



Australia and UK Joint
Modern Slavery and Human
Trafficking Statement 2022

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Overview



This Modern Slavery and Human Trafficking Statement 2022 (**2022 Statement**) is made in accordance with the *Australian Modern Slavery Act 2018 (Cth)* (**Australian Modern Slavery Act**) and the *Modern Slavery Act 2015 (UK)* (**UK Modern Slavery Act**). This is ColCap's third Modern Slavery Statement under the Australian Modern Slavery Act and our first under the UK Modern Slavery Act. It covers the period 1 January 2022 to 31 December 2022.

The 2022 Statement is prepared on behalf of ColCap Financial Ltd ACN 650 487 353 (**ColCap**) as the ultimate holding company of ColCap's subsidiaries and controlled entities listed in Appendix 1 (**ColCap Group**). The ColCap Group includes certain UK-domiciled entities, including ColCap Financial UK Limited (Company Number: 14127877) (**ColCap UK**), Molo Tech Ltd (Company Number: 10510180) (**Molo**) and their owned and controlled entities. The Board of Directors of ColCap is the ultimate governing body of the ColCap Group.

This Statement is a joint statement made on behalf of the Australian Modern Slavery Act and UK Modern Slavery Act reporting entities. Unless expressly stated otherwise, references to 'we', 'us' and 'our' refer to the ColCap Group as a whole. We operate as a non-bank lender and buy-to-let lender that specialises in residential and commercial mortgage secured loans. In addition, in the United Kingdom (**UK**) we act as an online mortgage lender with an automated proprietary digital platform focusing on frontend origination.

This 2022 Statement outlines the actions taken by the ColCap Group to identify, assess and mitigate modern slavery and human trafficking risks in its operations and supply chains over its 2022 financial year. In preparing the 2022 Statement, we engaged and consulted with each of the entities covered by this Statement.

Introduction



As a large non-bank financial services provider, buy-to-let lender, employer, investor, purchaser, and community member, ColCap recognises that we have an important role to play in respecting and advancing human rights and protection against modern slavery in the jurisdictions in which we operate, namely as a non-bank lender in Australia and the United Kingdom, and in the Philippines where certain back-office services are provided.

We appreciate that modern slavery and human trafficking is evolving, and we need to be continually mindful of the many forms that it can be presented in such as:



forced marriage



debt bondage



forced labour
child labour



slavery



servitude



deceptive labour
and services



human trafficking

ColCap's Operations



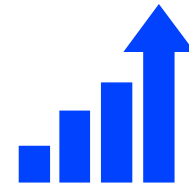
ColCap, via its wholly owned subsidiaries and its special purpose funding-controlled entities operates as a non-bank lender and buy-to-let lender that specialises in residential and commercial mortgage secured loans. ColCap provides prime loans and has a loan portfolio in excess of \$12 billion.

In Australia, ColCap has a wholesale distribution arm that provides primarily residential mortgage loans originated by Mortgage Managers under their white label brands. Homestar Finance Pty Ltd is ColCap's Australian retail mortgage management businesses that provide loans directly to retail consumers which includes loan products for owner occupied and investment purposes as well as SMSF and construction loans.

Granite Home Loans Pty Ltd is a funder of residential mortgage loans originated primarily through mortgage aggregators and mortgage broking groups.

\$12B

Loan portfolio in excess of \$12 billion



The following licenses issued by the Australian Securities and Investment Commission (ASIC) are held by subsidiaries of ColCap:



Columbus Capital Pty Ltd
ACN 119 531 252, Australian Credit
License number 337303 and Australian
Financial Services License number
337303



Homestar Finance Pty Ltd
Australian Credit License number
390860



Granite Home Loans Pty Ltd
Australian Credit License number
516104

ColCap's Operations



ColCap UK is a UK domiciled non-bank financial services provider that was incorporated in May 2022, ultimately fully owned by its Australian parent ColCap Financial Limited. ColCap UK was established in the UK to engage in the UK mortgage lending activities, initially targeting Buy-to-Let mortgages and in time may provide regulated mortgages.

ColCap UK acquired 80% shareholding of Molo, a UK based digital mortgage lender offering Molo-branded mortgage loans direct to borrowers and through intermediaries, on 28 February 2023.

The ColCap Group's business is funded through a combination of bank balance sheet warehouses and wholesale term capital market transactions (securitisation transactions) as well as fees it receives in its various products and services in the securitisation transactions.

Both the Australian and UK operations are supported by administration services provided by ColCap staff employed in the Philippines.



ColCap UK acquired 80% shareholding of Molo Tech Ltd on 28 February 2023

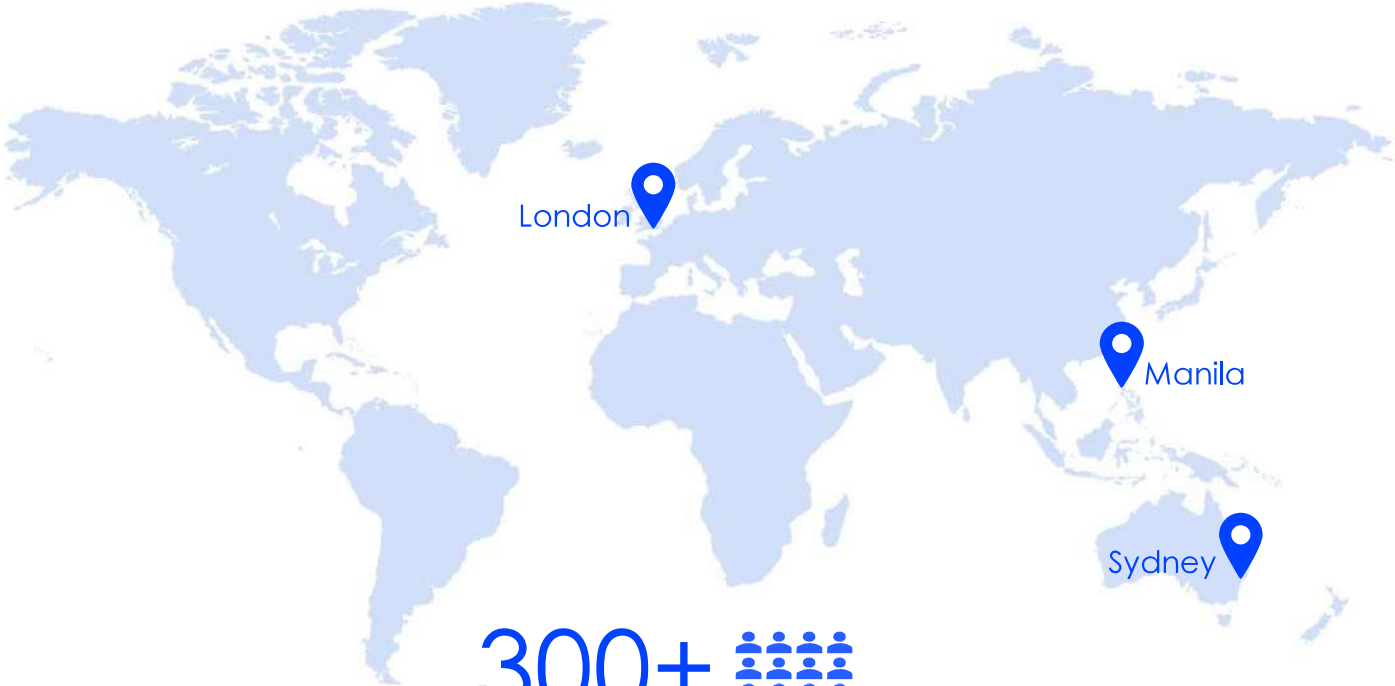
As a result, all owned and controlled entities by ColCap follow ColCap's modern slavery expectations and approach in mitigating modern slavery risks and the Board of ColCap approves this Modern Slavery Statement.

Employees



ColCap has approximately 300 employees located in Australia, United Kingdom and the Philippines. Our office in the Philippines provides administrative and back-office client services to ColCap customers of both the Australian and UK businesses.

In financial year 2022, ColCap reviewed its remuneration practices to ensure that all staff entitlements were provided in accordance with legislative provisions and human rights practices across Australia, United Kingdom and the Philippines.



300+

Staff in Australia, United Kingdom and the Philippines

Supply Chain



We procure a range of goods and services from a diverse supply chain. Our supplier arrangements range from one-off purchases with non-contracted suppliers through to multi-year, large value strategic partnerships governed by master agreements.

Our supply chain mainly involves the provision of the following services:

Category of Services	Description of Services
Technology	Includes professional IT services, business process outsourcing, telecommunications, application services and technology infrastructure.
Corporate Services	Includes consulting, human resources, legal services, facilities management, utilities, services, tools of trade, travel, entertainment, stationery and records management.
Customer Services	Includes card manufacturing, card payment processing, custodial services, postal services, mail-house, marketing, digital and creative services, events and promotional merchandise.
Other Third Parties	Includes mortgage brokers and agents, payment schemes, freight and couriers, debt collection, settlement agents, valuation services, title searches, mail room, charitable donations and grants.
Regulatory Services	Tax agents, regulatory legal services, auditors, GST recoupment, fees and taxation

During financial year 2022, we assessed our material suppliers via our Modern Slavery Questionnaire. This Questionnaire has been developed to consider the likelihood of modern slavery risk within our supply chain and to assist us in determining whether a supplier is 'high risk' (based on various factors). 'Material' suppliers are deemed to be those with whom we have an on-going contract for services with a value of over A\$50,000, including our funding partners. Suppliers that were used only once during the year were excluded from this exercise.

Modern Slavery Risks



During this reporting period, we undertook risk assessments of modern slavery risks in our operation and supply chains with respect of our material service providers to consider our modern slavery risks and summarise them below:

Non-bank financial services provider and buy-to-let lender

As a non-bank financial services provider and buy-to-let lender there is potential for us to contribute or be directly linked to modern slavery risk through our relationships with customers who may be vulnerable to exploitation, exposed to modern slavery risk or who use our products or services for activities that involve modern slavery.

Employer

As an employer, there is potential to cause modern slavery if our own activity directly results in any modern slavery impact to our employees including our contractors.

Service provider

As a service provider there is potential to contribute or be directly linked to modern slavery through our relationships with parties that we provide services to who perpetrate, rely on, or benefit from, modern slavery in their operations and supply chains.

Modern Slavery Risks



Acquirer of goods and services

As an acquirer of goods and services, there is potential to contribute or be directly linked to modern slavery risk through our relationships with suppliers who perpetrate, rely on, or benefit from, modern slavery in their operations and supply chains.

Donor to charitable organisations

As a donor to charitable organisations there is potential to contribute or be directly linked to organisations involved in modern slavery through our donations.

We have implemented a process to issue our Modern Slavery Questionnaire to our material suppliers on an annual basis. We also have created a modern slavery register that documents our supplier's information, their completion of the Modern Slavery Questionnaire and any identified modern slavery risks and actions (if any) that are being taken to mitigate their modern slavery risks.

How we conduct business



ColCap Group's purpose and business strategy advanced as it rolled out its Code of Business Ethics and Business Conduct to build a culture that supports trust with our customers, stakeholders and community by continuing to act with integrity and respect. We introduced our core values which are:



Care for our People

- Listening to our people and encouraging an open feedback culture
- Focusing on the team and not just the individual
- Having fun and celebrating our wins
- Providing development and career growth opportunities
- Rewarding our people fairly, and for going "above and beyond"
- Creating a safe and comfortable environment
- Implementing whistleblowing policies and independent reporting services



Own what we do

- Communicating and doing what we say we will do when we say we will do it
- Encouraging individual and collective accountability whilst taking responsibility for our actions
- Empowering our people
- Lifting people's confidence
- Being prepared



Lead by example

- Being engaged and motivated and bringing our best self to work
- Speaking up and "adding value"
- Being solutions focused
- Bringing your team with you
- Active listening, respecting opinions and not shutting people down
- "Walking the talk"

How we conduct business



Curious & innovative

- Challenging the status quo
- Looking for opportunities to learn and how we can do better next time
- Asking questions
- Having an agile mindset
- Being aware, alert and informed – “We are paid to know”
- Breaking down silos and sharing information



Act with integrity & respect

- Clearly defining roles and job descriptions
- Bringing our best self to an issue and looking to do “the right thing”
- Working collaboratively – respecting individuals and contributions
- Being issues/outcomes focussed
- Choosing our attitude
- No “black hatting” – positively participating and not blaming
- Raise issues and solutions



Put the customer first

- Looking through the customers' lens and thinking from a customer's perspective
- Researching and listening to our customers
- Keeping things simple and speaking in plain English
- Clarifying what customers really want
- Personalising the customer experience
- Offering exceptional service

Our values demonstrate a positive risk culture that supports speaking up, raising concerns and challenging our risks and adhering to our Code of Conduct ensures better customer service and we use incidents as an opportunity to improve our services and processes.

Key Initiatives for 2022



ColCap's objective is to protect and advance human rights within the jurisdictions in which we conducted business or had a physical presence in 2022, namely Australia, United Kingdom and the Philippines.

ColCap respects human rights and ensures that in its business operations it acts equitably within the ColCap Group, supply chains, lending decisions and when it engages with its third-party service providers. We recognise that we have a responsibility to protect and advance human rights, and identify opportunities to positively impact human rights, across our operations and supply chain.

The 2022 Statement aims to provide further insight into the risk of modern slavery in our operations and supply chain and what action we're taking to address modern slavery and human trafficking risks within our business operations as non-bank financial services provider and buy-to-let lender, as an employer, as a service provider, an acquirer of goods and services and a donor to charitable organisations as part of our ongoing work in this area.

1

We implemented our [Modern Slavery Framework \(Framework\)](#) to assist and guide us in identifying and managing our modern slavery risks and human trafficking risks in our operations and supply chains. This Framework requires that:

- (a) where reasonably practical, we work to assess and address the risks of modern slavery in our business operations, supply chains and lending decisions;
- (b) where we identify that our suppliers rated as high risk for modern slavery, we enquire how they assess and address the risks of modern slavery in their operations; and
- (c) we utilise the Framework in the business to identify, manage, monitor and address any adverse impacts on human rights where and if identified.

Key Initiatives for 2022



- 2 Our suppliers were assessed by implementing a Modern Slavery Questionnaire to better understand any modern slavery risks within our supply chains and engage with any high-risk suppliers, where any such risks are identified.
- 3 We implemented our Supplier Code of Conduct which outlines what our expected behaviours are of our suppliers and that we expect human rights of all people providing services to ColCap are respected.
- 4 Our modern slavery compliance clauses were rolled out and included in our standard service provider contracts and other documents that we rely on to assist us with further assessing our modern slavery risks.

- 5 We engaged Stopleveline to provide us with Whistleblower Hotline services which is a secure way for employees to anonymously submit concerns regarding our workplace (for example, workplace health and safety, bullying, conflict of interest, fraud, corruption, and breaches of workplace rules, regulations and policies); and
- 6 We conducted modern slavery training for our staff and raised awareness throughout the ColCap Group on how to identify and manage suspicions of modern slavery.

Our Modern Slavery Assessment



We have implemented the key initiatives we had targeted for 2022 and we continue to assess our actions to identify and address modern slavery practices in our operations and supply chains. We have been monitoring the effectiveness of our processes and procedures to address the modern slavery risks that our business causes, contributes to, or is directly linked to, as described in the Australian Modern Slavery Act, UK Modern Slavery Act and the UN Guiding Principles on Business and Human Rights.

We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by:

1.

Embedding our corporate governance processes and tracking our actions and outcomes;

2.

Reviewing our onboarding process and monitoring of our suppliers and our supply chain;

3.

Partnering with our suppliers and other external partners;

4.

Reviewing our HR practices and enhancing training provided to our staff; and

5.

Reviewing the effectiveness of our policies, procedures, processes, incident reporting, grievances and other business reporting.

ColCap will work on revising and strengthening these actions to continually improve our approach to advancing human rights and protection against modern slavery and human trafficking.

Future Plans



In 2023 and beyond, our plans are to further strengthen our internal governance and to integrate human rights risk into our Group Risk & Compliance Management Framework. We use our Group Risk & Compliance Management Framework to:

- 1 Articulate the degree of risk that the Board is prepared to accept and the risk parameters that the business must operate within via our Group Risk Appetite Statement;
- 2 Describe the process of identifying and escalating risks within the business;
- 3 Describe how risk is managed and mitigated within the business;
- 4 Document the compliance and controls in place to ensure that the business operates within the allowed legal and regulatory parameters;
- 5 Communicate how the business can best achieve its objectives within these parameters;
- 6 Continue to improve our approach to responsible sourcing; and
- 7 Enhancing our questionnaire regime to include a random sample of small providers.
- 8 Review and update modern slavery and human trafficking training.



ColCap as the '*higher entity*' within the meaning of section 14(2)(d)(ii) of the Australian Modern Slavery Act, being the entity in a position to influence or control each other reporting entity covered by this Statement and named in Annexure 1.

In accordance with the requirements of section 14(2)(d) of the Australian Modern Slavery Act and section 54(6)(a) of the UK Modern Slavery Act, this Statement was approved by the ColCap Board on 23 June 2023.

This Statement is signed by Jane Tongs in her role as Chairwoman of ColCap Financial Ltd ACN 650 487 353.

A handwritten signature in black ink, reading "J A Tongs". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Signature of Jane Tongs

Appendix 1 – ColCap's owned and controlled entities



The following entities are owned or controlled by ColCap Financial Limited and are covered in this statement.

- ColCap Financial Limited
- Consortia Group Holdings Pty Limited
- ColCap Financial Overseas Holdings Limited
- Columbus Capital Pty Limited
- Pharos AQ Pty Ltd
- Pharos AQ 2020 Pty Ltd
- Pharos AQ 2021 Pty Ltd
- Pharos AQ 2021V Pty Ltd
- Pharos AQ 2022 Pty Ltd
- Pharos AQ 2023 Pty Ltd
- Pharos AQ NTX Pty Ltd
- Pharos CB 2020 Pty Ltd
- Pharos IAC Pty Ltd
- Pharos IAC 2017-2 Pty Ltd
- Pharos IAC 2018-1 Pty Ltd
- Pharos IAC 2019-3 Pty Ltd
- Pharos IAC 2020 Pty Ltd
- Pharos IAC-L 2021 Pty Ltd
- Pharos IAC-H 2021 Pty Ltd
- Pharos NB Pty Ltd
- Pharos NB 2021 Pty Ltd
- Pharos NB 2022 Pty Ltd
- Pharos RV Pty Ltd
- Pharos WBC 2023 Pty Ltd
- AVA U2 Pty Ltd
- Austrata Finance Pty Ltd Strata Finance
- Origin Mortgage Management Services Pty Ltd
- ColCap Investments Pty Ltd
- ColCap Servicing Pty Ltd
- Granite Home Loans Pty Ltd
- Homestar Finance Pty Ltd
- Xpress Loans Direct Pty Ltd
- Xpress Loans Pty Ltd
- ColCap Pty Limited
- Columbus Capital Funds Management Pty Limited
- Columbus Capital Financial Pty Limited
- ColCap Financial UK Limited
- Molo Tech Limited