

Keystart Loans Limited

(ABN 27 009 427 034 | Australian Credit Licence 381437)

Modern Slavery Statement 2024

We wish to acknowledge the Traditional Custodians of the land we operate on, the Whadjuk people of the Noongar nation. We also wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and region.



Message from our Chief Executive Officer

Our vision at Keystart is to make the dream of affordable home ownership a reality for more people.

The right to housing is more than shelter, it encompasses access to affordable and secure homes that help individuals and families live happy and healthy lives. This is more important than ever, as the journey to home ownership has become more challenging, including through increased costs of living, increased building costs and higher interest rates.

Despite these challenges we consider ourselves lucky to live and work in Western Australia, and as a business and non-listed public company we constantly reflect on our role to uplift and protect members of our community.

We recognise our duty to respect the International Bill of Human Rights, and our responsibility as an employer to respect the International Labour Organisation Core Conventions.

We acknowledge our business impacts the lives and fundamental rights of people in Western Australia and beyond. This includes the risk of links between our business and modern slavery and human rights issues, through our products or our general corporate operations. The decisions we make and the suppliers we choose to deal with can affect the risk that a person becomes a victim of modern slavery.

It can be difficult to identify perpetrators and even the victims of modern slavery. The size of Keystart also means we have limited leverage in the markets and industries we operate. Despite these challenges it is important – and consistent with our purpose and culture – that we continue to improve our practices to better address the risks of modern slavery.

We are pleased that, as shown in this statement, we have continued to take meaningful steps towards better identifying and addressing the risk of modern slavery in the past financial year.

A handwritten signature in black ink, appearing to read "Mark Tomasz", with a horizontal line underneath.

Mark Tomasz
Chief Executive Officer

This statement was approved by the board of Keystart Loans Limited, as trustee for the Keystart Housing Scheme Trust, in its role as principal governing body on 26 November 2024.

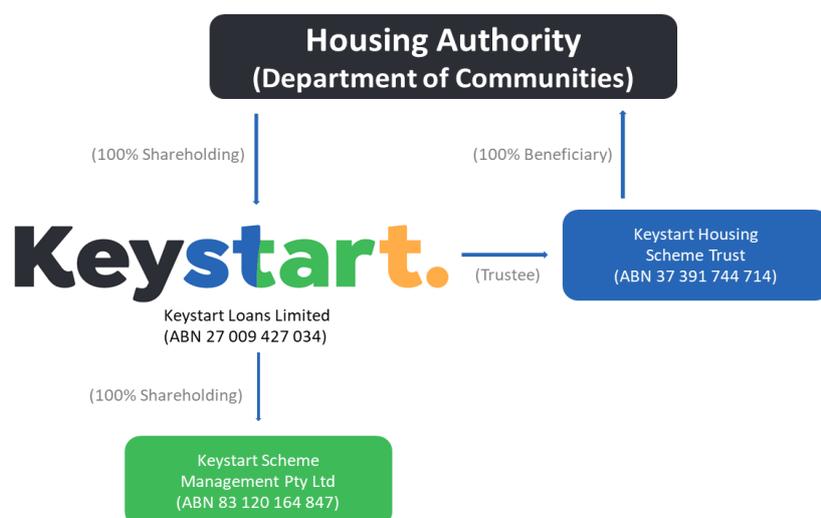
1. Reporting entity

This statement is prepared on behalf of Keystart Loans Limited (ABN 27 009 427 034), together with its controlled entities, as trustee for the Keystart Housing Scheme Trust (ABN 37 391 744 714) (**Keystart Trust**) (**Keystart, our or we**).

This statement outlines our actions to identify and mitigate the risk of modern slavery occurring in our business and supply chains, over the financial year ending 30 June 2024 (**FY24**). This statement has been prepared to comply with the requirements of the *Modern Slavery Act 2018* (Cth) (**Act**).

2. Reporting entity's structure, operations and supply chains

Structure



Keystart is a non-listed public company incorporated under the *Corporations Act 2001* (Cth) and regulated by the Australian Securities and Investments Commission. Keystart holds an Australian Credit Licence under the *National Consumer Credit Protection Act 2009* (Cth).

Keystart Trust is a trust established to provide housing finance to eligible borrowers. The Housing Authority (Department of Communities) is the sole beneficiary of the Keystart Trust, and 100% shareholder of its trustee, Keystart.

Keystart Scheme Management Pty Ltd (**Keystart Management**) is a subsidiary of Keystart and performs operational functions (including the employment of Keystart employees) associated with the performance of Keystart's role as trustee for the Keystart Trust.

Operations

Our mission is to provide transitional finance solutions for affordable home ownership in a sustainable way for the benefit of our Western Australian community.

Established in 1989 as an initiative of the Government of Western Australia, we provide low deposit home loans to West Australians unable to meet the deposit requirements of mainstream lenders.

We do this through providing a range of loans that have low entry costs, with low deposit requirements and no lender's mortgage insurance, to support West Australians to get into their own home sooner.

We also facilitate shared ownership home loans, working with a range of partners that fund a portion of the purchase price of a house. This means the customer only requires a loan for the remaining share of the property, reducing the loan amount.

We have arrangements with other organisations to provide broader access to home loans for West Australians.

Examples of the above arrangements include:

- Managing a portfolio of home loans for Bendigo Bank following an equitable assignment of these loans to Bendigo Bank in September 2016; and
- An arrangement with the Housing Authority (Department of Communities) to provide shared-ownership home loans. and

We raise funds for our lending and operations through the issue of redeemable preference shares to the Housing Authority (Department of Communities). We provide our loans directly to customers and through a network of mortgage brokers.

Our office is located at Level 3, 502 Hay Street, Subiaco, Western Australia 6008. We employ 143 people working across seven business areas:

- Credit Decisioning;
- Credit Management;
- Customer Experience;
- Finance;
- Information, Communication and Technology;
- Legal and Risk; and
- Organisational Capability.

As a non-listed public company under the *Corporations Act 2001* (Cth), an independent board of directors oversees our operations.

Supply chain

We engage a broad range of suppliers to help enable our business and assist our staff to remain connected and engaged with our customers.

Most of our supplier arrangements are stable long-term relationships governed by a contract. For regularly used services including recruitment, property services, marketing, legal and valuation services we look to establish panel arrangements with several suppliers for a term of three to five years. However, when the need arises, we do engage suppliers on a short-term basis or for one-off purchases.

The main types of goods and services we purchase to support our operations are in the following areas:

- Office stationery;
- IT hardware;
- IT software;
- Consulting services (e.g., audit, legal, software development and support, recruitment and professional services);
- Marketing services (e.g., graphic design, web design and merchandise); and
- Property services (e.g., real estate services and maintenance).

3. Risk of modern slavery

Higher risk goods and services

During FY24 we used 202 suppliers, comprising of 184 existing suppliers used in previous financial years and 18 new suppliers.

Due diligence was completed for all 18 new FY24 suppliers, based on a combination of:

- supplier responses to our modern slavery questionnaire;
- a review of each supplier's own disclosures, including modern slavery statements for those suppliers that are reporting entity; and/or
- information publicly available on suppliers from third party sources such as Know the Chain and the Business & Human Resources Centre.

Consistent with previous years, there were four areas of higher risk identified across the goods or services we purchase. We used a total of 25 suppliers in these higher risk areas in FY24, as set out below:

- **IT hardware (6 suppliers)**
 - geographic risk due to production location of laptops, computers and mobile phones;
 - product risk due to use of products associated with risk of forced labour, e.g., laptops, computers and mobile phones.
- **Property services (6 suppliers)**
 - sector risk due to use of low skilled workers and hazardous work;
 - supply chain risk due to use of sub-contracting;
 - product risk due to use of products associated with risk of forced labour, e.g., bricks and timber.
- **Marketing services (5 supplier)**
 - geographic risk due to production location of apparel and merchandise;
 - product risk due to use of products associated with risk of forced labour, e.g., apparel and clothing accessories.
- **Fresh fruit and coffee (8 suppliers)**
 - sector risk due to use of seasonal and low skilled workers;
 - product risk due to use of products associated with risk of forced labour, e.g., coffee;
 - geographic risk due to production location.

Of the 25 suppliers in these higher risk categories, 2 were new suppliers in FY24 and required due diligence, which was completed prior to on-boarding them as new suppliers.

While acknowledging that level of spend is not an indicator of the risk of modern slavery, our spend on the above suppliers is minor as a proportion of procurement spend.

Geographic risks

Whilst most of our suppliers are based in Australia, during FY24 we also used suppliers based in the USA (12 suppliers), New Zealand (2 suppliers) and the European Union (3 supplier).

Based on the nature of the services provided (consulting services, software licences and software as a service) and the level of modern slavery risk for each country, we consider these overseas suppliers to be low risk.

Limitations on our understanding of risk

While we are not aware of any incidents of modern slavery relating to any of our suppliers, this does not conclusively mean there is no modern slavery in our supply chain.

We are still encountering difficulties in obtaining the necessary information from a small number of our existing suppliers, in order to complete our modern slavery due diligence. However, in mitigation of this risk we have confirmed that none of the supplies are of goods or services in higher risk areas or from suppliers based in higher risk locations.

We also acknowledge that we currently have limited direct visibility over second tier and beyond suppliers.

Lastly, although Keystart has taken action to increase its visibility on credit card spend for modern slavery purposes, as this was identified as a limitation in our previous statement, Keystart's FY24 credit card spend analysis only includes a consideration of IT related suppliers used and solely paid for by credit card. These IT related suppliers accounted for the majority of credit card spend in FY24. While acknowledging level of spend is not an indicator of the risk of modern slavery, spend using credit cards is minor compared to our overall procurement activities.

4. Actions to address risk

In our previous statement we expressed an intention to commence a range of initiatives in support of identifying and managing modern slavery risk. These initiatives, and the progress towards them during FY24, were as follows:

Initiative	Outcome
Perform a high-level risk assessment on all current suppliers (beyond tier one or direct) to better understand any additional aspects of risk to inform our modern slavery strategy	The results of this work are set out above in <i>Section 3 Risk of Modern Slavery</i> . In FY24, we created a modern slavery risk assessment as part of vendor due diligence to enable the performance of risk assessments on new suppliers and on-going assessments of existing suppliers. In FY25, we aim to implement this process.
Engage with suppliers to ensure modern slavery due diligence is completed	The results of this work are set out above in <i>Section 3 Risk of Modern Slavery</i> . We continued to engage with our suppliers, where possible, in relation to modern slavery and provided additional support to those suppliers who required it.

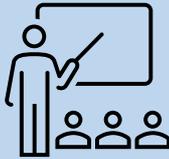
In addition to the above, we took several other actions during FY24 in support of identifying and managing modern slavery risk:



We drafted an improved vendor due diligence form. This draft form is captured in an online form, with its results captured and stored online to ensure greater accessibility and compliance.



We began a process of collating all our supplier contracts into one system. This system includes a data point to identify whether each contract contains a modern slavery clause.



During FY24 we continued to provide staff-wide training on modern slavery through our learning management system as part of on-going risk and compliance training and at our whole of business showcases/ presentations. We also completed a review of policy and process which identified improvements to be implemented during FY25 to ensure greater oversight of modern slavery and other risks.

5. Assessing the effectiveness of our actions

During FY24, our focus was to further develop our processes to enhance our visibility around how modern slavery risks could be present in our operations and supply chains. We did this through the actions discussed in the previous section. We also maintained a modern slavery working group, made up of representatives from across the business, to track the progress of actions.

At this stage, due to having a limited dataset, it remains difficult to assess the effectiveness of measures we have undertaken, however, as a result of our enhanced due diligence process, we did not proceed with procuring a new service from 1 high risk supplier based on the results of the modern slavery due diligence we undertook.

During FY25, we are committed to continue working on implementing and developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address or mitigate modern slavery risks in our operations and supply chains. We intend to achieve this through additional measures including:

- Implementing the new vendor due diligence form which contains risk assessments for each individual segment and an overall risk rating aligned to our Risk Management Framework;
- Recording the number of contracts that include modern slavery clauses, and those contracts that do not have such clauses and mitigate this risk through the use of more frequent modern slavery due diligence;
- The completion of revised modern slavery due diligence as part of the consideration of all new and existing suppliers; and
- The investigation and management of any complaints relating to modern slavery or human rights impacts more broadly, including as disclosed through whistleblowing.

Our limited dataset is the result of having a relatively small number of suppliers than may be typical of other modern slavery reporting entities in the financial services sector. We also have a relatively stable list of suppliers, with low turnover, which further limits the insights we can gain from our dataset.

6. Consultation

This statement was prepared with the benefit of consultation with Keystart Management, the one entity we own and control. All persons contracted by us to carry out our business are employed by Keystart Management. Our board and the board of Keystart Management consist of the same individuals. As such, Keystart Management was actively involved in all matters covered by this statement throughout FY24 and in the preparation of this statement.