measures to assist us to identify and do what we can to mitigate against modern slavery across our global footprint.

In FY2020, OFX developed its Modern Slavery Action Plan to assess the risk of modern slavery in its supply chain, identifying actions that are outlined in this document. I'm pleased to report that we are already making good headway with actions taken in both FY2020 and into FY2021, along with our longer-term aspirations.





## 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, Toronto and San Francisco to provide global expertise, delivered locally.

OFX has a global supply chain made up of approximately 1,500 direct suppliers, with payments being made by OFX to 494 suppliers in FY2020. The following sectors are considered to be higher risk for modern

slavery in the OFX Supply chain and OFX identified 15 suppliers within these sectors in FY2020:

- 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;



## Our approach

In accordance with the OFX Risk Appetite, OFX has zero tolerance for any form of slavery-like practices within its business and supply chain.

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 it can be indirectly exposed to the risk of modern slavery. 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.

## Modern slavery risks in the OFX Group's operations and supply chains

In FY2020 OFX began the assessment of modern slavery risks in our supply chain and developed a Modern Slavery Action Plan outlining the key actions that will be undertaken to identify and manage the risks of modern slavery on our supply chain. The Modern Slavery Risk Assessment, developed in FY2020 and ultimately approved by the OFX Board on 25 September 2020, identified 15 out of its 494 suppliers in the OFX supply chain as being more at risk of modern slavery directly or indirectly having regard to:

**Industry risk** – Supply of a good or service from an industry where modern slavery may be directly or indirectly present in the supply chain.

**Geographical risk** – Suppliers based in a high-risk geography (based on the Global Slavery Index).

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

## Actions taken by the OFX Group to assess and address modern slavery risks – FY2020

In FY2020 OFX began the assessment of modern slavery risks in our supply chain and developed a Modern Slavery Action Plan outlining the key actions that will be undertaken to identify and manage the risks of modern slavery on our supply chain.

The actions within this Modern Slavery Action Plan have been shaped by our assessment and prioritisation of our modern slavery risks. They are targeted at building capabilities, improving our policies and processes and enhancing engagement with our suppliers.

The Modern Slavery Action Plan identifies the following actions:

**Governance** – Determining the governance structure for modern slavery and human trafficking for the OFX Group to facilitate consultation and preparation of a joint Modern Slavery Statement covering all OFX Group subsidiary reporting entities which meets the requirements of both the UK and Australian Modern Slavery Acts.

**Improving our policies** – Undertaking a gap analysis of the OFX Group's current policies and practices against the requirements of the Australian Modern Slavery Act.

Enshrining OFX's expectations with regard to modern slavery and human trafficking in:

- the OFX Code of Conduct
- the OFX Employee Handbook
- the OFX Modern Slavery Standard
- the OFX Vendor Management Policy

**Contract terms** – Updating OFX supply contract templates to include mandatory anti-modern slavery provisions dealing with:

- compliance with all applicable anti-slavery and human trafficking laws and regulations;
- notification obligations in case of suspected slavery or human trafficking in the supply chain; and
- audit rights to enable OFX to ensure that the supplier is complying with these obligations.

## CONTINUED

# Actions taken by the OFX Group to assess and address modern slavery risks – FY2020

Reviewing all proposed third-party supply contracts to ensure that the terms align to these requirements.

**Training** – Increasing awareness and all OFX staff undertaking training to ensure they understand, can identify and manage modern slavery risks.

**Risk assessment** – Developing a methodology for and implementing a risk assessment of our full supply chain to assess whether we are dealing with anyone who may have some link to modern slavery.

**Enhanced supplier due diligence** – Developing an enhanced supplier due diligence (ESDD) process, applicable to high risk suppliers to enable us to further assess whether they may have links to modern slavery. This will be primarily focussed on the results of a self-assessment to be performed by our high-risk suppliers.

**Grievance feedback mechanism** – Updating the OFX Whistle-blower Policy to provide an avenue for OFX staff to access an externally operated whistle-blower system to escalate any suspicions of modern slavery or human trafficking anonymously.

**Remediation** – Where instances of modern slavery are present in the supply chain and where OFX considers high-risk suppliers are not sufficiently protecting themselves and the supply chain from the risk of modern slavery an appropriate approach will be tailored for the supplier in question.

In addition to assessing risk and developing the Modern Slavery Action Plan outlining the steps that are to be undertaken to address the risk of modern slavery practices in our supply chain, the key items within the Action Plan that were **completed during FY2020** were as follows:

### **Governance structure**

The governance structure for modern slavery and human trafficking for the OFX Group was established with responsibility for this risk being assumed by the Audit Risk and Compliance Committee.

### **Understanding Policies and Procedures**

A gap analysis of the OFX Group's current policies and practices against the requirements of the Australian Modern Slavery Act was undertaken to determine the changes that need to be made to the policies and practices.

### **Contracting**

The OFX supply contract templates were updated to include mandatory anti-modern slavery provisions dealing with compliance, notification obligations and audit rights for OFX to monitor compliance. Suppliers are also required to warrant their compliance with modern slavery legislation.

The OFX Group Vendor management process requires that the OFX legal team review all third-party supply contracts to ensure that similar provisions are included.

## Further progress in FY2021

From 1 April 2020 to date, significant progress has been made in implementing the Modern Slavery Action Plan described above. Highlights include:

### **Built our understanding of modern slavery risk**

In September 2020, the OFX Board approved the first OFX Modern Slavery Risk Assessment.

Going forward, OFX will carry out a full assessment of its global supply chain every two years to assess which parts of OFX's operations and supply chain may involve modern slavery risks.

### **Improvement to policies and procedures**

**Code of Conduct** – The OFX Code of Conduct was revised to enshrine OFX's expectations with regard to modern slavery and human trafficking and to establish consequences for non-compliance by employees and contractors with these standards. This revised Code of Conduct was adopted by the Board in July 2020.

**Modern Slavery Standard** – The Modern Slavery Standard outlines the key elements of the OFX Group's approach to identifying, managing and remediating modern slavery risks in our supply chain. It is applied in addition to standard vendor due diligence conducted on all vendors/suppliers OFX works with. This Modern Slavery Standard was adopted by the Board in August 2020.

**Whistleblower Policy** – In July 2020 the Board approved revisions to the OFX Group Whistleblower Policy to capture anything related to modern slavery within the scope of 'disclosable conduct'.

### **Reporting slavery and human trafficking concerns**

OFX employees have an opportunity to escalate any suspicions of modern slavery which relate to our clients or their payments. Internal communications have been shared with staff to ensure this is understood.

A dedicated anonymous platform is in place for OFX employees to report any concerns or issues.

There have been no instances of concerns relating to modern slavery being raised via the whistle-blower mechanism to date.

## Further planned actions in FY2021

### Increased awareness

OFX is in the process of implementing a new “Modern Slavery” online training course for all staff. By 31 December 2020 all OFX staff globally will have received training on what is modern slavery, the risks and indicators of modern slavery and the legislative expectations. Successful completion of this course will be an ongoing requirement for all OFX employees.

References to modern slavery are also 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.

### Enhanced supplier due diligence

Before the end of FY2021 it is intended that 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 three-step process entails:

1. 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.
2. Open source and proprietary systems will be reviewed for indication that the supplier may be involved in modern slavery.
3. The supplier is subsequently categorised as ‘high-risk – no concern’ or ‘high-risk – remediation required’.

Records of the enhanced due diligence performed will be maintained in a dedicated Register which has already been created.

### Enhanced engagement with suppliers

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.

We have nominated a position to be responsible to operationalise the new Vendor Management Policy and project manage the vendor management procedures globally, including the initial onboarding of suppliers and any ongoing due diligence as required.

### Remediation

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.

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.

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.

## Our aspirations

We recognise that attempting to eradicate modern slavery requires an ongoing commitment. Looking ahead we plan to progress the following initiatives:

- Engage with suppliers in the highest risk profile groupings to assess exposure to modern slavery practices; and
- Consider the benefits of a stand-alone human rights policy to expressly articulate our approach to human rights and modern slavery.

## How OFX assesses the effectiveness of actions taken

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.

## Internal governance

Human rights risks, including modern slavery, are considered within our broader governance framework which is described in the OFX Annual Report.

**Working Group** – In FY2020 we established a cross-functional Modern Slavery Working Group tasked with assessing and addressing risks of modern slavery practices across our operations and supply chain. This Working Group established the Modern Slavery Framework and 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 may only apply to certain entities within the OFX Group, OFX recognises that as a truly global business and as a significant purchaser of goods and services we have a responsibility and opportunity to help eradicate modern slavery. As a result, a decision has been taken to apply all elements of the Modern Slavery Action Plan globally.

Our Global Executive Team has been involved in the compilation and endorsement of this statement for approval by the Board.

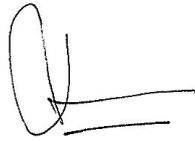
The OFX Board Audit Risk and Compliance Committee will retain oversight of our human rights and modern slavery risks through our Risk Management Framework.

**This statement was approved by the Board of OFX Group Limited on 2 November 2020 and will be reviewed and updated annually.**

Signed



**Steven Sargent**  
Chairman



**Skander Malcolm**  
Chief Executive Officer and  
Managing Director

