

Lonsec



Lonsec Group Modern Slavery Statement

Financial Year 2024

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Purpose

Modern Slavery is a crime and violation of human rights and is defined under the Australian Modern Slavery Act 2018 (the Act) as including eight types of serious exploitation:

- trafficking in persons;
- slavery;
- servitude;
- forced marriage;
- forced labour;
- debt bondage;
- deceptive recruiting for labour or services; and
- child labour.

Lonsec is committed to operating in line with the highest standards of ethical conduct, behaviour and respect for human rights. We strive to create an environment which allows all of our people to achieve their full potential. We believe in fostering an environment that is free from any form of slavery or forced labour.

Lonsec is also committed to ensuring there is transparency in its approach to tackling Modern Slavery throughout its business and supply chains, consistent with its disclosure obligations under the Act.

Our Values

Our values are an essential part of who we are, helping inform our vision as a business, as well as defining how we work with our clients and each other. We believe strongly in responsible action, supporting the integrity of the financial services industry, and maintaining the highest standards of professional and ethical conduct.

Independent thinking	We never compromise on quality or objectiveness to deliver trusted, high conviction insights
Integrity	We stand behind our promises and always do the right thing by our people and client
Client focus	Our culture puts the client at the core and focuses on helping them achieve their goals
Innovation	We anticipate market needs and opportunities and develop contemporary solutions
Collaboration	We build great relationships and work in partnership with our clients and colleagues

To achieve this, we expect all of our team to adopt the following behaviours and conduct.

- comply with relevant laws, regulations, internal policies and processes that govern our business.

- do the right thing and act with honesty, integrity and due care and skill in all our dealings with our colleagues, customer and suppliers.
- ensure all financial and business reports are prepared fairly and accurately, in compliance with any applicable legal requirements and accounting standards.
- put the customer and Lonsec ahead of personal interests and identify, declare, record and appropriately manage conflicts of interest.
- not make any statement or publication which disparages, or could adversely affect the reputation of, the Lonsec Group, any Lonsec Group company and/or any of their employees, officers or clients

Our Business Structure

Lonsec takes a group-wide approach to managing modern slavery risks in its operations and supply chain. This is a joint Statement made by Lonsec on behalf of itself and those subsidiaries. The subsidiaries of Lonsec Holdings Pty Ltd are;

- Lonsec Research Pty Ltd
- SuperRatings Pty Ltd
- Lonsec Investment Solutions Pty Ltd
- Lonsec Fiscal Pty Ltd
- Lonsec Wealth Pty Ltd
- Implemented Portfolios Pty Ltd
- Lonsec Connect Pty Ltd (non-operational)
- ORTC Protect Pty Ltd

Our core operations are performed from our registered office located at Level 39, 25 Martin Place, Sydney NSW 2000. We employ approximately 160 staff, and these staff members are situated nationally across our offices in New South Wales, Victoria and South Australia.

Lonsec supports a hybrid work environment between office and home-based working. We are supported by a diverse range of contractors and suppliers.

Our Operations

Founded in 1994, Lonsec has grown to become a pre-eminent Australian provider of investment research, product ratings and managed account solutions.

Lonsec helps connect clients with tools, data and actionable insights that support real value delivery whilst meeting their regulatory and best interest obligations.

Overview of Lonsec's Offerings

Lonsec Research

- market leader in independent investment insights
- our core competencies are research, ratings, data and differentiated insights
- recognised as the best in the market (Adviser Ratings)
- as gatekeeper, plays a key role in distribution and quality control for advisers

SuperRatings

- SuperRatings® provides superannuation product ratings and insights
- Strong market penetration supporting Australia's leading superannuation funds

Investment Solutions

- Portfolio management of managed accounts (IMAs & SMAs) including design, construction and rebalancing
- B2B consulting services providing tailored model construction solutions.
- Award winning, high growth managed account solutions that consistently outperform benchmarks and deliver clear value add to advisers and clients.
- Managed discretionary account provider.

Our core market facing offerings are supported by our shared services functions including finance, information technology, people & culture, risk and compliance and legal.

Information relating to our products and services is available on our website;

- <https://www.lonsec.com.au>; and
- <https://implementedportfolios.com.au>

Our Supply Chain

We have identified more than 120 suppliers that support us in operating our business across Lonsec and each of its subsidiaries. Whilst these suppliers are primarily located in Australia, we also work with suppliers from a number of countries that include the United States of America, the United Kingdom and countries in Europe. We are also aware that some of our suppliers have relied on their counterparts in other jurisdictions to support their local operations.

The types of goods and services that we procure include:

- investment data;
- software and IT services;
- financial services (for example, trading and sub-custody services);
- investment consulting;
- insurance; and
- Premises (office accommodation)

We also procure services from professional service providers such as legal services, taxation advice, accounting and auditing services.

In addition, we have several indirect suppliers, including IT hardware, office supplies, cleaning services and facilities management for our offices located in Australia.

We engage our material service suppliers following comprehensive due diligence and enter into formal contractual arrangements with them on terms that reflect the extent and nature of the services provided.

Typically, a relationship manager is appointed in respect of material service providers and monitoring and oversight arrangements are implemented for all material service providers. To assist with the identification, monitoring, and supervision of suppliers, we have a centralised supplier database.

Our Approach to Managing Modern Slavery Risks

As a financial services institution we acknowledge that there may be areas of modern slavery risks across our operations and supply chains. We recognise that an exposure to modern slavery risk could negatively impact our brand and reputation and may breach of our Code of Conduct.

We take responsibility for managing modern slavery risk through our operations and supply chains by applying a risk-based approach to identify, assess, manage and mitigate these risks. We are committed to regularly reviewing and further strengthening our approach to the management of modern slavery risk.

Identifying And Assessing Risk Exposure

Lonsec understands the importance of working collaboratively with our employees, suppliers and the broader industry to combat modern slavery risk. This guides our approach to identifying risk, including the potential for us to cause, contribute to, or be directly linked to adverse human rights impact.

We perform a risk assessment to understand and identify where our potential to cause, contribute to or be directly linked to modern slavery is most likely to arise across our operations and supply chain. This assessment is reviewed annually.

Risk exposure by	Risk management comments
Sector / Industry	The large majority of suppliers fall within the professional technology and financial services industry in Australia. These sectors typically carry a low level of risk associated to modern slavery practices.
Product / Service	Risks associated with a specific product or service were assessed as low for the period. This is predominantly as a result of the profile of our core suppliers who specialise in technology, software, financial services, and professional services. We have minimal exposure to suppliers with cyclical production and/or high-risk raw material usage to manufacture the products and services that we consume
Geographic	The large majority of suppliers are headquartered in Australia, and as such our geographic exposure risk to modern slavery practices is deemed low. The remaining portion of suppliers are predominantly based in Canada, the USA, United Kingdom and Europe.
Specific entity	There are no specific entities identified that we deemed as having significant risks associated with modern slavery practices

During FY23, we have undertaken a number of steps to assess and address modern slavery in our operations and supply chains, including:

- Conducted a risk assessment of each of our suppliers to identify potential for modern slavery risk
- Conducted a more detailed assessment of any suppliers or relationships that were deemed higher risk
- Provided information and awareness to key oversight bodies within the Lonsec Group, including our Group Executive, Committees and Boards.

Highlights from FY23

We recognise that our approach to assess and address the risks of modern slavery in our operations and supply chains will continue to evolve. Whilst this is inaugural Modern Slavery Statement, we have:

- Established 'ESG' as a key risk in the Group Risk Taxonomy to enhance our focus on material sustainability risks;
- Enhanced our supplier screening and monitoring processes in relation to modern slavery risks;
- Our sustainability governance committee, amongst other functions, support the monitoring of modern slavery risk within the business and with our key suppliers; and
- Implemented reporting of any concerns or suspicions related to modern slavery within our organization or supply chain.

Our Commitment

Lonsec recognizes that eradicating modern slavery is an ongoing challenge, but we are fully dedicated to doing our part. By implementing appropriate policies and procedures, working together with our employees, suppliers, and partners, we aim to create a world where every individual is treated with dignity, fairness, and respect.