

Modern Slavery Statement

Financial year ended 30 June 2022

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Introduction

This Modern Slavery Statement is made on behalf of E&P Financial Group Limited (ABN 54 609 913 457) (“E&P”), collectively and its related bodies, pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)*. As our third Modern Slavery statement, relating to the reporting period commencing 1 July 2021 and ending 30 June 2022, it describes our continued approach in identifying and reducing the risk of slavery and human trafficking in our operations and supply chain.

E&P is committed to continually improving its systems and processes to combat Modern Slavery and human trafficking. We understand the risks of Modern Slavery to be the potential for our business to cause, contribute, or be linked to Modern Slavery through our operations and supply chains. We recognise that there are suppliers that pose a higher risk of Modern Slavery and that it can occur in many forms, such as forced labour, child labour, domestic servitude and workplace abuse.

This statement was prepared by E&P, in consultation with the respective business units/entities that E&P owns or controls. Internal stakeholders provided information on programs of work to identify and mitigate modern slavery risks. As in prior reporting periods, E&P utilised technology to identify risks of Modern Slavery in our supply chains provided by Fair Supply - an independent legal and advisory firm with specialist expertise relevant to the Modern Slavery Act.

During the reporting period, we made progress implementing both our Modern Slavery risk framework and simplifying our real assets funds operations – which has materially reduced the size, complexity and associated Modern Slavery risk exposure of our supply chains. Despite this, we still recognise that there are areas of our approach that require continuing attention and improvement. As such, this statement also outlines the measures that E&P will take over future reporting periods as we continue to improve our practices to combat Modern Slavery.

This statement was approved by the Board of E&P Financial Group Limited on 30 November 2022.










David Evans
Non-Executive Chairman
E&P Financial Group Limited

About E&P

E&P is an ASX-listed financial services firm with a focus on wealth management, corporate and institutional advice and broking and funds management. E&P and its related bodies operate primarily in Australia with offices in Sydney, Canberra, Melbourne and Brisbane – with additional team members also working from Hong Kong and New York. E&P employs over 400 people serving over 8,000 wealth advice clients and 160 institutional clients. As at 30 June 2022, E&P had \$21.1 billion in funds under advice and \$6.2 billion of assets funds under management.

Our business segments

E&P WEALTH 	E&P CAPITAL 	E&P FUNDS 
Market leading HNW and mass affluent wealth management services	Highly regarded corporate advisory, capital markets, equities and research platform	Specialist equities and alternative asset management
 <ul style="list-style-type: none"> ▪ Investment advice ▪ Securities trading ▪ Managed accounts ▪ Portfolio administration ▪ Financial strategy ▪ SMSF administration and compliance ▪ Legal services 	 <ul style="list-style-type: none"> ▪ M&A, ECM and DCM and general corporate advisory ▪ IPO and pre-IPO advisory ▪ Securities trading ▪ Equities sales and research 	 Claremont Global Fund  <ul style="list-style-type: none"> ▪ Direct equities investment management ▪ Asset management ▪ RE and fund administration services ▪ Private equity investment management ▪ Debt securities investment management
Advisory and service fees, portfolio administration fees and brokerage	Brokerage, capital raising and corporate advisory fees	Investment management, transaction and performance fees
<ul style="list-style-type: none"> ▪ ~8,000 HNW / wholesale and affluent SMSF investors ▪ FUA: \$21.1 billion 	Corporates and institutional investors	<ul style="list-style-type: none"> ▪ Wholesale and retail investors ▪ 17 investment strategies ▪ FUM: \$6.2 billion

Our supply chains

E&P's supply chain relationships include suppliers of information technology, communications, property services (for example facilities, cleaning, utilities, waste management etc.), print and promotional goods and services, office supplies, corporate clothing, hospitality, corporate travel and transportation, courier and postage and building and maintenance services. We also engage consultancy services for legal and accounting advice and purchase ad hoc event management and entertainment services.

E&P recognises that Modern Slavery is a significant global issue. We acknowledge that it is essential to review our supply chains regularly and maintain robust systems and processes to ensure that the possibility of Modern Slavery is minimised. Consistent with our FY21 statement, we have adopted a broad analysis of our Modern Slavery risk exposure, relating to both our direct operations (as above) and the investment management activities related to E&P Funds' operations (both equities and real assets).

To assist with our Modern Slavery risk identification exposure, we have sought support from Fair Supply, an independent legal and advisory firm with specialist Modern Slavery expertise. Fair Supply utilises proprietary technology linking global trade flow data and international standards to objectively identify Modern Slavery risk areas. These risks are expanded upon in the 'Modern Slavery risks' section of this document.

Our policies and procedures

E&P is committed to conducting its businesses in an ethical and professional manner. Our core values are embedded in the conduct, culture and comprehensive set of policies and procedures that our people and suppliers are expected to uphold. Our systems and processes to mitigate Modern Slavery risks include explicit supply chain management mechanisms and a series of underlying risk management measures throughout the broader group.

POLICY/PROCEDURE	PURPOSE
Fraud & Corruption Policy	Bribery and corruption in supply chains are risks that have contributed to the spread of Modern Slavery around the world. Without corrupt activity, including the acceptance of bribes, many conditions that lead or influence the extent of Modern Slavery may not exist. E&P's policy reinforces a commitment to identify fraudulent and corrupt activities and for establishing policies, controls and procedures for the prevention and detection of these activities.
Whistleblowing Policy	E&P's Whistleblowing Policy encourages ethical conduct by stipulating mechanisms for any current or former employees, suppliers, executives, directors, partners or contractors employed or contracted by E&P to speak up and report actual or suspected wrongdoing. E&P's Whistleblowing Policy aims to promote a culture of compliance, honesty and ethical integrity by providing an avenue – without fear of persecution or intimidation – for the reporting of improper conduct.
AML/CTF Program	E&P understands that the prevention of money laundering and terrorism financing is a vital component of efforts to mitigate the business' Modern Slavery risks. Money laundering in particular is closely related to Modern Slavery as this activity can help facilitate funds that were generated through illegal activities such as human trafficking. By having appropriate customer identification procedures, ongoing and enhanced customer due diligence, robust transaction monitoring rules, timely reporting of suspicious matters to the regulator and regular independent reviews of the program, E&P is able to effectively identify and manage situations where Modern Slavery may be occurring within its client base.
Employee Code of Conduct	E&P's Employee Code of Conduct helps to ensure that all employees not only act in accordance with all relevant laws, but also act in accordance with the firm's values (i.e. integrity, accountability, excellence, best interest, respect, inclusion and teamwork and meritocracy). The Employee Code of Conduct underpins all of E&P's business operations and promotes ethical business practices that mitigate the risk of E&P's business operations contributing to Modern Slavery and any other human rights abuses.
Supplier Code of Conduct	E&P's Supplier Code of Conduct (Code) sets out the minimum standards that are expected of suppliers across numerous areas including Modern Slavery, labour, human rights, bribery and corruption. The Code sets out an expectation that suppliers will manage and influence their own supply chains to adopt safe, fair and ethical approaches to their operations – including the management and mitigation of Modern Slavery risk. It is also a requirement of the Code that suppliers notify E&P if they become aware of a breach or possible breach of any of the expectations set out within the Code.
ESG Policies (Funds Management)	<p>Each of E&P's listed equities funds management brands operates with an environmental, social & corporate governance (ESG) policy, that sets out the framework each strategy utilises in terms of ESG integration in investment decision-making and ownership practices. While each policy is unique to each investment strategy, managers are required, at a minimum, to undertake investment due diligence to identify financially material ESG risk, and the processes undertaken by company management to mitigate that risk. To identify these risks, investee companies are subject to ESG reviews which includes an assessment of social issues often related to Modern Slavery (such as human rights, worker's rights, corporate culture and health and safety).</p> <p>To assist in different aspects of the ESG risk measurement processes, E&P also utilise external expertise in addition to internal fundamental research. This includes third party research, external consultants, and other specialist data providers – who may provide additional assessments of Modern Slavery related matters as part of their research assessments.</p>

Modern Slavery Risks

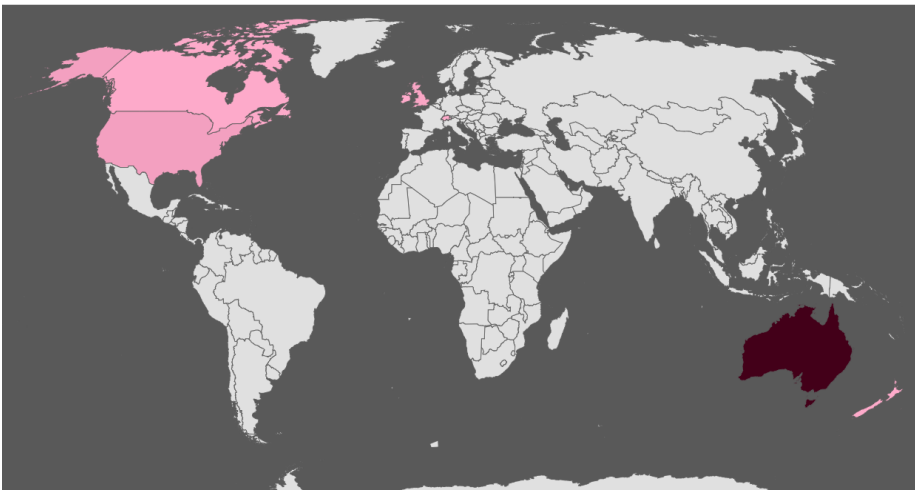
Direct operations

E&P maintains zero tolerance to Modern Slavery. All employees within our workforce have the right and ability to work in Australia, Hong Kong or the USA as applicable, and we pride ourselves on maintaining a safe and inclusive working environment. E&P has a dedicated Chief People Officer and a dedicated Chief Risk Officer, both of which are responsible for centralised functions that oversee key programs, policies and procedures relating to business ethics and integrity and human capital management. Further detail on our approach to Human Capital Management and Business Ethics and Integrity can be found in our [2022 Sustainability Overview](#).

Supply chains

Given our business model, geographic locations and the highly skilled nature of our employees, we have classified the risk of Modern Slavery in our direct supply chain as low. Many of our tier-1 suppliers are large, established, reputable businesses, domiciled within Australia and other inherently low risk jurisdictions (exclusively including, in descending quantum of suppliers, USA, United Kingdom, Canada, Netherlands, Singapore, New Zealand, Switzerland, Ireland and Hong Kong). However, we also acknowledge our responsibility to assess risk beyond the first tier of our supply chain, and to pay particular attention to higher risk industries.

Tier 1 supplier distribution



To augment our internal risk assessments with increased visibility across our greater value chain, we engaged Fair Supply for the FY22 period. Fair Supply are an independent legal and advisory firm with specialist expertise relevant to the Modern Slavery Act. Their technology solution provides insights on tier-1 through to tier-10 suppliers, thus offering a comprehensive analysis of our broader Modern Slavery risk exposure.

Fair Supply analysis reiterates that our broader modern slavery risk for the FY22 period remains low, with risk concentration sitting predominately at Tier-3 and below. Geographic risk exposure across E&P's broader supply chain tiers involved activities in countries that we do not directly engage, such as India, China, Papua New Guinea, and Indonesia.

In terms of Tier-1 analysis, our greatest risk exposure (albeit still low in absolute terms) related to; domestically sourced event management services, Singaporean printing and publishing and two North American data providers. While these services are relevant to E&P's core business activities, we note they represent an average of only 0.35% of our total tier-1 expenditure for the FY22 period. Despite the low inherent risks, further analysis will be performed on these suppliers through the FY23 period; subject to any overlaps with existing due diligence and provided E&P's procurement relationship has not already concluded.

While E&P's overall risk exposure is low, it remains at a proximity that is challenging to engage with. This reaffirms the appropriateness of the current E&P framework; elevating the importance of measures to engage with and rigorously screen our tier-1 suppliers to ensure they are taking appropriate steps to measure and manage their own supply chains.

Equities funds management

Within our equity portfolios, we have identified exposures to several global companies with moderate risks of Modern Slavery through their supply chains. With broader geographical reach, more complex supply chains, and material exposure to industries such as resources and manufacturing, these companies typically observe greater risks at a closer proximity, compared to E&P's direct operations. Key risks identified include the following industries and geographical locations: India, China – business services; USA - textiles; Australia - packaging.

Given that many of these investee companies are large, global organisations with obligations to mitigate Modern Slavery risk, we note many have strong policies, governance processes and undertake due diligence and remediation actions within their own supply chains. For this reason, we believe many of these exposures are materially de-risked and therefore 'low' risk.

Real assets funds management

In previous periods, we had identified exposure to several higher risk areas within our real assets portfolios – in particular cleaning and janitorial services, and non-residential solar construction. Our Modern Slavery risk exposure through real assets portfolios is significantly less than prior years due to material operational simplifications in our real estate and solar related activities. During the period E&P exited (while remaining the Responsible Entity) its Australian commercial real estate business, Fort Street, and announced the sale of the remaining assets in New Energy Solar (the ASX-listed solar fund of which E&P is the investment manager). While E&P remains the investment manager of the UK-listed US Solar Fund PLC, that fund has now been fully deployed, minimising procurement activities and thus negating the extent of supplier exposure and requisite due diligence.

While these developments materially reduced the size, complexity and associated Modern Slavery risk exposure of our real assets supply chains, E&P asset management teams will continue to perform detailed due diligence and supplier engagement as additional high-risk activities are identified.

Modern Slavery Risk Mitigation Actions

E&P is committed to ensuring that Modern Slavery is not part of our organisation or the supply chains. To date, our strategy for minimising Modern Slavery risk exposure has included four components:

1. Staff education and awareness;
2. Supplier onboarding (including screening and code of conduct);
3. Detailed due diligence for high-risk suppliers; and
4. Remediation and advocacy.

For the FY22 period, E&P has focussed on developing our internal policies and processes, as well as educating our staff on the issue of Modern Slavery, to help identify and mitigate any Modern Slavery risks identified. No supplier engagement or remedial action relating to E&P's direct supply chain was required. Limited shareholder advocacy actions were undertaken by E&P funds management teams during the FY22 period, with voting proxies directed in favour of enhanced supply chain governance among investee companies.

Initiatives completed in FY22

AREA	DETAILS
Training & education	<p>E&P recognises the importance of educating employees about Modern Slavery; particularly procurement teams and investment managers who are exposed through their engagement with suppliers. E&P maintains a commitment to ensure staff are provided adequate training and resourcing to enable robust supplier engagement, noting the importance of the role staff play in reducing the risks of Modern Slavery.</p> <p>During the FY22 period, E&P delivered specialised training for senior executives, funds management personnel and procurement teams on Modern Slavery risk identification, impacts and obligations for the financial services sector.</p>
Supplier code of conduct	<p>E&P finalised a Supplier Code of Conduct ('Code') during FY21 and made a commitment to begin staged introduction to suppliers during the FY22 period onwards. The Code articulates minimum standards that are expected of suppliers across numerous areas including Modern Slavery, labour, human rights, bribery and corruption. The Code sets out an expectation that our suppliers will manage and influence their own supply chains to adopt safe, fair and ethical approaches to their operations – including the management and mitigation of Modern Slavery risk. It is also a requirement of the Code that suppliers notify E&P if they become aware of a breach or possible breach of any of the expectations set out within the Code.</p>
Third Party Management Framework	<p>During the FY22 period, E&P implemented a third-party management framework. As a part of this introduction, dedicated third-party and contracts registers were built into our Governance, Risk and Compliance (GRC) software system to track vendor onboarding and due diligence. This will help systemise the firm's modern slavery approach and include explicit modern slavery screening considerations, self-assessment surveys, and the ability to record ad-hoc due diligence.</p> <p>The third-party management approach and framework has been initially applied to targeted supplier relationships, including those:</p> <ul style="list-style-type: none"> • under outsourcing arrangements; • where the relationship is inherently high risk (e.g., based on industry, geography, or activity type); and/or • the cost is greater than \$100k per annum. <p>In FY22 E&P commenced the migration of existing suppliers to these systems (to continue into FY23), with all new suppliers being onboarded under the framework since its introduction.</p>
Supplier/ investment due diligence	<p>As part of establishing a formal approach to identification of Modern Slavery risks in the supply chain, E&P has developed and utilises a series of self-assessment questionnaires for use with third party suppliers.</p>

AREA	DETAILS
	<p>During the FY22 period, E&P conducted several distinct instances of modern slavery due diligence via direct engagement with service providers, triggered through screening of inherent risk prior to onboarding. These related to service providers (e.g., SMSF audit and windup service providers) with operations and/or people located in higher-risk geographies. Clarifying documentation obtained through direct engagement with the suppliers provided an understanding of process management and satisfactory residual risk. Examples of the assessments and risk factors analysed included the nature of the workforce (skilled, tertiary educated), remuneration structure employed (above local market rates), provision of allowances (including superannuation, and medical benefits) and level of supplier oversight (direct employment and/or exclusive contracting arrangements).</p> <p>Further assessment was also conducted on suppliers identified in E&P's FY21 Modern Slavery Statement. Outsourced tax services to India have ended (unrelated to Modern Slavery) and were therefore no longer within the scope of additional post-onboarding engagement. The provider of serviced office related functions in Hong Kong is a listed multinational property firm, subject to Australian Modern Slavery legislation with a publicly available modern slavery statement. Having undertaken requisite due diligence, E&P are comfortable that our office providers have appropriate policies, governance and reporting to mitigate and mediate the presence of Modern Slavery in their supply chains.</p>
<p>Remediation & Advocacy</p>	<p>In the event of Modern Slavery being identified in E&P's supply chain, E&P are committed to taking remedial action. Given the unique nature of each company, industry and supplier, each plan for supplier engagement will be executed in a tailored way; aiming to analyse the contributing factors, and execute the requisite remedy processes. No such supplier engagement and remedial actions were required during the FY22 period.</p> <p>Where Modern Slavery risks are identified within an investee company, E&P is committed to ensuring that funds management staff engage directly with management to resolve concerns raised; advocating that investee companies take meaningful action to address Modern Slavery risks and prevent further issues from arising. As active stewards of investor capital, E&P make a commitment to vote on all resolutions put forward by portfolio companies, with due consideration given to ESG issues, including Modern Slavery. As a key example from the FY22 period, the firm's internal investment managers voted in favour of a Nike, Inc shareholder proposal regarding a human rights impact assessment, as a means of promoting fair and equitable value chains.</p>

Monitoring, Evaluation & Review

Assessing the effectiveness of our efforts

During the FY22 period E&P elected to focus on the below core key performance indicators (KPIs) related to our modern slavery efforts. As this is E&P's third Modern Slavery Statement, our processes, procedures and means to measure effectiveness of modern slavery risk management continue to evolve as additional initiatives are introduced.

INDICATOR OR TARGET	PROGRESS	STATUS
Modern Slavery risk assessment	During the FY22 period, E&P undertook risk-based analysis on 694 suppliers and investee companies. This is less than FY21 (1,581 suppliers and investee companies), reflecting reduced operations and risk among our commercial property and solar asset portfolios, due to divestment and simplification.	Complete
Staff training on modern slavery risks and practices	E&P delivered external training for senior executives, funds management personnel and procurement team members on Modern Slavery risk identification. On average, 1.4 hours of Modern Slavery training (107 in total) was provided to senior executives, funds management personnel and procurement team members over the FY22 reporting period.	Complete
Third Party Management Framework	All applicable vendors onboarded since E&P's Third-Party Management Framework was brought online during the FY22 period were formally assessed and approved through embedded due diligence processes. The migration of existing suppliers to these systems will continue in FY23.	Ongoing
Supplier Code of Conduct provided to suppliers	<p>A staged introduction of the E&P Supplier Code of Conduct (which articulates the Modern Slavery expectations of third-party suppliers) began during the FY22 period. Due to the infancy of the program, supplier coverage is currently limited, however, we expect this to increase as contract renewals arise and the migration of suppliers to the third-party management framework continues in FY23.</p> <p>As system implementation and data tracking matures, we aim to benchmark and report an appropriate measure of progress – noting the commitment in FY21 to report statistics once the program is fully implemented.</p>	Ongoing
Completion of supplier due diligence for higher risk suppliers	E&P undertook detailed Modern Slavery due diligence (in excess of regular vendor onboarding due diligence processes) on a select number of suppliers during the FY22 period. Detailed due diligence via direct supplier engagement was conducted on two new supplier relationships, where inherent risk flags (e.g., high-risk geography, employee outsourcing and high-risk industries) were identified. Due diligence processes found satisfactory residual risk; due to sound governance, the presence of skilled labour, and measures to ensure equitable workplace conditions.	Complete. Ongoing as required
Recorded instances of Modern Slavery within supply chains	To the best of E&P's knowledge, there have been no recorded incidents within the last reporting period for companies/suppliers we are exposed to that have identified incidents of Modern Slavery in their own supply chains.	Ongoing

Process for review & consultation

We review our policies and frameworks that address Modern Slavery annually or more frequently as required. These reviews are overseen by the Board, our internal ESG team and other relevant committees that report into the Board. This ensures that program and policy reviews address required amendments appropriately; considering group-wide and cross-functional considerations, reflecting industry Modern Slavery expectations, and ensuring relevance of KPIs.