ASX Release – 17 October 2024

Sustainability Report

Insignia Financial today released its Sustainability Report which is referenced in both its Annual Report and Corporate Governance Statement.

Authorised for release to the ASX by the Board of Insignia Financial Ltd.

About Insignia Financial Ltd

With origins dating back to 1846, today the Insignia Financial Group is a leading Australian wealth manager. Insignia Financial Ltd provides financial advice, superannuation, wrap platforms and asset management services to members, financial advisers and corporate employers.

Further information about Insignia Financial can be found at www.insigniafinancial.com.au

Investor Enquiries:

Andrew Ehlich
General Manager, Capital Markets
Insignia Financial
M: +61 407 223 044
E: andrew.ehlich@insigniafinancial.com.au

Media Enquiries:

Rebecca Chivers
Senior Manager, Corporate Affairs
Insignia Financial
M: +61 416 465 597
E: Rebecca.chivers@insigniafinancial.com.au

Insignia® Financial

IFL FY24 Sustainability Report

Sustainability at Insignia Financial

Insignia Financial Ltd (IFL) and its controlled entities (together the Group) seeks to create sustainable, long-term value for our customers, people, and shareholders through the incorporation of Environmental, Social, and Governance (ESG) factors into our decision-making processes across the organisation.

Our aspiration to create financial wellbeing for every Australian is intrinsically linked to improving environmental and social outcomes.

In August 2024 the IFL Board approved a Group ESG strategy, addressing our key material topics and guiding our activity to the end of 2026.

Contents

02 Sustainability at Insignia Financial

04 Our commitment to sustainability

06 Material ESG topics

10 Environmental impact

12 Climate risk

20 Responsible investment and stewardship

21 Financial wellbeing

22 Governance and transparency

28 Data, cyber security and AI

30 Community impact

32 Employee engagement and wellbeing

36 Modern slavery

Insignia Financial acknowledges the Traditional Custodians of Country of the land on which we live and work, and recognises their continuing connection to lands, waters, and communities.

We pay our respect to Aboriginal and Torres Strait Islander peoples and their cultures, and to Elders past and present.

Together we recognise and value the ongoing contribution of Aboriginal and Torres Strait Islander peoples and communities to Australian life and how this enriches us. We embrace the spirit of reconciliation, working towards equality of outcomes and ensuring an equal voice.

Insignia Financial Limited ABN 49 100 103 722

Our commitment to environmental sustainability

We endorse global endeavours to achieve net zero greenhouse gas emissions by 2050.

The Group achieved Climate Active certification for the third consecutive year after calculating and offsetting our Group operating emissions, including Scope 1, 2 and operational scope 3 for FY23 through carbon credits purchase. We acknowledge that organisations should reduce actual emissions, rather than rely on offset strategies. Leveraging our 2023 emissions report, we have developed an operational emissions reduction plan for publication in FY25 to address our reduction of operational emissions.

We are enhancing our responsible investment approach across the Group, including educating entity directors on related topics. Our affiliations with the Investor Group on Climate Change (IGCC) and the Responsible Investment Association of Australasia (RIAA) through MLC Asset Management inform our ESG-related risk strategies in our investment operations.

The Group welcomes the *Australian Government's Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* and supports the adoption of the proposed Australian Sustainability Reporting Standards (ASRS), to be released in FY25. The Group has established a cross-functional working group to assess our capability and develop an implementation plan to meet these ASRS. The Group's first year of reporting under the ASRS will be for the year ending 30 June 2026.

Climate Active is an Australian Government program that supports national climate policy by driving voluntary climate action by Australian businesses.

The Group ESG team collaborates with key internal stakeholders to integrate ESG considerations and a sustainability perspective into the targets and goals for each area. This ensures that our sustainability objectives are aligned with our overall business strategy.

Material ESG topics

In June 2023, we performed a formal materiality assessment in line with Global Reporting Initiative (GRI) requirements, which informed our sustainability strategy and identification of targets against ESG factors.

We identified and ranked 12 materiality topics in order of importance to our business stakeholders. This year, we combined these topics into nine focus areas with targets and goals. Our refined strategy focuses our efforts on increasing our impact across these areas.

01

Environmental impact

The Group's impact of operations, financial products and services on the environment.

02

Climate risk

The potential financial, operational and reputational impacts on our business and investment portfolios due to climate change. These fall into two categories: physical risks and transition risks.

03

Responsible investment and stewardship

The integration of ESG factors into investment decisions and the active ownership of investments to promote sustainable and ethical business practices.

04

Financial wellbeing

The benefits gained from having access to expert financial advice, which is increasingly important as investment and super landscapes grow more complex.

05

Governance and transparency

Critical components of our sustainability strategy focusing on the systems, processes and practices that enable effective management, accountability and ethical conduct.

06

Data, cyber security and AI

Practices and technologies employed across the Group to protect sensitive information and digital assets from cyber threats, effectively manage the information we collect and retain, and appropriately manage the use and deployment of AI.

07

Community impact

The impact of our operations, policies and activities on the communities in which we operate.

08

Employee engagement and wellbeing

The practices and initiatives we implement to create a supportive, motivating and healthy work environment.

09

Modern slavery

Exploitation and forced labour that individuals endure under threat, coercion or deception.

Material ESG Topics; highlights and targets

Material Topic	FY24 Highlights	Targets/activities to be achieved by end of FY26
Environmental Impact A healthy environment is pivotal to financial wellbeing.	• Achieved Climate Active certification for the third consecutive year • Published a second climate risk report based on the Task Force on Climate-related Financial Disclosures (TCFD) framework (October 2023) • Used our 2023 emissions report to develop our emissions reduction plan and set targets (publication: FY25)	• Develop an emissions and waste reduction plan (including climate targets) • Align emissions targets to the Science Based Targets Initiative • Deliver a biodiversity assessment and action plan in line with proposed • Taskforce on Nature-related Financial Disclosures (TNFD)
Climate Risk Protecting our businesses and clients from the impact of climate change.	• Delivered a third TCFD-aligned climate risk report, covering a range of in-house managed investment funds • Commenced assessment of climate risks in the domestic listed equity portfolio, engaging with a focused selection of the largest CO2 emitters, including management and board-level meetings, and meetings with climate risk-related operational subject matter experts from both investee companies and external stakeholders	• Identify and collate data for new reporting standards • Build our climate risk assessment capability • Build a climate risk governance reporting framework for all entity boards, including IFL, registrable superannuation entity licensees (RSELs) and responsible entities (REs)
Responsible investment and stewardship Investing in a sustainable future	• Continued uplift and alignment of RI policies across the relevant entities. • Improved operational RI processes that support our RI policies • Enhanced our due diligence of prospective and current investment managers' approaches to responsible investment. • Improved consistency in the consideration of responsible investment attributes in investment manager appointments	• Obtain PRI signatory status across all 'go forward' investment brands (where applicable • Develop an initial portfolio emissions measurement and climate risk analysis • Formalise an active stewardship strategy focused on addressing material portfolio climate risk • Develop climate risk reporting and a strategy for investment portfolios to meet legislative requirements
Financial Wellbeing Empowering your future, building financial confidence	• Compared to FY23: • 146% increase in adviser prepared statements of advice • 14% increase in member directed digital statements of advice • 21% increase in one-on-one general advice experiences for fund members	• Scale out member education to deliver to more members through digital channels • Build our understanding of Aboriginal and Torres Strait Islander cultures to enhance delivery of financial wellbeing to First Nations members
Governance and transparency Building trust through accountability and transparency.	• Established a cross-functional working group to assess our capability and to create an implementation plan to meet new Australian Sustainability Reporting Standards (ASRS) • Held quarterly discussions on the ESG risks facing the business with the Group Risk & Compliance Committee, which is a delegate of the IFL Board to review enterprise risks	• Deliver a reporting, assurance and capability uplift roadmap to meet new climate-related disclosures • Meet government climate reporting requirements • Develop and deliver a sustainability policy • Refresh SDG commitments and set targets • IFL Board approval of new Group ESG strategy to 2026 • Implement an entity sustainability reporting framework

Material Topic	FY24 Highlights	Targets/activities to be achieved by end of FY26
Data, cybersecurity and AI Securing data, advancing AI, protecting futures	• Established a centralised cyber security team led by GM Cyber Security • Refreshed Cyber Security Strategy (FY24–FY26); Endorsed by Board	• Expand and complete mandatory cyber security training for all staff and contingent workers • Launch and roll out Cyber Culture Program • Increase investment in our cyber security capability and team through our new operating model and uplift program • Establish and build on partnerships, particularly with Industry, such as Financial Services Council (FSC) and government, including Australian Cyber Security Centre (ACSC)
Community impact Empowering communities, transforming lives	• FY24: achieved 44% staff participation in workplace volunteering with charitable organisations to fill 1999 skilled and unskilled volunteer roles • End June 2024: completed 77% of the RAP with other items in progress • FY24: contributed over $1.4m to community partners through our Workplace Giving Program and IOOF Foundation grants	• Maintain workplace volunteering at over 40% • Relaunch Insignia community strategy and offering • Align Foundation charity partners to support the Group's social impact and corporate strategy
Employee engagement and wellbeing Fostering connection, nurturing wellbeing	• Became a Family Inclusive Workplace 2023/24 certified employer reflecting our adoption of the National Work + Family Standards framework • May 2024 'Our Voice' survey: 83% of employees felt our flexible working position enables them to manage personal responsibilities; 78% felt supported to use flexible working arrangements • General Manager and Executive female representation increased to 44.83%	• Achieve 40:40:20 gender representation across leadership roles at all job levels and across all divisions • Maintain below market median total remuneration gender pay gap, move towards a target of no more than 3% gender pay gap for like for like roles • Maintain below-market voluntary attrition
Modern Slavery Eradicating abuse, upholding humanity.	• Submitted our fourth Modern Slavery Statement to Border Force, outlining our approach to reducing the risk of Modern Slavery in our corporate supply chain (December 2023) • Investment manager supplier response rate to questionnaire was 99% in FY24, up from previous rate of 72% in FY23 • Uplift the modern slavery monitoring process to meet maturity plan targets	• Deliver FY24 Modern Slavery Statement • Work with procurement team to integrate sustainability into corporate procurement policy • Initiated a project to automate our supply chain assessment capabilities and modern slavery reporting to efficiently identify modern slavery risks (April 2024)

Environmental impact

We are conscious of the environmental impact of our operations as a business. We seek to better understand and assess the implications of climate change and its potential risks on our supply chains, investment portfolios and the communities we serve.

We must understand and assess the implications of climate change and its potential risks on our supply chains, investment portfolios and the communities we serve.

The Group supports the government's commitment to meet the net zero carbon emissions goal by 2050. After calculating the Group's Scope 1, 2, and 3 operational emissions for FY23 and offsetting them via carbon credits, the Group achieved Climate Active certification for the third consecutive year.

Leveraging our FY23 emissions report, we initiated our Emissions Reduction Plan (for publication in FY25) and set reduction targets. We have shortlisted carbon accounting software providers to measure our emissions in real time, to prepare for reporting carbon emissions in alignment with the draft Australian Sustainability Reporting Standards (ASRS).

To date, our environmental impact initiatives have primarily been at the corporate entity level. In acknowledgement of the impact of our investments, we are expanding our focus at the superannuation and investment fund levels through education to enable strategic thinking on the environmental impact of our investment portfolios and superannuation products.

Environmental impact

Independent consultants estimated the Group's operational greenhouse gas emissions (GHG) for FY23 at 14,660 tonnes of carbon dioxide equivalents (CO2-e), including indirect contributions along the supply chain (Scope 3 emissions). This demonstrates a 2.9% decrease in emissions compared to our FY22 baseline of 15,106.9 tonnes CO2-e, largely due to a decrease in the number of full-time equivalent employees within the business.

Nature-related sustainability disclosure

We will develop a Group Biodiversity assessment and action plan to identify nature risk by the end of FY26 and to prepare for the International Sustainability Standards Boards (ISSB's) potential next topic for disclosure intended to address nature risks.

Our current emissions reporting is on a one-year lag due to the manual nature of the calculations and data gathering. We have engaged a digital systems provider to assist us with building point-in-time reporting, which we aim to have implemented in FY25.

14,660

tonnes of CO2-e

Total Group operational GHG emissions

Our three emission scopes

Scope 01

0.0%

0 tonnes CO_2-e

Direct emissions, such as those resulting from fuel use or refrigerant leakage

Scope 02

9.2%

1,355.2 tonnes CO_2-e

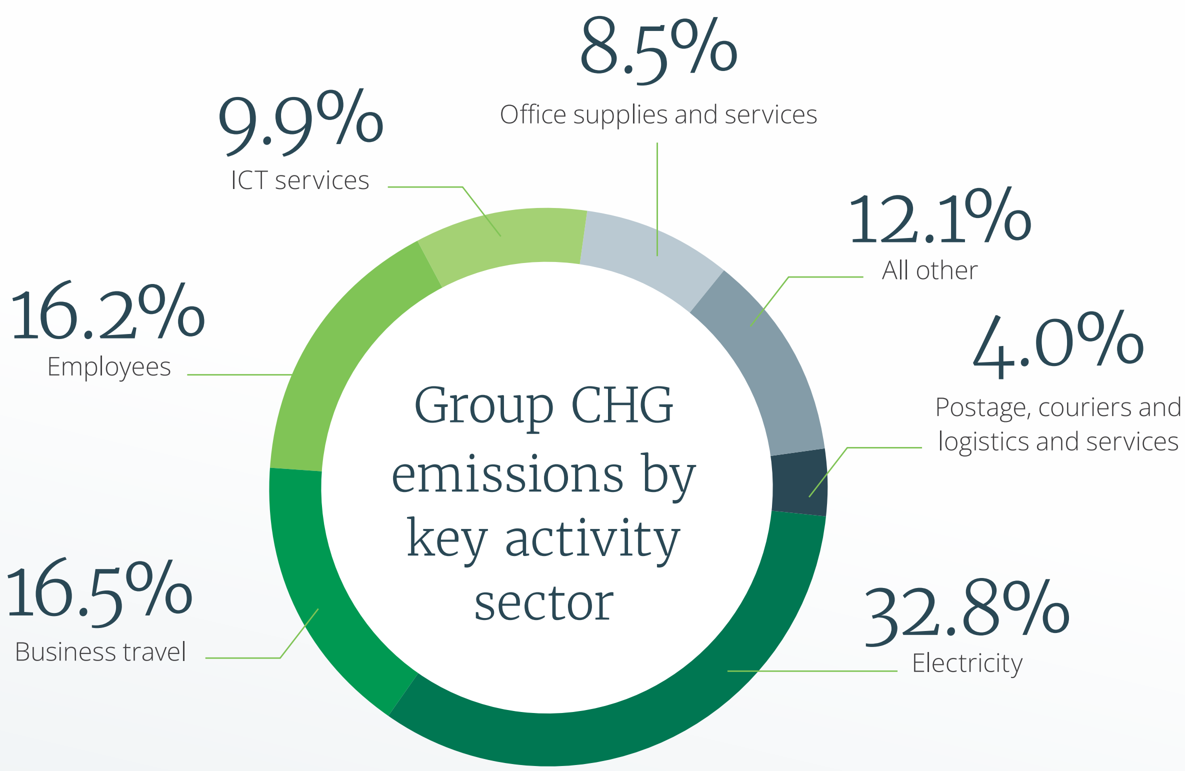
Indirect energy import, such as purchased electricity

Scope 03

90.8%

13,304.9 tonnes CO_2-e

Other indirect operational upstream and downstream emissions, excluding financed emissions, resulting from activities along the value chain



To see further detail on our operational emissions, please refer to our Climate Active Public Disclosure Statement here: https://www.climateactive.org.au/buy-climate-active/certified-members/insignia-financial

Climate risk

This year, we will publish our third climate risk assessment to further align our reporting with the TCFD and prepare for ASRS.

This year, we will publish our third climate risk assessment to further align our reporting with the TCFD and prepare for ASRS. We support TCFD recommendations for better climate-related disclosures and the International Sustainability Standards Board's aim to encourage more comprehensive, globally consistent sustainability disclosures. While not fully aligned with the TCFD recommendations, we are developing our climate risk assessment capability across the business and identifying climate risks across a broader range of our investment funds.

In FY24, we focused on climate-related activities. We established a group-wide cross-functional working group to assess our capability and to deliver an implementation plan for the AASB's mandatory climate-related reporting standards due in FY25. The Group's first year of reporting under the new standards starts 1 July 2025. Our implementation plan is in place, and we are creating work streams across key functions to meet these standards.

Over FY24, we focused on aligning responsible investment frameworks and policies in preparation for the next stages of Responsible Entity consolidation and simplification.

In conjunction with external experts, we facilitated climate risk education to the Executive Leadership Team and various entity boards ahead of the new climate reporting standards, and we are measuring climate risk across a broader suite of investment portfolios, including MySuper.

Climate risk governance

Boards

The IFL Board and fiduciary boards of the Group consider climate risks. The Group Risk and Compliance Committee (GRCC) of the IFL Board oversees ESG risks, including climate risks. The Head of ESG meets the GRCC quarterly to discuss ESG material risks and the steps we are taking to mitigate and manage them. The Risk Management function identifies corporate risks and informs the IFL Board. The Head of ESG works with Risk Management to identify ESG risks.

In FY24, our Executive Team and Group Boards undertook further education about climate-related risks and recent legislative and regulatory changes through in-house and externally facilitated sessions.

Investment committees

The Group's fiduciary boards have investment committees that have approved and implemented responsible investing policies that recognise the direct and indirect financial implications of climate change. Climate and other investment risks is managed from an asset allocation and investment manager allocation perspective by these committees.

Investment teams

The Group's investment teams implement the responsible investing policies and report on progress. The Chief Investment Officer (CIO) is responsible for the management of portfolio risks, including those related to climate, as part of their overall responsibility for the investment program. The Head of Responsible Investment leads the application and development of responsible investment in the investment process and reports to the CIO.

Climate strategy

The Group recognises the critical role that corporations must play in leading the transition to a low-carbon economy.

Regarding our investment portfolios, we are developing our internal capability to measure and analyse physical and transitional climate risks in order to understand potential impacts on returns and fulfil the requirements of the forthcoming climate reporting legislation under the Treasury Amendments Act.

At an enterprise level, we have calculated our Scope 1, 2 and 3 operational emissions since FY21 and this year we reported on FY23 operational emissions. This data shed light on our key emission areas and year-to-year trends and enabled us to initiate an emissions reduction action plan for publication in FY25.

We purchased carbon offsets for our Scope 1, 2 and 3 operational emissions, a strategy endorsed by Climate Active for the third year. Our economy requires actual emissions to be reduced to reach decarbonisation targets, and we will work with our entity boards to agree on reduction targets, supported by an action plan.

1. Transition Risks

These are risks and opportunities created as the world transitions to a low-carbon economy.

These are physical risks to businessess and assets due to changing weather patterns, such as severe weather events, longer-term shifts in climate and rising sea levels.

2. Physical Risks

Aligning the Taskforce for Climate-related Financial Disclosure (TCFD) framework with our investment portfolios

The Climate Change Strategic Asset Allocation Framework (CCSF) assesses the financial impact of climate change on expected returns for its internally managed diversified investment portfolios. It is aligned with the Financial Stability Board's TCFD framework and APRA's CPG 229 Climate Change Financial Risks guidelines.

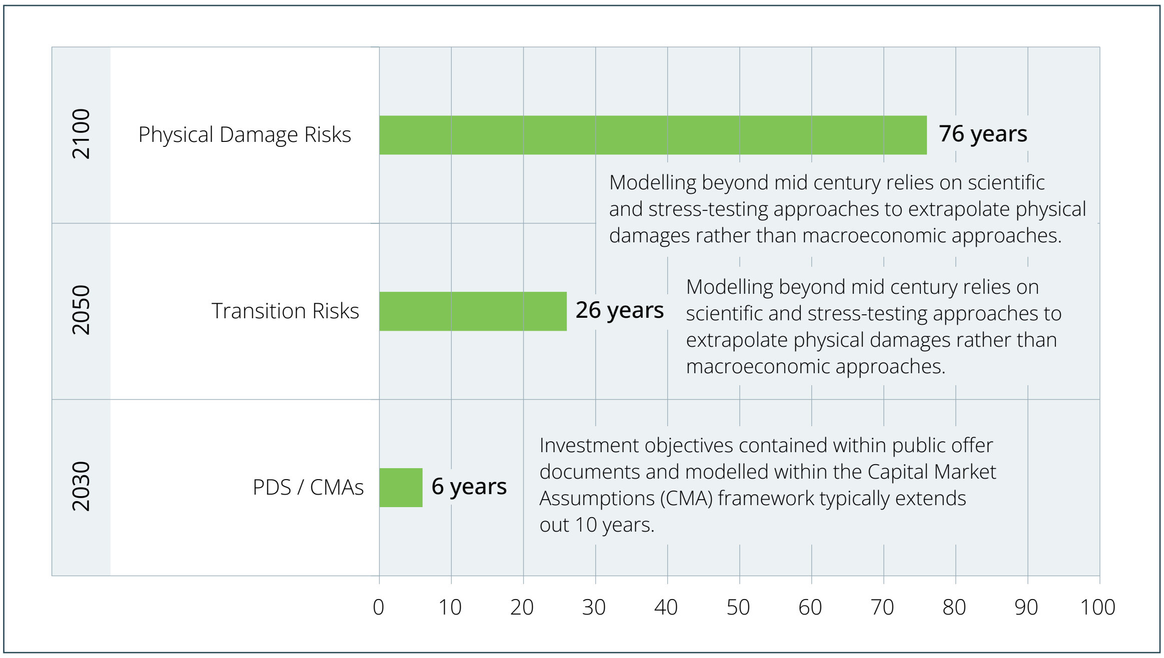
The CCSF was applied to the Group's MySuper diversified portfolios in 2022 and was extended in 2023 to include diversified choice portfolios. By June 2024, the analytical detail of the framework was enlarged to attribute climate risks to individual asset classes.

The CCSF is a scenario-based stress test calibrated to each diversified portfolio's strategic asset allocation (SAA). It quantifies the potential impact of climate change on each portfolio's expected returns and other metrics, such as the probability of meeting investment objectives. The CCSF assists portfolio managers and climate stakeholders to assess the expected return impact of climate risk against its CCSF benchmark.

The CCSF incorporates research from central banks participating in the Network for Greening the Financial System, asset consultants, scientific journals and investment firms. Various analytical approaches establish the climate assumptions that underpin the CCSF (Chart 1) and are integrated into the Group's existing SAA framework. These include:

- **multi-risk perspectives** – nine risk scenarios based on Paris Agreement targets, comprising three temperature scenarios across three different time horizons. The methodology is flexible enough to adjust to the changing nature of climate risk and its impact on financial markets and diversified portfolios.
- **temperature objectives** – an Orderly scenario (2 degrees Celsius) that assumes early and coordinated policy action, a Disorderly scenario (3 degrees Celsius) for late policy action, and a Hothouse scenario (4 degrees Celsius) assuming no policy reaction to climate change
- **time horizons** – three time horizons of 2030, 2050 and 2100.

Chart 1: Modelling approaches across time horizons



Source: Insignia Financial Asset Management

Chart 2: CMA climate risk return adjustments for 2030

Asset Classes												
	Hot (4°)	Physical	Transition	Inflation	DisOr (3°)	Physical	Transition	Inflation	Ord (2°)	Physical	Transition	Inflation
Australian Equities	-0.5%	-0.35%	-0.16%	0.00%	-0.3%	-0.25%	-0.06%	0.00%	-0.3%	-0.13%	-0.13%	0.00%
International Equities (uh) AUD	-0.5%	-0.34%	-0.15%	0.00%	-0.3%	-0.23%	-0.06%	0.00%	-0.2%	-0.10%	-0.10%	0.00%
Global Listed Property (h) AUD	-0.5%	-0.38%	-0.17%	0.00%	-0.2%	-0.19%	-0.05%	0.00%	0.0%	-0.01%	-0.01%	0.00%
Unlisted Property	-0.5%	-0.38%	-0.17%	0.00%	-0.3%	-0.21%	-0.05%	0.00%	0.0%	-0.02%	-0.02%	0.00%
Global Listed Infrastructure (h) AUD	-0.5%	-0.35%	-0.16%	0.00%	-0.2%	-0.16%	-0.04%	0.00%	0.0%	0.01%	0.01%	0.00%
Unlisted Infrastructure	-0.5%	-0.35%	-0.16%	0.00%	-0.2%	-0.18%	-0.04%	0.00%	0.0%	0.01%	0.01%	0.00%
Australian Bonds	0.2%	0.17%	0.07%	-0.01%	0.0%	0.08%	-0.02%	-0.06%	-0.1%	0.03%	0.03%	-0.20%
International Bonds (h) AUD	0.2%	0.17%	0.07%	-0.01%	0.0%	0.08%	-0.02%	-0.06%	-0.1%	0.03%	0.03%	-0.20%
Cash	0.2%	0.17%	0.07%	-0.01%	-0.2%	0.10%	-0.02%	0.08%	0.2%	0.02%	0.02%	0.17%

Climate change risk metrics

The CCSF calculates the potential return reduction for each diversified portfolio assuming certain climate assumptions hold true over the long term. There may be a divergence of potential future outcomes because the analysis of climate change risks is not an exact science. For this reason, the output of the CCSF is considered a stress test and not a point forecast. Accordingly, the results of these metrics are not used to alter a portfolio's strategic asset allocation but to inform portfolio managers where the greatest risks, and the character of those risks, lie within their portfolios.

The climate risk adjustments to the CMAs are derived internally and include four parameters linking transition and physical risk impacts to financial market variables across different time horizons and temperature scenarios.

Capital market assumptions (CMAs)

These are return forecasts for the universe of asset classes that diversified portfolios invest in and are used to calculate each portfolio's expected return. A return increment or a penalty is derived for each asset class based on the CCSF for three time horizons and three temperature scenarios discussed in the regulatory guidance. Chart 2 illustrates the climate risk return adjustments for the period to 2030 across the three temperature scenarios for a selection of asset classes.

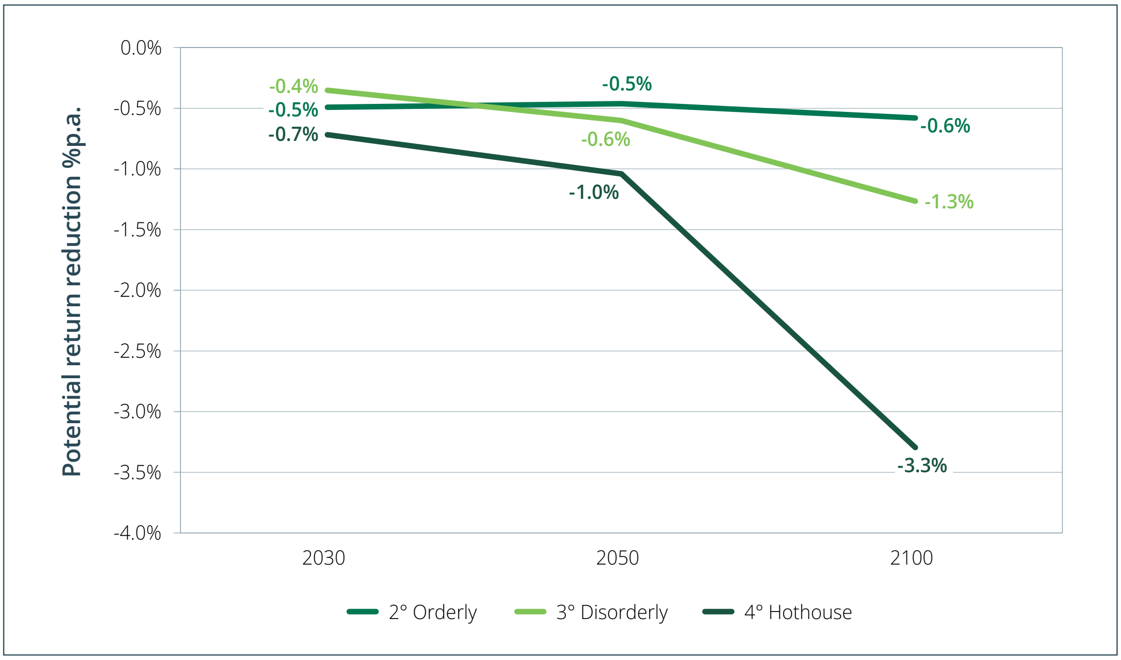
These CMA adjustments are unique to the specific climate risk assumptions used to calibrate the CCSF and their intended use across the Group's range of diversified investment portfolios.

The climate risk adjustments to the CMAs are derived internally and include four parameters linking transition and physical risk impacts to financial market variables across different time horizons and temperature scenarios. These parameters reflect the impact of changes to the global GDP on asset prices; the inflation impact on asset prices; carbon footprint relativities across asset classes; and the impact of volatility changes. The methodologies that determine the adjustments are based on fundamental principles obtained from publicly available macroeconomic, scientific and investment research.

Chart 3 illustrates the aggregate return detraction calculated by the CCSF across a representative sample of the Group's diversified portfolios, weighted by each portfolio's funds under management (FUM).

Chart 3: Stress testing potential return reduction due to climate change

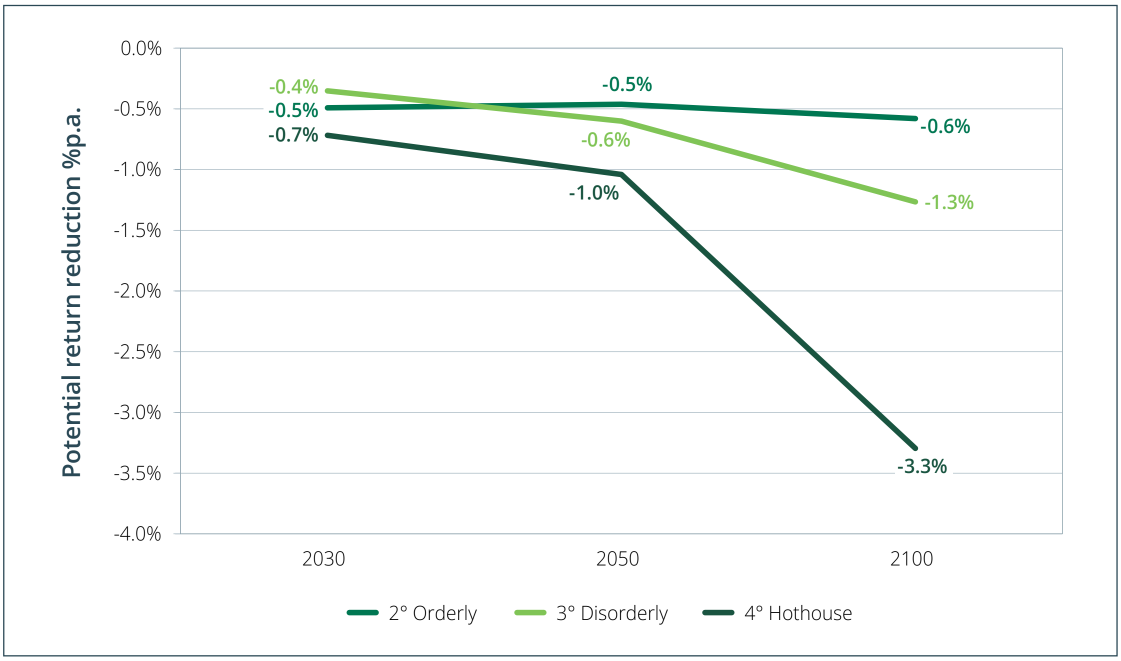
FUM weighted average for sample of diversified portfolios



Source: Insignia Financial Asset Management

Chart 4 breaks down the aggregate return reduction across the Group's diversified portfolios into climate risks attributed to physical damages, carbon transition and miscellaneous inflationary effects on defensive asset classes.

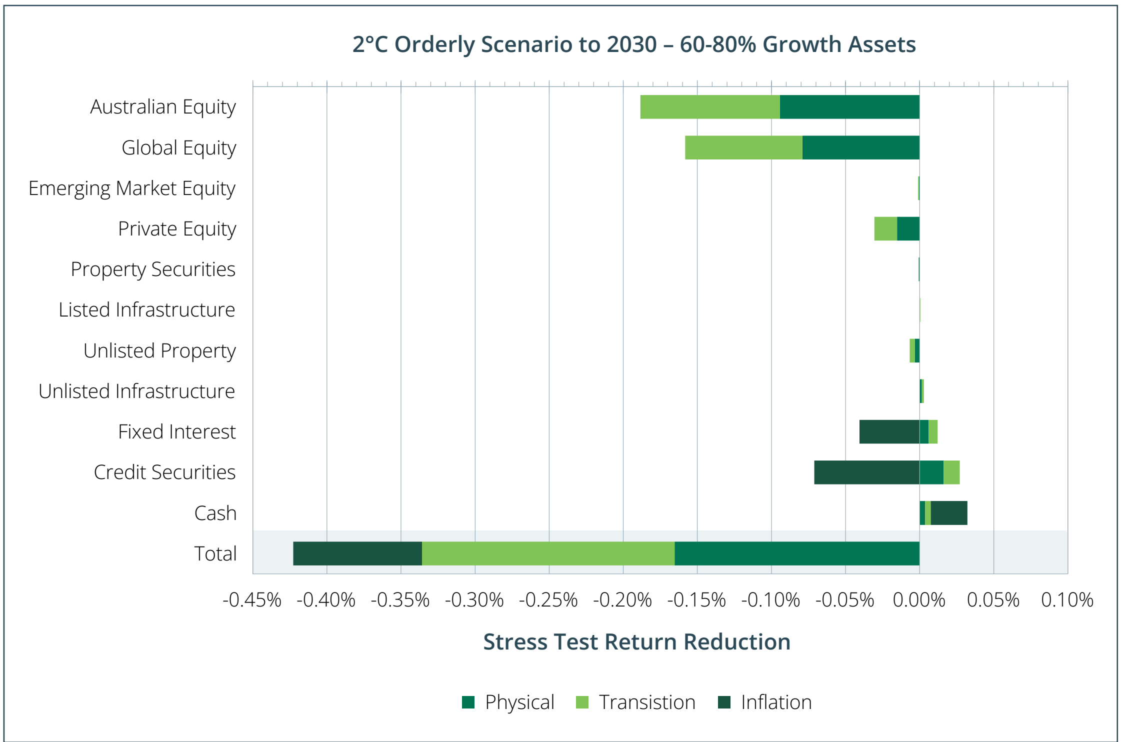
Chart 4: Climate risk return reduction by physical damages and transition impact



Source: Insignia Financial Asset Management

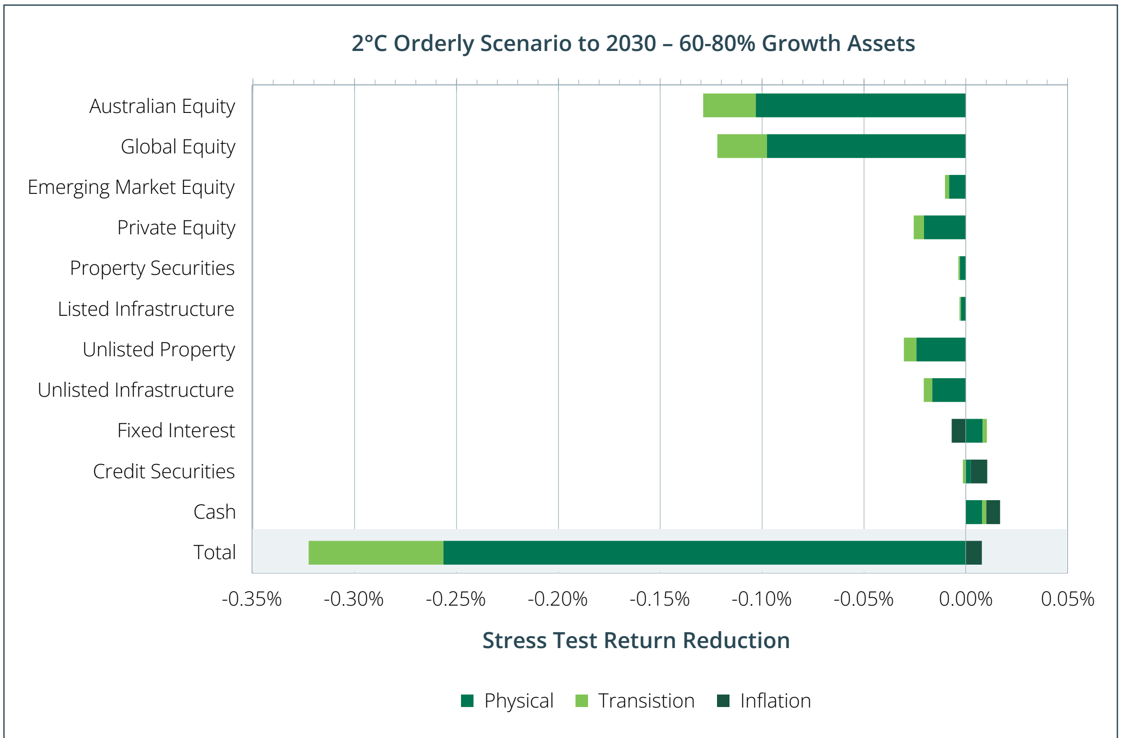
The development of the CCSF in June 2024 meant detailed attribution of climate risk benchmarking calculations could be performed on individual diversified portfolios. The aggregate return reduction from climate risks to an individual portfolio can be attributed to physical damages, carbon transition and miscellaneous inflationary effects for each asset class within a portfolio's SAA. Charts 5, 6 and 7 illustrate the asset class attribution detail in the CCSF for a representative diversified growth portfolio across the three temperature scenarios for the period to 2030. These attribution enhancements will be rolled out over the 2024 calendar year.

Chart 5: Climate risk return impact for 2˚C Orderly scenario by asset class



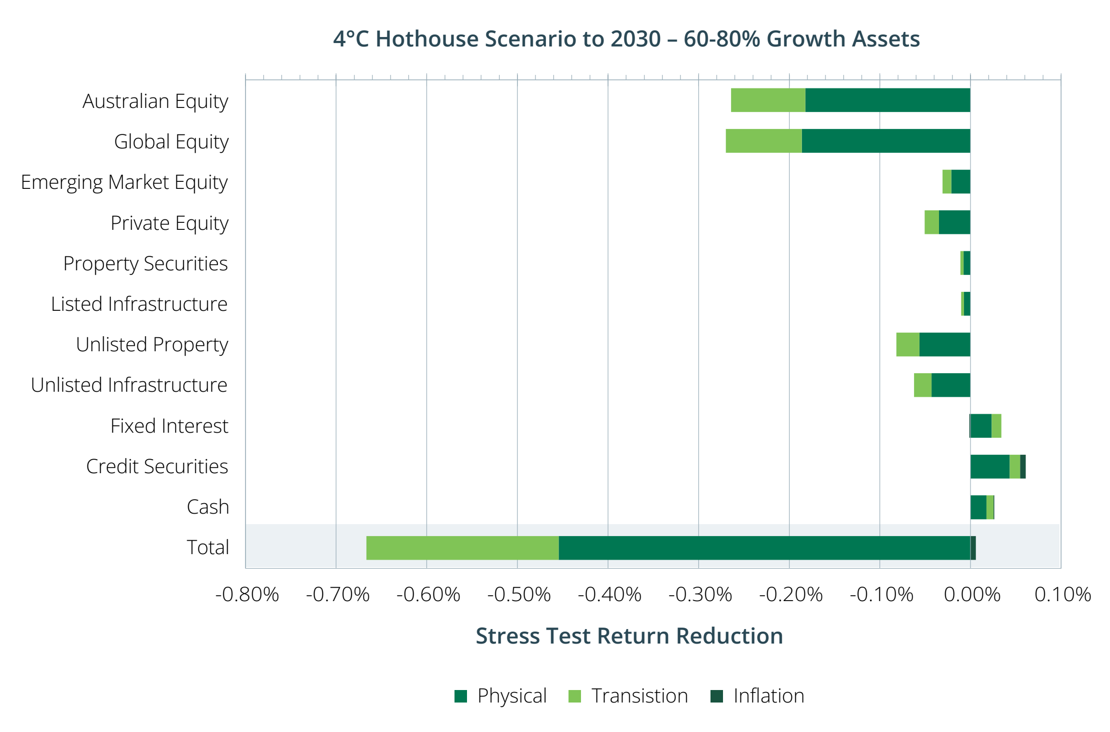
Source: Insignia Financial Asset Management

Chart 6: Climate risk return impact for 3˚C Orderly scenario by asset class



Source: Insignia Financial Asset Management

Chart 7: Climate risk return impact for 4˚C Hothouse scenario by asset class



Source: Insignia Financial Asset Management

Climate risk management

ESG factors, including climate risk, are key considerations within the Group and entity risk appetite statements which form part of our corporate risk management framework.

The IFL Board has implemented the Risk Management Framework to ensure that the Group's risks, including climate and other ESG-related risks, are identified, analysed, evaluated, monitored and communicated within the organisation and to any relevant external party. The framework is designed to ensure that effective controls and mitigation processes are in place.

The Board's Group Risk & Compliance Committee monitors and receives assurances that:

- an appropriate and effective risk management framework is in place for identifying, assessing, mitigating and monitoring material risks
- appropriate and effective compliance policies, procedures and frameworks are in place for identifying, monitoring and managing relevant obligations
- operations are conducted within the scope of the approved Group policies, procedures and frameworks
- management devotes relevant, appropriate and proper attention and resources to compliance and risk management issues.

In accordance with the annual work plan, the committee reviewed the Risk Management Framework during the reporting period to satisfy itself that it remains sound.

The Head of ESG reports quarterly to the committee, identifying ESG-related risks such as climate risk, and providing updates on risk mitigation actions within the period.

Risk assessment and monitoring

The Group's businesses assess and monitor ESG risks through risk profiles. ESG risks are identified, analysed and evaluated through considerations such as the likelihood and consequence of the risk occurring, the control factors that mitigate the risk, and the strength of risks relative to the Group's risk appetite. The design and operating effectiveness of ESG controls are periodically assessed to help ensure integrity and currency.

Risk management for our investment portfolios

The Group is a significant investment manager and superannuation provider for Australians, and the consideration and management of ESG factors, including climate risk, is important in meeting our long-term performance objectives for clients. Our responsible investment position statements outline how we consider and manage ESG, including climate-related risks, within our internally managed investment portfolios. These statements can be found at: www.insigniafinancial.com.au/ responsible-investment.

Climate risk metrics and targets

In FY25, our focus will be on building our capability to deliver on the upcoming ASRS-aligned climate risk reporting standards across all the Group entities. We will implement our emissions reduction action plan to track progress via our in-house digital emissions accounting system.

To assess and manage climate impacts, we:

- measured the Group's Scope 1, 2 and 3 operational emissions for the third year – see environmental impacts section (page 10)
- achieved Climate Active certification for the third year, recognising our carbon-neutral status for operational emissions
- delivered our third climate risk report, aligning to the TCFD framework
- extended the CCSF to assess climate risk at an asset allocation level for all in-house multimanager funds, in addition to MySuper investment portfolios
- developed an emissions reduction plan based on data from FY22 and FY23, to be endorsed by the IFL Board
- delivered our climate risk reporting roadmap and initiated our implementation plan to build capability across the business to meet the proposed ASRS.

In FY25, the Group will:

- complete the implementation of our in-house digital carbon accounting system to track progress against the emissions reduction action plan
- continue implementation of roadmap to meet new ASRS climate related reporting
- continue to educate and engage with entity boards to better understand and address climate risks across the business
- develop a climate risk reporting governance roadmap for all Group entity boards
- undertake a climate reporting pre-assurance assessment with an external auditor to develop a climate reporting assurance plan and strengthen governance frameworks
- work with enterprise Risk Management team to develop an ESG and climate risk accountability framework across the business
- formalise our Active Stewardship strategy focused on material investment portfolio climate risk.

Responsible investment and stewardship

Responsible investment is the way in which we apply environmental, social and governance (ESG) principles to our investment and superannuation business.

Our Responsible Investment Policies and Statements describe the role responsible investment plays in the assessment, selection and monitoring process of externally appointed investment managers.

Further information on our Responsible Investment Statements can be found on our corporate site: **https://www.insigniafinancial.com.au/corporate-responsibility/sustainability/responsible-investment**

By integrating ESG considerations into our investment strategies, we aim to create long-term value and positive change when required through being active owners, ensuring our clients' financial goals, and our environmental and social responsibilities are met. We continue strengthening our approach to responsible investment.

To meet upcoming climate-related financial disclosure legislation, we will further enhance policies and operational processes at the Trustee, Responsible Entity and investment manager levels.

Asset management plays a crucial role in helping us fulfil the obligations this proposed legislation and has been central to in enterprise-wide planning and preparation efforts which will continue over the coming financial years.

Image: Shelley Beach in Albany, Western Australia.

Financial wellbeing

Financial wellbeing is an important contributor to overall wellbeing. By increasing the accessibility of financial help, guidance and advice, we help people achieve better financial outcomes and increase their financial confidence.

Client and member engagement

To improve the financial wellbeing of every Australian, our services provide:

- relevant factual financial information
- a wide range of financial insights
- general, scaled and comprehensive advice.

In FY24, we assisted our members to improve their financial future and expanded our fund advice services across a wider range of super products. We launched an age pension service to help members navigate benefits via Centrelink, and added 96 financial advisers to our referral network by including the advice group Shadforth in our referral panel.

Client engagement FY24

702

Adviser-prepared statements of advice

1,720

# of member education sessions

20,065

Additional member interactions through tailored engagement programs and financial coaching

22,290

# of clients & members who received general advice and financial coaching

129,382

Digital engagement interactions via podcasts, our Education Hub, and our SuperSizer, Personal Super and Insurance Needs calculators

7,678

Member directed digital statements of advice

21,223

# of attendees at client education sessions

Governance and transparency

Good governance and transparency are critical to building sustainable value for our stakeholders.

Our corporate governance is based on a set of values and behaviours that underpin our day-to-day activities, provide transparency and fair dealing, and seek to protect stakeholder interests.

The Board and management of Insignia Financial are committed to maintaining high standards of corporate governance within the Group. Find out more here: https://www.insigniafinancial.com.au/corporate-responsibility/corporate-governance/statement-charters-and-policies

Internal audit

Our internal audit activities are undertaken by Group Internal Audit, governed by a Charter approved by the Group Audit Committee. Group Internal Audit provides the Board and management with independent, objective assurance on the effectiveness of the Group's governance, risk management and internal control processes.

To maintain independence, Group Internal Audit has no direct operational responsibility or authority over any of the Group's business or risk management activities.

Group Internal Audit has unrestricted access to all of the Group's information systems, records, physical properties and employees. The Group Audit Committee monitors Group Internal Audit's activities and performance, including its independence.

Three lines of accountability

We have adopted the 'three lines of accountability' model to govern risk management activities across the organisation:

First line: *Business management*

'Business management' refers to the risk owners, who are accountable for identifying, understanding and managing the risks inherent in the products, services, activities, processes and systems for which they are responsible.

Second line: *Risk Management*

Those in Risk Management, led by the Chief Risk Officer, develop, maintain and enhance the Risk Management Framework. They support the first line in meet risk management responsibilities by providing independent reviews, and challenging activities and decisions.

Third line: *Group Internal Audit*

Group Internal Audit provides independent and objective assurance on the design and operating effectiveness of the Group's governance, risk management and internal control processes. This may include other independent reviews commissioned by the Board.

The Member Office

The Member Office (MO) is an independent function within the Group. The MO advocates for superannuation fund members and supports the Group's RSEL boards to discharge their fiduciary responsibilities. The MO is an extension of our RSEL boards and provides a day-to-day link that spans the RSEL on one side, and management and service providers on the other side.

The MO is independent of the Group's management and has authority to obtain all information necessary to assist the RSEL boards to meet their fiduciary obligations.

The Office of the Responsible Entity

The Office of the Responsible Entity (ORE) has an independent function within the Group. The purpose of the ORE is to assist the RE boards to discharge their fiduciary and licensing responsibilities in the best interest of investors in our funds. The ORE oversees the performance of managed investment schemes and the provision of scheme services to the REs. The ORE is independent of management and has access to all the information and resources required to perform its duties.

Image below: Adelaide sunset, South Australia

ESG Risks, including climate related issues are reported to the Board Group Risk Compliance Committee on a quarterly basis by the Head of ESG.

To address the upcoming Australian Sustainability Reporting Standards (ASRS), work has commenced to identify further entity board responsibilities and reporting requirements.

FAR and executive remuneration

The Financial Accountability Regime (FAR) represents the government's response to recommendations made by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. This principles-based legislation strengthens our responsibility and accountability framework and improves the risk and governance cultures of Australia's financial institutions. Jointly administered by the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission, the FAR starts on 15 March 2025 for superannuation and insurance.

We have made significant progress towards meeting FAR's implementation date. In interpreting this new regulation in the Insignia Financial Group context, we are working through the complexities of our changing corporate structure, the linkages with multiple other compliance programs, and the delivery of Licence Conditions.

The Group's Accountable Entities (the four RSEs) and identified Accountable Persons must ensure compliance with the FAR. Establishing the Office of FAR and the systemised operationalisation of the uplifted Risk and Governance Frameworks and systems will support adherence to the FAR and positive communication with the regulator.

Executive remuneration

Executive remuneration comprises fixed and variable remuneration. Variable remuneration is awarded under the Executive Incentive Plan (EIP), which balances short-term and long-term incentives, deferred for up to six years. This balancing aligns executive interest with shareholder value, creating sustainable value in the organisation.

The Group has implemented sustainable compliance measures starting 1 July 2023 for significant financial institutions (SFIs) and 1 January 2024 for non-SFIs. Over the past year, we strengthened the Consequence Management framework and policy, completed a comprehensive review of the Remuneration framework and policy, and developed robust processes around our third-party service providers.

We are committed to upholding the highest standards of corporate responsibility, including in relation to tax transparency.

Image: Mornington Peninsula, Victoria

Tax transparency

We are committed to upholding the highest standards of corporate responsibility, including in relation to tax transparency. The Group's tax disclosures meet the requirements of the Board of Taxation's Voluntary Tax Transparency Code (the Code).

The code is a set of principles and 'minimum standards' to guide medium-sized and large businesses on public disclosure of tax information. It was designed to encourage greater transparency by the corporate sector and to enhance the community's understanding of compliance with Australia's tax laws by businesses.

We are pleased to provide an insight into The Group tax affairs in accordance with the requirements of the Code.

Approach to tax strategy and governance

Our tax strategy focuses on ensuring compliance with all applicable tax laws and regulations, including seeking appropriate tax advice and considering it as part of the overall commercial assessment of any significant transaction. We do not engage in aggressive tax planning or other behaviour not in the spirit of the law or not in the best interests of the communities in which we operate.

To support this, The Group operates under a Board-approved tax governance policy to effectively manage tax risks, having regard to the better practices recommended by the Australian Taxation Office (ATO) in its Tax Risk Management and Governance Review Guide.

The Group takes a transparent and collaborative approach to engaging with the ATO and other tax regulators. This approach is underpinned by a formalised regulatory engagement framework that applies to all employees, directors and Group representatives.

The risk appetite set by the Board in respect of the Group's tax affairs is described as 'zero tolerance for risk and avoidance of risk is core'[1]. The IFL Board and Board Audit Committee oversee the Group's tax governance policy, and a framework has been implemented to keep them informed of tax matters affecting the Group, including engagement with regulators.

International related party dealings

We largely conducted our activities in Australia for FY24. There were minor operations in foreign jurisdictions, and details of the related party dealings between IFL Australia and entities in foreign jurisdictions are set out below. These transactions are at arm's length and are supported by transfer pricing documentation, including benchmarking.

Jurisdiction	Nature of Dealings	2024	2023
United States of America	Corporate support services	$408k	$500k
United States of America	Investment management services	$8m	$5.8m
United Kingdom	Corporate support services	$46k	$110k

Australian tax transparency

In accordance with the Code, the Group provides further detail below in relation to the Australian taxes paid, and those collected on behalf of our customers and employees. The total taxes paid by the Group and collected on behalf of customers for the year ended 30 June 2024 amounts to $1.3 billion. Reconciliation of accounting profit to tax expense and to income tax paid or payable.

Refer to the income tax note in IFL's FY24 financial statements, which sets out a reconciliation of accounting profit to tax expense and to income tax payable.

Taxes paid (borne) by IFL Corporate Group

Tax	2024	2023
	($m)	($m)
Income tax	1.0	2.2
GST collected on sales	211.4	228.4
GST paid on acquisitions[1]	0	0.3
Payroll tax	37.8	41.6
Fringe benefits tax	1.2	1.2
Property taxes[2]	7.9	7.7
Total:	**259.3**	**281.4[3]**

Taxes paid (collected) by the IFL corporate group for employees and or the funds on behalf of customers

Tax	2024	2023
	($m)	($m)
Pay-as-you-go withholding tax -customers	85.5	74
Pay-as-you-go withholding tax – salaries and wages	194.4	188.0
Income tax - funds	665.5	721
GST collected on sales[4]	1.3	2.3
GST paid on acquisitions[5]	47.8	47
Property taxes[6]	4.4	3.4
Stamp duty	3.9	3.2
Total:	**1.0**	**1.0[7]**

Note: Amounts disclosed in the table above include taxes in relation to entities where the IFL Group is the trustee or operator.

Effective tax rate

Refer to the income taxes note in IFL's FY24 financial statements for details of IFL's effective tax rate and the factors affecting this. The IFL tax consolidated group is in a tax loss position for the period ended 30 June 2024, resulting in an effective tax rate of (28.8%).[8] This represents an income tax benefit driven by the statutory accounting loss and is not reflective of any unexpected variances between accounting and tax results.

1 FY23 was previously disclosed as $992 million. This has been updated to include GST paid on acquisitions that cannot be recovered because it relates to making input taxed supplies
2 Property related expenses, including land tax, council rates, water rates and usage.
3 This varies from last year, as $1.7m work cover was included as 'Other taxes' and GST was reported on a net remitted basis in FY23.
4 Only the property funds collect GST on sales; all other funds make supplies that are not subject to GST (input taxed financial supplies).
5 This amount is GST paid on acquisitions that cannot be recovered because it relates to making input taxed financial supplies.
6 Property related expenses, including land tax, council rates, water rates and usage.
7 FY23 was previously disclosed as $992m. This has been updated to include GST paid on acquisitions that cannot be recovered because it relates to making input taxed supplies.
8 IFL's global effective tax rate for its worldwide accounting consolidated group is the same as its Australian accounting effective tax rate (they are both 28.8%).

Data, cyber security and AI

Cybersecurity

We prioritise cyber security and value our stakeholders' trust and expectations when it comes to protecting the data and assets we maintain, which has included our public announcement and commitment to enhancing our cyber security capabilities. In FY24, we developed a Board-endorsed Cyber Security Strategy through to FY26 in line with the Group's ambition to:

> 'Be a business enabler that builds an adaptable, secure, compliant and resilient environment that protects our members, promotes trust and empowers our people to achieve our ambition of creating financial wellbeing for every Australian.'

The General Manager – Cyber Security leads a centralised cyber security department that delivers the Cyber Security Strategy and underlying Cyber Security Uplift Program. This will drive investment across a diverse collaboration of people, processes and technology to address current and emerging cyber risks. The department will work closely with industry, government, partners and regulators to improve the cyber resilience of the Group and the broader financial services ecosystem.

Data and privacy management

We are committed to protecting and preserving privacy and ethically managing sensitive client and business information. We adhere to APRA prudential guidelines, participate in industry and regulatory forums, and adopt emerging industry standards. These principles are reinforced by the Group Information Management Policy (updated FY24) and accompanying standards.

Over FY24, we extended our regular enterprise-wide data awareness and literacy training and continued a program encompassing data and information classification, issues management, ownership, accountability and information lifecycle management.

Privacy management

Our privacy management program aligns with legal requirements and regulator expectations, manages privacy risks and fosters trust with clients, staff and shareholders.

Our clients' personal information is handled in accordance with the Insignia Financial Group Privacy Policy. Annual online privacy awareness training is provided to all employees and targeted training is delivered as required.

We partnered with the Office of the Australian Information Commissioner during Privacy Awareness Week in May 2024 – for the 10th consecutive year – to raise awareness of privacy matters across the organisation.

Technology and AI

We leverage technology and AI to help us democratise access to general advice and improve business efficiency and scalability.

Technology and AI enablers

Wealth Central, our proprietary client engagement solution, employs a chatbot to deliver information, streamline digital fact-finding and provide general advice.

Key features are:

- Technology integration – using application programming interfaces to connect with third-party applications, enhancing client experience and efficiency while retaining control of our proprietary solution
- Data integration – to facilitate data sharing between advisers and the system, supporting advice generation and compliance.

While we embrace technology and AI to improve customer experience and business efficiency, we maintain stringent risk controls and governance frameworks, especially at the intersection of client data capture and insight delivery. These controls prevent us from providing personal advice without appropriate documentation.

Throughout FY24, we extended our governance frameworks to consider new and emerging AI-based technologies and applicable use-cases. These frameworks consider technology fit, privacy, information security and the ethical use of AI. We engage with regulators directly and via industry bodies to ensure AI regulation provides a framework for protection for Australians while supporting the AI development benefits for clients and industry.

Community highlights FY2024

83%
of grants supported programs aimed at **financial wellbeing**

24%
of grants supported **First Nations peoples** and **communities**

17%
of grants supported the basic needs of young people **and families**

13%
of grants supported **mental health**

$650K+
in **CommUnity** and **employee donations**

20%
of grants supported **inclusion and diversity**

Community impact

Community impact comes to life in the Groupthrough our Reconciliation Action Plan (RAP), the Insignia Community Foundation and our people's volunteering, fundraising, donating and participation in appeals throughout the year.

Our Foundation, has distributed more than $18 million to Australian communities since its inception in 2002. This year, over $1.4 million was donated through the Foundation, our CommUnity programs and our people's donations to charity.

In FY24, we revisited our Community Investment strategy to clarify our purpose and how we address societal challenges aligned with our impact areas – financial wellbeing, basic needs, reconciliation, mental health, and diversity and inclusion. We simplified employee engagement to bring renewed energy and commitment towards our CommUnity programs.

CommUnity creates financial wellbeing for all Australians by reaching people through our charitable partners. Some of our charitable partners align with more than one impact area, as shown by Insignia Community Foundation's grant funding allocation from FY24.

Engaging employee experiences

In FY24, a stronger focus on volunteering resulted in 44% of workplace participation in volunteering, filling 1,999 skilled and unskilled volunteer roles in charitable organisations. Our digital CommUnity platform boosted our community engagement efforts, with 43% of our people having used the platform since it started in November 2022.

This year, our people and executive team supported Sleep Rough in Hobart, Sleep at the G in Melbourne, Youth Focus 'Ride for Youth' in Perth, and Movember and Steptember nationally.

Our Workplace Giving Program enables permanent employees to donate to any of 700 charities through regular pre-tax payroll deductions.

$740K

in Insignia Community Foundation grants

‘Insignia Financial should be very proud of its RAP because it will set them up to embed Reconciliation commitments and commence important work to create greater financial wellbeing to its members who identify as First Nations people.’

Insignia Ambassador
Troy Cook, a Yamatji man from Carnarvon (Above)

Girls from Oz participants visit Insignia Financial’s Brisbane office in 2023, with Nazzie (front right) and Amy Forsyth (back right).

Reconciliation

In June 2023, Reconciliation Australia endorsed our Innovate RAP, which embeds reconciliation across our business and improves the financial wellbeing of our Aboriginal and Torres Strait Islander members. At the end of June 2024, 77% of planned RAP activities had been completed, with other items in progress.

This year, we delivered a cultural learning program with Indigenous-led organisations. During National Reconciliation Week, we introduced Red Dust Reconciliation Education Essentials online training, which 12% of the workplace completed within the first month.

The First Nations Foundation delivered training on culture and money to member-facing employees. Two employees completed a six-week secondment working alongside Indigenous-led organisations on Darkinjung Country in New South Wales, through a partnership with Jawun.

IOOF Foundation partnered with The Girls from Oz to support the growth and development of the Lockhart River program in Far North Queensland. In the past five years, nearly 400 young girls have received high quality performing arts education. In November 2022, we welcomed 34 girls (five from Lockhart River) to our Melbourne office as part of their week-long travel program with the Australian Girls Choir.

We built stronger connections at the inaugural 2024 First Nations Super Summit in February, hosted by the First Nations Foundation. The Group has four representatives on the Indigenous Superannuation Working Group, led by the First Nations Foundation to oversee and drive progress following the summit.

Employee engagement and wellbeing

We are committed to creating a positive and sustainable work environment. By incorporating sustainability into our practices, we foster a culture where employees feel motivated, supported, and proud to contribute to the organisation's efforts to achieve a sustainable future.

Understanding our people

'Our Voice' is the regular employee culture and engagement survey on the experience of our people. In the May 2024 survey, completed by 81% of our total employed population, 78% of the respondents stated that they believed they could be their authentic self at work and 71% felt that they belong at work. These responses reflect the sense of belonging our approach to inclusion has created for our people. Insights from these surveys enable us to shape organisational policies and initiatives supporting an inclusive environment. We are also looking to better understand how a larger number of our work community can feel a sense of belonging through working group sessions and further surveys.

Employee wellbeing

In July 2023, we administered an extensive, targeted wellbeing survey to all employees to understand their experience and needs. The survey, completed by 53% of our employees, showed strong results in many areas: *'I receive support from people around me at work when I need it'* – 86% favourable; *'I would feel comfortable talking to my people leader about my wellbeing'* – 80% favourable. The Group has appropriate support programs available for employees, and the survey indicated that employees know where and how to raise concerns about their own or a colleague's wellbeing.

Your Mind Matters

Your Mind Matters is our dedicated wellbeing program that seeks to foster the psychosocial health and wellbeing of our people. Over the past 12 months:

1,758
employees attended wellbeing webinars

329
employees completed a complimentary health check

1,103
employees participated in the flu vaccination program*

179
employees participated in the Family Support Program

401
employees redeemed the Smiling Minds application

48
employees completed the Mental Health First Aid Program

*Representing a 21% utilisation. This statistic does not include Western Australia or Queensland, where this service is complimentary.

Employee Assistance Program

Our Employee Assistance Program (EAP) is provided by our partner, Telus Health, and supports employees to resolve personal and work-related issues, particularly those related to mental health and wellbeing.

Flexible working

In the May 2024 'Our Voice' survey, 83% of employees responded that our flexible working policy enables them to manage their personal responsibilities, and 78% of employees felt supported to use flexible working arrangements. In FY25, we will continue our flexible working practice.

Our hybrid working policy allows employees to work remotely for up to 60% of their work days, and our flexible working guidelines encourage employees to explore how flexibility can work for them, our business and our clients.

Family and domestic violence policy

As a financial services employer, we have policies in place to help employees escape unsafe environments while maintaining the security of their employment.

1,682+
employees enjoyed massages across eight office locations.

Diversity, equity and belonging

Our Diversity, Equity and Belonging (DEB) Strategy 2024–2027 outlines our commitment to making our workplace better for everyone and builds on our proud sense of organisational belonging.

The strategy amplifies diversity awareness, celebrates uniqueness, builds connections and addresses systemic inequalities. Supporting these initiatives makes sound business and commercial sense because a diverse and inclusive workplace improves profit, performance, and client outcomes by encouraging innovation, creativity and effective talent management.

Each group has a committee of passionate employees led by a business leader and supported by an executive team sponsor.

We track and monitor our progress through a DEB scorecard, providing updates to our CEO and executive sponsors biannually and the Board annually. The updates include performance against gender representation targets and our gender pay gap.

The DEB strategy targets six key demographic groups:

1. Pride
2. Accessibility
3. Reconciliation
4. Life and family
5. Multicultural
6. Women

Where I belong

Diversity, Equity and Belonging (DEB) **2024-2027 Strategy**

Measuring success: Representation | Equity | Belonging

Categories	2024 (%) Female representation	2023 (%) Female representation
Total population	48.58	49.16
Board	57.14	40
CEO	0	0
Key management personnel	0	0
General Manager/Other Executive	44.83	42.37
Senior Manager	38.12	39.70
Other Manager	39.92	37.86
Asset Management	39.92	37.86
Technology	38.76	37.17

*Based on the WGEA standardised employee categories

Key DEB achievements in FY24

On 31 July 2023, the Group achieved Australian Workplace Equality Index (AWEI) Bronze Tier Status for our commitment to LGBTQIA+ inclusion and belonging.

The Group was granted the Family Inclusive Workplace certification from Family Friendly Workplace Australia on 31 August 2023. As part of this process, we were benchmarked against other Australian companies and formalised a two-year action plan. We are a workplace where families thrive alongside careers, as demonstrated by our commitment to flexible work arrangements and support to transition back to the workforce after parental leave.

Female representation

We are working towards balanced gender representation. While there have been recent changes in female representation, our overall female representation at 30 June 2024 was 48.58%.

Gender pay gap

As part of our ambition to create financial wellbeing for every Australian, we are committed to creating an equitable workplace where our people are compensated fairly, regardless of their gender. We welcomed the Australian Government's Workplace Gender Equality Amendment (Closing the Gender Pay Gap Act 2023) and support the transparent disclosure of employer gender pay gaps as a crucial step in addressing and closing the gap.

Our 2022–23 submission to the Workplace Gender Equality Agency (WGEA) showed a median total remuneration gender pay gap of 18.7%. Our 2023–24 figure is expected to increase 1.3% to 20%. This increase is due to the lower representation of females in senior leader roles and changes in the methodology to include CEO remuneration.

In the past four years, we have made progress in reducing our gender pay gap, having decreased 8% from 26.7% in 2020–2021, and remain committed to closing the gap over time. We also conduct our own gender pay gap assessment biannually and are working towards a target of less than 3% across like-for-like roles.

Taking action

Our gender pay gap is largely driven by gender representation at different role levels, with a higher proportion of more junior roles being filled by women. Balanced gender representation, particularly in executive and senior leadership positions, will narrow the gender pay gap. Our target is 40% men, 40% women and 20% any gender in our enterprise-wide demographics at a divisional level and in executive, senior leadership and IFL Board roles. We recognise the detrimental impact of gender pay gaps on equity, and we continue to take action to address and eliminate systemic inequity through our strategy and internal processes.

Sponsored by our Chief People Officer, the Women at Insignia Financial group is a place for people of all genders to connect and advocate on issues affecting women in our workplace. The group coordinates networking and professional development activities and drives progress against our diversity, equity and belonging strategy.

The Group's annual Our Leading Women sponsorship and mentorship program improves the visibility, connectedness and growth of high-potential women across the organisation. Among 2022 participants, 35% moved into more senior roles and 45% changed roles. The 2024 program kicked off in March 2024 with 24 talented participants from across Insignia Financial.

Modern slavery

We recognise that alignment with the ***Modern Slavery Act 2018*** (Cth) is crucial for sustainable procurement. This commitment helps us meet societal expectations and investor demands, ensures regulatory compliance and upholds our ethical standards.

Our fourth annual Modern Slavery Statement (December 2023) outlined how we assess and mitigate modern slavery risks in our corporate supply chain and our asset management business. It included our five-year maturity plan to improve our identification of modern slavery issues and mitigation actions.

Sustainable procurement

In the second quarter of FY24, the procurement team improved the procurement system and supplier data management in Zycus, our source-to-pay procurement system. Completed in February 2024, this work was pivotal to Project Neo, which saw the replacement of our general ledger system, and will facilitate greater supplier insights, including improved spend data accuracy.

Additional improvements included:

- refining the Group's supplier modern slavery risk rating model to more effectively identify and mitigate risks associated with modern slavery in the supply chain
- adding new data fields to Zycus to improve modern slavery risk reporting and monitor supplier compliance
- increasing engagement with internal business stakeholders and third-party suppliers to promote awareness of the need to comply with modern slavery legislation
- improving participation in our supplier compliance questionnaire, which includes modern slavery compliance questions, from 43% in FY23 to 64% in FY24.

Insignia Financial's Social Procurement Framework, which outlines our approach to integrating social value considerations into procurement processes, will be finalised in the second half of calendar year 2024.

All Insignia employees have completed training on compliance with the Modern Slavery Act.

CRA-10681 (55022) 0924