

Modern Slavery Statement FY 2022

McMillan Shakespeare Group



Entities covered under this Statement^a:

Parent entity	McMillan Shakespeare Limited ^b A.B.N. 74 107 233 983
Subsidiaries (Australia)	Maxxia Pty Limited ^b Remuneration Services (Qld) Pty Limited Interleasing (Australia) Ltd National Finance Choice Pty Ltd National Insurance Choice Pty Ltd United Financial Services Pty Ltd United Financial Services Network Pty Ltd United Financial Services (Queensland) Pty Ltd Plan Management Partners Pty Ltd Plan Tracker Pty Ltd Carila Pty Ltd (Just Honk Car Yard). Maxxia Limited Onboard Finance Pty Ltd
Subsidiaries (United Kingdom)	Maxxia (UK) Limited Maxxia Limited Maxxia Finance Limited Anglo Scottish Asset Finance Limited plc Capex Asset Finance Limited
Subsidiaries (New Zealand)	Maxxia Fleet Limited (New Zealand)
Subsidiaries (People's Republic of China)	Wuxi McMillan Software Co. Ltd.

a. Trading entities only. Entities dormant as at 30 June 2022 and entities disposed of during the reporting period FY22 are excluded. Please see note 6.2 of Notes to the [2022 Annual Report](#) for further information on entities disposed of during the reporting period.

b. Parent entity is the primary reporting entity under the Act, with consolidated revenues over \$100 million during the financial year ending 30 June 2022. Maxxia Pty Ltd as a stand-alone entity exceeded the reporting threshold under the Act and is covered as an entity owned/controlled by the parent entity within this joint statement.

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1. Introduction

The McMillan Shakespeare Group (MMS, MMS Group, the Group or we) 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)* (the Act) and associated guidelines. It describes the steps taken by MMS Group during the financial year ending 30 June 2022 to assess and address the risk of Modern Slavery 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 and operations

The MMS Group is a trusted provider of salary packaging, novated leasing, disability plan management and support coordination, asset management, and related financial products and services. We offer a breadth of services and expertise, designed to responsibly deliver superior long-term value to our clients, customers and shareholders.

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.

MMS Group employed a highly committed team of over 1,339 people (as at 30 June 2022), with operations spanning across Australia, New Zealand (NZ) and the United Kingdom (UK).

2.2. Supply Chains

In FY22, the MMS Group engaged over 4,200 providers of goods and services to operate our business and service our customers, with cash payments of over \$400 million.

Our staff are encouraged to develop stable long-term commercial relationships with suppliers where possible to promote the delivery of innovative solutions for our customers and to create operational efficiencies.

Our supply chain is broadly divided into two areas – corporate expenditure and core business supply chain.

Corporate expenditure (also known as 'direct' spend) consists of suppliers the MMS Group directly engages to provide goods and services to support our corporate functions, including but not limited to:

- IT-related services
- Merchandise, uniforms and marketing materials
- Stationery, Office supplies and furniture
- Legal, financial and professional services
- Corporate travel and accommodation
- Events and catering
- Facilities management services including office cleaning and waste disposal
- Postage and couriers

Our core business supply chain (also known as 'indirect' spend) consists of suppliers and partners engaged to service our clients and customers, which 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/distribution of Motor Vehicle insurances from providers/product issuers
- Provision of vehicle servicing and maintenance through repairer networks, including the acquisition of tyres from distributors
- Facilitation of funding through financiers
- Facilitation of transactions via payment card solutions
- Suppliers of products, services and supports to National Disability Insurance Scheme (NDIS) customers recommended through Support Coordination services and *MyBenefits*¹ program.

Some MMS Group subsidiaries act 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. In other cases, the MMS Group engages financiers to provide finance or funding to third parties, for example its customers and brokers in its aggregation business. MMS Group does not regard these payees or financiers as part of the Group supply chain.

3. Modern Slavery Risks

We recognise the causes of Modern Slavery are complex, with several risk factors often interacting to create situations where people experience practices that constitute Modern Slavery. This includes industries, sectors and geographies with poor labour practices and employment of vulnerable workers.

During the previous financial year (FY21), MMS Group conducted a Modern Slavery risk assessment, using a third-party human rights specialist, to identify areas within our operations and supply chains where risk of Modern Slavery practices may be present. Modern Slavery risks were assessed through two lenses:

- 1) The inherent risk in each operational or procurement category, which considered various sources of Modern Slavery risk, such as geographic risk, sector and industry risk, product and service risk, and entity risk; and
- 2) Our opportunity to mitigate Modern Slavery risks, which considered the level of influence MMS may have in working with our suppliers and business partners.

The risk assessment drew on a number of credible publicly available resources, including the United Nations Guiding Principles on Business and Human Rights, Financial Services and Modern Slavery Report by the Australian Human Rights Commission and KPMG, and the Global Slavery Index by the Walk Free Foundation. Risk ratings and outcomes were discussed and validated by MMS senior management through an internal workshop.

The findings of this risk assessment are summarised in sections 3.1 and 3.2 below and continued to be relevant for the Group during FY22.

¹ *MyBenefits* program offers exclusive deals, discounts and offers with service providers to Plan Partners NDIS customers.

3.1. Operations

Examination of our operational activities (as described in section 2.1) as part of the risk assessment revealed that the risk of MMS Group causing, contributing to or being directly linked to Modern Slavery practices within our operations (i.e., related to our directly employed workforce or the provision of products and services) is low. This is due to the fact that our employees and customers operate primarily within Australia, NZ and the UK, and therefore considered low risk with regard to child labour, forced labour, or other Modern Slavery practices.

With respect to our team, MMS Group has a robust system of human resource policies and procedures that aim to ensure compliance with legally mandated employment entitlements and awards across jurisdictions that the Group operates in. These policies applied to MMS Group entities within Australia, NZ, UK and China. MMS' workforce management practices focus on confirming individuals' rights to work in respective countries of operation, and maintaining a safe, healthy and inclusive workplace.

3.2. Supply Chains

MMS Group recognises that we may have an elevated exposure to the risk of Modern Slavery practices through our supply chains.

We are aware of the following risk factors across our supply chain that MMS Group may contribute to or be linked to through our suppliers or business partners:

- Procurement of specific products, for which the material extraction or production may involve Modern Slavery,
- Supplier operations in countries with weak commitments to human rights,
- Use of contract, low-skilled and/or migrant labour, and
- Subcontracting and use of third-party labour hire agencies.

Based on our understanding of Modern Slavery risk factors, our risk assessment suggested the following categories as areas for MMS to focus on:

Corporate expenditure (direct)

- Corporate merchandise, uniforms and promotional goods
- Information Communication Technology (ICT) related services (hardware, software and customer support)
- Stationery, office supplies and furniture
- Facilities management services

Core business supply chain (indirect)

- Motor vehicle manufacture and raw materials
- Fuel service providers
- Vehicle maintenance and repair networks
- Disability service providers recommended for services such as cleaning and domestic work.

Outputs of this risk assessment were used in FY22 to implement a staged approach to conducting due diligence activities to help us manage Modern Slavery risks in our supply chain.

4. Risk Mitigation

We take a risk-based approach to assess and address any Modern Slavery risks in the supply chain. Our initial focus is on direct suppliers that were identified to be from higher risk categories through our Modern Slavery risk assessment, prioritising those where we have a greater opportunity to influence practices.

Over time, our goal is to progressively ensure that all suppliers to the Group understand our expectations with regards to Modern Slavery and are taking actions to address Modern Slavery risks that may exist in their operations and supply chains.

In FY21, we set out several commitments to help us progress efforts on this front, as outlined in Table 1, achieving the majority of our targets. Our activities are further described in subsequent sections.

Table 1: Our progress in implementing commitments made for FY22

Key: ✓ Complete ⇨ In progress/on-going

	Our commitments for FY22	Our progress ^b
Policies and commitments	Develop a human rights policy for the Group.	✓
	Update Supplier Code of Conduct to include expectations regarding supplier due diligence and assessment.	✓
Risk assessment and due diligence	Categorise our suppliers based on direct and indirect spend, industry, country and Modern Slavery risk category.	✓
	Implement an enhanced Modern Slavery questionnaire to High Spend – High Risk direct spend suppliers.	✓
	Engage directly with non-responding suppliers ^a to better understand their awareness of Modern Slavery risks and mitigation actions.	✓
	Seek external advice and resources to develop our approach to managing high risk categories	⇨
	Develop and document a supplier due diligence process for both new and existing suppliers.	⇨
	Engage with cleaning providers to understand evolving risks related to COVID-19 and Modern Slavery.	✓
Assessing effectiveness	Commence project to build a comprehensive system to manage our supply chain, which incorporates Modern Slavery related monitoring and reporting.	⇨

a. Non-responding suppliers are suppliers that did not respond to MMS's Modern Slavery questionnaire in FY20 and FY21 and have not publicly demonstrated any organisational Modern Slavery response.

b. Commitments marked as "in-progress/ongoing" are due for completion in FY23.

4.1. Policies and processes

MMS's corporate governance framework is robust and underpinned by several policies which help us address Modern Slavery risks. In FY22, we took actions to enhance our suite of policies and guidelines to better manage risks of Modern Slavery in our operations and supply chains.

MMS Supplier Code of Conduct (the Code) outlines the expectations of suppliers in relation to human rights and labour standards (including prohibitions against the use of forced labour), Modern Slavery reporting, and occupational health and safety amongst other matters. During the period, we updated the

Code to articulate expectations of suppliers to complete MMS's Modern Slavery questionnaire when requested to support our Modern Slavery reporting and risk assessments.

The Code is referenced within contractual documentation with suppliers, including Purchase Order Terms and Conditions.

MMS Human Rights Position Statement² outlines our commitment to respect human rights, informed by the United Nations Guiding Principles on Business and Human Rights.

The Human Rights Position Statement will further support our stakeholders' understanding of our Group's commitment and approach to assessing and addressing human rights and Modern Slavery risks as they relate to our operations and supply chains and provide the overarching rationale to implement due diligence across all areas of the business. Our focus in FY23 will be to communicate this policy with our employees and external stakeholders.

UK Modern Slavery Policy outlines the expectations for employees and suppliers in the UK with respect to addressing Modern Slavery risks.

MMS Whistleblower Policy sets out the process for employees and suppliers to report any concerns related to illegal or unethical conduct, including Modern Slavery. No incidents related to Modern Slavery were raised through our whistleblower channels during the year.

Modern Slavery Procedures are in place to assist employees and suppliers in following the correct protocols should any incidents of Modern Slavery be discovered in MMS Group's operations or supply chains. We provide awareness of these Procedures to employees as part of staff training, as described in section 4.4 above.

4.2. Modern Slavery Contract Clauses

We are progressively incorporating Modern Slavery clauses into our key contracts to support MMS's efforts to address Modern Slavery risks in our supply chain.

The clauses outline the Group's expectation of suppliers to review their supply chains for Modern Slavery risks and report any breaches to MMS Group. The clauses also provide MMS Group with the right to audit the supplier or undertake verification activities to assess compliance against our Modern Slavery clauses.

Modern Slavery clauses have been included within our standard supplier agreements, including Agency Agreements, Preferred Dealer Agreements, Master Services Agreement and Purchase Order Terms and Conditions.

During FY22, we continued to incorporate Modern Slavery-related clauses within our new supplier agreements and contract renewals with existing suppliers, particularly focusing on suppliers in higher risk categories and those we have the opportunity to influence practices.

² Approved by the MMS Board in October 2022.

Where our leverage and influence to negotiate terms and conditions with a supplier were limited, such as with large multinational companies, we reviewed their publicly available policies and disclosures related to Modern Slavery to ensure they are taking adequate steps to address Modern Slavery risks.

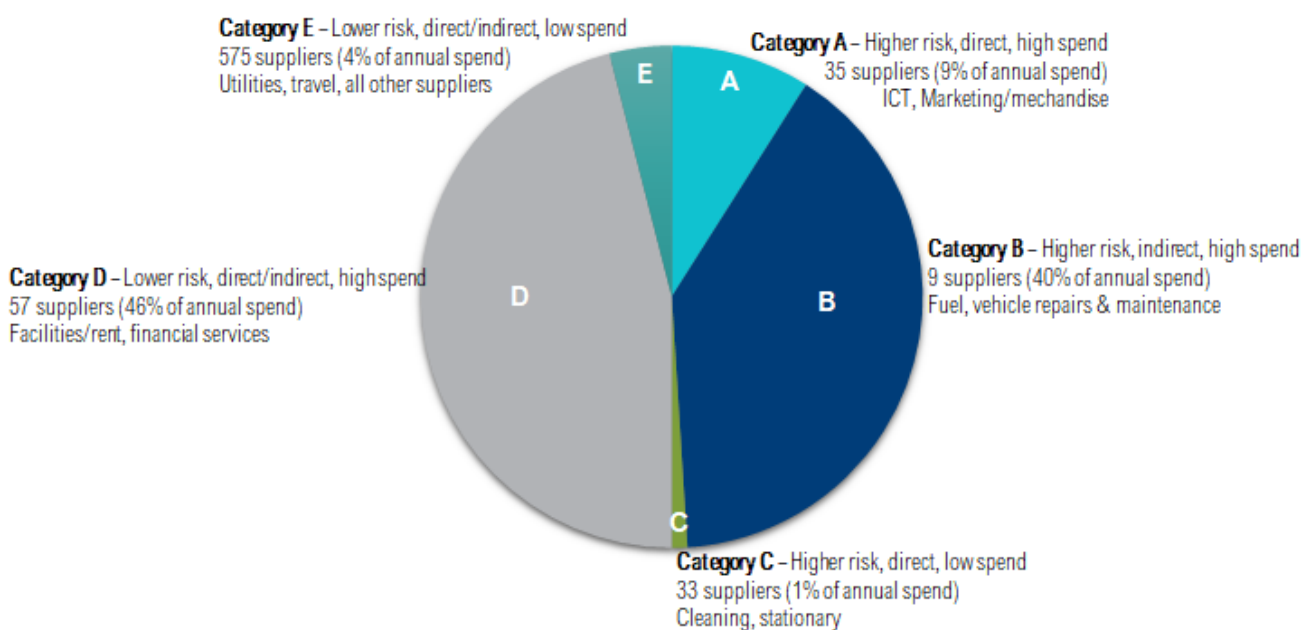
4.3. Supplier Due diligence

4.3.1 Due diligence on existing suppliers

We have commenced assessing Modern Slavery risks in our supply chain, initially focusing on suppliers in higher risk categories over a particular spend threshold. Over time, we aim to increase the scope of our assessment to include suppliers in other risk categories, as well as deeper layers of our supply chains.

For the first time in FY22, we categorised our suppliers by industry sector, value of spend, and type of spend (Direct corporate procurement and Indirect core business). Overlaying this supplier categorisation with the Modern Slavery risk assessment (covered in Section 3.2) has enabled us to prioritise our focus and response to our suppliers based on the highest likelihood of Modern Slavery (risk) and our ability to influence and have an impact (spend), as show in Figure 1 below.

Figure 1: Categorisation of MMS suppliers (as at 30 June 2022)³



During the year, we reviewed 27 suppliers representing \$18m in spend during FY22, through a combination of a supplier Modern Slavery questionnaire (MSQ) and reviewing of suppliers' public Modern Slavery statements, to understand their Modern Slavery risk factors (as outlined in section 3.2) and maturity of response to date. These suppliers included both Category A suppliers and suppliers who were non-

³ Risk ratings have been informed by the Modern Slavery risk assessment (section 3.2). 'Direct' suppliers refer to suppliers who service our corporate functions, and 'Indirect' suppliers are entities contracted by the Group to service our customers and clients (excludes vehicle dealers, insurers and financiers).

responsive in previous years⁴, across categories such as ICT, facilities management, stationery and merchandise.

Overall, twenty-one suppliers completed our MSQ during the year. Some of the findings from this assessment are highlighted below.

- 95%** demonstrated a general understanding of Modern Slavery.
- 80%** were not required to report under the Act.
- 57%** have established policies that deal with human rights and Modern Slavery
- 29%** have undertaken a formal Modern Slavery risk assessment
- 71%** did not source products or services for MMS from overseas or high-risk countries
- 62%** directly recruited their workers rather than using subcontracting arrangements
- 43%** Do not appear to have any visibility over their suppliers' use of subcontractors or third parties

Based on our suppliers' responses to our MSQ and the maturity of their approach, we were then able to further prioritise the suppliers to engage with on an ongoing basis to identify corrective actions to strengthen their Modern Slavery response.

In addition to the MSQ, we also reviewed Modern Slavery statements of six large multinational software and communications companies with whom MMS incurred a high spend during the year, but carried limited leverage, to understand their Modern Slavery response to date. Our review covered their disclosures on related policies and governance mechanisms, risk identification and due diligence practices, as well as existence of a remediation process. Whilst MMS carries less leverage to influence the actions of these suppliers, we will continue to monitor the evolution of their Modern Slavery response over time.

4.3.2 Enhancing due diligence

As part of our ongoing program of work to enhance our supplier due diligence activities, during the period, we commenced a project with an external expert advisory organisation to develop an appropriate Modern Slavery due diligence framework for MMS.

The framework will articulate how due diligence activities will be incorporated into each stage of our procurement process, from vendor selection to contract signing and throughout the term of the contract. Additional guidance for due diligence in priority risk categories is also being articulated through category management plans, formulated together with relevant business owners.

4.4. Staff training

MMS provides training to leadership and decision-making roles which are relevant to the management of Modern Slavery risks across our operations and supply chains. Incorporated into the Group compliance training program, this training module aims to increase staff understanding of Modern Slavery, expectations

⁴ Non-responsive suppliers are those who did not respond to our attempts to engage on Modern Slavery issues over the past two years (FY20 and FY21), and have an ongoing commercial relationship with the Group.

on supplier due diligence, and what to do if they suspect Modern Slavery is present in our operations or supply chain.

During FY22, the Modern Slavery training was provided to 133 roles in Australia and New Zealand and 12 roles in the UK, with a training completion rate of 100%.

5. Other Relevant Information – COVID-19

COVID-19 continued to impact people across Australia, NZ, UK and globally, during the reporting period. MMS Group acknowledges that inherent risk factors (outlined in section 3.2) may have been elevated due to the pandemic in parts of our supply chain during this time, particularly in areas such as cleaning.

Therefore, during the period, MMS engaged with our cleaning service providers to understand how Modern Slavery risks for workers within their operations and supply chains may have changed during the COVID-19 pandemic, and actions they have taken to mitigate any potential risks.

As cleaning was considered an essential service during the pandemic, most suppliers did not see a significant impact on their business activities and their ability to manage their employees and Modern Slavery risks. However, cleaning suppliers identified elevated risk factors such as the employment of international students and mental health impacts on workers during the pandemic. Many highlighted actions they have taken to minimise risk to workers, such as ensuring payment of award rates, providing Modern Slavery training to staff and contractors, conducting due diligence on subcontractors, providing personal protective equipment, frequent check-ins with staff and ensuring leave and pay arrangements when unable to work due to COVID-related reasons.

6. Assessing Effectiveness

MMS uses a number of ways to assess our effectiveness and continuously improve our approach to managing Modern Slavery risks. These include,

- Reporting regularly to the MMS Sustainability Committee and the Board on our program of work to address Modern Slavery risks;
- Reviewing supplier responses to the MSQ;
- Training relevant MMS employees on Modern Slavery risks and related policies and processes;
- Through feedback we receive from suppliers during contract negotiation and ongoing engagement;
- Incidents raised and investigated through internal reporting and whistleblowing channels;
- Consulting with relevant business units, entities and employees of the MMS Group;
- Engaging external Modern Slavery advisories and experts to review our approach and provide recommendations for improvement; and
- Active monitoring of evolving industry best practices, lessons learned and areas for improvement through external events and research reports.

7. Our progress and plans for the year ahead

MMS is committed to continually improving our processes and actions to address Modern Slavery risks in our operations and supply chain, recognising that this is an ongoing process.

During FY23, our focus will be to finalise and commence implementing the supplier Modern Slavery due diligence framework and embedding due diligence practices, particularly into our prioritised risk categories. We will also continue to directly engage with our suppliers whose Modern Slavery response requires improvement to encourage the adoption of appropriate risk management measures.

Table 2 highlights the priority activities to focus on in the year ahead.

Table 2: Commitments and plans for FY23

Action area	Our commitments for FY23
Policies and commitments	<ul style="list-style-type: none"> • Communicate Human Rights Position Statement with our people and suppliers. • Convene a Modern Slavery working group
Risk assessment and due diligence	<ul style="list-style-type: none"> • Assess Modern Slavery risks within remaining category A and Category B suppliers, including through Modern Slavery questionnaire. • Continue to engage with prioritised suppliers to identify improvement opportunities and strengthen their Modern Slavery responses • Complete Modern Slavery due diligence project with external advisory and commence integration into procurement and supplier engagement processes. • Progressively introduce Modern Slavery questionnaire into contract negotiation process.
Assessing effectiveness	<ul style="list-style-type: none"> • Develop a set of qualitative and quantitative indicators to assess how effectively Modern Slavery risks are being managed

8. Consultation with Entities owned/controlled by MMS Group

Consultation with MMS Group human resources, purchasing, risk and compliance personnel and business segments has been undertaken to develop an accurate MMS Group 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 Directors of McMillan Shakespeare Limited on behalf of the MMS Group on 16 December 2022.



Helen Kurincic
Chair of the Board



Rob De Luca
Managing Director & Chief Executive Officer