



MA Financial Group

Modern Slavery Statement

June 2023



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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 2022 to 31 December 2022.

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 2022 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 9 June 2023.



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 600 employees and presence in Australia, China, Hong Kong and the United Kingdom as at 31 December 2022.

Purpose and Values

MA Financial is focused on delivering long term value to our clients and partners, our shareholders and our people.

We do this by:

- partnering with clients who value strong alignment, complementary expertise and sustainable performance
- empowering our people through a culture of growth, cohesion, innovation and accountability
- delivering a high standard of technical expertise in both investment and advisory roles
- being active managers of risk

Growth



- We actively seek sustainable value creation
- We are committed to continuous improvement and technical excellence
- We pursue ongoing learning, and we invest in practical individual and team development
- Our growth is always paired with acting with integrity

Cohesion



- We recognise the whole is greater than the sum of its parts
- We encourage each other to pursue opportunities and empower one another to succeed
- We actively find solutions, not problems
- We value diversity of thought

Innovation



- We uncover opportunities others may miss and transform them into actionable and meaningful outcomes for our clients
- We constantly develop and share new ideas across business units
- We are entrepreneurial and think and act like business owners
- We are hard-working and resilient

Accountability



- We accept our commitments and are accountable to deliver on them
- We own and discuss our mistakes and learn from them
- We actively think about and manage risk
- We speak up and we don't accept inappropriate behaviour and actions

3. Our Structure and Operations (reporting criteria 2)

Asset Management

Our asset management division was launched in 2013 and as at 31 December 2022 has \$7.8 billion in assets under management.

MA Asset Management manages 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.

Corporate Advisory & Equities

Our Corporate Advisory division provides strategic and financial advice covering mergers and acquisitions, equity capital markets, debt capital markets, restructuring and recapitalisations in Australia. Our specialised sector capabilities include real estate, credit and restructuring, technology and small to mid-cap industrial companies.

Our Corporate Advisory division is partner to a global strategic alliance with NYSE-listed global investment bank, Moelis & Company. Moelis & Company is a major shareholder of MA Financial Group Limited holding 13.4% as at the date of this statement.

Since 2009, we have advised on over \$102 billion of transactions and raised over \$13.9 billion of equity capital on behalf of our clients. Our Equities business provides securities research, sales and trading execution services to institutional clients, and complements the Corporate Advisory business by providing ECM expertise and distribution capabilities to facilitate transactions on behalf of clients.

Lending & Technology

Our Lending & Technology division uses the combined expertise we have in credit advisory and credit investment. It comprises a technology-enabled Residential Lending Marketplace and differentiated lending platforms. We can originate credit assets on a proprietary basis with tailored underwriting standards and utilise our in-house expertise to manage the loan portfolios. It also provides us with actionable insights and market intelligence, an important strategic advantage when investing in credit. Similarly, our credit investing activity enables our Lending & Technology division to scale while optimising capital efficiency.

Our Residential Lending Marketplace was established in 2022 following the successful acquisition and integration of mortgage aggregator Finsure. Today the marketplace has over \$90 billion in managed loans for over 350,000 borrowers. It provides core infrastructure for over 2,600 broker and features 80 lenders offering more than 4,500 products.

We have two lending platforms. MA Money provides residential loans to prime, near-prime and specialist customers nationally. Our Specialty Finance business is focused on high-margin, lending opportunities. It includes our legal disbursement finance activities and bespoke receivable funding initiatives, including the CommissionNow product designed for Finsure brokers.

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 oversee reporting required under the Modern Slavery Policy in coordination with Business Divisions who implement its requirements.

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 2022 we had approximately 600 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, certain support functions (for example, custody services and fund administration) are outsourced.

The nature of our supplier spend remains highly concentrated with the top 34 suppliers representing approximately 49.6% 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 the Philippines and China.

Our primary supply chain categories for FY2022 were:



Human Resources



Professional Services



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	<p>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.</p> <p>Under the Whistleblower Policy, MA Financial will ensure that persons who make a report shall do so without fear, intimidation, disadvantage or reprisal.</p>
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	<p>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.</p> <p>MA Financial complies with all relevant employment legislation.</p>
Outsourcing and Material Services Policy	In 2022 MA Financial formalised and implemented an Outsourcing and Material Services Policy, the purpose of which is to ensure that MA Financial appoints suitably qualified, experienced and reputable service providers in respect of material services; and undertakes fulsome due diligence and ongoing supervision of the service provider.

4. Supply Chain Risks (reporting criteria 3)

Overview

For the year ending 2022 we continued to:

- focus on further understanding our modern slavery risks in MA Financial's operations and supply chain; and
- further develop policies and procedures to address any modern slavery risks.

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 and 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 have highly competitive pricing, have 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 four particular suppliers that may operate using temporary, foreign workers in order to provide Property Management services certain of our entities.

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 diligence 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.	7%	16%	77%	100%
Supplier (number) in top 50 ¹ % spend.	2	9	23	34
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:

- 7% of spend analysed is potentially high risk, primarily due to the sector risk and the type of labour used in the provision of services through the provision of security, cleaning and building services to RetPro. Further diligence has been completed on these two suppliers with no specific modern slavery concerns identified during the review.
- Business Services and Property Management are potentially high risk spend categories. This

is primarily due to potential exploitation of cleaners, security staff and maintenance workers, particularly through sub-contracting arrangements typical of the industry as widely documented in Australia. Migrant works are particularly vulnerable.

- Further diligence has also been completed on eight of the nine potential medium risk suppliers with no specific modern slavery concerns identified.
- Diligence on one potential medium risk supplier remained incomplete as at FY22. Further engagement with this supplier will be undertaken during the course of FY23.

¹ 49.6% rounded.

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 – FY22

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 and where necessary the inclusion of contractual provisions requiring the supplier to provide us with regular attestations and due diligence materials.

We have formalised and taken steps to implement an Outsourcing and Material Services Policy, to ensure that MA Financial appoints suitably qualified, experienced and reputable service providers in respect of material services. The policy requires that a more fulsome due diligence as well as ongoing supervision of the service provider be undertaken, which has enhanced the risk assessment of supplier.

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 MA Money (previously MKM)

MA Financial acquired Finsure on 7 February 2022 and acquired the remaining 52.5% in MA Money on 2 March 2022 respectively. We conducted a supplier risk assessment of Finsure and MA Money during

FY22 and ensured that their approach to managing modern slavery risk was consistent with MA Financial. Data has been included in the table at Section 4.

Asset Management

As its environment, social and governance (ESG) practices continue to evolve, MA Financial's Asset Management division became a signatory to the UN Principles for Responsible Investment during 2022 and is working through its ESG strategies inclusive of approach to modern slavery risk by Investment Area for its managed funds.. We expect that its future processes will have regard to the varying nature of the asset classes under management, the geographies in which different investments or investee companies operate and the varying levels of control that it has across investments.

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 FY22 Modern Slavery Statement.

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

FY23 proposed actions

Governance

We will continue to:

- refine management and board reporting to ensure initiatives and controls to manage modern slavery risk are appropriately communicated and overseen; and
- assess the effectiveness of our actions in identifying and managing modern slavery risks by progress of our actions in partnership with relevant suppliers

We will adapt our actions and approach where required as part of our commitment to combatting modern slavery.

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.

Education and awareness

Focused training will continue to 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	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 annually.	Review of Business Division/Unit implementation will be reviewed by Legal and Compliance during the course of each year

FY22 Indicators

For FY22 we developed a set of process indicators to track the implementation of our modern slavery risk management programme. These were completed in FY2 and are included below:

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 Diligence*).		
**Supplier-facing staff trained on modern slavery risks and practices.		
Finsure and MA Money supplier risk assessment to be undertaken		

FY23 Indicators

We have set the below targets for FY23:

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 Diligence*).		
**Supplier-facing staff trained on modern slavery risks and practices.		

* This includes, as appropriate, receipt of a Modern Slavery Questionnaire, review of suppliers Modern Slavery Statements (to the extent available available), review Modern Slavery Questionnaire responses and further follow up as may be required

** Items were also delivered in FY22 though by nature, are ongoing so will be reflected as objectives in FY23.

7. Consultation (Reporting criteria 6)

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



MA Financial Group