Modern Slavery Statement

2026



challenger

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About this statement

This modern slavery statement is prepared and issued by Challenger Limited, the reporting entity, on behalf of Challenger Life Company Limited (Challenger Life), Fidante, Challenger Investment Management and Offshore Reinsurer (Bermuda) Company Limited. In this report, unless otherwise stated, references to 'Challenger', 'the Group', 'we', 'us' and 'our' refer to Challenger, comprising the ASX-listed entity, its underlying business divisions and all consolidated entities as described on pages 172–174 of the Challenger Limited 2026 Annual Report. This statement is made in accordance with the requirements within the *Modern Slavery Act* 2018 (Cth) (the Act) and the United Kingdom Modern Slavery Act 2015 and covers the period 1 July 2025 to 30 June 2026 representing Challenger's FY26 financial year. This statement provides detail on Challenger's approach to identifying, mitigating, and addressing the risks of modern slavery across our operations and supply chain. This statement uses the Act's definition of modern slavery. This involves conduct which would constitute a criminal offence under Australian law or international law, including trafficking in persons and the worst forms of child labour.

Acknowledgement of Country

Challenger acknowledges the Traditional Owners of Country throughout Australia and we pay our respects to Elders past and present. We recognise the continuing connection that Aboriginal and Torres Strait Islander peoples have to this land and acknowledge their unique and rich contribution to society.

Message from Chair and CEO



At Challenger, we recognise the role we play in supporting a more sustainable and equitable future for Australians. Central to this is our responsibility to respect human rights, conduct business ethically and take practical steps to identify and manage the risk of modern slavery across our operations, investments and supply chain.

Modern slavery can take many forms and often occurs where vulnerability, weak governance, complex supply chains or high-risk geographies intersect. We are committed to ensuring our business practices do not cause, contribute to, or become directly linked to these harms, and to strengthening the systems that help us identify, assess and respond to risk.

During FY26, Challenger continued to improve its modern slavery program by strengthening modern slavery awareness for key teams and suppliers and continued to refine our approach to assessing risk across our investment portfolios.

This Modern Slavery Statement outlines the steps we are taking to identify, manage and mitigate where there are potential risks of modern slavery, while recognising that this work requires ongoing focus, collaboration and continuous improvement within the jurisdictions in which we operate.

DUNCAN WEST
Independent Non-Executive Director and Chair

NICK HAMILTON
Managing Director and Chief Executive Officer

This statement has been endorsed by the Board of Directors of Challenger Limited.

Progress to date

2020

- Published Challenger's first modern slavery statement in accordance with the Australian Modern Slavery Act 2018
- Internal modern slavery project group established
- Conducted initial risk assessment on our suppliers, investment managers and investment portfolios
- Responsible Investment Policy and Challenger Life Company Responsible Investment Statement updated to reflect consideration of modern slavery risks
- Worked with affiliates and Challenger investment teams to incorporate modern slavery considerations into their investment decisions
- Challenger became a signatory to Investors Against Slavery and Trafficking (IAST) as a founding member

2021

- Published Board approved Human Rights Statement
- Challenger ESG Steering Committee established
- Developed modern slavery questionnaire
- Conducted policy gap analysis for material suppliers and updated a range of policies to reflect consideration of modern slavery risks

2022

- Engaged external human rights consultant to undertake a review of our initiatives and provide recommendations to strengthen approach
- Overhauled modern slavery statement, including an improved structure for addressing and assessing modern slavery risks
- Updated Whistleblower Policy to include modern slavery practices as an example of reportable conduct

2023

- Strengthened our risk assessment methodology
- Implemented employee modern slavery awareness and education program
- Embedded modern slavery clause in supplier contracts

2024

- Expanded modern slavery investment risk assessment methodology to include a new 'risk mitigation' score and risk layering approach
- Established and embedded group-wide supplier management framework, which incorporates modern slavery risk assessment across all suppliers
- Modern Slavery online training launched June 2025 tailored to Challenger's operational structure and asset classes
- For investments with a high residual risk, a modern slavery risk management plan for the relevant investment team was developed
- Contributed to the Human Rights in Supply Chains Investor Toolkit published by RIAA in May 2025

2025

- Tailored engagement with suppliers to undertake additional due diligence where higher risk of modern slavery was identified
- Issued Modern Slavery training to all targeted employees
- Embedded modern slavery clauses into contracts with new material service providers
- Maintained active engagement with peers and industry groups via the FSC, Investors Against Slavery and Trafficking Asia Pacific (IAST) and the Responsible Investment Association of Australasia (RIAA)

Continuous improvement

Incorporated Modern Slavery awareness into our employee onboarding process.

Formally adopted a Supplier Code of Conduct including expectations of human rights and employment conditions for all suppliers.

Delivered modern slavery and human rights briefing to Challenger's investment teams.

Incorporated additional indicators into our modern slavery risk assessment.

Expanded coverage for the assessment of modern slavery risk across our investment portfolio.

Additional detail on our actions is provided on page 25.

About Challenger

We are Australia's leading retirement income business[1] with a purpose to provide financial security for a better retirement for our customers.

Our purpose

Challenger's purpose is to provide customers with financial security for a better retirement.

Established
1985

ASX 100
Listed[2]

APRA
Regulated Life company

577
employees worldwide

Global
operations in Sydney, London, Tokyo and Stockholm

Our values

Our values are integral to our culture and linked to everything we do. They set out the behaviours we need to deliver on our purpose and strategy and to meet community expectations, now and in the future.



Act with integrity

We do things the right way



Aim high

We deliver outstanding results



Collaborate

We work together to achieve shared goals



Think customer

We make decisions with our end customers front of mind

1 Plan For Life – March 2026 – based on annuities under administration.
2 Australian Securities Exchange (ASX) and trades under code CGF.

How we create value

We combine deep retirement expertise, sophisticated investment capabilities and a strong balance sheet to deliver solutions that provide certainty of income.

Income for individuals	Solutions for Institutions	Strategic Ventures
We help customers turn their retirement savings into reliable income streams, with products designed to achieve financial security and peace of mind.	We provide access to our specialist investment and insurance capabilities that support better outcomes to deliver income solutions.	We establish strategic investments and partnerships that complement our core retirement income franchise and support the diversification of our earnings.

Our stategic pillars

Challenger has three strategic pillars to ensure that it achieves its purpose of providing customers with financial security for a better retirement.



Retirement leader

Broaden customer access across multiple channels

- Delivering better outcomes for our customers
- Trusted and well-known brands
- Leading voice on all things related to retirement income
- Expanding our products and partners to meet more customer needs



Investment excellence

Superior outcomes and financial resilience

- Strongly capitalised so we can always deliver on our promises
- Superior risk-adjusted investment performance for our customers and shareholders
- Enabled by a scalable operating and investment platform



Talented team and capability

Outstanding skills and ways of working

- Invest in our people to maximise their potential
- Building a growth-focused and inclusive culture
- Leverage technology to make it easy to do business with us
- We make good risk-aware commercial decisions

Structure and operations

We are Australia's leading retirement income business with a purpose to provide financial security for a better retirement for our customers.

We do this by helping Australians convert their accumulated savings into reliable and sustainable retirement income, addressing one of the most significant financial challenges facing an ageing population: ensuring retirement savings last for life.

At the same time, we help institutional investors meet the growing demand for income through our leading credit origination capabilities, providing access to high-quality investment opportunities across public and private markets.

How we create value

We combine deep retirement expertise, sophisticated investment capabilities and a strong balance sheet to deliver solutions that provide certainty of income.

For customers, we help them turn their retirement savings into reliable income streams. Our retirement income solutions help reduce the risk of outliving savings and provide certainty and confidence throughout retirement. At a time when retirement has become increasingly complex, we offer products designed to help customers achieve both financial security and peace of mind.

For institutional partners and distributors, we provide access to our specialist investment and insurance capabilities that support better customer outcomes to deliver income solutions. Our relationships with advisers, superannuation funds and financial institutions create distribution advantages, broaden customer access and strengthen our market position.

We also invest in adjacent business ventures that strengthen our long-term competitive position. Through strategic investments and partnerships, we are expanding our distribution reach, enhancing customer access and developing new growth opportunities. These include technology-enabled distribution platforms, international reinsurance capabilities and partnerships that provide exposure to attractive capital-light earnings streams. Together, these initiatives complement our core retirement income franchise and support the diversification and scalability of future earnings.

Our competitive advantages

Market leadership in retirement income

We have built a leading position in Australia's retirement income market through our decades of experience in longevity risk management, retirement product design and retirement income delivery. We are Australia's leading retirement income brand[1] and largest provider of annuities[2].

Unique balance sheet capabilities and prudent capital management

The income payments we make to customers are supported by a high-quality investment portfolio, primarily invested in investment grade fixed-income assets. One of our most important competitive strengths is our ability to manage long-dated liabilities and provide income security over extended periods. Delivering guaranteed and highly predictable income requires a combination of actuarial expertise, risk management, disciplined asset-liability management, a strong balance sheet and prudent capital management.

Specialist asset origination platform

We have developed a growing capability to originate, source and manage high-quality public and private assets, including private credit and other long-duration investments. These capabilities provide us access to attractive investment opportunities that support both customer obligations and shareholder returns.

We are one of Australia's largest fixed-income originators[3]. Direct origination allows us to secure assets that align closely with the needs of our retirement income portfolios, enhancing portfolio quality, improving risk-adjusted returns and reducing reliance on highly competitive public markets. As global demand for private assets continues to increase, our origination capabilities are becoming an increasingly important source of competitive differentiation.

1 Marketing Pulse Adviser Study June 2026 based on (% agree / strongly agree).
2 Plan For Life – March 2026 – based on annuities under administration.
3 Rainmaker Roundup, March 2026 data.

Strong partnership and distribution

Through long-term partnerships with financial advisers, superannuation funds, wealth platforms, institutional investors and financial institutions, we help meet the growing demand for income solutions at a time when demographic and regulatory trends are increasingly focused on improving retirement outcomes. Our reputation, expertise and proven track record position us well as a partner of choice.

Technology partnership

Challenger has a technology partnership with professional services firm Accenture for a seven-year period. Accenture has a track record in delivering technological transformation programs for international insurance companies. Under the arrangement, Accenture manages Challenger's technology platform, is re-platforming Life's core customer technology and is enhancing the customer experience.

Operations partnership

In FY25 Challenger has appointed State Street to provide investment administration and custody services, to accelerate our path to become a highly contemporary and scalable platform. Challenger's investment operations team has now transitioned to State Street and the program has achieved a number of key milestones including the transition of our custody services.

Where we operate

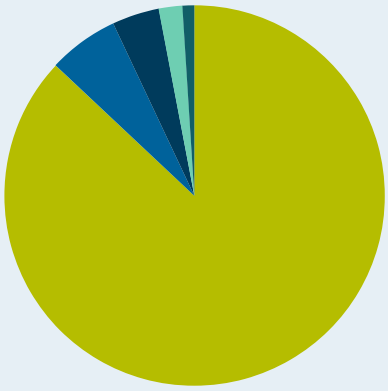
Global headcount
577



125
Employees aged 50 and over

253
Female employees

761
Contingent workers*



Total number of employees

489 Permanent full time	**52** Fixed term full time
33 Permanent part time	**2** Fixed term part time
1 Casual	

All information on this page refers to FY26. A detailed breakdown of employee headcount can be found in the FY26 Sustainability Report.

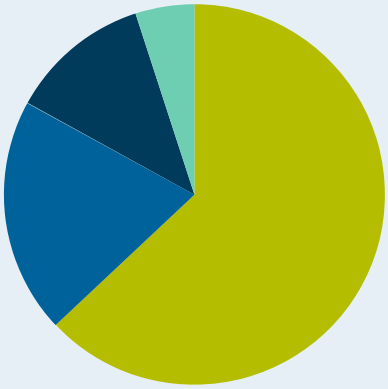
*The high number of Challenger's contingent workforce in FY26 largely relates to the outsourcing of our technology service delivery and support through our partnership with Accenture. A due diligence process was undertaken at the time to ensure Accenture's culture, governance and policy framework met Challenger's standards. Challenger has a Contingent Worker Policy in place.

Our supply chain

Challenger works with a range of suppliers to procure goods and services.

In FY26, Challenger Group spent approximately $138 million procuring goods and services from 649 suppliers, 41 fewer suppliers compared to FY25. Challenger directed 88% of its supplier expenditure to Australian-based entities, which is an increase of nine percentage points compared to FY25. The remaining expenditure was allocated to suppliers in the USA, UK and rest of the world. Expenditure is predominantly focused on financial and professional services, information technology services and consulting services.

Spend by category



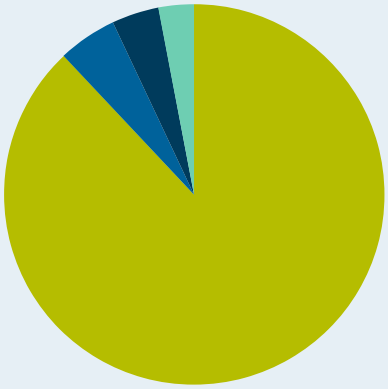
63% Financial and professional services

20% Technology

12% Social and government

5% Operations

Spend by geography



88% Australia

5% United States of America

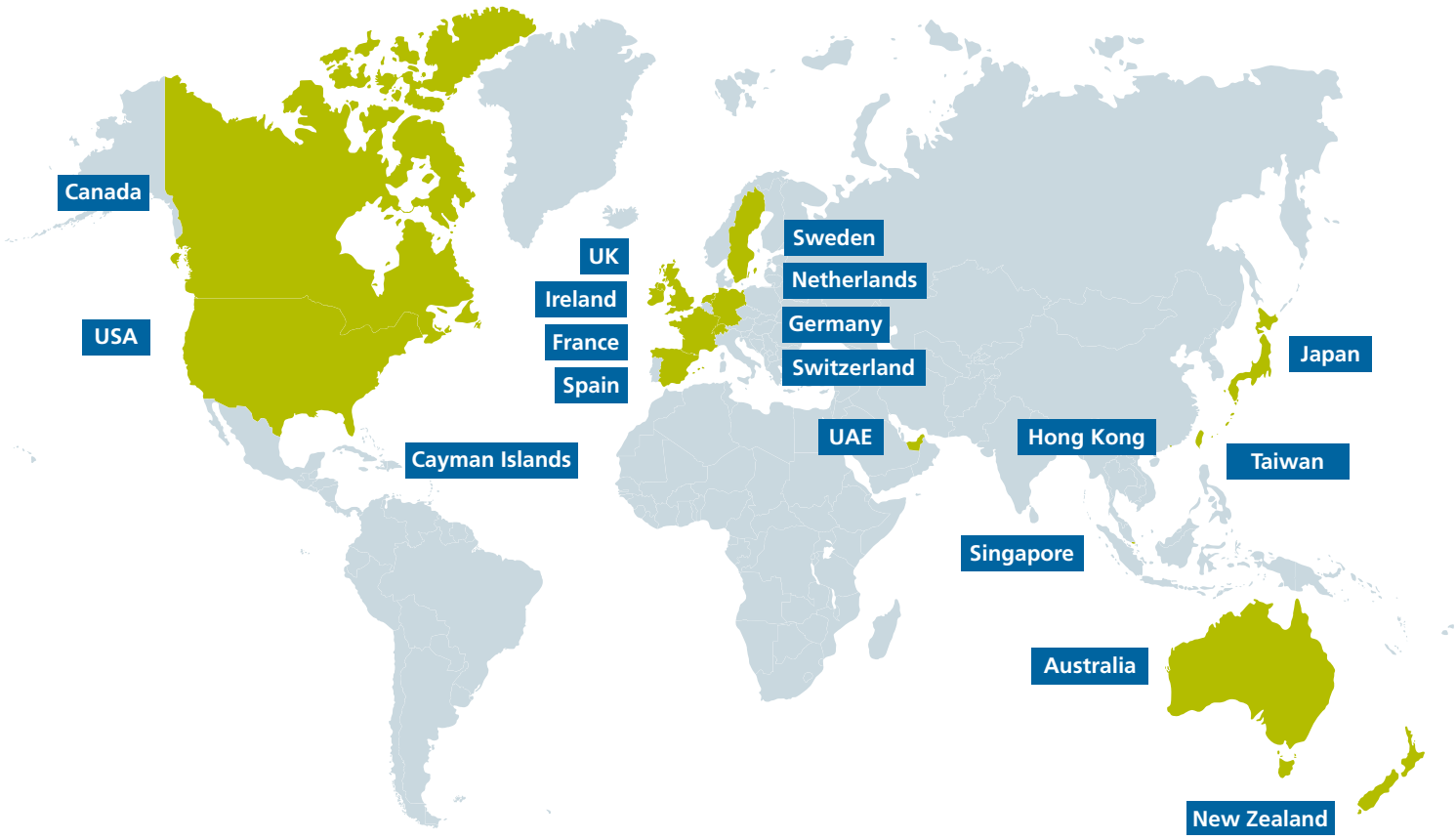
4% United Kingdom

3% Rest of the world

Our investments

The geographic exposure of Challenger's investments by country of incorporation is outlined below. This includes investments on the Challenger Life balance sheet, managed investment schemes and Fidante.[1]

The developing market exposures relates to global equities portfolios. Where data was available, the Responsible Investment team has also assessed the investment against country of operations.



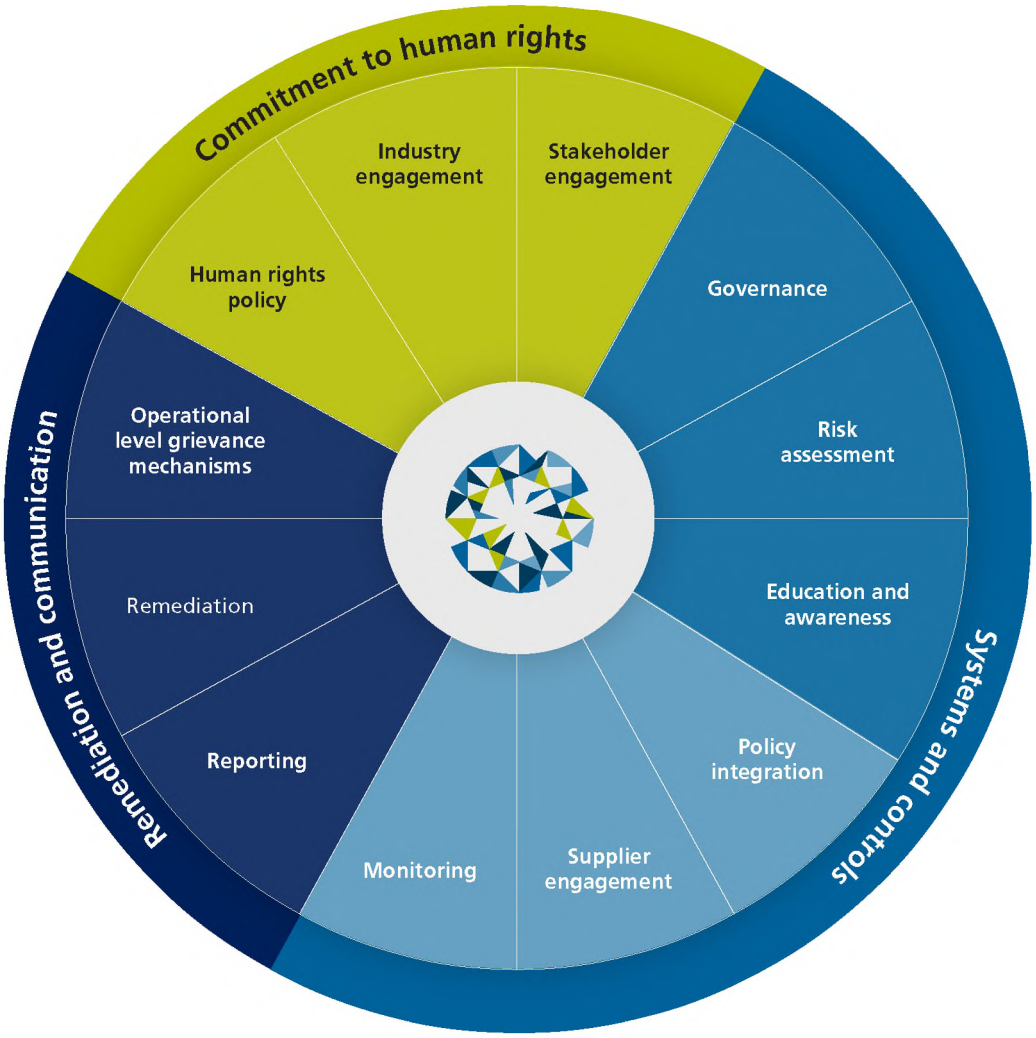
1 Geographic exposure reflects Fidante's flagship funds and a range of Challenger's investment portfolios, consistent with prior years.

Governance and risk management

Challenger has a robust governance and risk management framework to mitigate the risks of modern slavery.

The way Challenger works is informed by its risk culture. A critical aspect of this is managing risks and opportunities within operations and supply chain. Challenger regularly engages with stakeholders on matters concerning economic, environmental, social and governance issues, reflecting its belief that collaboration leads to better outcomes.

Challenger's risk-based approach to considering modern slavery risks across the business is informed by the United Nations Guiding Principles on Business and Human Rights. The approach encompasses its commitment to human rights, the systems and controls in place, considerations for remediation and effective communication regarding the activities outlined in this statement.



Identifying and assessing modern slavery risk

We understand the significance of modern slavery risks and are committed to addressing the risk to people throughout our operations and supply chain.

Governance

Challenger's Board of Directors has responsibility for the oversight and approval of our Modern Slavery Statement. ESG and associated initiatives, such as Challenger's approach to modern slavery, are discussed at the most senior levels of the organisation including the Board's Group Risk Committee (GRC) and the Leadership Team.

Board Group Risk Committee

The GRC assists the Board in setting the appropriate risk appetite for all risks, including modern slavery. The GRC ensures Challenger has an effective risk management framework, remains compliant with relevant laws and regulations and promotes a strong risk culture. At a minimum, the GRC considers ESG issues on a quarterly basis, including written and verbal updates from the Chair of the ESG Steering Committee.

Group ESG Steering Committee

The ESG Steering Committee assists management in developing and setting Challenger's ESG strategy. It identifies ESG risks and opportunities, associated controls and policies relating to the implementation of the strategy, as well as overseeing Challenger's ESG reporting and disclosures. The Committee meets monthly and includes senior executives from across the business, including Challenger's Chief Risk Officer, Challenger Life's Chief Investment Officer, Fidante, Finance and the Responsible Investment team and is chaired by the General Manager Corporate Affairs and Sustainability.

Modern Slavery Working Group

Challenger's Modern Slavery Working Group is a cross-functional working group focused on enhancing our modern slavery framework to assess associated risks, remediate any instances of modern slavery and learn from and implement industry best practice. The Working Group meets regularly and includes individuals from Responsible Investment, Risk, Corporate Affairs and Sustainability, Human Resources and Finance. The Group provides updates to the ESG Steering Committee.

Challenger is an active signatory to international frameworks committed to driving sustainable practices, including addressing modern slavery, across financial services:

- Principles for Responsible Investment (PRI)
- Investors Against Slavery and Trafficking Asia Pacific (IAST)
- Responsible Investment Association of Australasia (RIAA)
- Financial Services Council (FSC) ESG Working Group

SHAREHOLDERS

CHALLENGER LIMITED BOARD

Acts on behalf of shareholders and oversees the overall direction, management and corporate governance of Challenger

GROUP AUDIT COMMITTEE	GROUP RISK COMMITTEE	NOMINATION COMMITTEE	GROUP PEOPLE & REMUNERATION COMMITTEE	INDEPENDENT & RELATED PARTY COMMITTEE
Oversight of reporting requirements	Oversight of risk management framework	Assists the Board achieve effective composition and size	Oversight of people and remuneration policies and practices	Oversight of matters that require Independent Director consideration

CHIEF EXECUTIVE OFFICER

Responsible for the day-to-day management of Challenger and the implementation of its strategic objectives

LEADERSHIP TEAM

Delivery of strategic objectives

EMPLOYEES

Upholding Challenger's values and executing strategic objectives to provide our customers with financial security for a better retirement



Policies

Challenger is an active signatory to international frameworks committed to driving sustainable practices, including addressing modern slavery, across financial services: Principles for Responsible Investment, Investors Against Slavery and Trafficking Asia Pacific, Responsible Investment Association of Australasia and the Financial Services Council ESG Working Group.

Challenger has a range of policies that guide our business practices and are relevant to addressing modern slavery risks across our business activities. Key policies include:

POLICY	PURPOSE
Anti-Money Laundering and Counter Terrorism Financial Policy	Outlines Challenger's adherence to AML/CTF laws designed to combat money laundering and terrorism financing, that are often associated with modern slavery. Details the countermeasures that could be employed against high-risk countries or entities engaged in modern slavery.
Code of Conduct	Sets out Challenger's expectation that employees will act in line with its values and policies. Applies to employees, contractors and Directors and encourages employees and suppliers to raise concerns and speak up via a number of methods and highlights legal obligations related to human rights.
Conduct Risk and Consequence Management Framework	Details the process for reporting, managing and applying consequences to poor conduct that may occur across Challenger's operations, products and services, including those that involve or contribute to modern slavery practices.
Fraud and Corruption Policy	Explains Challenger's commitment to preventing, detecting and responding to fraud and corruption, including procedures for reporting, investigating and resolving potential instances and the consequences of fraud and corruption.
Human Rights Statement	Outlines Challenger's commitment to respecting and protecting the fundamental human rights of the people it engages and interacts with and its expectation that all employees, contractors and Directors comply with the Human Rights Statement.
Supplier Code of Conduct	Sets minimum expectations for suppliers and subcontractors to comply with laws, act ethically, respect human rights (including prevention of Modern Slavery), manage safety, sustainability and ESG risks, support due diligence, maintain appropriate records and report concerns or non compliance.
Incident Management Policy	Sets a consistent process for escalating, managing, reporting and remediating incidents at Challenger, including those that may involve or affect human rights.
Operational Risk Policy and Practice Note	Outlines Challenger's approach to operational risk identification, assessment and management in line with its Risk Appetite Statement.
Responsible Investment Policy	Describes how Challenger integrates ESG considerations in its investment processes, manager selection, stewardship and reporting, including undertaking due diligence to assess any potential modern slavery risks.
Risk Appetite Statement	Outlines the Board's risk appetite, so that management can ensure decisions made are within the Board's risk appetite. Outlines specific risk appetite statements across financial and non-financial risk, including service provider management.
Risk Management Strategy	Details Challenger's approach, structures, policies and committees to identify, understand and manage both financial and non-financial risk across Challenger.
Service Provider Management Policy	Describes Challenger's approach to managing service providers and the risks associated with their use, including modern slavery and offshoring.
Whistleblower Policy	Encourages, supports and protects reporting of wrongdoing, which includes fraud, corrupt conduct, financial misconduct and certain failures to comply with Challenger's legal and regulatory obligations.

Challenger's Supplier Code of Conduct

Challenger's Supplier Code of Conduct sets minimum expectations for suppliers and subcontractors to comply with laws, act ethically and manage environmental, social and governance risks. It requires respect for human rights, prevention of modern slavery, safe working conditions, fair labour practices and appropriate grievance mechanisms.

Suppliers must support Challenger's due diligence by providing accurate information, maintaining records and applying equivalent standards to subcontractors. The Code also covers sustainability, climate claims, ethical business conduct, sanctions, privacy, operational resilience and business continuity. Suppliers are expected to report concerns or non-compliance promptly and cooperate with investigations and remediation where required.

Managing modern slavery risk

Our approach to managing modern slavery focuses on the four key factors that elevate the risk of modern slavery – vulnerable populations, high-risk business models, high-risk procurement categories and high-risk geographies.

Vulnerable populations

We recognise that certain suppliers and the supply chain and operations of our portfolio companies operate in industries where there is a heightened likelihood of vulnerable populations within the workforce such as migrant workers and third-party recruitment.

High-risk business model

This includes complex and long supply chains, highly price competitive, third-party labour hire, tight lead times and outsourcing.

High-risk procurement

We are cognisant of the increased risk of modern slavery in certain industries such as marketing, construction, agriculture, healthcare, garments and apparel, mining, electronics, travel, cleaning, building services and catering.

High-risk geographies

Including countries with a prevalence of modern slavery, governance issues, lack of basic needs, inequality, disenfranchised groups and effects of conflict.

Supply chain risk assessment

Challenger leverages a breadth of service providers to operate, including those that may have an offshore presence or heightened risks related to the service provided. To ensure alignment with Challenger's ethical and risk management standards, additional due diligence is performed collaboratively by the Sustainability and Risk teams for these types of service providers.

This process involves the following:

Framework review	Performing a review of the frameworks in place related to modern slavery, including but not limited to: modern slavery statements, code of ethics/conduct, employment, subcontracting and human rights policies, and procurement policies.
Supply chain analysis	Determining the make-up of the third-party provider's supply chain (based on supplier category and country of operation) and the supplier governance processes across the end-to-end lifecycle, ranging from on-boarding, due diligence, and ongoing monitoring for its suppliers.
Governance and oversight	Review of governance arrangements in place, including the existence and membership of an ESG Committee, named Modern Slavery Risk Officer and whistleblowing mechanisms in place.

The process culminates to a modern slavery risk assessment outlining the inherent risks, mitigants and residual risks of the third-party. Where any residual risks remain heightened, Challenger will require the third-party to implement additional measures to bring the level of residual risk down. In FY26, due diligence performed did not identify areas of concern.

Potential risk areas

Due to the nature of our business, the risk that we cause or contribute to modern slavery practices in our day-to-day operations is low. However, we may be directly linked to modern slavery risk through our supply chain or investments.

We understand the potential for risk in these areas and will continue to monitor them.

RISK CATEGORY	DESCRIPTION
Real estate, property, and facilities management	This category is higher risk, given workers in the facilities management supply chain may be from vulnerable populations, including low skilled or migrant workers, and subject to subcontracting arrangements. In FY26, we did not identify any high-risk suppliers.
Overseas supply chains	Challenger uses IT, professional, financial and subscription services from suppliers in higher-risk countries, with a higher prevalence of modern slavery and poorer government response. Despite the increased country risk, these industries are all considered low risk with no identified instances of modern slavery, thereby reducing the overall risk rating to moderate.
Procurement practices	Challenger sources unbranded and branded items for marketing purposes, which are known to be low-cost, high-volume goods, and can create increased pressure on suppliers to use forced labour.
Investment activity	We are exposed to higher-risk industries and geographies through investment-related activities of our investment management teams and our affiliates. These industries include agriculture and fishing, food and beverage, mining and metals, transport and warehousing, and electronics manufacturing and recycling. The associated risks are elevated in jurisdictions that have higher instances of modern slavery or operate under poor business practices. Challenger uses the Global Slavery Index to structure the risk assessment of high-risk industries and geographies by investment, as outlined below.

Through the risk assessment process, to the best of our knowledge we are not aware of any instance of modern slavery in our immediate supply chain.



Investments risk assessment

Investment risk assessment methodology

Challenger's modern slavery risk assessment methodology incorporates the latest research from the Walkfree Global Slavery Index and data from ISS's Modern Slavery Scorecard to determine the inherent and residual risk of investments. We evaluate the geography and sector exposure of our investments, recognising that certain sectors are inherently more vulnerable, and these risks can be amplified in jurisdictions with weak labour protections, high corruption, or large informal workforces.

Challenger's methodology was applied across the Challenger and Fidante investment portfolios. For sovereign investments, such as government bonds, we assess the modern slavery risks of the issuer country, an approach consistent with industry practices.

Challenger's approach prioritises the absolute risk to people over financial materiality, reflecting our commitment to respecting human rights and supporting responsible business conduct across our investments.

Since FY25, we have enhanced our risk assessment methodology by introducing a mitigation score to assess the policies, controls and performance of a company in mitigating their inherent modern slavery risk, where data was available. The mitigation score is subsequently layered against the company or issuer's inherent risk rating to determine the overall residual risk.

Challenger's risk assessment methodology

Inherent Risk	Mitigation Rating	Residual Risk Rating
• Country of incorporation • Operational footprint • Sector	• Governance and commitments • Risk management • Outcomes and transparency	• Employ risk layering framework

Enhanced risk assessment methodology – risk layering framework

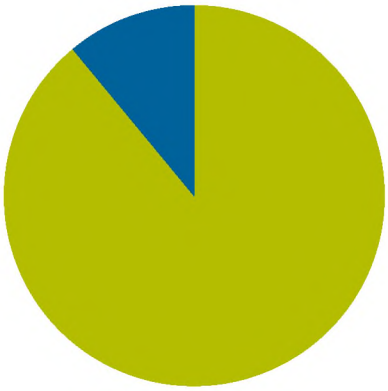
Inherent Risk	Mitigation Rating	Residual Risk Rating
High	Weak	High
High	Moderate	Moderate
High	Strong	Low
Moderate	Weak	Moderate
Moderate	Moderate	Low
Moderate	Strong	Low
Low	Weak	Low
Low	Moderate	Low
Low	Strong	Low

We are committed to reviewing and refining our approach to deepen our understanding of modern slavery risks across our investments. Where elevated risks are identified, we engage with investment teams, and where appropriate use our influence and leverage to encourage meaningful action.

Risk assessment outcomes

In FY26, we completed the annual risk assessment across Challenger's investments.[1]

Challenger Investments



89% Low

11% Moderate

In FY26, we applied the enhanced Modern Slavery Risk Framework across the investment portfolio.

Approximately 85% of entities screened are incorporated in developed markets with established modern slavery frameworks in place, such as Australia and United Kingdom. In considering the operational footprint of these entities, the highest risks are primarily driven by exposures in financials and supply chains associated with electronics in high risk regions such as China. With strong mitigation practices in place for these entities, particularly on transparency and alignment with global norms, the residual risks were assessed as moderate to low.

Where data was limited or unavailable, the balance sheet was assessed according to asset geography and sector exposure, which determined there are no high risk geographic exposures to modern slavery. The moderate exposure relates to investments in the United States, which carries a moderate inherent risk. The sector exposures which could have exposure to high-risk industries include:

- Real Estate Management
- Consumer staples, distribution and retail
- Renewable Electricity
- Consumer discretionary and retail
- Food products
- Health care, equipment and services
- Semiconductors and semi-conductor equipment
- Software services
- Technology hardware and equipment
- Telecommunication services
- Transportation

The low risk geographic exposures and high industry risk exposures when combined have produced a moderate residual risk exposure for the Challenger Life balance sheet.

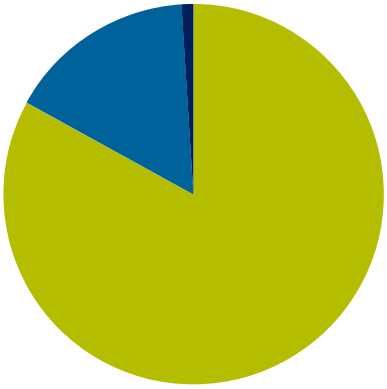
An assessment of sovereign bonds focused on country level risk where all investments operate from low risk jurisdictions.

1 Consistent with prior years, the assessment reflects Fidante's flagship funds and a range of Challenger's investment portfolios.



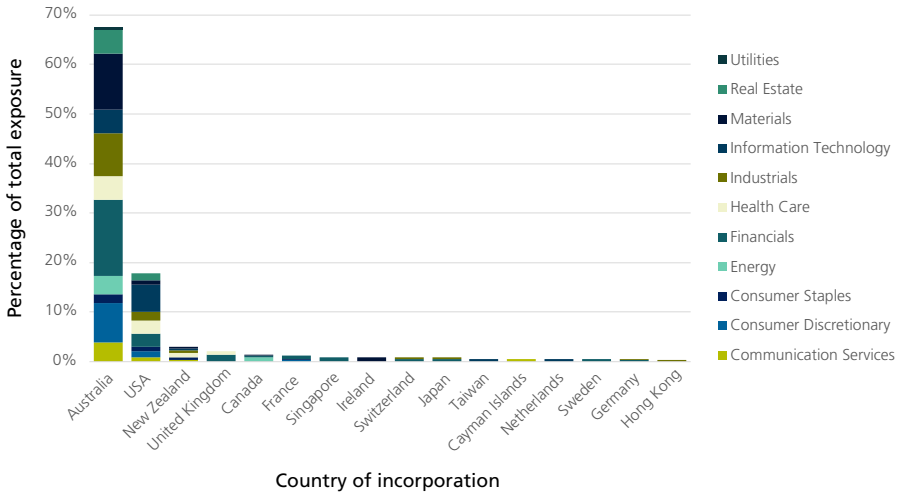
Fidante

Fidante is a multi-affiliate investment management business that partners with specialist investment managers across equities, fixed income and alternative assets. In June 2026, Challenger announced an agreement to merge Fidante with Channel Capital, with completion expected in FY27, subject to conditions and approvals.



83% Low **16%** Moderate **1%** High

Fidante – Top 10 exposure by country of incorporation and sector



This table provides an overview of key modern slavery risks identified across asset classes where Fidante Partners Limited acts as the Responsible Entity for managed investment schemes. The assessment considers both the country of incorporation and operational footprint of portfolio companies and issuers, as well as exposure to high-risk industries, applying the updated residual risk scoring methodology to ensure a comprehensive evaluation.

AUSTRALIAN EQUITIES	**Residual risk rating distribution:** *Low to Moderate* **Inherent risk drivers** Over 90% of companies assessed are incorporated in developed markets, such as Australia and New Zealand. A small proportion is incorporated in the United States, which carries a moderate inherent risk rating in line with the Global Slavery Index. Inherent risk is also increased by the operational and supply chain exposure of some portfolio companies to higher-risk jurisdictions, including China. **Controls and mitigants** Companies assessed generally demonstrated stronger governance, policy frameworks and corporate controls relevant to managing modern slavery risk. **Residual risk** Taking these controls and mitigants into account, residual risk across Australian equities was assessed as low to moderate, with no high residual risks identified.
GLOBAL EQUITIES/ EMERGING MARKETS	**Residual risk rating distribution:** *Low to Moderate* **Inherent risk drivers** Approximately 85% of public issuers assessed are incorporated in developed markets, including Australia, Canada and the United Kingdom. However, inherent risk based on operational footprint ranges from low to high due to supply chain exposures to industries linked to the electronics sector in higher-risk jurisdictions, including China, Myanmar and South Africa. **Controls and mitigants** Issuers were assessed against their human rights and modern slavery governance frameworks, risk management practices and disclosure standards. **Residual risk** Following consideration of these controls and mitigants, residual risk was assessed as moderate or low.

FIXED INCOME AND CREDIT	**Residual risk rating distribution:** *Low to Moderate* **Inherent risk drivers** Approximately 85% of public issuers assessed are incorporated in developed markets, including Australia, Canada and the United Kingdom. However, inherent risk based on operational footprint ranges from low to high due to supply chain exposures to industries linked to the electronics sector in higher-risk jurisdictions, including China, Myanmar and South Africa. **Controls and mitigants** Issuers were assessed against their human rights and modern slavery governance frameworks, risk management practices and disclosure standards. **Residual risk** Following consideration of these controls and mitigants, residual risk was assessed as moderate or low.
SOVEREIGN	**Residual risk rating distribution:** *Low to Moderate* **Inherent risk drivers** Fidante's sovereign exposures are in developed markets only. Country-level modern slavery risk is low for most exposures, with the United States and Hong Kong assessed as moderate. Sovereign investments are assessed based on the modern slavery risk of the issuer country. **Residual Risk** Residual risk is low for most sovereign exposures, with the United States and Hong Kong assessed as moderate.



Modern slavery investment due diligence

Modern slavery is one of the key ESG factors considered as part of the investment team's ESG integration process. Our investment managers and affiliates conduct thorough due diligence on both new and existing opportunities to identify and assess modern slavery risks. The approaches undertaken by each investment team align with ESG frameworks that are tailored to their specific investment strategy and asset allocation requirements.

Challenger is committed to ensuring that its investment managers and affiliates are aware of the risks of modern slavery within their investment portfolios and supply chains. While we do not have direct control over the investment decisions of our affiliates, we partner with them to ensure adequate policies are in place to mitigate and manage modern slavery risks caused by, contributed to or directly linked to an investment activity.

We also work with them to ensure they are using their leverage effectively. We expect investment managers to engage with portfolio companies and issuers on the way modern slavery risks are identified, assessed and managed by investee companies. The investment team conducts heightened due diligence on companies and issuers that operate in high-risk industries and jurisdictions.

Challenger's approach to modern slavery risk in managed investment portfolios

Challenger's Investments team manages credit assets on behalf of Challenger Life and third-party investors. As a result, modern slavery risks within Challenger managed investment portfolios often overlap with many of the sectors represented on Challenger Life's balance sheet.

Challenger's Investment team recognises the significant impacts of modern slavery and the responsibility of issuers and companies to uphold human rights, ensure fair working conditions and protect labour rights across their operations and supply chains. Exploitative labour practices are inherently unsustainable and may contribute to credit risk by weakening governance standards and increasing exposure to litigation, reputational damage and potential default.

With a focus on developed market bonds globally and private lending in Australia and New Zealand, the direct exposure of Challenger's managed investment portfolios to direct modern slavery risk is generally lower than that of lenders operating extensively in emerging markets. However, Challenger recognises that modern slavery risks can be embedded within complex global supply chains, particularly where borrowers or issuers have indirect exposure to higher-risk sectors or jurisdictions. Due diligence and engagement efforts are therefore focused on identifying, assessing and mitigating these risks where relevant.

Where modern slavery risks are assessed as unacceptably high, Challenger will not proceed with the investment opportunity. If an instance of modern slavery is identified within an existing investment, Challenger will review and assess the matter and engage with the borrower to support remediation. Where engagement is unsuccessful or remediation efforts are insufficient, Challenger may elect to divest.

Modern slavery due diligence in Challenger's Life portfolio

Challenger Life maintains a robust ESG due diligence framework for assessing and onboarding third-party investment managers. The framework incorporates consideration of modern slavery risks alongside broader ESG factors and seeks to ensure alignment with Challenger's Responsible Investment Policy. The due diligence process is led by the investment management team with support from Challenger's Responsible Investment team.

As part of the onboarding process, Challenger reviews each manager's approach to identifying, assessing and mitigating modern slavery risks within its investment portfolios. Modern slavery considerations are incorporated into the due diligence questionnaire issued to third-party managers.

For managers operating in jurisdictions where modern slavery reporting or due diligence requirements apply, Challenger reviews the manager's Modern Slavery Statement and supporting policy framework alongside questionnaire responses.

Where a manager operates in a jurisdiction without specific modern slavery requirements, or where ESG processes are still developing, Challenger may work with the manager to strengthen controls and policies for identifying and managing modern slavery risks. Where gaps are identified in a manager's policies, processes or frameworks, Challenger seeks further engagement, including dedicated discussions focused on modern slavery risk management and continuous improvement.

Addressing risk

The UNGPs guide our understanding on how we may 'cause', 'contribute to', or be 'directly linked' to human rights risks and impacts.

For the purposes of this statement, we use the cause, contribute to and directly linked framework from the UNGPs to identify how we might be exposed to risks of modern slavery. Our approach to identifying and assessing instances of modern slavery in our investments is supported by third party analytics and reporting tools.

NO INVOLVEMENT	CAUSE	CONTRIBUTE	DIRECTLY LINKED
We are not linked to modern slavery.	We may cause modern slavery through our own actions or omissions.	We may contribute to modern slavery through our own actions or omissions.	We may be directly linked to modern slavery through our operations, products or services or by a business relationship.

Where Challenger may be linked to modern slavery and actions or response
(illustrative purposes only)

	CAUSE	CONTRIBUTE	DIRECTLY LINKED
LINK TO MODERN SLAVERY	If operational activities (e.g. employment, subcontracting or projects) directly lead to incidents of modern slavery or directly use any form of exploited labour.	If operational activities or intentional omissions may facilitate or incentivise modern slavery (e.g. setting unrealistic pricing pressures on a supplier).	Through a supplier relationship or an investment which engages with modern slavery.
ACTIONS / RESPONSE	Immediately discontinue the activity, amend our internal processes to prevent reoccurrence and consider remediation, reporting or additional investigation where appropriate.	Cease or prevent the contribution, use leverage to address any remaining impact to victims, amend our internal processes to prevent recurrence and consider remediation and reporting where appropriate.	Use leverage to prevent and mitigate impacts (e.g. through training and awareness building), consider remediation and reporting where appropriate. Evaluate whether to continue the supplier relationship or in the case of investments, whether to engage or divest.

Indirect exposure to modern slavery – investments

In FY26, Challenger continued to mitigate high risk areas across its operations, investment portfolios and supply chain. This involved performing additional due diligence on suppliers with heightened risk of modern slavery and engaging with suppliers directly through questionnaires and documentation reviews.

Investments

Challenger no longer has exposure to two modern slavery incidents identified in FY25 that were held by an investment firm in which Challenger had a minority interest.

During FY26, Challenger focused on monitoring, engagement and oversight through its relationship with the investment manager. In December 2025, the investment manager divested its holding in one of the exposures and following the fund's wind up in March 2026, the second exposure was divested. In both instances, the investment manager was engaging with the portfolio companies on remediation actions and keeping Challenger informed.

Commitment to human rights

Challenger is a signatory to the Investors Against Slavery and Trafficking Initiative Asia Pacific (IAST) and a committed member of the Responsible Investment Association of Australasia (RIAA) Human Rights Working Group.



Actions taken in FY26

Challenger remains committed to continuously strengthening our approach to identifying, managing and mitigating modern slavery risks across our operations and supply chain.

Each year, the Modern Slavery Working Group develops a targeted work program designed to enhance our risk management framework and drive meaningful progress.

The key activities delivered during FY26 are outlined below.

ACTION	OVERVIEW
Incorporated Modern Slavery awareness into the employee onboarding process	Embedded modern slavery awareness into our First 90 Days onboarding program and 'Welcome to Challenger' experience. This provides new employees with access to relevant resources, policies and dedicated learning from day one, reinforcing our commitment to ethical business practices and human rights.
Formally adopted a Supplier Code of Conduct including expectations of human rights and employment conditions for all Suppliers	Set minimum expectations for suppliers and subcontractors to comply with laws, act ethically and respect human rights, prevention of modern slavery, safe working conditions, fair labour practices and appropriate grievance mechanisms.
Delivered modern slavery and human rights briefing to Challenger's investment teams	Hosted international Human Rights expert for a discussion about emerging Modern Slavery risks and approaches that support their identification.
Incorporated additional indicators in our modern slavery risk assessment	We continued to incorporate leading indicators into the mitigation component of our enhanced risk assessment, including additional indicators introduced through our data provider.
Expanded coverage for the modern slavery risk assessment across investments	Expanded the application of Challenger's enhanced risk assessment methodology to include Corporate Credit holdings within the Challenger Life balance sheet.
Continued to engage with peers and industry bodies to support the advancement of modern slavery policies	Participated in briefings and consultations with the Financial Services Council, Investors Against Slavery and Trafficking Asia Pacific and the Responsible Investment Association of Australasia.

Assessing effectiveness

Challenger continues to develop how it measures the effectiveness of its actions to mitigate the risk of modern slavery. While we cannot control the external forces that contribute to modern slavery, we can address and evolve how we manage our supply chain and assess the risks of modern slavery in our investments.

Our activities to measure the effectiveness of modern slavery are governed by the ESG Steering Committee that monitors the status and quality of measures implemented to mitigate identified modern slavery risk.

We use qualitative and quantitative measures to assess the effectiveness of Challenger's activities with the measures for FY26 disclosed below.

Actions to address modern slavery risks

KEY PERFORMANCE INDICATORS	FY26
Percentage of people who completed Challenger Code of Conduct training	99.9
Percentage of suppliers engaged during FY26 assessed for modern slavery risk	100
No. of supplier due diligence reviews	11
No. of suppliers considered high risk	0
No. of potential indicators (as identified through risk assessments, incidents and whistleblower reports) confirmed as modern slavery	0
Percentage of investments considered high residual risk	1

Actions planned for FY27

Each year, Challenger's Modern Slavery Working Group develops a targeted work program to enhance our risk management framework and drive meaningful progress. The key activities for FY27 build on the actions undertaken in FY26.

Evaluate Challenger's current procedures and approach against new or proposed regulatory requirements.

Incorporate Supplier Code of Conduct into onboarding approach for new and renewed supplier contracts and disseminate to targeted material suppliers.

Continue to strengthen the methodology applied to assessing Challenger's investment holdings through the incorporation of leading indicators.

Continue to expand coverage for modern slavery risk assessment across investments, including through direct engagement with third-party managers.

Provide ongoing education and training to investment teams relating to modern slavery and human rights.

Deliver Modern Slavery training to targeted new and existing employees identified for refresher training.

Ongoing engagement with peers and industry bodies including the FSC, Investors Against Slavery and Trafficking Asia Pacific and the Responsible Investment Association of Australasia.

Our consultation process

Challenger is the reporting entity publishing this statement on behalf of the Group. In preparing this statement, Challenger collaborated with key individuals from across the entities that we own and control. They have been involved in initiatives to improve our approach to modern slavery and future priorities.

Challenger's Modern Slavery Working Group has led the development of this statement and the key initiatives implemented during the year.

The ESG Steering Committee and the Leadership Team reviewed and approved this Statement, before submitting it to the Challenger Limited Board for approval.



Appendix

MODERN SLAVERY ACT REPORTING REQUIREMENTS (AUSTRALIA)	MODERN SLAVERY ACT (UK)	CHALLENGER STATEMENT REFERENCE
Identify the entity that is reporting	Organisation structure and supply chains	About this statement (p2–17)
Describe the structure, operations, and supply chains of the reporting entity	Organisation structure and supply chains	Structure and operations (p8–11)
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Risk assessment and management	Potential risk areas (p17)
Describe the actions taken by the reporting entity (and owned or controlled entities) to assess and address those risks, including due diligence and remediation processes	• Policies in relation to slavery and human trafficking • Due diligence processes • Training on modern slavery and trafficking	Identifying and assessing modern slavery risk (p13–25)
Describe how the reporting entity assesses the effectiveness of these actions	Key performance indicators to measure effectiveness of steps being taken	Assessing effectiveness (p26)
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	N/A	Our consultation process (p28)
Provide any other relevant information	N/A	Actions planned for FY26 (p27)

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