

# Modern Slavery Statement

Financial year ended 30 June 2021

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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)*. This statement relates to the reporting period commencing 1 July 2020 and ending 30 June 2021.

This is our second Modern Slavery statement, and it describes our continued approach in working towards identifying and reducing the risk of slavery and human trafficking in our operations. This statement was prepared in consultation with each of the respective business units/entities E&P owns or controls, with stakeholders providing information on their program of work to identify and mitigate modern slavery risks within their respective supply chains.

This statement was developed by E&P in consultation with Fair Supply, an independent legal and advisory firm with specialist expertise relevant to the Modern Slavery Act. As in prior reporting periods, E&P utilised Fair Supply’s technology solution in order to identify risks of Modern Slavery in our supply chains.

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 addresses the steps that E&P has taken during the relevant reporting period to identify and address Modern Slavery risks within the supply chain of E&P and its entities. While we feel we have made considerable progress in developing our Modern Slavery practices and processes during the reporting period, we still recognise areas of improvement. In consideration of this, 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 21 December 2021.









**David Evans**  
Executive Chairman  
E&P Financial Group Limited

# About E&P

E&P is an ASX-listed financial services business with a history spanning over 30 years. 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 Adelaide, Hong Kong and New Jersey. E&P employs over 450 people serving over 9,200 wealth advice clients and 180 institutional clients. As at 30 June 2021, E&P had \$24.4 billion in funds under advice and \$6.7 billion of assets funds under management across its different strategies.

## Our business segments

<b>E&amp;P WEALTH</b> 	<b>E&amp;P CAPITAL</b> 	<b>E&amp;P FUNDS</b> 
<p>High net worth (HNW) and mass affluent wealth management services</p>	<p>Corporate advisory, capital markets, equities and research platform</p>	<p>Specialist investment and alternative asset management</p>
<p><b>Key brands</b></p>  <p><b>Services</b></p> <ul style="list-style-type: none"> <li>Investment advice</li> <li>Securities trading</li> <li>Managed accounts</li> <li>Portfolio administration</li> <li>Financial strategy</li> <li>SMSF administration and compliance</li> <li>Legal services</li> </ul>	<p><b>Key brands</b></p>  <p><b>Services</b></p> <ul style="list-style-type: none"> <li>M&amp;A, ECM and DCM and general corporate advisory</li> <li>IPO and pre-IPO advisory</li> <li>Securities trading</li> <li>Equities sales and research</li> </ul>	<p><b>Key brands</b></p>  <p><b>Services</b></p> <ul style="list-style-type: none"> <li>Direct equities investment management</li> <li>Asset management</li> <li>RE and fund administration services</li> <li>Debt securities investment management</li> </ul>
<p><b>Clients / FUA</b></p> <ul style="list-style-type: none"> <li>~9,200 HNW / wholesale and affluent SMSF investors</li> <li>FUA: \$24.4 billion</li> </ul>	<p><b>Clients</b></p> <ul style="list-style-type: none"> <li>Corporates</li> <li>180+ institutional investors</li> </ul>	<p><b>Clients / FUM</b></p> <ul style="list-style-type: none"> <li>Wholesale and retail investors</li> <li>17 investment strategies</li> <li>FUM: \$6.7 billion</li> </ul>

## 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.

In our view our exposure to Modern Slavery comes from both our direct supply chains (as above) and from the investment management activities related to our Funds Management operations (both equities and real assets). These risks are expanded upon in the section below ("Modern Slavery risks").

## Our policies and procedures

E&P is committed to conducting its businesses in an ethical and professional manner. Our comprehensive set of policies and procedures articulate our values and the expectations we set on our teams and suppliers. We also have a series of existing policies that support the underlying systems and processes and contribute towards the mitigation of the Modern Slavery risks that E&P might face.

POLICY/PROCEDURE	PURPOSE
<b>Fraud &amp; Corruption Policy</b>	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. Our policy reinforces our commitment to identify fraudulent and corrupt activities and for establishing policies, controls and procedures for the prevention and detection of these activities.
<b>Whistleblowing Policy</b>	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. Our 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.
<b>AML/CTF Program</b>	E&P understands that the prevention of money laundering and terrorism financing is a vital component of our efforts to mitigate Modern Slavery risks in our business. 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.
<b>Employee Code of Conduct</b>	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 our values i.e. integrity, accountability, excellence, best interest, respect, inclusion and teamwork and meritocracy. The Employee Code of Conduct underpins all E&P's business operations and promotes ethical business practices that mitigate the risk that any of E&P's business operations contribute to Modern Slavery and any other human rights abuses.
<b>Supplier Code of Conduct</b>	Our Supplier Code of Conduct (" <b>Code</b> ") 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 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 us if they become aware of a breach or possible breach of any of the expectations set out within the Code.
<b>ESG Policies (Funds Management)</b>	<p>Each of our listed equities funds management brands operates with an environmental, social &amp; 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, we also utilise external expertise in addition to our own 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>

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# Modern slavery risks

E&P recognises that Modern Slavery is a significant worldwide issue. Despite its prevalence is often difficult to identify in global supply chains. We acknowledge it is essential to review our supply chains regularly and have systems and processes in place to ensure that the possibility of Modern Slavery is minimised.

To assist with our Modern Slavery risk identification exposure, we have utilised a technology solution provided by Fair Supply, an independent legal and advisory firm with specialist expertise relevant to the Modern Slavery Act. Fair Supply utilises proprietary technology linking global trade flow data and international standards to objectively identify Modern Slavery risk areas.

For this reporting period, we have expanded our risk mapping to cover exposures within both our direct operations and the investment management activities related to our Funds Management operations.

## Modern slavery risks in direct operations

Given our business model, geographic location and the highly skilled nature of our employees, we have classified the risk of Modern Slavery in our own operations as very low. 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.

While many of our suppliers are large, established, reputable businesses, domiciled within Australia, we acknowledge that specific industries, including, for example, the cleaning and security industry, have been identified as areas with greater risk to Modern Slavery. This is because of the regularity of subcontracting which historically has been associated with worker exploitation.

Through our risk assessment, we have identified that E&P is exposed to a very small number of offshore suppliers that have higher Modern Slavery risks. These suppliers are predominately located offshore, providing outsourced tax services (India) and serviced office related functions (Hong Kong). While these exposures represent less than 0.1% of total operational expenditure, further assessment of these suppliers is being completed as part of our supplier due diligence process.

## Modern slavery risks in funds management investment operations (equities & real assets)

As part of our expanded risk mapping during this reporting period, we have analysed supplier and investment exposure within both our equities and real assets portfolios related to our Funds Management operations.

Within our real asset portfolios, we have identified exposure to suppliers in several higher risk areas – most notably across our commercial property and solar asset portfolios. These industry areas include:

- Cleaning and janitorial services and suppliers: Given the prevalence of low-skilled labour and dependency, usage of temporary, night-time or contractor workers, and general lack of bargaining rights and/or grievance mechanisms prevalent in the industry.
- Non-residential construction (solar): Given the prevalence of low-skilled labour and dependency, usage of temporary or contractor workers, and historic linkages to supply chains exposed to material Modern Slavery risks and conditions (most notably linkages between polysilicon manufacturing and forced labour practices).

Given the higher instance of Modern Slavery risk that exists through this exposure, E&P has prioritised due diligence on several suppliers exposed to these areas. During the period, E&P undertook due diligence on several suppliers with exposure to the solar industry, with investment teams engaging directly with suppliers in relation to polysilicon procurement practices. It is expected that due diligence will continue to progress and be reported on in FY22.

Within our equity portfolios, we have identified exposure to several global companies with moderate risks of Modern Slavery through their supply chains. At a top level, the key risks identified include the following industries and geographical locations: Peru, South Africa – gold mining, Germany – industrial conglomerates and Mexico – precious metals and minerals. Given that many of these investee companies are large, global organisations with obligations to mitigate Modern Slavery risk through their own processes, we note that in most instances these companies have strong policies and governance processes and undertake significant due diligence on their own supply chains (and take remedial action where appropriate). For this reason, we believe many of these exposures are materially de-risked and the majority of equity exposure would be classified in a 'low' risk category.

# Actions to address risks

E&P is committed to ensuring that Modern Slavery is not part of our supply chain or the supply chains we rely on to deliver our service. We are focused 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.

In the event of Modern Slavery being identified in our supply chain, we are committed to taking remedial action and executing a corrective action plan. Given the unique nature of each company, industry, supplier, and potential issues that may be identified, each plan will be executed in a tailored way, focused on supplier engagement. The overarching aim will be to address the instance of Modern Slavery identified, analyse the contributing factors to the cause, and execute the processes required to remedy the situation.

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. Similar to our general supply chains, this approach is intended to be tailored and specific in its execution. Our commitment is to ensure that investee companies take meaningful action to address Modern Slavery risks and prevent further issues from arising.

## Initiatives completed in FY21

During the reporting period, E&P implemented a number of initiatives to enhance the operating framework to improve the identification, management and mitigation of Modern Slavery risk.

AREA	DETAILS
<b>Supplier code of conduct</b>	<p>During the period, E&amp;P finalised a Supplier Code of Conduct ('Code'), that 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 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 us if they become aware of a breach or possible breach of any of the expectations set out within the Code.</p> <p>The Supplier Code of Conduct will be introduced to both new and existing suppliers from FY22 onwards.</p>
<b>Enhanced supplier/ investment due diligence</b>	<p>As part of establishing a formal approach to identification of Modern Slavery risks in the supply chain, E&amp;P finalised a series of self-assessment questionnaires for use with 3rd party suppliers. Assisted via the risk categorisation process conducted by Fair Supply (see 'Modern Slavery risks'), E&amp;P identified a number of higher risk suppliers – most notably across the real asset portfolios in solar development operations and services. Due diligence on these select suppliers was begun during the reporting period and will be further progressed and reported on FY22.</p> <p>In addition, each of our listed equities funds management brands introduced environmental, social &amp; corporate governance (ESG) policies, and enhanced investment due diligence processes, to focus on identification of financially material ESG risk, and the processes undertaken to mitigate that risk. These processes include an assessment of social issues which relate to the area of Modern Slavery (such as human rights and worker's rights).</p>
<b>Training &amp; education</b>	<p>E&amp;P feels strongly about educating employees about Modern Slavery, particularly procurement teams and investment managers who are exposed through their respective roles to end suppliers. We make a commitment to ensure staff are provided adequate training and resourcing to enable robust supplier engagement, noting the importance of the role our staff play in reducing the risks of Modern Slavery.</p> <p>During the period, E&amp;P engaged an external Modern Slavery specialist legal firm to undertake training of senior executives, funds management personnel and procurement team members on Modern Slavery risk identification.</p>



## Assessing the effectiveness of our efforts

During the 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 second Modern Slavery Statement, our processes and procedures remain in their relative infancy, and we expect to expand the measurement of our effectiveness as and when additional initiatives are introduced. E&P is committed to continuing to develop systems and processes to monitor the effectiveness of our efforts and risks assessments.

INDICATOR OR TARGET	PROGRESS	STATUS
<b>Modern Slavery risk assessment</b>	We have expanded our supply chain analysis (versus prior year) to include the majority of our investment portfolio holdings, including those of our real asset portfolios across commercial property and solar. During the period, we have undertaken risk-based analysis on 1,581 suppliers and investee companies, of which 32 have been identified as potentially of 'higher' risk (predominately in our commercial property and solar asset portfolios). 789 suppliers and investee companies were assessed in the prior reporting period, of which 4 were identified as potentially of 'higher' risk.	Complete
<b>Staff training on modern slavery risks and practices</b>	We have undertaken external training of senior executives, funds management personnel and procurement team members on Modern Slavery risk identification. 1.5 hours of Modern Slavery training (average) was provided to senior executives, funds management personnel and procurement team members over the reporting period. 0 hours were completed during the prior reporting period.	Complete
<b>Supplier Code of Conduct developed and provided to suppliers</b>	E&P drafted and finalised a supplier code of conduct which sets out the Modern Slavery expectations of 3rd party suppliers. It is expected to be introduced into new and existing contract renewals from FY22 onwards. Post introduction we will report statistics on Code of Conduct attestations by suppliers.	In progress
<b>Completion of supplier due diligence for higher risk suppliers</b>	E&P finalised a series of self-assessment questionnaires for use with 3rd party suppliers (reporting and non-reporting entities) during the reporting period. Self-assessment questionnaires and due diligence on select suppliers across the real asset investment portfolios begun during the reporting period. This will be further progressed in FY22 with statistics reported at that time.	In progress
<b>Recorded instances of Modern Slavery within supply chains</b>	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.	

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 committees that report into the Board. This will ensure that the reviews capture any amendments required to maintain the effectiveness of the relevant policies, and KPIs are updated to reflect further changes in Modern Slavery processes.