



MA Financial Group

# Modern Slavery Statement

June 2021



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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”, “Group”, “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 2020 to 31 December 2020.

MA Financial conducts its businesses to high levels of ethical and professional standards in accordance with relevant laws in the countries that we operate.

This statement discloses MA Financial’s progress towards identifying, mitigating and addressing risks of modern slavery across our operations, investments 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 has been approved by the Board of MA Financial Group Ltd on 30 June 2021.



Julian Biggins



Christopher Wyke

Joint-Chief Executive Officers, MA Financial Group Limited

## 2. About Us (reporting criteria 1 & 2)

### Background

MA Financial is an ASX-listed financial services group specialising in asset management, corporate advisory and equities.



We are headquartered in Sydney, Australia, with approximately 350 employees and presence in Australia, China, and the United Kingdom.

### Values

Our values are integral to our culture and everything we do. They set out the behaviours that we need to meet and ensure that we can deliver on vision and strategy, now and into the future.



#### 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

We pair our growth with integrity at all times.



#### 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 and constructive debate and feedback.



## 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)

#### MA Asset Management

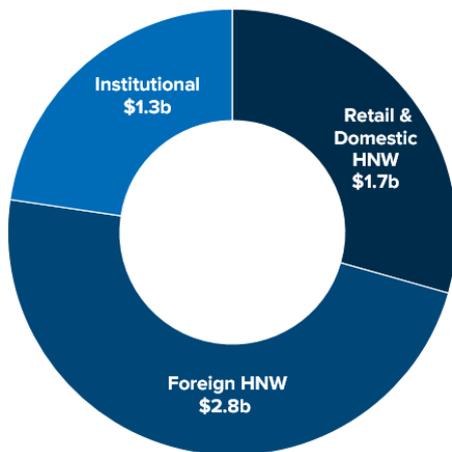
Our asset management division, MA Asset Management, was first launched in 2013 and as at 30 April 2021 has \$5.8 billion in assets under management.

MA Asset Management manages institutional, wholesale and retail investments across a broad spectrum of asset classes including real estate, credit, hospitality, private

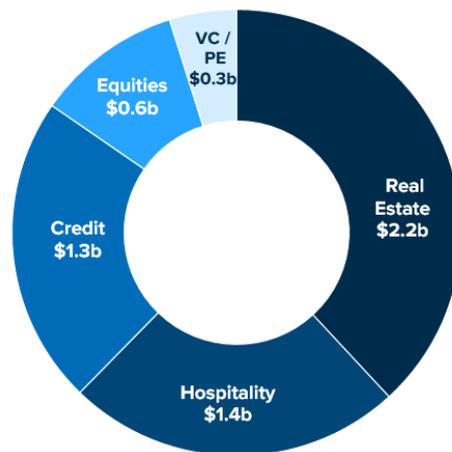
equity, venture capital and listed equities. Specialist asset operators exist within the platform including MA Hotel Management as the appointed hotel operator of a number of hospitality assets including the ASX listed Redcape Hotel Group (ASX: RDC)<sup>1</sup> and specialist property manager Retpro which was recently acquired by MA Financial in April 2021.

	Segment	Est.	Assets	Operational Platform
Core Segments	Real Estate	2013	<ul style="list-style-type: none"> <li><b>Overview</b> – manage \$2.2b of diversified real estate assets</li> <li><b>Portfolio</b> – 9 shopping centres located in NSW, Victoria, South Australia &amp; ACT; logistics assets and listed REITs</li> </ul>	RetPro
	Hospitality	2014	<ul style="list-style-type: none"> <li><b>Overview</b> – manage \$1.4b across Redcape Hotel Group, MA Beach Hotel Fund and MA Taylor Square Fund</li> <li><b>Portfolio</b> – 39<sup>1</sup> hotels across NSW &amp; QLD located in urbanised metropolitan areas or rapidly growing tourist locations with significant development and operational upside</li> </ul>	MAHM
	Credit Investing	2013	<ul style="list-style-type: none"> <li><b>Overview</b> – Manages \$1.3b across 4 credit strategies</li> <li><b>Portfolio</b> – Cash &amp; Bonds; Real Estate Credit; Private Credit, Structured finance &amp; niche credit investments</li> </ul>	MA Financial Group Credit Operations
Emerging Segments	PE/VC & Equities	2015	<ul style="list-style-type: none"> <li><b>Overview</b> – Manage \$0.9 billion across listed equities funds and a series of growth capital and private equity strategies</li> <li><b>Portfolio</b> – ASX-listed equities; Growth capital investments and private equity syndicates in accommodation, aged care and childcare</li> <li>Supported by the MA Asset Mgt Enterprise platform until brought to scale</li> </ul>	MA Financial Group Enterprise Platform

Asset under Management by channel



Asset under Management by sector



<sup>1</sup> A Modern Slavery Statement for the Redcape Hotel Group dated 19 March 2021 details its approach to Modern Slavery Risk.

## MA Moelis Australia - Corporate Advisory & Equities

MA Financial's Corporate Advisory division provides strategic and financial advice covering mergers and acquisitions, equity capital markets, debt capital markets, restructuring and recapitalisations in Australia. Since 2009, the team has managed over \$110 billion worth of transactions.

The Equities division offers specialist securities research, sales and trading execution services in Australia to both individual and institutional clients.

Our Corporate Advisory division is partner to a global strategic alliance with NYSE-listed global investment bank, Moelis & Company. Moelis & Company has managed over \$3.5 trillion worth of transactions across its 21 locations. Moelis & Company is a major shareholder of MA Financial holding 18.98% as at the date of this statement.

### Governance Framework

The Board of Directors of MA Financial has 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 has day-to-day responsibility for implementing these measures.

### Our primary supply chain categories are:



**Human Resources**



**Professional Services**



**Property Management**



**Technology**

The nature of these services means that our spend is highly concentrated with the top 85 suppliers representing approximately 80% 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 India, the Philippines, and China.

### Our Policies

MA Financial is committed to conducting its businesses in an ethical and professional manner.

## 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 30 April 2021 we had approximately 350 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, several support functions (for example, custody services, fund administration and technology support) are outsourced.

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 the Group's legal, and ethical standards. It also establishes procedures for addressing unacceptable behavior or conduct.
Whistleblower Policy	MA Financial's Whistleblowing Policy encourages, protects and supports the responsible reporting of any suspected wrongdoing; unethical, illegal, fraudulent or undesirable conduct involving MA Financials' businesses. It applies to suppliers and third parties providing services to MA Financial. Under the Whistleblower Policy, MA Financial will ensure that persons who make a report shall do so without fear, intimidation, disadvantage or reprisal.
Modern Slavery Policy	MA Financial's Modern Slavery Policy outlines the scope, roles and responsibilities in respect of managing potential modern slavery risk within the Group and operates alongside other Group 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	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. MA Financial complies with all relevant employment legislation.

## 4. Supply Chain Risks (reporting criteria 3)

### Overview

Our focus for the year ending 2020 was centered on enhancing our understanding of modern slavery risks in the Group's operations and supply chain.

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 the Group'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, 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 are/have highly competitive pricing, 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 & Building Services to MA Financial.

### 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 with given due diligence performed on such suppliers prior to engagement.

For the year ending 2020 we undertook a "Tier 1" supplier and category risk prioritization to identify major supply categories and suppliers that potentially are at risk of modern slavery. This important initial step provides us with a baseline for our risk management program and informs ongoing risk assessments and supplier due diligence planned for the next reporting period.

A summary of the results is as follows:

	POTENTIAL HIGH RISK	POTENTIAL MEDIUM RISK	POTENTIAL LOW RISK	TOTAL
% of spend.	13%	32%	55%	100%
Supplier (number) in top 80% spend.	4	26	55	85
Spend categories (number).	1	2	2	5

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:

- 13% of spend analyzed is potentially high risk, primarily due to the sector risk and the type of labour used in the provision of services to MA Financial.
- Of the suppliers who are represented in the top 80% of spend, only four suppliers are considered potentially high risk.
- One spend category, Business Services and Property Management, is potentially high risk. 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.

## 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 – FY20

#### Governance

We formed a group of specialists across legal, compliance and operations to assess and implement an integrated approach to manage modern slavery risk at MA Financial.

The ongoing purpose of this group is to ensure that an appropriate governance and policy framework is implemented to ensure that modern slavery risk is identified and appropriately managed.

#### Risk assessment

We conducted an initial, internal risk assessment of all our suppliers. Refer to Section 4 of this report for the details on our approach and outcomes.

##### *Retpro and MA Hotel Management*

RetPro, a business acquired by MA Financial on 1 April 2021 was not included in the analysis for the FY20.

The assessment of modern slavery risk as it pertains to the Redcape Hotel Group (ASX: RDC) which is managed and operated by MA Hotel Management is disclosed in Redcape Hotel Group's Modern Slavery Statement dated 19 March 2021.

#### Education and awareness

We aim to 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

##### Remediation and communication

Our initial assessment and initiatives did not highlight any instances of modern slavery or significant areas of concern.

Our assessment and process will be communicated as part of the FY21 Modern Slavery Statement.

### FY21 proposed actions

#### Governance

We will further develop management and board reporting to ensure initiatives and controls to manage modern slavery risk are effective.

#### Risk assessment

We will engage with all 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 a questionnaire and/or provide assurance on their management of modern slavery risk.

A Modern Slavery risk assessment will also be completed for RetPro, a business acquired by MA Financial on 1 April 2021 and therefore, excluded from the scope of the FY20 Modern Slavery Statement.

MA Asset Management will also engage with our controlled (>50%) investee companies on important social issues such as modern slavery. Additional due diligence and a desktop review may be conducted on those investee companies with a high inherent risk, including whether they have adequate controls and practices in place.

#### Education and awareness

Supplier-facing MA Financial staff will be required to undertake annual training 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.

#### Policy integration

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

A Supplier Code of Conduct will be developed and implemented. It will be a requirement that suppliers read and adhere to our code of conduct.

## 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	BI-ANNUAL BOARD COMMITTEE REVIEW	QUARTERLY 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 on a bi-annual basis.	Modern slavery progress will be reviewed by Legal and Compliance quarterly

For FY21 we developed a set of process indicators to track the implementation of our modern slavery risk management programme. These are included below:

INDICATOR OR TARGET	IN PROGRESS	COMPLETED
Board and leadership team engaged on modern slavery.		
Internal risk assessment of Tier 1 suppliers completed.		
Review current risk framework suite to identify policies that require updating to better reflect modern slavery risks.		
Supplier Code of Conduct developed and sent to all Suppliers.		
Assurance in respect of Modern Slavery risk management obtained from high/medium risk suppliers (by assurance or completion of Questionnaire).		
Development of modern slavery dashboard for management and board reporting.		
Supplier-facing staff trained on modern slavery risks and practices.		
RetPro modern slavery risk assessment completed.		
Engage with controlled (>50%) investee companies to identify any potential high risk activities.		

## 7. Consultation (Reporting criteria 6)

We have shared the Modern Slavery Statement with the Boards of regulated entities within the Group as well as MA Hotel Management Pty Ltd and Retpro.



MA Financial Group