



MA Financial Group

Modern Slavery Statement

May 2022



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1. Introduction & Purpose

This modern slavery statement is issued by MA Financial Group Limited on behalf of itself and its controlled entities (“MA Financial”, “we,” “us” or “our”).

This statement is made in accordance with requirements within the Australian *Modern Slavery Act 2018 (Cth)* (“the Act”) and covers the period 1 January 2021 to 31 December 2021.

MA Financial conducts its businesses to high levels of ethical and professional standards in accordance with relevant laws in the countries that we operate. We have no tolerance for any form of modern slavery within our business and supply chain.

The term modern slavery is used to cover a broad range of exploitative practices including (but not limited to): slavery and servitude, forced labour, debt bondage, child exploitation and other slavery like practices including human trafficking, forced marriage and deceptive

recruiting. This statement includes an update on the initiatives conducted during 2021 to identify, mitigate and address risks of modern slavery across our operations, investments and supply chain. It also includes our planned objectives for the next 12 months.

This statement has been approved by the Board of MA Financial Group Limited on 5 May 2022.



Julian Biggins



Christopher Wyke

Joint-Chief Executive Officers, MA Financial

2. About Us (reporting criteria 1 & 2)

Background

MA Financial is an ASX-listed financial services group specialising in asset management, lending, corporate advisory and equities.



We are headquartered in Sydney, Australia, with approximately 425 employees and presence in Australia, China, Hong Kong and the United Kingdom as at 31 December 2021.

Values

Our values are integral to our culture and everything we do. They set out the behaviours that are required to ensure that we can deliver on vision and strategy, now and into the future.



3. Our Structure and Operations (reporting criteria 2)

MA Asset Management

Our asset management division, MA Asset Management, was first launched in 2013 and as at 31 December 2021 has \$6.9 billion in assets under management.

MA Asset Management manages institutional, wholesale and retail investments across a broad spectrum of asset classes including real estate, credit, hospitality, private equity, venture capital and listed equities. Specialist asset operators exist within the platform including MA Hotel Management as the appointed hotel operator of a number of hospitality assets including the Redcape Hotel Group and Retpro which acts as property manager for a number of retail shopping centre assets.

MA Corporate Advisory & Equities

MA Financial's Corporate Advisory division provides strategic and financial advice covering mergers and acquisitions, equity capital markets, debt capital markets, restructuring and recapitalisations in Australia.

The Equities division offers specialist securities research, sales and trading execution services in Australia to both individual and institutional clients.

Our Corporate Advisory division is partner to a global strategic alliance with NYSE-listed global investment bank, Moelis & Company. Moelis & Company has managed over \$3.5 trillion worth of transactions across its 21 locations. Moelis & Company is a major shareholder of MA Financial holding 13.7% as at the date of this statement.

MA Lending

MA Lending funds high-quality loan portfolios and operates differentiated lending platforms. Our lending platforms focus on residential mortgage lending and specialty finance including legal disbursement funding.

In residential mortgages, we have two platforms. We own a non-bank mortgage lender, MKM¹, which provides home loans to customers who require a common-sense finance solution outside the major banks.

We also acquired Finsure on 7 February 2022, which is a leading mortgage aggregation platform. Finsure's distribution infrastructure enables over 2,200 mortgage brokers to access thousands of lending products from over 65 lenders, with a loan book on platform of >\$70 billion.

Governance Framework

The Board of MA Financial retains ultimate responsibility for the strategic objectives of MA Financial and overseeing the activities of management and governance of MA Financial. This includes overall responsibility for modern slavery risk management.

The Board delegates operational responsibility to Senior Management for designing and implementing measures to prevent and detect modern slavery within the business and supply chain. Legal & Compliance has day-to-day responsibility for implementing these measures.

Our People

MA Financial recognizes the importance of fostering a strong team of committed, enthusiastic and talented people who work hard together to deliver outstanding service to our clients and dynamic business results.

Our culture supports and rewards those who excel in their field, take responsibility for their own actions, communicate openly, act with integrity and celebrate the success of the team as a whole.

As at 31 December 2021 we had approximately 425 employees, predominantly based in Australia.

Our Supply Chain

MA Financial's supply chain includes the procurement of goods and services, including, professional services, immigration agents, property management, marketing, facilities management and travel. While the majority of investment operations are conducted in-house, several support functions (for example, custody services, fund administration and technology support) are outsourced.

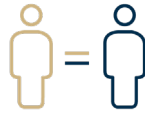
The nature of these services means that our spend is highly concentrated with the top 79 suppliers representing approximately 69% of total spend. Most of these relationships are typically stable, longer-term engagements with the majority based in Australia and some service providers having operations located in India, the Philippines and China.

¹ In October 2020, we acquired a 47.5% stake in MKM, and acquired the remaining 52.5% of MKM in March 2022.

Our primary supply chain categories for FY2021 were:



Human Resources



Professional Services



Construction, Property Management



Technology

Our Policies

MA Financial is committed to conducting its businesses in an ethical and professional manner.

We have a comprehensive set of policies and procedures that articulate our values, ways of working and expectations of our team and suppliers that are reviewed regularly. This policy framework ensures that our team and suppliers clearly understand our expectations and

can recognize when they are being treated in a way that is inconsistent with these expectations and understand how to raise a grievance or complaint.

The following policies are those that are most relevant to addressing the risks of modern slavery across our supply chain.

POLICY/PROCEDURE	PURPOSE
Code of Conduct	MA Financial's Code of Conduct outlines how we seek to conduct our business and how we expect our people to conduct themselves. It sets out the types of behaviours and conduct which are required to support MA Financial's legal, and ethical standards. It also establishes procedures for addressing unacceptable behavior or conduct.
Supplier Code of Conduct	The MA Financial Supplier Code of Conduct outlines our commitment to high ethical standards and the fair, transparent and equitable treatment of its suppliers to support the creation of lasting relationships with suppliers that share similar values. It also highlights MA Financial's expectations and requirements for all suppliers providing goods and/or services to MA Financial.
Whistleblower Policy	MA Financial's Whistleblowing Policy encourages, protects and supports the responsible reporting of any suspected wrongdoing; unethical, illegal or fraudulent conduct involving MA Financials' businesses. It applies to third parties providing services to MA Financial. Under the Whistleblower Policy, MA Financial will ensure that persons who make a report shall do so without fear, intimidation, disadvantage or reprisal.
Modern Slavery Policy	MA Financial's Modern Slavery Policy outlines the scope, roles and responsibilities in respect of managing potential modern slavery risk within MA Financial and operates alongside other MA Financial policies such as the Code of Conduct. The policy also sets out the minimum requirements for each operating division in relation to the appointment and ongoing oversight of suppliers. The policy codifies the requirement to provide ongoing training to employees and to publish an annual Modern Slavery Statement.
Internal Employment Policies	MA Financial's employment practices are governed by a number of policies and procedures that in aggregate, set out the business standards for fair pay, contract management, working conditions, anti-bullying and promotion of non-discrimination. MA Financial complies with all relevant employment legislation.

4. Supply Chain Risks (reporting criteria 3)

Overview

Our focus for the year ending 2021 was centered on further understanding our modern slavery risks in MA Financial's operations and supply chain.

While we consider the risk of modern slavery to be low within our direct business operations, we recognize that our employees and contractors will benefit from increased education around modern slavery risks, particularly in relation to supply chain and procurement practices.

Importantly, our Board and Leadership team is committed to identifying and addressing modern slavery risks in our operations and supply chain.

In performing this review for MA Financial, a risk assessment was performed of MA Financial's spend categories and suppliers based on four globally recognized modern slavery risk factors.

Geographic risks

- Some countries may have higher risks of modern slavery due to poor governance, weak rule of law, conflict migration flows and socio-economic factors like poverty. In analysing geographic risk, we have referred to estimated prevalence of modern slavery and the government responses as outlined in the 2018 Global Slavery Index (GSI) and its published country risk matrices.
- While almost all of our suppliers operate directly from Australia, their supply chain may extend to overseas countries considered higher risk of modern slavery by the GSI and other human rights indices.

Sector and Industry risks

- Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. This could include the use of unskilled, temporary, seasonal labour or foreign workers. This also includes the recruitment strategies by suppliers, their agents or labour hire agencies.
- Some of MA Financial's suppliers are in sectors or industries (for example, property management, building services, construction, technology) that have had instances of poor labour practices in the past.

Product and services risks

- Certain products and services may have high modern slavery risks because of the way they are produced, provided or used. This typically includes businesses that are operating in environments which are/have highly competitive pricing, tight lead times to deliver products or services, use a significant amount of third-party labour, or operate in complex, long supply chains.
- In undertaking our supplier analysis, we have considered the type of labour involved in our products and services, particularly where low skilled, vulnerable or migrant labour may be used. We have isolated potential risk in this area to ten particular suppliers that may operate using temporary, foreign workers in order to provide Property Management, Construction and Building Services to MA Financial.

Entity risks

- Some entities may have particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.
- We do not believe this to be a significant risk for the suppliers that MA Financial engage as we perform due on such suppliers prior to engagement.

A summary of the results is as follows:

	POTENTIAL HIGH RISK	POTENTIAL MEDIUM RISK	POTENTIAL LOW RISK	TOTAL
% of spend.	27%	26%	47%	100%
Supplier (number) in top 69% spend.	32	68	63	163
Spend categories (number).	1	3	3	7

Based on the four modern slavery risk indicators outlined above (geography, sector/industry, product/service and entity), we acknowledge there is *potential* risk of modern slavery in our supply chain.

High level findings:

- 27% of spend analyzed is potentially high risk, primarily due to the sector risk and the type of labour used in the provision of services to MA Financial and RetPro. The increase from the prior period is due to the construction services provided in fitting out the new MA Financial offices in Sydney and Melbourne and the inclusion of RetPro property services in the FY21 year.
- Included in the potential high risk category are 3 suppliers that provided once-off construction services for the fit out of the new MA Financial offices

in Sydney and Melbourne. This equated to approximately 8% of the total spend

- Of the suppliers who are represented in the top 69% of spend, 32 suppliers are considered potentially high risk. These suppliers are predominantly Australian corporations who provide construction, security, cleaning and building services.
- Business Services, Construction and Property Management are potentially high risk spend categories. This is primarily due to potential exploitation of cleaners, security staff, construction and maintenance workers, particularly through sub-contracting arrangements typical of the industry as widely documented in Australia. Migrant workers are particularly vulnerable.

5. Actions Taken to address risks (reporting criteria 4)

MA Financial implemented a number of initiatives to understand the extent of modern slavery risks it faces and made enhancements to the operating framework to improve the identification and management of modern slavery risk.

Initiatives – FY21

Governance

We have further developed management and board reporting to ensure initiatives and controls to manage modern slavery risk are effective.

Risk assessment

We have engaged with some high and medium risk suppliers to develop a deeper understanding of their business and their supply chains which amongst other steps, has included completion of questionnaires and/ or certain written assurances on management of modern slavery risk.

RetPro

RetPro was acquired by MA Financial on 1 April 2021. We conducted a supplier risk assessment of RetPro during FY21 and ensured that their approach to managing modern slavery risk was consistent with MA Financial. This analysis has been included in the table in Section 4.

MA Hotel Management (MAHM)

The assessment of modern slavery risk for MAHM has been included as part of the MA Financial analysis in Section 4. Modern slavery risk as it pertains to the underlying assets of funds managed and operated by MAHM such as the Redcape Hotel Group are not included in the MA Financial modern slavery analysis. MAHM have stated that these assets have an appropriate frameworks in place to manage modern slavery risk. MAHM will prepare and submit separate Modern Slavery Statements for funds where required (for example, Redcape Hotel Group).

Finsure and MKM

MA Financial acquired Finsure on 7 February 2022 and acquired the remaining 52.5% in MKM on 2 March 2022 respectively. As such neither have been included in the FY21 modern slavery risk assessment. An assessment on Finsure will be included as part of reporting in the FY22 Modern Slavery Statement.

Education and awareness

We aim to continually raise awareness and educate our employees on the risks of modern slavery. To date this training has been delivered as part of the initial Induction for new employees.

Annual refresh of requirements is facilitated as part of annual Compliance Training.

Policy integration

Our modern slavery assessment and processes were communicated to customers and suppliers as part of the FY21 Modern Slavery Statement.

A policy gap analysis was conducted to identify relevant policies to be updated to reflect consideration of modern slavery risks.

FY22 proposed actions

Governance

We will continue to refine management and board reporting to ensure initiatives and controls to manage modern slavery risk are effective.

Risk assessment

We will continue to engage high and medium risk suppliers to develop a deeper understanding of their business and their supply chains which amongst other steps, will include completion of questionnaires and/ or certain written assurances on management of modern slavery risk.

A Modern Slavery risk assessment will be completed for new acquisitions Finsure and MKM.

Education and awareness

More focused training will be provided to key supplier-facing MA Financial staff to ensure they understand how to identify modern slavery risks in our supply chain and the actions they should take if they discover any issues.

6. Effectiveness assessment (reporting criteria 5)

By improving transparency about modern slavery there will be increased business awareness of modern slavery risks providing us with the ability to improve overall workplace practices. We will also implement a reporting framework comprised ongoing oversight and development of KPIs for both senior management and the Board.

ANNUAL REVIEW	BI-ANNUAL BOARD COMMITTEE REVIEW	ONGOING MANAGEMENT REVIEW
Our annual Modern Slavery Statement is reviewed and approved by the Board.	Modern slavery progress will be reviewed by the Board's Audit & Risk Committee on a bi-annual basis.	Modern slavery progress will be reviewed by Legal and Compliance periodically

FY21 Indicators

For FY21 we developed a set of process indicators to track the implementation of our modern slavery risk management programme. These were completed in FY21 and are included below:

INDICATOR OR TARGET	IN PROGRESS	COMPLETED
Supplier Code of Conduct developed		
Supplier Code of Conduct sent to all Suppliers		
Policy gap analysis conducted to identify relevant policies to be updated to reflect consideration of modern slavery risks.		
RetPro supplier risk assessment completed		
Developed Supplier questionnaire identifying Modern Slavery Risks		

FY22 Indicators

We have set the below targets for FY22:

INDICATOR OR TARGET	IN PROGRESS	COMPLETED
**Ongoing work in respect of assurance in respect of Modern Slavery risk management to be obtained from high/medium risk suppliers (by completion of Questionnaire).		
**Supplier-facing staff trained on modern slavery risks and practices.		
Finsure and MKM supplier risk assessment to be undertaken		

** Items were also delivered in FY21 though by their nature, are ongoing so will be reflected as objectives for FY22.

7. Consultation (Reporting criteria 6)

We have made the Modern Slavery Statement available to the Boards of key entities within MA Financial including MA Hotel Management Pty Ltd, Retpro, Finsure and MKM.



MA Financial Group