

Anti-Modern Slavery Statement FY 2020

McMillan Shakespeare Group of Companies



Entities covered under this Statement

Parent entity	McMillan Shakespeare Limited A.B.N. 74 107 233 983
Subsidiaries (Australia)	Maxxia Pty Limited Remuneration Services (Qld) Pty Limited Interleasing (Australia) Ltd TVPR Pty Ltd Presidian Holdings Pty Ltd Davantage Group Pty Ltd Money Now Pty Ltd National Finance Choice Pty Ltd Franklin Finance Group Pty Ltd Australian Dealer Insurance Pty Ltd National Finance Solutions Pty Ltd National Insurance Choice Pty Ltd United Financial Services Pty Ltd United Financial Services Network Pty Ltd United Financial Services (Queensland) Pty Ltd Maxxime Pty Ltd.Plan Management Partners Pty Ltd Easilease Pty Ltd ADU Investments Pty Ltd Motorsure Pty Ltd National Dealer Services Pty Ltd Presidian Management Services Pty Ltd Carila Pty Ltd (Just Honk Car Yard). Maxxia Limited
Subsidiaries (United Kingdom)	Maxxia (UK) Limited Maxxia Finance Limited CLM Fleet Management plc Anglo Scottish Asset Finance Limited plc European Vehicle Contracts Limited Capex Asset Finance Limited
Subsidiaries (New Zealand)	Maxxia Limited (NZ) Maxxia Fleet Limited
Subsidiaries (People's Republic of China)	Wuxi McMillan Software Co. Ltd.

Table of Contents

Table of Contents	3
1. Introduction.....	4
2. Corporate Structure, Operations and Supply Chains.....	4
2.1. Structure	4
2.2. Operations	4
2.3. Supply Chains.....	4
3. Modern Slavery Risks	5
3.1. Operations	5
3.2. Supply Chains.....	5
4. Risk Mitigation	5
4.1. Screening of Existing Suppliers.....	6
4.2. Supplier Code of Conduct.....	6
4.3. Template Contract Clauses	6
4.4. Staff Training.....	7
4.5. Remediation.....	7
5. Other Relevant Information – COVID-19	7
6. Assessing Effectiveness	7
7. Consultation with Entities owned/controlled by MMS Group.....	7

1. Introduction

The McMillan Shakespeare Group (MMS Group or the Group) is opposed to slavery in all its forms, including: slavery; servitude; forced labour; human trafficking; deceptive recruiting for labour or services; debt bondage; forced marriage; and child labour. This statement has been prepared in accordance with the reporting requirements of Australia's Modern Slavery Act 2018 (Cth) and associated guidelines. It describes the steps taken by MMS Group during the financial year ending 30 June 2020 to assess and address the risk of Modern Slavery occurring in our operations and supply chains.

This Statement is submitted by McMillan Shakespeare Limited as a joint statement on behalf of all entities within the MMS Group listed on page 2.

2. Corporate Structure, Operations and Supply Chains

2.1. Structure

MMS Group is a trusted, market-leading provider of salary packaging, novated leasing, disability plan management, asset management, finance aggregation, warranty products and related financial products and services. We offer a breadth of services and expertise, designed to responsibly deliver superior long-term value to our customers.

The parent entity of MMS Group, McMillan Shakespeare Limited, is listed on the Australian Stock Exchange (ASX) and has its head office located in Melbourne.

2.2. Operations

The principal activities of MMS Group during the course of the financial year ended 30 June 2020 were the provision of salary packaging, novated leasing, asset management and related financial products and services. This statement also covers our subsidiary, Plan Management Partners Pty Ltd trading as Plan Partners, which provides plan management and support services to participants of the NDIS.

MMS Group employs a highly committed team of 1,300 people across Australia, New Zealand and the United Kingdom, as well as a software development office located in Wuxi, China with 6 employees.

2.3. Supply Chains

MMS Group engages with a number of suppliers of goods and services. Our staff are encouraged to develop stable long-term relationships with suppliers to promote the delivery of innovative solutions both for our customers and to create operational efficiencies.

Our core business supply chain includes:

- Purchase of vehicles through dealer distribution network
- Remarketing of off lease assets
- Purchase of fuel through retail petroleum distribution companies
- Subscription of Accident Management and Roadside Assistance services
- Provision of Motor Vehicle insurances from providers
- Provision of vehicle servicing and maintenance through repairer networks, including the acquisition of tyres from distributors.
- Facilitation of transactions via payment card solutions

MMS Group also has corporate suppliers in support processes, including but not limited to:

- IT
- Merchandise and marketing materials
- Office supplies and furniture
- Legal and financial services
- Corporate travel
- Company uniforms
- Office cleaning

MMS Group acts as a payment processing facility for our customers who may choose to use their funds held with the Group to pay their chosen supplier for goods and services. In such instances, MMS Group acts on behalf of our customer to transact a payment to the customer's chosen supplier. Accordingly, MMS Group does not regard these payees as part of the Group supply chain.

3. Modern Slavery Risks

MMS Group has assessed its Modern Slavery risks in FY20 with reference to a number of Modern Slavery risk indices, including the Walk Free Foundation Global Slavery Index, and information supplied to us through our extensive stakeholder networks (e.g. customers, suppliers, industry associations and governments).

3.1. Operations

MMS Group has assessed the risk of Modern Slavery practices within our operations to be low. An examination of our operational activities (as described in 2.2 above) does not reveal any activity which we would consider to be at risk of causing, contributing to, or directly linked to Modern Slavery practices. With respect to our global team, MMS Group has a robust system of HR policies and procedures that ensure compliance with legally mandated employment entitlements and awards across the entire MMS Group workforce. The policies apply to all MMS Group entities within Australia, New Zealand, United Kingdom and China.

3.2. Supply Chains

MMS Group recognises that we may have some exposure to the risk of Modern Slavery practices through our supply chains. For example, the Group's corporate procurement includes goods and services from some sectors which are considered at risk of Modern Slavery by the Global Slavery Index, including: Cleaning, Uniforms (Apparel) and IT/Electronics.

In addition, the supply chain pertaining to motor vehicle assets under MMS Group management may be exposed to the risk of Modern Slavery during the vehicle manufacturing process (undertaken by the third-party manufacturers), as well as the supply of components and raw materials used in the manufacturing of motor vehicles.

4. Risk Mitigation

In FY20, MMS Group implemented a number of Modern Slavery risk mitigation measures, with a particular focus on addressing Modern Slavery risks in Group supply chains.

4.1. Screening of Existing Suppliers

MMS Group has implemented a third-party risk management platform to conduct screening of our existing supplier base. This platform allows MMS Group to screen suppliers for any labour violation enforcements or adverse media relating to labour practices or Modern Slavery. In FY20, the Group screened over 750 suppliers who had a minimum annual spend of \$10,000. This pool of suppliers represented a combined spend of over \$130 million. No adverse Modern Slavery findings were recorded during this year's screening.

In addition, the MMS Group corporate procurement team also requested over 80 suppliers with exposure to high risk Modern Slavery sectors (see 3.2 above) undertake a self-assessment questionnaire relating to their corporate Modern Slavery policies and procedures. The questionnaire response rate was approximately 43%, with COVID-19 restrictions likely being a contributing factor for the low response rate. A follow up questionnaire will be sent to non-respondents in Q3 of FY21.

In the case of suppliers that did answer the questionnaire, the responses indicate there is a wide spectrum of Modern Slavery risk mitigation maturity among our high risk suppliers, ranging from best practice to incomplete. Furthermore, some of our suppliers are still in the early stages of developing their own policies and procedures in response to the new Australian and international modern slavery laws. Devising a strategy for how we will engage with our suppliers that do not meet expectations in this area will be a key priority for FY 21.

4.2. Supplier Code of Conduct

In FY20, MMS Group introduced a [Supplier Code of Conduct](#) outlining standards of supplier conduct relating to:

- Human rights and labour standards, including prohibitions against the use of forced labour
- Modern slavery reporting
- Occupational health and safety
- Sustainability and environmental impacts
- Ethical business practices
- Data protection and intellectual property

The Code states that MMS Group has the authority to conduct audits should a breach of the Code be suspected. Suppliers are expected to self-assess their compliance against the Code and are requested to report any known or suspected breach of the Code via their contract manager or the MMS Group procurement team.

4.3. Template Contract Clauses

MMS Group has developed template Modern Slavery clauses for embedding in Supplier Terms and Conditions. The clauses outline the Group's expectation of suppliers to review their supply chains for modern slavery and report any breaches through to MMS Group. The clauses also provide MMS Group with the right to audit the supplier in relation to compliance against Modern Slavery obligations. The template clauses will commence in FY21 for new suppliers and on supplier contract renewal with respect to the following supplier agreements:

- Agency Agreements
- Preferred Dealer Agreements
- Master Services Agreement

4.4. Staff Training

Training relating to the detection of, and screening for, Modern Slavery has been incorporated into the MMS Group Compliance training program. This training is completed on an annual basis by those staff most likely to influence purchasing decisions within the Group.

4.5. Remediation

MMS Group has developed a Modern Slavery Remediation Process to assist employees and suppliers in following the correct protocols should Modern Slavery be discovered in MMS Group operations or supply chains.

Should employees or suppliers become aware of any instances of Modern Slavery, it must be reported through to a relevant manager or executive who will then raise the matter through MMS Group's Critical Response Team. Alternatively, employees and suppliers have the ability to report any instance of Modern Slavery through the MMS Group's Whistleblower Policy, which was reviewed in FY20.

5. Other Relevant Information – COVID-19

MMS Group acknowledges that COVID-19 pandemic may have increased the risks of Modern Slavery in parts of its supply chain, particularly in the area of cleaning. As cleaning service providers are engaged through building owners, MMS Group endeavored to understand, through regular communications received from building owners, initiatives they have implemented to uphold health, safety and sound employment practices of cleaning staff during the pandemic. During FY21, MMS will continue to engage with building owners to ensure that potential Modern Slavery risks relating to cleaning services in its supply chain are mitigated.

6. Assessing Effectiveness

MMS Group assess the effectiveness of Modern Slavery risk mitigation actions taken through a number of indicators:

- Percentage of self-assessments completed by Group suppliers
- Tracking of actions required from self-assessment (non-completion, acknowledgement of risk)
- Number of breaches reported through grievance mechanisms
- Percentage of training completed as part of compliance training

Our Modern Slavery risk management approach will be reviewed annually. The next review will take place at the conclusion of FY21 and reported in next year's Anti-Modern Slavery Statement.

7. Consultation with Entities owned/controlled by MMS Group

Consultation with MMS Group purchasing, risk and compliance personnel has been undertaken to develop an accurate MMS Group Anti-Modern Slavery Statement. In addition, the Modern Slavery associated policies and frameworks referenced in this Statement have been socialised across the MMS Group to ensure the effective implementation of the Group's approach to Modern Slavery risk management.

This Statement was approved by the Board of McMillan Shakespeare Limited on behalf of the MMS Group on 30 March 2021.



Helen Kurincic
Chair of the Board



Mike Salisbury
Managing Director