



Modern Slavery Statement

ScotPac Group

This Statement is submitted on behalf of Scottish Pacific Group Pty Ltd (ABN 45 164 013 110) (**ScotPac**) under section 13 of the *Modern Slavery Act 2018* (Cth) (**MSA**) to cover the first reporting period of 1 July 2019 to 30 June 2020. In this Statement, ScotPac Group refers to ScotPac and all entities within its ownership and control structure, as outlined in Appendix A.

1. Identification, Structure, Operations and Supply Chain

1.1. Operating structure

ScotPac Group is a privately owned Australian Group with a long history dating back to 1988. ScotPac Group supports small to medium Australian and New Zealand businesses by offering a comprehensive range of working capital solutions, including debtor finance, trade finance and asset finance. ScotPac Group is headquartered in Sydney and has offices in most major cities around Australia and in Auckland. ScotPac Group is ultimately owned by a Singaporean based private equity firm.

ScotPac Group's operating structure consists of a main trading entity within each jurisdiction as well as a securitisation structure to support the business. The main trading entities within the ScotPac Group structure are as follows:

- Scottish Pacific Business Finance Pty Ltd (Australian entity);
- Scottish Pacific Business Finance Ltd (New Zealand entity); and
- Scottish Pacific Trade Ltd (Hong Kong entity).

Nearly the entirety of ScotPac Group's revenue is derived through the abovenamed entities. The Australian and New Zealand entities also directly employ staff, and all three entities engage directly with suppliers. We confirm that none of the other subsidiaries listed in Appendix A employ staff or engage directly with suppliers.

Scottish Pacific Trade Ltd has its central management and control in Australia and its main purpose is to assist in engagement with Chinese suppliers as part of ScotPac Group's trade finance offering.

ScotPac Group had annual consolidated revenue in excess of \$100 million during the reporting period and is therefore subject to the reporting requirements under the MSA. We confirm that none of the entities within the ScotPac Group structure individually meet the MSA reporting threshold.

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1.2. Employment structure

ScotPac Group employs approximately 258 staff across Australia and New Zealand under the following types of employment arrangements:

- Agency - 1.2%;
- Contractors - 0.4%;
- Part-time - 4.7%;
- Casual - 2.3%;
- Sponsored - 0.8%; and
- Full time - 90.6%.

1.3. Customer base

ScotPac Group's customer base is primarily comprised of small and medium sized enterprises across a range of different sectors in Australia and New Zealand (refer to Appendix B for a comprehensive list of sectors supported by ScotPac Group). ScotPac Group also has some larger mid-sized corporate relationships.

1.4. Supply chain

ScotPac Group has just over 1,175 tier 1 suppliers, based in a variety of geographic locations, detailed further below. A large portion of the tier 1 suppliers are finance brokers located within Australia. ScotPac Group also engages with suppliers for a range of goods and services including recruitment; professional services such as accounting and legal; insurance; marketing; transport; archiving and storage; maintenance and cleaning; information and technology; postage and printing; entertainment; stationery; telecommunications; and training. Contracts with suppliers range from short term (e.g. for professional service providers) to longer term (e.g. for information and technology software providers).

2. Risks of Modern Slavery

We understand that due to the prevalence of modern slavery throughout the world every entity has risks of modern slavery within its operations and supply chains.

2.1. Operational structure risk

We consider that due to the nature of our business as a financial service provider and our operational structure being predominantly based in Australia, there should be a relatively low risk of modern slavery to the ScotPac Group. Furthermore, this risk is managed by ensuring the majority of our staff are on



permanent full-time or part-time employment contracts. This ensures that our staff have greater job stability and security and are considerably less vulnerable to exploitation.

We acknowledge that business carried out in China and Hong Kong is considered to pose a higher risk of modern slavery. However as ScotPac Group conducts the management, oversight and control of its China operation from Australia, this risk may be managed. Further we note that whilst we have a small number of staff in our Chinese office that are employed under agency arrangements, the staff members have worked with ScotPac for a number of years thus demonstrating a level of job stability and security.

ScotPac Group recruits for new staff from the market directly in the first instance. After going to market, a select cohort of recruitment agencies may also be engaged where required. All recruitment is centralised through the People & Culture team internally to ensure that we are only working with recruitment agencies that understand our business and culture. This ensures that we have a high degree of visibility over all recruiting practices.

2.2. Customer risk

We understand under the MSA we are not required to report on risks associated with how our customers use our services. Similarly, we do not have control over the actions of any investees, but we understand that we are expected to assess at an overarching thematic level whether we may be exposed to modern slavery risks through our financial lending practices. Our customers are based in Australia and New Zealand – places considered to pose a low risk of modern slavery. However, the following sectors that our customers operate in have been linked to higher risks of modern slavery: manufacturing; labour hire; agriculture; food services and construction.

2.3. Supply chain risk

ScotPac Group has just over 1,175 tier 1 suppliers with at least 76% of those suppliers located in low-risk geographic locations. The following key data has been gathered to date in relation to our supply chain:

- Of the suppliers to the Australian entity (862 in total), over 86% are based in Australia, 1.8% are based in low-risk countries outside of Australia (including Denmark, Ireland, Lithuania, the Netherlands, New Zealand, the United Kingdom, and the United States of America), and 0.4% are based in higher risk countries (including Hong Kong, India and Singapore).
- Of the suppliers to the New Zealand entity (63 in total) over 93% are based in either Australia or New Zealand.
- Of the suppliers to the Hong Kong entity (250 in total), around 35% are located in lower risk countries (including Canada, France, the United States of America, Australia, Ireland, Denmark, Germany, Japan, the Netherlands, New Zealand and the United Kingdom) and around 56% are located in higher risk countries (China, Pakistan, Indonesia, Brazil, Italy, Philippines, Vietnam,



South Africa, Hong Kong, India, Malaysia, Portugal, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Turkey and the United Arab Emirates).

We acknowledge that we engage with the following sectors that are identified as posing a higher risk of modern slavery: recruitment agencies; maintenance and cleaning; information and technology goods and services; postage and printing; food and drinks and stationery.

3. Actions to Assess and Address Modern Slavery, Effectiveness

ScotPac Group is committed to taking further steps to assess and address the risks of modern slavery into the future. ScotPac Group has sought expert advice to assist in navigating this journey.

We are committed to conducting our business in line with Australian workplace laws as to wages, hours, contracts and health and safety. We have a Code of Conduct that clearly steps out our business and ethical expectations of our staff.

We understand that the nature of modern slavery means that victims need to feel safe to report on their circumstances. In this regard we are committed to the continuous improvement of all codes of conduct and policies including enhancing our existing whistle-blower policy. Furthermore, mandatory modern slavery training will be rolled out to all ScotPac staff to assist in raising awareness around modern slavery risks, including how to identify and report modern slavery within our end-to-end supply chain.

In relation to managing the risks of modern slavery within our supply chain, we conduct Requests for Proposal for all major outsourcing arrangements (for example information and technology support services) and carry out detailed due diligence on the preferred bidder. Our due diligence process covers aspects such as financial due diligence, information and technology security, business continuity plans and the request of references.

We are also in the process of collating a detailed listing of all our suppliers broken down by geographic location, spend and sector to enable us to identify where higher risks of modern slavery may be.

We also have processes in place to ensure our Anti-Money Laundering and Know Your Customer requirements are met, and we undertake credit analysis as appropriate on customers.

4. Consultation

ScotPac as the parent entity, oversees the governance of all group members listed in Appendix A. The ScotPac Board is therefore responsible for the decisions and governance of all group members.

Given the central governance structure, consultation between ScotPac and its subsidiaries happens automatically as business is conducted.



From Our Principal Governing Body

ScotPac makes this Statement in accordance with section 13 of the *Modern Slavery Act 2018* (Cth). ScotPac's Board of Directors is its principal governing body for the purpose of the Act.

This Modern Slavery Statement was considered and approved of by the Board of ScotPac.

DocuSigned by:

Jon Sutton

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Jon Sutton

Chief Executive Officer

Responsible Member of ScotPac Group's Principal Governing Body



Appendix A – Entity Listing

The following entities are owned and or controlled by ScotPac Group:

Australian entities:

- Tartan Bidco Pty Ltd;
- Scottish Pacific Holdings Pty Ltd;
- Scottish Pacific (BFS) Pty Ltd;
- Integral Collections Pty Ltd;
- Scottish Pacific Business Finance Pty Ltd;
- Scottish Pacific Trade Pty Ltd;
- Benchmark Debtor Finance Pty Ltd;
- Scottish Pacific Business Finance Master Trust; and
- Scottish Pacific Equipment Finance Warehouse Trust.

New Zealand entities:

- Scottish Pacific Business Finance Ltd;
- Scottish Pacific Business Finance Administration Ltd; and
- Scottish Pacific Benchmark New Zealand Trust.

United Kingdom entity:

- Scottish Pacific Business Finance Ltd (this entity is in the process of being wound up).

Hong Kong entity:

- Scottish Pacific Trade Ltd.



Appendix B – Customer Segments

ScotPac Group's customer base operate broadly within the following industries:

- wholesale trade;
- manufacturing;
- transport and logistics;
- labour hire;
- agriculture;
- food services;
- administrative and support services;
- construction;
- health care;
- information,
- media and telecommunications;
- mining;
- professional services,
- scientific and technical services;
- public administration and safety;
- rental, hiring and real estate;
- retail trade; and
- transport, postal and warehousing.