



La Trobe Financial

# MODERN SLAVERY STATEMENT

Reporting Period: 1 July 2022 to 30 June 2023

Publication date: 13 December 2023

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## 1. Reporting Entity

This Modern Slavery Statement (**Statement**) is a joint statement from the La Trobe Financial Group (**the Group** or **La Trobe Financial**)<sup>1</sup> covering the reporting period Financial Year 2023 (1 July 2022 - 30 June 2023) in accordance with the *Modern Slavery Act 2018* (Cth) (**the Act**).

## 2. Introduction

Founded in 1952, La Trobe Financial has become one of Australia's leading Alternative Asset Managers specialising in asset management and credit solutions, with our impact having gone well beyond financial returns. Management has focused on creating a long-term legacy for employees, customers and the communities in which we live and work.

La Trobe Financial is committed to addressing the risks of modern slavery in our supply chain and operations by acting ethically, honestly, and with integrity in all parts of our business dealings and relationships. La Trobe Financial expects the same standard and approach to modern slavery from our service providers, suppliers, sub-contractors and other business partners.

The purpose of this Statement is to reflect our continued compliance with the requirements under the Act, including the:

- identification of modern slavery risks in our supply chains and operations;
- actions taken to assess and address modern slavery risks; and
- assessment of the effectiveness of these actions.

There were no findings of modern slavery for this reporting period and, unless stated otherwise, all data and company information provided in this Statement is current as at the end of the reporting period.

## 3. Overview of La Trobe Financial's Structure, Operations and Supply Chains

### Structure

Brookfield Asset Management Inc is the major shareholder of La Trobe Financial. There have been no material changes to our structure from the prior reporting period identified impacting the Group's modern slavery risk exposure.

For the purposes of the Act, there are four reporting entities within the La Trobe Financial Group; AMC 1 AusCo Pty Ltd ACN 658 085 771 (**Holdco**) is the ultimate holding company within the La Trobe Financial Group; La Trobe Financial Pty Limited ACN 115 895 362 (**LF**) is the primary operational level holding company; and La Trobe Financial Asset Management Limited ACN 007 332 363 (**LFAM**) is the responsible entity of the La Trobe Australian Credit Fund ARSN 088 178 321 (**Credit Fund**).

There are three primary operating companies that are controlled by LF:

- La Trobe Financial Services Pty Limited (**LFS**), the Group's primary operating company which employs all 510+ staff in the Group;
- LFAM, the responsible entity of the Credit Fund; and
- La Trobe Financial Custody & Securitisation Services Pty Limited, the Trust Manager of the Group's institutional mandates and residential mortgage backed securities (**RMBS**) loan securitisation program.

All subsidiary entities were domiciled and incorporated in Australia, with the exception of La Trobe Financial (Shanghai) Wealth Management Consulting Limited, which is incorporated in China and wholly owned by LF. This entity does not have any employees or operations.

### Operations

There have been no material changes to our operations from the prior reporting period which have been identified as negatively impacting the Group's modern slavery risk exposure.

The Group's core products and services were delivered by its 510+ employees through either its direct channels (e.g. proprietary IT platforms, telecommunications, or email) or its indirect channels (e.g. third-party intermediaries). The Group operates from its Melbourne (Head Office) and Sydney Offices. It has a representative office in Shanghai. The Group operates two complementary business units through which it provides its principal and continuing activities:

### Asset Management

- This business unit operates and manages the Credit Fund, through LFAM as the responsible entity, under its Australian Financial Services License, and LFS as the Investment Manager for the Credit Fund.
- The Credit Fund was established in 1989 and, at the end of the reporting period, it had ~\$9.2b in assets under management (**AUM**) across a variety of pooled portfolios and peer-to-peer investment accounts and over 91,500 investors.

- Each account invests either directly into loans originated and managed by La Trobe Financial or in notes in La Trobe Financial's warehouses and RMBS trusts in accordance with the Product Disclosure Statement (**PDS**) and Credit Fund's Constitution.

### Real Estate Credit Finance

- This business unit assesses and advances real estate based secured loans as an Australian Securities & Investments Commission (**ASIC**) approved and licensed Australian credit lender.
- The unit was established in 1952, delivering tailored mortgage finance solutions across both residential and commercial property loan sectors, using superior credit smarts and propriety platforms across a broad product suite offering.
- At the reporting period end, LFS had ~\$8.0b\* in AUM, with ~28,000 borrowers, funded across long-term institutional investment mandates and RMBS trusts with notes issued to capital market investors.

Further, La Trobe Financial has established Group corporate functions and governance structures to support both the business units and its operations.

### Supply Chains

There have been no material changes to our supply chain from the prior reporting period that have been identified as negatively impacting the Group's modern slavery risk exposure, including our supply chain composition/profile or how we engage with it

During the reporting period, La Trobe Financial procured goods and services from over 400 suppliers. The majority of our direct suppliers are businesses based in Australia. No direct suppliers were identified that are based in any of the 10 countries taking the least action to respond to modern slavery according to the Global Slavery Index's 2023 findings. Together with our supplier risk outcomes we therefore, in general terms, consider our direct supply chain to be low risk, and non-complex in supporting the corporate functions of La Trobe Financial, and the selling and distribution of its products and services. These supply chains related to the following key areas:

- **Information, communications, and technology**  
Includes IT applications, electronics, hardware and software, telecommunications, infrastructure.
- **Human resources & recruitment**  
Includes recruitment and temporary labour hire agencies, training service providers, employee support or management providers, employee benefit providers.
- **Professional services**  
Includes professional services (e.g. audit, consulting and legal services).
- **Business enablers**  
Includes financiers, brokers, property professionals, legal services, debt management, insurance providers, custodian and record management services, and corporate governance (e.g. charities, carbon offset partners).
- **Office Equipment, Products & Logistics**  
Includes office furniture & equipment, supplies & stationery, print, postage and courier services.
- **Property & facilities management**  
Includes building management, cleaning, security and waste management.
- **Brand & Marketing**  
Includes merchandising (branded and unbranded), uniforms and/or apparel, marketing & advertising (digital, print, media), events, sponsorships.
- **Travel & hospitality**  
Includes catering, corporate travel partnerships, airline services, accommodation services.

The Group's contractual arrangements with these suppliers vary depending on the size and value of the goods or services procured, and are in the form of both short and long-term written agreements. Provision of supplies may also be incurred more generally through our business procurement processes, particularly those involving generally available products or services, or those relating to one-off transactions.

La Trobe Financial also acknowledges there may be indirect supply chains associated with the procured good or service supplied directly. This is likely to be where supply chains have the potential to involve many parties in the delivery of a good or service (e.g. raw materials or components used in the manufacturing and processing of a product). We consider that any indirect supply chain risks are more likely to occur in the supply chain risks identified in section 4.

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\* As at 30 June 2023, the Group had \$17.2b AUM, all of which was originated by the Real Estate Credit Finance Division. Of this total, ~\$9.2b was funded by the Asset Management Business through the Credit Fund. The balance of ~\$8.0b was funded via wholesale funding facilities.

## 4. Modern Slavery Risks in the Operations and Supply Chains

La Trobe Financial has not identified any known risk issues or events of modern slavery in its operation or supply chain for this reporting period. Further, no suppliers have reported any incidences of modern slavery.

### a. Risks of modern slavery in operations

#### Workforce

In this reporting period, La Trobe Financial had approximately 510+ employees. La Trobe Financial may, from time to time, engage and contract with external personnel (i.e. non-employees or contingent workforce) to support a variety of business needs, particularly where we (i) engage in project-based work and/or (ii) need to access specialised skill sets, or obtain professional consulting services, to supplement our workforce and work priority deliverables. The workforce are skilled professionals and are domiciled in Australia.

In the reporting period the Group did not engage in outsourcing of its operations, other than a highly limited outsourcing of IT projects to a US company.

Further, the Group complies with all legislative requirements, awards and collective bargaining agreements relating to the employment of staff and payment of wages noting Australia's strong labour protections and prohibitions against modern slavery. We therefore consider that we have a very low risk of modern slavery in our hiring and employment practices.

#### Products and Services

The Group carries the risk of modern slavery through the provision of financial products and services, where our customers use the funds advanced in activities that could involve modern slavery.

Further, we recognise the potential of individual customers being vulnerable to exploitation, or exposed to modern slavery risk, through their personal or work circumstances that we may identify through our customer interactions. However, we are not aware of any instances in our assessment noting we still consider that these risks are more likely to be associated with industries or countries that hold a higher level of risk for modern slavery.

#### *Investment products and lending products – non-construction finance*

The Group's investment portfolios and lending activities currently involve Australian real estate based secured loans, provided to customers who are predominantly (i) individuals, companies, trusts or SMSFs and (ii) domiciled in Australia. This risk remains low of La Trobe Financial being involved in facilitating the flow of funds, or, the use of our products being exposed to higher risk industries or countries, involving modern slavery.

#### *Lending products – construction*

An exception to the above is La Trobe Financial's lending to fund borrowers' construction projects (either development finance projects (typically commercial multi-unit developments) or residential construction projects (typically single property or duplex projects). There can be a higher risk that this form of lending could be directly linked to modern slavery, as the construction industry often involves (i) temporary and labour hire arrangements and (ii) the use of low and semi-skilled and / or migrant workers, (iii) frequently through relatively complex entity structures and supply chains. Construction loans comprised ~9% of La Trobe Financial's total loan portfolio.

However, La Trobe Financial generally lends to customers constructing and developing small to medium sized projects (all within Australia) that have the regular involvement of third-party property professionals (i.e. quantity surveyors) through the construction phase. La Trobe Financial considers that the inherent risk in its construction lending is reduced to the extent that Australia has strong worker protection regimes and, therefore, a low level of geographic risk for modern slavery (noting that all activity is within Australia).

#### Charitable and Sponsorship activities

The Group engages in a range of charitable and sponsorship activities. It also undertakes sponsor partnerships through the Group's marketing and branding strategy activities. However, the risks of modern slavery remain low noting the internal due diligence and governance processes that are undertaken in relation to these specific and designated arrangements with selected non-for-profit organisations and sponsorship opportunities. These also tend to be larger scale organisations in lower risk industries noting that historically the Group has dealt with well-established entities (including sporting, lifestyle and environmental based institutions).

### b. Risks of modern slavery in supply chain

Increased risks of modern slavery can exist where businesses operate or source labour from higher risk countries, or where they are exposed to certain higher risk sectors regardless of region. Typically, these sectors are: informal and/or unregulated; and/or with poor visibility over lower tier suppliers; and/or reliant on a workforce to carry out jobs that are considered undesirable, hazardous or low skilled; and/or are seasonal; and/or low paying.

As identified previously, the Group's direct supply chain is not considered to be overly complex and generally carries low risk with regard to the nature of the products and services it acquires, the geographic base of these suppliers (i.e. Australia), and the sectors they are involved in. However, the below highlights where the Group may carry a higher level of risk associated with modern slavery, both directly and indirectly, in its supply chain.

#### **Information, Communications & Technology (ICT):**

The Group infrastructure includes the use of laptops, keyboards, monitors, printers, and telephones.

The Group considers suppliers in ICT (provision of hardware and infrastructure) to pose higher risks of modern slavery with long and complex global supply chains that may involve various stages of manufacturing and processing in higher risk geographical regions such as Asia and Africa. These supply chain activities are commonly undertaken by migrant or unskilled low paid workers in jurisdictions that carry lower work protections, whilst components and material extraction may also be produced involving forced, and, potentially, child labour conditions.

#### **Office Equipment, Products and Logistics:**

The Group procures office supplies and stationery from a number of Australian based companies who source these products from local manufacturers and offshore. This may present higher inherent risk of modern slavery due to higher risk geographic regions such as Asia, industry risks and known labour rights issues relating to the manufacturing of these products.

#### **Property and Facilities Management:**

The Group's Melbourne and Sydney offices are managed by a facilities management company under leasehold agreements. It also, from time to time, engages, directly and indirectly, with suppliers in the procuring of services associated with its broader corporate and operational needs.

The Group considers increased modern slavery risks may be found in services procurement, including building services, cleaning, catering, courier, travel, security and maintenance services. These supplier workforces are more likely to employ lower-paid workers and / or migrant workers, and incidents have been reported within the industry generally where workers have been paid wages that do not comply with Australia's legislative requirements. Furthermore, these direct suppliers may have exposure to higher risk industries and / or overseas supply chains in the manufacturing or processing of materials used in the providing of their services (e.g. cleaning products, corporate uniforms).

This poses increased challenges where La Trobe Financial does not have a direct contractual relationship with those carrying out the services and / or generally has a low degree of oversight, control and influence over the end-to-end supply chain.

#### **Brand & Marketing:**

The Group purchases goods for internal and external marketing purposes or corporate functions involving internal and external stakeholders. Such activities and functions frequently use branded and / or unbranded goods that are not for re-sale. The manufacturing and processing of these goods may include the sourcing of raw materials and textiles that are subject to complex supply chains in higher risk geographical regions such as Asia. This has similar workforce characteristics and modern slavery risks to the other categories, including forced labour conditions.

It is acknowledged that challenges remain where La Trobe Financial does not have a direct contractual relationship with those parties that are either carrying out the service and / or involved in the manufacturing and processing of goods supplied to the Group. Whilst La Trobe Financial looks to identify these risks in its supplier due diligence processes, we may still have generally a low degree of oversight, control and influence over the end-to-end supply chain in these instances.

## **5. Actions Taken to Assess and Address Modern Slavery Risks**

### **Our policies, processes and procedures**

The La Trobe Financial Modern Slavery Policy forms part of the Group's governance framework and demonstrates the Group's commitment to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chain and act ethically and with integrity in all of our business dealings and relationships.

The Modern Slavery Policy sets out La Trobe Financial's approach to managing modern slavery risk within the Group's operations and supply chains, including:

- identification of higher-risk suppliers;
- supplier due diligence;
- employee training and education; and
- establishment of a modern slavery working group.

The Modern Slavery Policy also outlines the approach and general remedial outcomes we would seek if we identify an exposure to Modern Slavery risk. This approach would seek to verify and address the issue with a supplier or where evident to a more serious issue or they fail to address the issue then we would look to terminate the agreement. This would consider ensuring our actions are appropriate to the circumstances of the identified situation and that we act in the best interest of the suspected victim or victims to the extent this is possible.

Other policies and artefacts that support our commitment to modern slavery, include, but are not limited to:

- Employee Code of Conduct
- Supplier Code of Conduct
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering & Counter Terrorism Finance Program
- Environmental, Social and Governance (ESG) Risk Management Framework
- Whistleblower Guide

### **Modern Slavery Working Group**

La Trobe Financial has an internally resourced Modern Slavery Working Group (**MSWG**), reporting to the Chief Risk Officer (**CRO**), to oversee the ongoing compliance with its Modern Slavery Policy and regulatory obligations. This includes being responsible for the processes that assess, monitor and engage, where required, with suppliers to identify risks in their operations and supply chains.

### **Supplier Questionnaire and Code of Conduct**

La Trobe Financial has established a supplier questionnaire to facilitate enhanced due diligence where a higher risk supplier has been identified. A Supplier Code of Conduct (**Code**) is also issued to all material suppliers communicating our zero-tolerance approach to modern slavery. The Code also outlines our broader expectations of suppliers in terms of ethical behaviour, social responsibility, and environmental sustainability. This expectation includes compliance with all applicable laws and regulations, as well as to uphold the highest standards of business ethics in adhering, at a minimum, to the same commitments outlined in the Code and to have the necessary supporting policies and procedures in place to meet the commitment. Where a supplier identifies that they are not able to adhere to the Code, further engagement may be sought to address the issue with the supplier directly.

### **Supplier Due Diligence**

La Trobe Financial assesses all material supplier relationships (including outsourcing or offshoring arrangements) for modern slavery risks to the sector and geography that the supplier operates within and if there are any existing identifiable human right events associated with the supplier. Where the supplier relationship is considered to give rise to modern slavery risks, the contracts or agreements are screened for obligations to mitigate modern slavery risk. If there are no such obligations, we will engage with the supplier and seek to negotiate those obligations in the contractual terms.

### **Training and education**

La Trobe Financial's senior management employees (executive level and above), and members of the Legal & Compliance team, are required to complete, on an annual basis, a compulsory training and education module on the topic of modern slavery. This improves knowledge and awareness and identification of modern slavery risks.

### **Breach and incident register**

La Trobe Financial maintains a breach and incidents register that allows employees to lodge a report of an identified 'modern slavery incident'. The reporting of an incident in the register triggers a review and investigation by the Legal & Compliance team. If a breach of the Act has occurred, if appropriate and/or required by law, La Trobe Financial will notify relevant authorities and the supplier(s) involved (subject to our Modern Slavery Policy response guidelines).

Incident, issues or complaints can also be reported anonymously through our whistle-blower hotline managed by an independent third party with contact details published on the Group's website. This is also an important grievance mechanism for external parties and stakeholders to raise serious incidents and complaints, including matters relating to modern slavery, that the Group may be causing, contributing or otherwise be linked to directly through the activities of another third-party entity.

## 6. Assessment of Effectiveness

La Trobe Financial measures the effectiveness of its management of modern slavery risks across various dimensions. These include:

- *Monitoring outcomes to an assessment of exposure to high risk suppliers.* No high-risk suppliers were identified for this reporting period.
- *Monitoring responses to supplier questionnaires issued.* Inherent challenges remain in relation to obtaining timely responses to supplier questionnaires in the reporting period. Enhanced due diligence was undertaken, where required, to support outcomes.
- *Monitoring the number of incidents and breaches incurred.* None were identified for this reporting period.
- *Monitoring modern slavery training completion.* Full compliance was achieved for this reporting period.

La Trobe Financial also undertakes continuous improvement activities both focused on each reporting period, and on delivering sustainable improvements over a period of time within a risk-based approach to its risk profile and resources.

### Reporting Period

La Trobe Financial provides below a review of its continuous improvement activities for the reporting period:

- Development and update of our supplier risk assessment methodology and simplified approach to enhance our risk-based approach to identify and manage higher risk suppliers.
- Enhanced measures to support our due diligence and supplier management procedures including (i) finalised development of an updated supplier questionnaire and (ii) documented more clearly the internal roles and responsibilities through the MSWG.
- Further systemisation of our supplier engagement and risk assessment. This included facilitating the issuance of the supplier questionnaires and the Code to further mitigate ongoing challenges to required supplier engagement. Reliance was placed on internal risk assessment steps to support outcomes, where needed.
- The modern slavery training and education module was refreshed and rolled out to executive employees and members of the Legal & Compliance team.

### Future Reporting Periods

- La Trobe Financial recognises the importance of the effective management of its modern slavery risks and will continue to focus for the next reporting period on sustaining the procedures enhanced during this reporting period. This may provide further opportunities to enhance the Modern Slavery Policy and Procedures in the year ending 30 June 2024 through the identification of additional continuous improvement opportunities.

La Trobe Financial may also consider in future reporting periods the following:

- continued review of the **high-level mapping of our supply chain** to re-confirm the identification of our direct and indirect suppliers and those risks within our supply chain outlined in this Statement.
- development of further measures to support **due diligence and supplier management procedures** to enhance management of and/or improve engagement with third-party suppliers, whilst maintaining an appropriate risk-based approach.
- continued refinement of the **annual online training module**, where appropriate. This will also consider the need to broaden coverage of La Trobe Financial employees required to complete.

## 7. Consultation within the Group

To prepare this Statement, La Trobe Financial consulted internally with relevant internal stakeholders across all parts of the business through its MSWG, as well as with the relevant entities that it owns and controls. It confirms that the commitment to addressing modern slavery risks, and its response, is Group wide.

The reporting entities adopt the same policies and processes, operate in the same sector and have shared suppliers. In respect of the regular consultation actions that were taken within the Group, the following occurred in the financial year 2023 are noted:

- Modern slavery is incorporated into the Group's Environmental, Social and Governance (**ESG**) Risk Management Framework. Within this framework, supply chain management and the impact of engaging in unethical/non-compliant supply chain activities is considered to be a key risk vector arising from the Group's core activities.
- ESG activities were monitored and reported on a quarterly basis to the Board of Holdco.
- The Board Audit & Risk Committee were kept informed through management reporting on the Group's modern slavery risk exposure.
- Further, the Compliance Committee of the responsible entity of the Credit Fund considered, on a quarterly basis, the MSWG's actions in ensuring the Group's compliance with the Act.



## 8. Approval

The Statement was considered and approved by the board of La Trobe Financial Pty Limited<sup>2</sup>, being the principal governing body of the primary operating companies, including determining the policies and procedures, within the La Trobe Financial Group.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**Chris Andrews**

CEO of La Trobe Financial Pty Limited

13 December 2023

## Appendix 1 – Australian Modern Slavery Act mandatory criteria

This Statement was prepared to meet the mandatory reporting criteria set out under Section 16 of the *Modern Slavery Act 2018* (Cth). The table below identifies where each criterion is addressed within this Statement.

Mandatory Criteria	Page Numbers
Identify the reporting entity.	3
Describe the reporting entity's structures, operations and supply chains.	3 & 4
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	5 & 6
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	6 & 7
Describe how the reporting entity assesses the effectiveness of these actions.	8
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	8
Any other information that the reporting entity, or the entity giving the statement, considers relevant (optional).	N/A

**Disclaimer:** The material that precedes this presentation is of general background information about La Trobe Financial's activities current at the date of this publication. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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- For the purposes of the Act, there are four reporting entities within the La Trobe Financial Group. AMC 1 AusCo Pty Ltd ACN 658 085 771 (Holdco) is the ultimate holding company within the La Trobe Financial Group. La Trobe Financial Pty Limited ACN 115 895 362 is the primary operational level holding company. La Trobe Financial Asset Management Limited ACN 007 332 363 is the responsible entity of the La Trobe Australian Credit Fund ARSN 088 178 321. Since the reporting entities adopt the same policies and processes, operate in the same sector and have shared suppliers this Statement will provide a single, consolidated description of their actions to address modern slavery risks. The registered office address of the reporting entities is Level 25, 333 Collins Street, Melbourne VIC 3000.
- As noted above in 1, Holdco is the ultimate holding company within the La Trobe Financial Group. However, as Holdco has no employees or operations and are exclusively ownership entities, it would not be appropriate for this entity to approve this Statement.



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