



# LA TROBE FINANCIAL ESG UPDATE

August 2023



*“As one of Australia’s leading alternative asset managers, we are uniquely positioned to be a force for good in the spirit of **others before self.**”*

– Chris Andrews, CEO

# CONTENTS



## INTRODUCTION

Others Before Self	4
Our Approach	5
La Trobe Financial ESG Timeline	6
Social innovation: under-served market	8
A Systematic Approach	10
An Integrated Team	11



## ENVIRONMENTAL

A Systematic Approach to Sustainability	14
The Challenge of Sustainability	16
Approach to Sustainability	17
Environmental Case Study – Carbon Neutral Status	18
Our Ongoing Commitment to the Environment	20
Working To Reduce Our Environmental Impact	21
Case Study – Supporting the Regent Honeyeater	22



## SOCIAL

Investing In People	24
La Trobe Financial’s Approach to Social Principles	26
Our Culture & Values	27
Our Customers	28
Diversity & Inclusion	29
Employee Benefits	30
Women of La Trobe Financial	31
Investing In Our People	32
Case Study: Emerging Leaders Program	33
Giving Back To The Community	34
Our Social Initiatives In 2023	35



## GOVERNANCE

Good Governance	36
La Trobe Financial’s Approach to Good Governance	37
Board of Directors	39
Management Committees	41
Regulatory Framework	42
ESG Governance	43
Ethics and ASX Corporate Governance Principles	44
The 7 Principles of the ASX Corporate Governance Council	45
Staff Obligations and Code of Conduct	46
Human Rights and Modern Slavery	47
Data Privacy and Cybersecurity	48
2023 – Ongoing Enhancements	49



# LA TROBE FINANCIAL'S APPROACH TO ESG

ESG is fundamental to the way we think about and operate our business.

At La Trobe Financial, we are driven by one cause – to put “others before self”. This simple value guides us to our core mission of helping clients achieve financial independence.

In doing our jobs, we believe we are assisting in the creation of safer communities, creating direct and indirect employment and assisting many under-served customers.

## Others Before Self

Environmental, Social and Governance (ESG) principles are core components of modern business and investment practice. The team at La Trobe Financial takes our ESG responsibilities with the utmost seriousness. For many years, our business has focussed on generating consistent and repeatable income for our 95,000 investors and has helped with the incredibly important mission of providing a dignified retirement. We are proud of our contribution and apply the same philosophy to serving high quality borrowers who are nevertheless marginalised from many parts of the credit system.

We think about our ESG program through two lenses. Through one lens, ESG encapsulates the non-negotiable social compact between business, investors and the broader community. We remain committed to being a force for good in the communities in which we live and work. Our ESG program is focused on ensuring we engage with and enrich the lives of our staff and local communities. Through the other, ESG principles reflect a robust summary of the risk management framework that develops and maintains strong, resilient businesses and investment strategies. We believe that maintaining the highest standards of ESG policies and practices can improve the financial performance of our business and our customers.

Over the last twelve months, we have taken some big strides forward in a variety of areas relating to ESG. We have our carbon neutral status certified annually by Climate Active, endorsed by the Australian government and one of the most rigorous certification programs in the world. We have increased female representation in our executive ranks from 30% to 44% and today employ 520 staff, drawn from 47 countries, speaking 40 languages. We continue to stand by our customers through fire, floods and pandemic and our staff are actively engaged in giving programs across our local communities.

In this report, we set out in detail our ongoing commitment to be responsible in all of our operations and investments. As one of Australia's leading alternative asset managers, we are uniquely positioned to be a force for good in the spirit of “others before self.” We will be accelerating our ESG initiatives and ensuring that ESG is firmly entrenched across our entire management and risk framework. We are clear-sighted about the commitment required, but are confident about the benefits that ESG principles bring to our people, our organisation, our investors and our societies.

Thank you for your interest in our ESG program.

Yours sincerely,

**Chris Andrews**  
Chief Executive Officer

<p><b>520 Staff</b> 47 Countries Speaking 40 Languages</p>	<p><b>“Others before self”</b> Philosophy &amp; Culture</p>
<p><b>2022</b> Certified Carbon Neutral by Climate Active</p>	<p>Looking out for <b>you</b><sup>®</sup> Committed to being good stewards of our investors' capital</p>



*“This is not just an ESG update, this document is the renewal of a commitment. We invite all employees, customers and stakeholders along for the journey. Our goal is to be a driving force for good and an example for corporate Australia. We can't wait to see the progress we will make in 2 years, 5 years and in the coming decades.”*

**Annie Sestito**  
Chief People & Marketing Officer

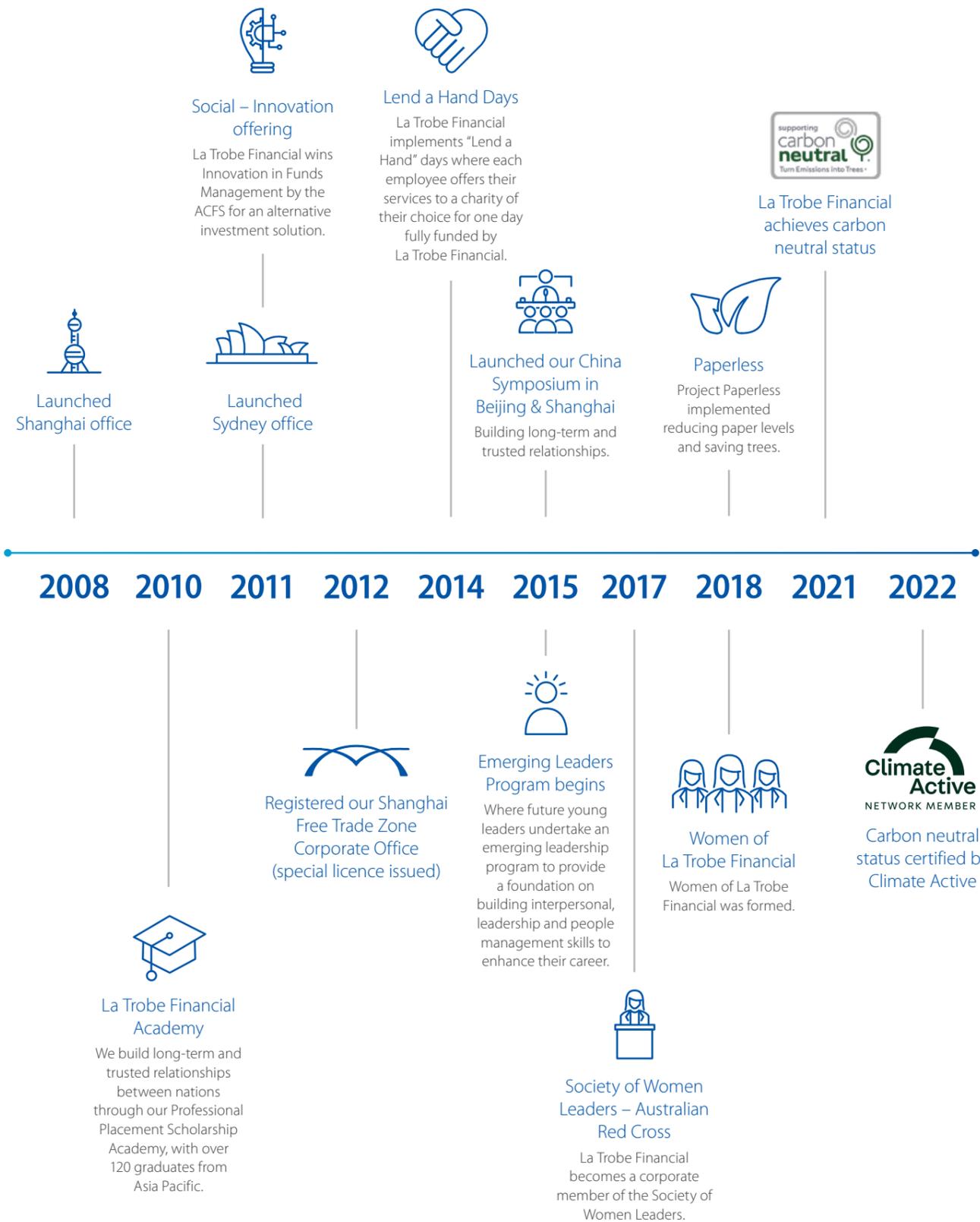
### Committed to sustainability

- Paperless**  
We reduce our environmental impact by recycling and becoming more paperless each day.
- Employer of Choice**  
We work hard to make work enriching for our employees (multiple finalist for Employer of Choice).
- Our People**  
We make the well-being of our staff a key priority.
- Broad Product Suite**  
We create new products to serve the under-served.
- Foundation**  
We support our communities in times of crisis/emergency.
- Governance**  
We are transparent in our disclosures to our various stakeholders.
- Employer Assistance Program**  
We have implemented a wellness program as we remain committed to our staff's wellbeing.



La Trobe Financial's flat structure, innovative spirit and meritocracy provides employees with considerable room to grow and, recognised by various awards for excellence including Best Investment Management Team 2020-2023

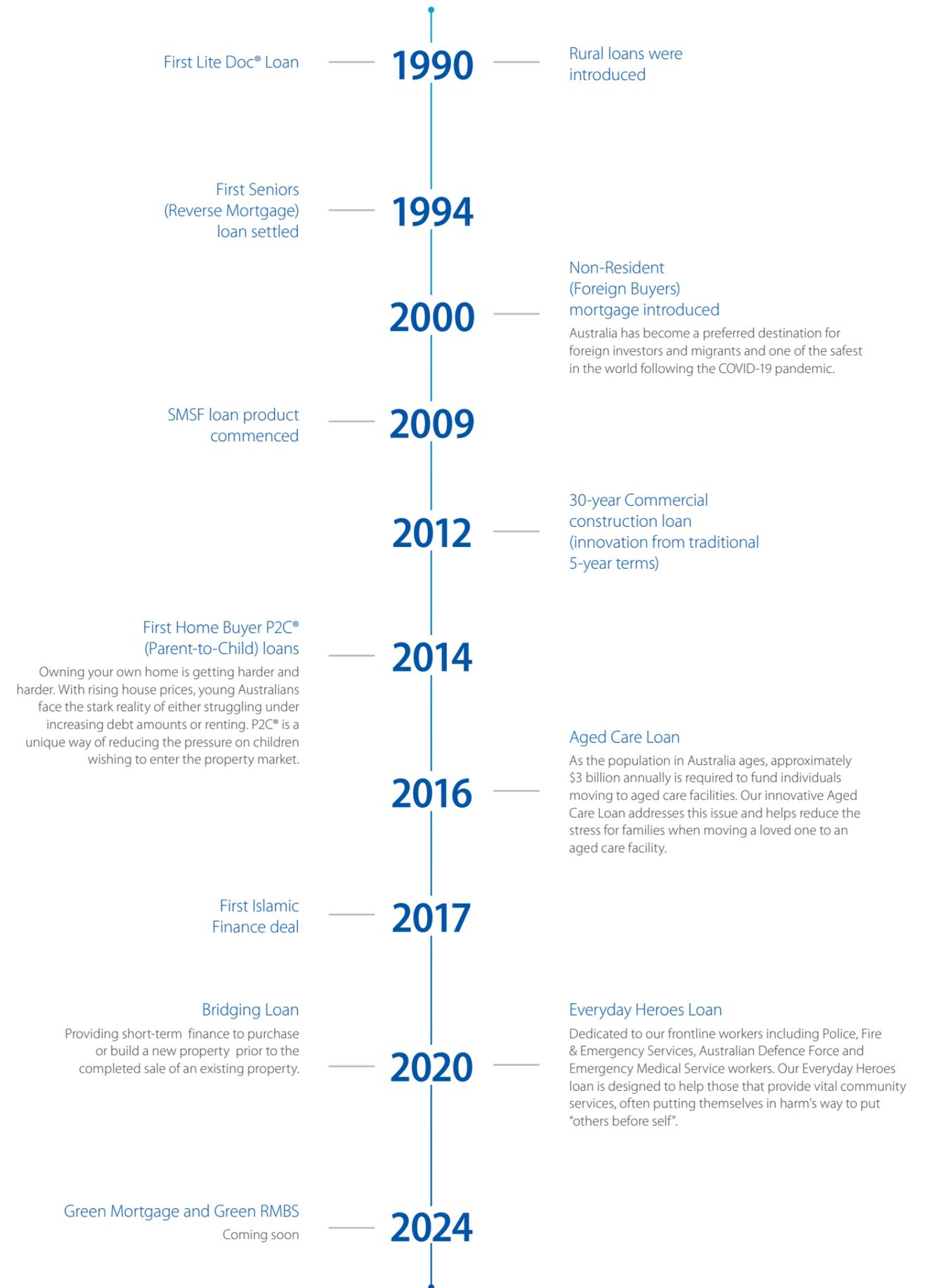
# LA TROBE FINANCIAL ESG TIMELINE



# SOCIAL INNOVATION: UNDER-SERVED MARKET

Since inception in 1952, La Trobe Financial has specialised in providing mortgage credit to high quality borrowers who are nevertheless under-served by conventional finance providers. Today, the Australian mortgage market is around \$2.8 trillion in size, 20% of which falls into this category.

Over seven decades, we have built out and refined a product set and approach to credit that produces consistent returns for investors. We remain committed to product innovation and continue to develop products to serve the marginalised borrower.



# A SYSTEMATIC APPROACH

ESG is at the very core of our activities and business practices. We are committed to incorporating ESG principles into everything that we do.

We evaluate ESG matters as a standard part of our business processes, starting at the preliminary stages of any major initiative.



## ENVIRONMENT

We believe that companies and businesses can increase profitability and long-term growth, not in spite of, but as a result of their sustainability efforts. Our approach to environmental sustainability focuses on:

- implementing measurable operational interventions;
- monitoring and reporting on key environmental benchmarks; and
- investing in environmental opportunities.

**Target: net zero emissions by 2030**



## SOCIAL

We invest in our talented people and the communities in which we live and work. Within La Trobe Financial and throughout our business, we promote:

- diversity and inclusion;
- monitoring and upholding labour and employment standards; and
- economic development through our Charitable Foundation.



## GOVERNANCE

Establishing and implementing good governance policies is an integral part of our business process. We focus on primary drivers of governance:

- long-term commitment to the highest standards of corporate governance;
- market-leading transparency in all investment offerings; and
- hard-wired responsible lending /investment framework consistent with the highest standards of industry practice.

# AN INTEGRATED TEAM

La Trobe Financial's ESG program is overseen by professionals from across the business to ensure company-wide integration of ESG principles.

### Leadership

Overseeing ESG framework, program and initiatives company-wide



**Chris Andrews**  
CEO



**Rowan Donohoue**  
Chief Operating & Risk Officer



**Annie Sestito**  
Chief People & Marketing Officer



**Lilian Chin**  
Director of ESG

### Risk & Compliance

Oversight of ESG Risk Framework and risk management initiatives



**Rowan Donohoue**  
Chief Operating & Risk Officer



**Rick Drury**  
Deputy Chief Risk & Assurance Officer



**Ken Lin**  
Chief Legal Counsel



**Nisha Pereira**  
Senior Legal Counsel

### People & Culture

Diversity & Inclusion, social programs & initiatives



**Annie Sestito**  
Chief People & Marketing Officer



**Lilian Chin**  
Director of ESG



**Paul Hetherington**  
Head of People



**Meagan Nies**  
Head of Marketing

### Investments

Green & social products, portfolio oversight



**Cory Bannister**  
Chief Lending Officer



**Chris Paton**  
Chief Investment Officer



**Sandy Singh**  
Head of Fund Portfolio Management



**Paul Brow**  
Treasurer

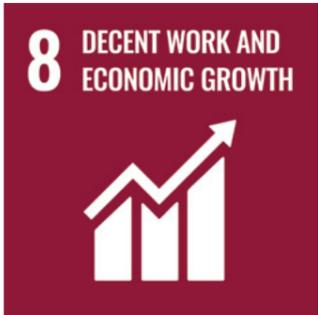


**Michelle Dai**  
Head of Group Portfolio Management

# OUR PROPOSED APPROACH



## SUSTAINABLE DEVELOPMENT GOALS



## WE ARE COMMITTED TO A SUSTAINABLE FUTURE

The Sustainable Development Goals (SDG) are seventeen (17) interlinked objectives which were formulated in 2015 by the UN General Assembly as a "shared blueprint for peace and prosperity for people and the planet."

The SDGs put sustainability at their centre to emphasise the connections between environmental, social and economic health.

At La Trobe Financial, these shared goals will guide the continual development of our ESG framework.



## A SYSTEMATIC APPROACH TO SUSTAINABILITY

We believe that companies and properties can increase profitability and long term growth because of their sustainability efforts. By managing energy, water consumption and waste more efficiently, we reduce our environmental impact while achieving cost savings for our business, assets and our customers.

We will put in place a number of steps to help us with meeting our commitment to environmental targets so that we can create lasting benefits for our customers.

# THE CHALLENGE OF SUSTAINABILITY

The world is moving rapidly down the path of decarbonisation. This is driven by the acknowledged risks of climate change, but also by evolving investor demand and, increasingly, regulatory interventions. With fossil fuels accounting for over 80% of global primary energy consumption, the challenge is massive.

La Trobe Financial is meeting the sustainability challenge by implementing a range of targeted measures. We believe that sustainability should be considered broadly and is critical to the long-term resilience of both businesses and portfolios. Conscious of the deep reservoir of trust placed in us by our investors, we carefully monitor our portfolios for emerging climate trends and risks. We are also embedding sustainability assessments into our corporate operations.

In 2020, we announced and implemented our carbon audit process with the objective of achieving carbon neutrality. In 2021, we achieved that goal and were certified as such by Carbon Neutral in 2022. We continue to believe that there are opportunities for further progress in sustainability, via renewable energy, supply-chain efficiencies and recycling initiatives. We have initiatives in flight for each of these objectives in 2023 and beyond.

At La Trobe Financial we intend to make significant inroads in reducing our Scope 1, 2 and 3 emissions. With a business' profit and purpose inextricably linked, our ESG journey will maximize performance to our triple-bottom line of people, planet and profit.



# LA TROBE FINANCIAL'S APPROACH TO SUSTAINABILITY

At La Trobe Financial we have made sustainability one of our core business commitments. We believe that our sustainability objectives will:

- contribute to better outcomes for our planet and for our investors;
- be achieved in relation to our emissions commitment by 2030; and
- achieve the highest levels of reporting and transparency.

Wherever possible, we look to reduce and offset the environmental impact of our operations through the implementation of long-term strategies.

## Climate related financial disclosures

The Task Force on Climate-Related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) in 2015 to develop recommendations for more climate-related disclosures to promote more informed investment decisions and enable stakeholders to better understand an organisation's exposure to climate-related risks.

The La Trobe Financial Group Board recognises that now, more than ever, climate change is creating risks and opportunities for our business, our customers and our communities. While not bound by regulation, we believe that developing climate-related strategies in line with recommendations of the TCFD can mitigate significant risks and create opportunities to build the resilience of the La Trobe Financial Group.

Outlined below is a high-level summary of the La Trobe Financial Group's approach to climate change governance, strategy, risk management, and metrics and targets consistent with TCFD recommendations.

## Climate change strategy

The La Trobe Financial Group's climate change strategy is focused on:

- identifying opportunities to reduce the La Trobe Financial Group's environmental footprint;
- assisting our staff, customers, partners, shareholders and communities to identify opportunities to reduce their environmental footprints;
- considering the environment in all relevant business decisions; and
- investing in organisational capability to identify and respond to both current and future climate change risks and opportunities.

## Risk management

ESG risks, including climate change, are identified, measured, monitored, and reported in accordance with the La Trobe Financial Group's risk management framework. The Board Audit & Risk Committee has oversight of this process. The Origination & Credit Committee, Asset & Liability Committee and Audit & Risk Committee oversee ESG risks and the monitoring of key risk indicators covering operational, credit and reputational risks. Matters are escalated to the La Trobe Financial Group Board as required.

## Metrics and targets

The La Trobe Financial Group has initially focused on metrics associated with greenhouse gas emissions and paper usage, given the nature of our core operations. The outcomes are as follows:

**Greenhouse gases** – in CY21, La Trobe Financial's energy usage resulted in 2784.6 tonnes of CO2 emissions (CY20: 1,727.9 tonnes). This reflected business and headcount growth over the period.

**Paper usage** – digitisation projects, coupled with our hybrid work from home policies have resulted in reduced gross paper usage to 49,584 prints per month. In order to provide further context to this figure and the reduction - our paper usage was 152,000 per month prior to the COVID-19 pandemic. As with emissions, this should be considered in the context of business growth and a 14% increase in headcount in 2022.

# PATH TO CARBON NEUTRALITY

La Trobe Financial's approach to sustainability is directly tied to our business mission.

To achieve carbon neutrality, La Trobe Financial partnered with Carbon Neutral, one of Australia's leading carbon services and carbon offset providers to assist with selecting the highest standards in offset projects. The following high-grade projects were selected to offset the carbon emissions.

## OFFSET PROGRAMS

### YARRA YARRA BIODIVERSITY CORRIDOR



Since the launch of the Yarra Yarra Biodiversity Corridor project in 2008, 30 million trees and shrubs have been planted restoring over 13,000 hectares of land.

The Yarra Yarra project aims to revegetate the landscape of the Corridor and return the environment to its original state while simultaneously removing carbon from the atmosphere.

This is done by planting up to 60 different tree and shrub species indigenous to the region. The goal is to create a green corridor that will reconnect coastal regions with drier inland habitats. The Corridor will provide birds and animals with habitat for food, nests and protection from predators, encouraging them to transition through the landscape.

#### Benefits of the project

The project has injected more than \$12.8 million into the community, supporting 80 local businesses. This has included:

- Generation of new jobs for tree plantings, seed collection and integrated agricultural activities.
- Casual employment for 427+ people, including local indigenous people.
- Creation of an Australian Sandalwood integrated carbon industry in rural Australia.
- Five aboriginal heritage sites discovered in archaeological surveys are now registered with the Department of Indigenous Affairs Registry.
- Ecological scientists conducted a baseline biodiversity survey and discovered an amazing diversity of plant and animal species.
- Creation of wildlife habitats and the reintroduction of plant and animals, including over 66 species of conservation-significant native plants, 50 conservation significant bird species and 256 of insect species.
- Combatting desertification by protecting and stabilising the ground with vegetation, which reduces soil salinity and erosion by wind and water.

# ENVIRONMENTAL CASE STUDY – CARBON NEUTRAL STATUS

### RIMBA RAYA BIODIVERSITY RESERVE



The Rimba Raya Biodiversity Reserve Project aims to reduce Indonesia's emissions by preserving 64,000 hectares of tropical peat swamp forest. This area rich in biodiversity including the endangered Bornean orangutan, was slated by the Provincial government for conversion into palm oil plantations.

The project is designed to protect the integrity of the adjacent world-renowned Tanjung Putting National Park, by creating a physical buffer zone on the full extent of the ~90km eastern border of the park.

This vision is to develop a project that harnesses the global carbon market in order to successfully compete with commercial agricultural interests in order to provide social and environmental benefits that would not otherwise be attainable.

The project focuses on both community development – encompassing 2,000 households living within the project area – and diversity conservation, particularly the protection of the endangered Borneo Orangutan.

In order to deliver on its goals, the project actively engages local communities to improve food security, income opportunities, health care, and education – all with the support of carbon finance.

#### The project's objectives include:

- Increasing agricultural productivity and incomes of small-scale food producers.
- Undertaking reforms to give women equal rights to economic resources, effective participation and equal opportunities for leadership.
- Promoting the implementation of sustainable management of all types of forest, halt deforestation, restore degraded forest and substantially increase afforestation and reforestation globally to decrease global GHG emissions.
- Taking urgent action to reduce the degradation of natural habitats, halt the loss of biodiversity

The project delivers on all 17 of the United Nations Sustainable Development Goals, and in particular:

- **Life on Land** – Indonesia has the largest number of threatened mammal species in the world and the fourth-largest total across flora and fauna species types.
- **Clean water and sanitation** – by minimising land-use, the project is helping to prevent downstream flooding.
- **Zero hunger** – training on the growth of cash crops such as fruit trees offers communities an alternative source of income.
- **Decent work and economic growth:** The project is building community centres offering facilities for park and project staff as well as for community organisations.

Gold Standard projects take climate action together with sustainable development by contributing to the 17 Sustainable Development Goals (SDGs) as agreed on by the United Nations.

The Yarra Yarra Biodiversity Corridor Project is the first premium Gold Standard certified project in Australia. It is certified to remove 1.059M tonnes of CO<sub>2</sub>-e from the atmosphere over 50 years.

# WORKING TO REDUCE OUR ENVIRONMENTAL IMPACT

We believe that companies and properties can increase profitability and long-term growth because of their sustainability efforts. By managing energy, water consumption and waste more efficiently, we reduce our environmental impact while achieving cost savings for our business, assets and our customers.

By doing this, we are building a legacy for our community and future generations with a focus on improving not only people's lives, but also the environment in which we live in. We will be implementing a number of resources to make this happen across FY24. We look to employ best practices to optimise, evaluate and continuously improve our approach to the use of shared resources and management of waste.

## What we are doing

Currently we are making progress in this space which includes:

-  **Waste reduction** to minimise our environmental impact across our offices.
-  **Reducing unnecessary waste** with follow-me printing
-  **Reducing paper** where needed we have switched to using Carbon Neutral Certified paper.
-  **100% recycled materials** used for all internal events

We will continue to put in place a number of steps to assist in meeting our commitment to environmental targets so that we can create lasting benefits for our customers.



*"We are pleased to have achieved carbon neutral status, but are mindful of the need to go further. We are therefore documenting a formal Carbon Reduction Plan, so that we can meet future targets and go beyond simply offsetting our carbon emissions.*

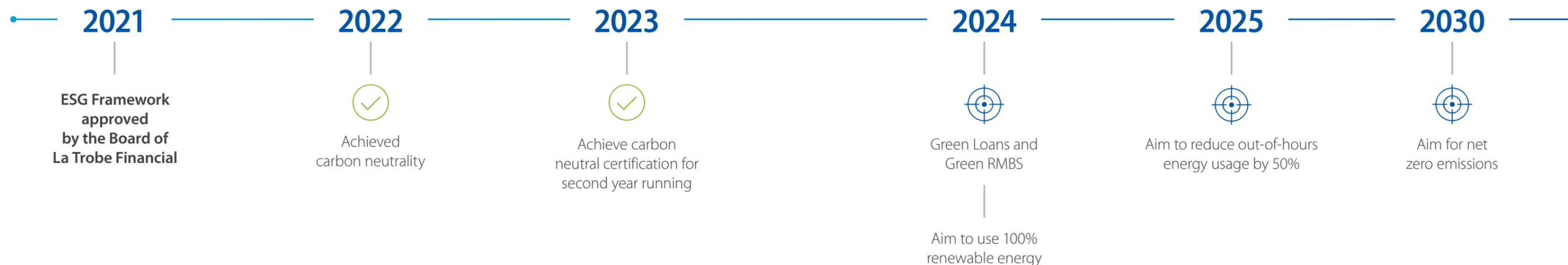
*We propose to implement multiple projects to ensure that we reach our business commitment to 100% carbon zero by 2030".*

**Lilian Chin**  
Director of ESG

## What we will do

We are constantly looking to improve our processes and initiatives to make a greater impact from an environmental perspective. In 2023 we plan to action this by:

<p><b>Offset carbon footprint</b> </p> <p>Offsetting our carbon footprint and securing carbon neutral certification again for our Australian business operations.</p>	<p><b>Determine areas for environmental impact improvement</b> </p> <p>Conducting a full audit of our offices to determine areas for environmental impact improvement with a road map to ensure we will reach net zero emissions by 2030.</p>	<p><b>Investigate purchasing 100% renewable electricity</b> </p> <p>Investigate a purchase of 100% renewable electricity for all our tenancy kWh consumption with our locations in Sydney and Melbourne and if possible moved across by 31 December 2024. The move to 100% renewable purchase from the grid is projected to save 25% of our total carbon emissions.</p>
<p><b>Analyse after-hours energy consumption</b> </p> <p>Setting up a project to analyse our after-hours energy consumption. Together with our IT team and company electrician DataNet, we are looking at reducing our out-of-hours energy usage by 50% by the end of 2025.</p>	<p><b>Collaborate with landlord about more energy efficient lighting equipment and systems</b> </p> <p>Investigate more energy efficient lighting equipment and systems and recommend implementation to our landlord by the end of 2025.</p>	<p><b>Employee transportation incentive scheme</b> </p> <p>Setting up an incentive scheme for employees to bike, walk, run and the use of public transport in combination with flexible working hours. Working on reducing our carbon footprint associated with employee commuting to and from work. With this we aim to reduce emissions associated with employee commute by 20%.</p>



## CASE STUDY – SUPPORTING THE REGENT HONEYEATER



In late 2022, La Trobe Financial announced a partnership with Taronga Conservation Society Australia (Taronga) for the support of Australia's unique and iconic, but critically endangered Regent Honeyeater.

The Regent Honeyeater is a strikingly beautiful bird. It inhabits temperate woodlands and open forests on the inland slopes of south-east Australia. Once recorded between Adelaide and the central coast of Queensland, its range has contracted dramatically in the last thirty years to between north-east Victoria and south-east Queensland. And that's where Taronga comes in.

Taronga is a not-for-profit devoted to securing a shared future for wildlife and people. Through Taronga's breed and release and rehabilitation programs, more than 50,000 animals have been released back into the wild. In alignment with its commitment to conservation, Taronga also cares for more than 4,000 animals from over 350 species, many of which are threatened or endangered. Taronga also supports over 60 conservation projects across the globe.

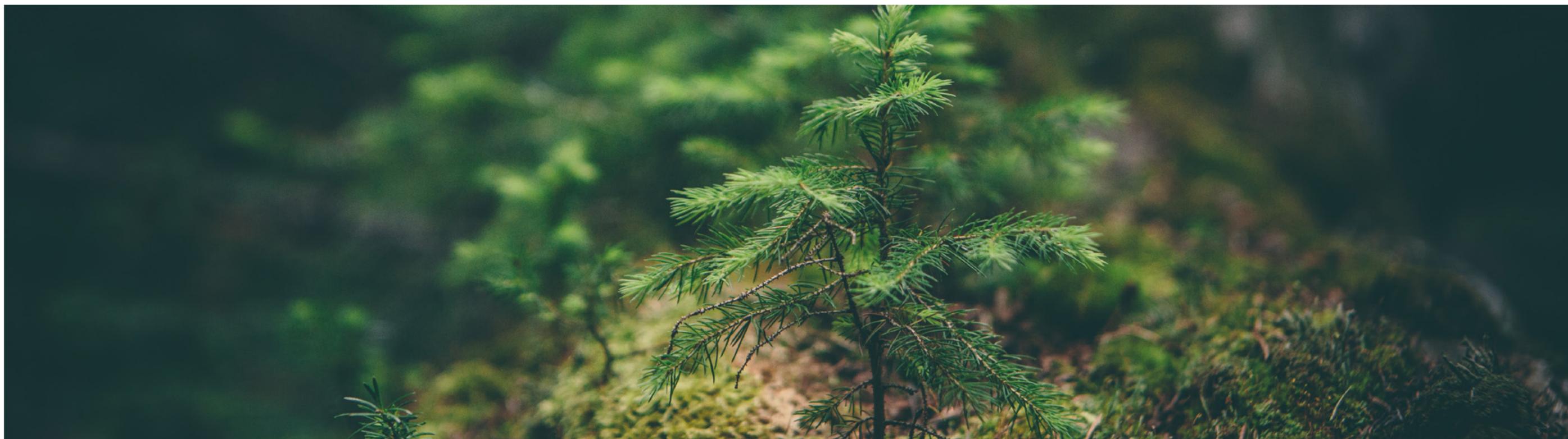
Taronga has been a key player in the National Recovery Plan for the Regent Honeyeater for more than two decades. It has bred and released more than 300 birds back into woodland ecosystems. Taronga has combined multidisciplinary skillsets across

conservation science and animal husbandry to more than double their breeding capacity and improve survivorship rates of birds, post release.

But more still needs to be done. La Trobe Financial has joined State and Federal Governments to support this cause. We recognise Taronga's important role and responsibility in the protection and restoration of nature through targeted action and by inspiring and engaging the two million guests they see at their Zoos each year. And this is squarely in line with the UN Sustainable Development Goals.

The goal is for Regent Honeyeaters to not only persist in the wild, but for their population to flourish. For this to happen, we must improve habitat quality and connectivity whilst improving their post release survival and breeding success rate. The Regent Honeyeater conservation status remains as Critically Endangered (IUCN). The fight for these magnificent birds continues.

# OUR ONGOING COMMITMENT TO THE ENVIRONMENT



## Green Bond Framework

In addition to our corporate commitments, we continue to actively innovate and seek to drive investor demand for green products. To that end, in 2021 we established a task force for the establishment of green loans and green RMBS bonds.

## Green Bond Roadmap

Establishment of Frameworks	System Uplift and Data Capture	Green Home Finance	Green RMBS
<b>Completed</b>	<b>In Progress</b>	<b>Planning</b>	<b>Planning</b>
Sustainability Bond Framework Sustainability Mortgage Framework	Improvements are being integrated into information systems to ensure accurate tracking and reporting.	Green mortgage products will be made available with discounted rates to assist home owners and investors to build more energy efficient homes.	Green RMBS to be issued to provide funding for eligible green mortgages.  La Trobe Financial will appoint an independent second party opinion provider to review and comment on the alignment of relevant Frameworks with the Climate Bond Principles, Sustainability Bond Guidelines and any other relevant standards and principles.

We have developed a Sustainability Bond Framework and Sustainability Mortgages Framework which provide a pathway towards the development of green mortgage products and green assets for investment.

The Sustainability Bond Framework and the Sustainability Mortgages Framework complement La Trobe Financial's ESG Framework together with other ESG-related Frameworks governing different business functions of the La Trobe Financial Group.

The Frameworks follow best in class market standards and have been established for the following purposes:

1. To govern issuance of Securitised Bonds that are backed by eligible Sustainability Mortgages;
2. To govern identification and classification of Sustainability Mortgages; and
3. To ensure that issuance of Sustainability Bonds and Eligibility Criteria of Sustainability Mortgages align with United Nations Sustainable Development Goals (SDGs) and relevant standards and principles that are commonly accepted in the market, such as:
  - Green Bond Principles
  - Sustainability Bond Guidelines
  - Climate Bonds Standard

# INVESTING IN PEOPLE

At La Trobe Financial, we know it takes more than capital to build great companies – it takes great people. We believe that when companies take care of their employees and the people in their communities, everyone benefits.

We harbour some of the best and brightest minds in our industry and a job at our company allows you to meaningfully grow a career in financial services. From day one of employment right through many fulfilling years, you'll work alongside senior leaders, hearing their voices and providing your thoughts. Growth and development of our people has never been more front of mind to the Executive team. Similarly, our ESG Program is one of growth. With the stewardship of our ESG Leaders we intend for this journey to be one filled with milestones for the business, staff, community and the country alike.



# LA TROBE FINANCIAL'S APPROACH TO SOCIAL PRINCIPLES

# OUR CULTURE & VALUES

## Our People

La Trobe Financial's guiding principle in all of our activities is to put "others before self." We actively seek out to build teams of intelligent, collaborative, low-ego professionals. Long experience teaches us that such teams deliver outsized results for the business, for our customers and for the community.

Under that overarching principle, we organise our value framework according to the TEAM principles:

1. **Trust**
2. **Excellence**
3. **Accountability**
4. **Making a difference**

Consistent with these values, our social initiatives and commitment to Diversity and Inclusion centre around the most critical element of the business – our people. We are committed to building diverse and inclusive teams because it makes our business stronger and because it is the right thing to do. We care about the wellbeing of our people and invest heavily in training and development opportunities.



Our philosophy "others before self" is a fundamental part of who we are and reflects the principles by which we conduct ourselves, shaping what we do and how we do it.

This philosophy has instilled a strong corporate culture that has been the foundation of all employee training and appraisal for more than 70 years.

Our philosophy and values guide us forward as we continue to build La Trobe Financial. They are embedded into the operations of our business as well as our underlying culture, and are part of the people hired and retained to serve our customers.

## T TRUST

Since 1952, we have successfully managed over \$36 billion of institutional and retail investor mandates, in stable residential and commercial mortgage assets. Key to La Trobe Financial's consistent performance is its sound operations, its experienced leadership team and strong management of risk and compliance, systematic governance and stable financial profile.

## TE EXCELLENCE

Our aim is to satisfy clients through a deep understanding of their needs, their business and their industries by providing excellent, responsive and innovative products. You won't speak to a machine at La Trobe Financial and you will always have direct access to our decision makers.

## TEA ACCOUNTABILITY

We put intense effort into our work and actively look for ways to deliver the best results for our clients. With seven decades of experience, we combine accountability to customers with specialist "know-how". We stick to what we do best and do not try to be "all things to all people". We are clearly focused on delivering with distinction.

## TEAM MAKE A DIFFERENCE

We embrace our responsibility to give back to our communities through pro bono and community service work and we are committed to a diverse workforce that is inclusive and welcoming.



## Serving an Under-Served Market

With our "others before self" philosophy, La Trobe Financial was formed on the principle of servicing the under-served market and has a long and proud history of making a positive impact to our community.

More notably, supported by our robust manual underwriting procedure, we offer among the broadest loan product suites in the Australian mortgage market and have served many credit worthy borrowers who are often overlooked by mainstream lenders.

These assets often fail conventional bank acceptance criteria due to factors such as bank appetite, the credit profile of the borrower, the form of income verification, the borrower's age, past minor default history due to missed bills, newly employed status, recent arrivals into Australia, to name a few. However, these assets have proven to be a strong, reliable and low default class as evidenced by Group financial results over successive years.

We are committed to offering market leading solutions to customers whose needs are not met by the traditional banking sector.

Product innovation has been the cornerstone of our contribution to the under-served market. From pioneering Lite Doc® lending in Australia in 1990, to recognising our frontline emergency service workers in 2020 with our Everyday Heroes Loan, we are continuously innovating products that fill market gaps for the under-served market.

<p>SETTING UP HOME</p> <p>FULL DOC   LITE DOC®</p> 	<p>BUILDING A BUSINESS</p> <p>LITE DOC®   LEASE DOC   SMSF   COMMERCIAL</p> 	<p>DEVELOPING YOUR FUTURE</p> <p>CONSTRUCTION</p> 	<p>SUPPORTING NON-RESIDENTS</p> <p>FULL DOC   EX-PAT</p> 
<p>BUILDING WEALTH</p> <p>CREDIT FUND INVESTMENT   SMSF   DEVELOPMENT</p> 	<p>HELPING THE NEXT GENERATION</p> <p>PARENT-TO-CHILD</p> <p>P2C®</p>	<p>GROWING OLD</p> <p>AGED CARE</p> 	<p>COMING SOON</p> <p>GREEN MORTGAGE AND GREEN RMBS</p>

### EVERYDAY HEROES

La Trobe Financial believes it is important to recognise the contributions made by our first responders and frontline workers. We offer discounted loan pricing to people who provide vital emergency services to our community, including Police, Fire and Emergency services, Australian Defence Force and Emergency Medical Service workers.



### Hardship Relief

Our customers are not immune from the trials and complexities of everyday life. At some stage, many of us will face a challenge that will confront but not necessarily define us. Be it local natural disaster, or a worldwide pandemic, every customer's specific circumstance will be different.

During the COVID-19 pandemic, La Trobe Financial took bold steps in redeploying team members to take calls and respond to queries from customers nervous about their financial situation. These team members responded to each and every customer with compassion and clarity. The human approach: no overseas call centres; speak to a person, not a machine.

The La Trobe Financial approach of treating all customers with respect and dignity should they experience financial hardship continues to shine bright today.

Our diversity stems from a belief that diverse teams make stronger companies. We are committed to attracting, developing and advancing a diverse workforce that represents a spectrum of backgrounds, identities and experiences. In particular, diversity is measured and reported to the Board on a quarterly basis, and to the Workplace General Equality Agency (WGEA) by 31 May annually.

A focus on diversity and inclusion reinforces our culture of collaboration and strengthens our ability to develop our people, maintain an engaged workforce and create value for our investors. Our approach to diversity and inclusion has been deliberate and is integrated into our development processes and initiatives.

La Trobe Financial is committed to providing equal employment opportunities to all employees and applicants for employment without regard for age, gender, race, cultural background, disability, education and qualifications. La Trobe Financial values the diversity of its employees and customers and upholds the right of every employee to be treated with respect and fairness whilst performing their work.



# 55%

employees also speak a language other than English

# 40

different languages spoken

# 206

employees born overseas



## Corporate

- Annual awards where staff are recognised by peers for exceptional delivery and values
- Customer service commendations
- Opportunities to attend sporting events
- AFL: Collingwood Club memberships



## Personal

- Paid birthday leave
- Flexible annual leave
- Myki travel card membership offer
- Salary sacrificing in to superannuation
- Staff referral program
- Social Club membership



## Training & Development

- Team inductions
- Skills training
- Career training
- Executive training
- External scholarships
- Leadership series delivered by high-performing athletes, former coaches and significant Australian leaders
- CPR training



## Health & Wellbeing

- Annual Flu immunisation
- Adjustable sit/stand desk
- Fresh fruit
- Tea, coffee and biscuits
- Staff Wellness Check-ins Program
- Paid counseling sessions and health & wellbeing



## Community

- Lend a Hand days
- Lifeline partnership
- Australian Red Cross Blood drives



## Engagement

- Regular staff engagement surveys
- Internal events
- Musical performances
- Social club
- CEO Town Halls



Women of La Trobe Financial was founded in 2018 with a mission to attract, develop and retain talented women and create a strong community of female professionals across the business.

This provides a platform for female employees to enhance their work experience, connect with mentors and develop their careers at La Trobe Financial.

The initiative engages employees with a number of events annually, including a speaker series, forums and networking events.

Our objective is to ensure that women feel included and supported as they not only join La Trobe Financial, but as they grow their careers.



We have increased our female representation amongst female executive ranks by 28% in the past 12 months.

Women of La Trobe Financial founded in 2018

**29%**

female executives in 2018

**44%**

female executives in 2023

# INVESTING IN OUR PEOPLE

At La Trobe Financial, we know it takes more than capital to build great companies – it takes great people. We believe that when companies take care of their employees and the people in their communities, everyone benefits.

La Trobe Financial offers a wide range of learning and professional development opportunities, both formally and informally, to help employees advance their careers and maximise the value they can add to the business. This includes compliance and related trainings.

In the early days of employment with La Trobe Financial, we host an intensive induction program introducing our culture and onboarding learning for all new hires at all levels.

Over the course of their careers at La Trobe Financial, employees are offered learning opportunities in a number of areas, including leadership and management development and communication skills, among others.

## Intensive Training

Intensive Training is an organisation orientation program. The Intensive Training covers an overview of all La Trobe Financial business units, it provides an opportunity for new employees to hear from divisional heads on each business unit within La Trobe Financial. The day includes presentations, speakers, games and a chance to meet our company ambassadors. The primary purpose of this induction is to develop a deeper understanding of each departments operations and to confirm our organisational standards of service culture.



# CASE STUDY: EMERGING LEADERS PROGRAM

## Investing in the next generation.

In 2017 we set-up our Emerging Leaders Program. The program is designed to provide employees with the required interpersonal, leadership and people management skills to take the next step in their careers. The program incorporates a number of internal and external training modules.

We have had over 58 participants in the program and of that 48% are female.



58

have undertaken the program

48%

female future leaders



# GIVING BACK TO THE COMMUNITY

La Trobe Financial is committed to giving back to the community where we live and work. We strongly believe that we - alongside all other corporates - have a responsibility to help build positive and resilient communities.

Our 'Lend a Hand' Days empower employees to share their skills, knowledge and experiences to make a local impact. All La Trobe Financial employees are given the opportunity to take one day a year, at full pay, to volunteer and help their chosen charity or community ventures.

This is an opportunity to make a difference, where employees actively engage with people in need through community service, volunteer projects and mentoring.

Experiencing these first-hand experiences truly gives our employees an incredible sense of achievement and the feeling that they have made a difference. By immersing themselves into the community to help those less fortunate, our employees build a deeper appreciation of the role that they - and La Trobe Financial - can play in the community.

Over the years our employees have given thousands of hours of their time to selected projects and we will continue this great work.

Our passion for improving the wellbeing of our communities by positively impacting the lives of others less fortunate, is part of our DNA at La Trobe Financial. It is this approach to doing business and the firm principles we adhere to that will ensure future success for La Trobe Financial as we continue our journey to place "others before self".



# OUR SOCIAL INITIATIVES IN 2023

In 2023, we look forward to developing the following opportunities to make a greater social impact:

## Partnership with Future Women

A member led organisation that is committed to achieving gender equity in Australian workplaces. Achieved by supporting women members, training the men they work with and guiding employers they work for. Future Women is a well recognised program with female industry leaders, such as Jamila Rizvi who is a research based not emotional based advocate for women and women's causes.

Future women provide relevant training and resources to women who are interested in building their careers at all levels. This will help us to evolve our Women of La Trobe Financial program and will provide reporting on the progress we make.

## Increasing engagement of Lend a Hand Day

Leveraging our successful partnerships to provide more readily available opportunities for our employees to give back to the communities in which we work and increase engagement with the Lend a Hand program.

### Collingwood Football Club Magpie's Nest

The cafe provides free meals and direct links to a range of support services for people who are homeless or at risk, including free legal advice and representation; housing assistance; and drug, alcohol and mental health services.

### Taronga Zoo Beach Clean up

Taronga's Corporate Partner volunteering program invites participants onsite at Taronga Zoo Sydney to clean their neighbouring Whiting Beach.

### Future Women mentoring

Through Future Women social enterprise, Jobs Academy, support is provided to women who face barriers to participation in the paid workforce, to build confidence, connections and find work.

## Lifeline International

Lifeline International believe that through collaboration and shared purpose, we can work towards our vision of a world without suicide. They work in collaboration with people with lived experience, our Member organisations, governments and suicide prevention organisations to develop policy, advocacy, programs and events to promote and improve access to quality suicide prevention services across the world.

## Australian Red Cross blood donations

La Trobe Financial encourages all staff to set up a donation appointment with the Australian Red Cross.

A blood, plasma or platelet donation helps ordinary Australians in their time of need and the results are beyond important: staff who donate could be assisting those who've suffered trauma, are going through cancer treatment or a new mother and her child.

Melbourne staff are lucky to have an Australian Red Cross location on the same block as 333 Collins Street. Sydney staff need to make a very worthwhile 15-minute walk to 464 Kent Street.



# GOOD GOVERNANCE

“Every successful ESG and risk management program has transparent and rigorous governance at its core.”

# LA TROBE FINANCIAL'S APPROACH TO GOOD GOVERNANCE

# BOARD OF DIRECTORS



Rowan Donohue, Chief Operating & Risk Officer

At La Trobe Financial we understand our corporate responsibility and the positive impact we can create now and into the future. We are committed to responsible business practices and incorporate them into everything we do. Strong governance is the foundation on which all resilient companies are built. Further, we aim to conduct our business according to the highest ethical and legal standards. As proud corporate citizens, we seek to encourage and implement governing structures and processes that are designed to foster regulatory compliance and strong performance. We do this both at the corporate level and across each of our divisions.

We strive to implement strong governance in each area in which we operate. We encourage all our business leaders to identify and address material ESG factors for their operational domains. There are strong oversight and compliance systems that govern our own operations. We have identified Material ESG Risks across our business and ensure that these risks together with the opportunities that arise from this rapidly evolving area are key factors in the development of Group and divisional strategy and operations. We seek to integrate ESG factors and risk management into every aspect of our operations.

We continue to adapt and enhance our policies to meet evolving standards and regulations across our sector. In 2022, we undertook work to ensure that our Anti-Corruption and Compliance Policy was fully aligned with the Anti-Bribery and Corruption Policy of our parent company.

Recent material regulatory developments included the introduction of Design and Distribution Obligations (DDO) on distributors and issuers of financial services and products and updates to ASIC's Internal Dispute Resolution (IDR) and its Breach Reporting (BR) frameworks. In response La Trobe Financial introduced a comprehensive governance framework and operating procedures and controls to respond to the requirements of DDO and uplifted frameworks and processes in relation to the evolution of obligations under IDR and BR.

We seek to continuously improve and refine our processes by actively participating in the development and implementation of new industry standards and best practices and benchmarking our practices to relevant industry guidelines, including those of the Australian Prudential Regulatory Authority (APRA).

We continuously assess our governance practices and disclosures with specific attention to evolving sectoral guidelines (including APRA noting that the La Trobe Financial Group is not APRA regulated). We are committed to conducting our business activities with honesty and integrity, and in compliance with applicable legal and regulatory requirements.

## ESG Policy

The ESG Risk Management Framework (the Framework) was approved by the Board of La Trobe Financial Pty Ltd on 2 December 2021. It covers the framework to be adopted in embedding the management of Environmental, Social and Governance risks across the La Trobe Financial Group.

Through the Framework La Trobe Financial is committed to enhance, in a risk-based and proportionate manner, the incorporation of ESG risks into its business strategies, internal governance arrangements and risk management frameworks. This Framework establishes both the current requirements of the La Trobe Financial Group for the appropriate management of identified ESG risks together with a blueprint for the evolution of risk management practices and of this Framework.

The La Trobe Financial Group Board is the peak governance body of La Trobe Financial and includes directors appointed by the shareholders. The role of the Board is to provide strategic guidance and oversight to the La Trobe Financial Group, including to senior management. The Board derives its authority to act from the company's constitution. The Board must pursue the objective that company activities comply with the company's constitution and with legal and regulatory requirements.

### Membership of the Board

As at the date of this statement, the Board is comprised of 3 Non-Executive Directors and 4 Independent Directors (including the Chair), which is considered appropriate given the scope and nature of the La Trobe Financial Group's operations.

### Skills and experience

Each director brings a unique set of skills, knowledge and experience. This helps the Board provide a diverse range of skills and experience that assists it in discharging its duties effectively.

The Board continually reviews the mix of skills and experience of the Board in light of the La Trobe Financial Group's principal activities and direction, and has considered diversity in succession planning. The Board considers that the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the La Trobe Financial Group. The Board also regularly reviews its skills matrix to ensure it covers the skills required to address existing and emerging business and governance issues relevant to the La Trobe Financial Group.



**John Marriott**  
Independent Chairman

John Marriott is an experienced Senior Corporate and Commercial Banker with more than 40 years' experience at three of Australia's major Banks, NAB, Westpac and ANZ.

Whilst at NAB Mr Marriott held senior roles in Corporate and Institutional Banking, Credit, Project & Structured Finance and was Head of the largest commercial business district in Australia. He was also Head of NAB's Major Client Group in Victoria. In addition, Mr Marriott was seconded to NAB's Merchant Bank First National and worked specifically on M&A transactions.

At Westpac Mr Marriott was appointed Head of Business Acquisition in Victoria and replicated the acquisition model in establishing businesses for the Bank in both NSW and QLD as major successes. Following this he was appointed as State General Manager, Victoria for Premium Commercial Business, which also included responsibility for the Bank's Property Divisions in Victoria and West Australia and the Business Acquisition team in Victoria.

Mr Marriott is a past Director of Corporate Acquisitions in Corporate Banking in Victoria for the ANZ Banking Group.



**Len Chersky**  
Non-Executive Deputy Chairman - Brookfield

Len Chersky is a Managing Partner in Brookfield's Private Equity Group, responsible for investment origination, analysis and execution in the Asia Pacific region.

Prior to joining Brookfield in 2013, Mr. Chersky was Executive Director at Lend Lease Corporation. He previously held a number of senior positions in investment banking and financial services as well as executive roles in major listed organisations in Australia.

Mr. Chersky holds Bachelor of Science and Bachelor of Law degrees from the University of New South Wales.

# THE BOARD OF DIRECTORS



**Arlene Tansey**  
Independent Non-Executive Director

Arlene is a Non-Executive Director of TPG Telecom, Aristocrat Leisure Limited, McMillan Shakespeare Group, Lend Lease Real Estate Investments Limited, the Australian Institute of Company Directors and the Australian National Maritime Museum. Arlene Chairs the Audit Committees of TPG Telecom Aristocrat, the AI CD and the Australian National Maritime Museum. Before becoming a non-executive Director, Arlene worked in commercial and investment banking in Australia (ANZ Banking Group and Macquarie Bank) and in investment banking and law in the United States. She holds a Juris Doctor from the University of Southern California Law Centre and an MBA from New York University. She is a member of Chief Executive Women, the International Women's Forum and a Fellow of the Australian Institute of Company Directors. Arlene is originally from New York and has lived and worked in the United States, South America, and Europe. She has lived in Australia for the past twenty-nine years and is an Australian, US and Irish citizen.



**Gerard Parlevliet**  
Independent Non-Executive Director

Gerard Parlevliet has more than 25 years' experience in the superannuation industry, including 12 years as General Manager (CEO) of the Commonwealth Bank Officers' Superannuation Fund and seven years as Chief Investment Officer of the Fund. In his role with Commonwealth Bank Group Super, Mr Parlevliet completed a number of superannuation fund mergers and oversaw excellent investment returns to members. In recognition of his achievements, he was awarded the Chief Investment Officer of the Year award at the 2013 National Achievement Awards. Mr Parlevliet has a wealth of corporate governance experience including as a director of Prime Super Pty Ltd, and as company secretary for Commonwealth Bank Officers' Superannuation Corporation Pty Limited, SBV Staff Superannuation Pty Limited and CBA Staff Superannuation Pty Ltd. Mr Parlevliet is an Asset & Liability Committee Member of CBHS Friendly Society and a consultant to bFinance, an asset consultancy.



**Shiv Gupta**  
Non-Executive Director - Brookfield

Shiv Gupta is a Senior Vice President in Brookfield's Private Equity Group, responsible for investments and portfolio management across the Asia Pacific region. Prior to joining Brookfield in 2019, Mr Gupta was Principal at KKR & Co, where he was involved in several transactions in the Financial Services and Healthcare sectors. Mr Gupta has also held operational and management consulting roles, including at The Boston Consulting Group. Mr Gupta holds a Bachelor of Laws, graduating with honours, and a Bachelor of Business (Distinction) from the University of Technology Sydney.



**Rahim Chunara**  
Non-Executive Director - Brookfield

Rahim Chunara is a Vice President in Brookfield's Private Equity Group, responsible for the firm's Special Investments division in Australia and East Asia. Prior to joining Brookfield in 2020, Mr Chunara worked at BlackRock where he was responsible for the firm's opportunistic credit investments in Australia. He also previously held other positions in the asset management and investment banking industries in Australia. Mr Chunara holds a Bachelor of Commerce degree from the University of New South Wales.

# MANAGEMENT COMMITTEES



**Dr Brett Cairns**  
Independent Non-Executive Director

Brett Cairns was Chief Executive Officer of Magellan Financial Group Ltd. from 2018 to 2021. Prior to this he was Executive Chairman of the Group from 2015, having been Non-Executive since 2013 and serving on the boards of Magellan Financial Group and Magellan Asset Management since 2007. Dr. Cairns was formerly co-head of the Capital Markets Group within Structured Finance at Babcock & Brown, which he joined in 2002. He was a former Managing Director and Head of Debt Capital Markets for Merrill Lynch in Australia where he worked from 1994 to 2002. Prior to joining Merrill Lynch, he spent 3 years with Credit Suisse Financial Products, the then derivatives bank of the Credit Suisse group. He has a Bachelor of Engineering (First Class Honours), Master of Business Administration and a Doctor of Philosophy from the University of Sydney.

## Management Committees

La Trobe Financial has operated a governance and management committee structure in its business for over 30 years as part of its corporate governance program. This structure ensures that competent teams of senior officers and executives oversee all operations of the La Trobe Financial Group. The deep knowledge, skills and experience of the executive team are shared at the committee level creating a strong governance framework and embedded succession plan for each business unit with the La Trobe Financial Group.

**Group Executive Committee (ExCo)** since 1987 – responsible for executing the strategy and direction, determining budgets and forecasts and our capital management strategy. ExCo also has responsibility for human resource and succession planning execution.

**Origination & Credit Committee (OCC)** since 1988 – charged with setting lending products and credit risk parameters, ensuring proficient distribution channels, reviewing impairment reporting and setting policies for valuations, lending and collections management.

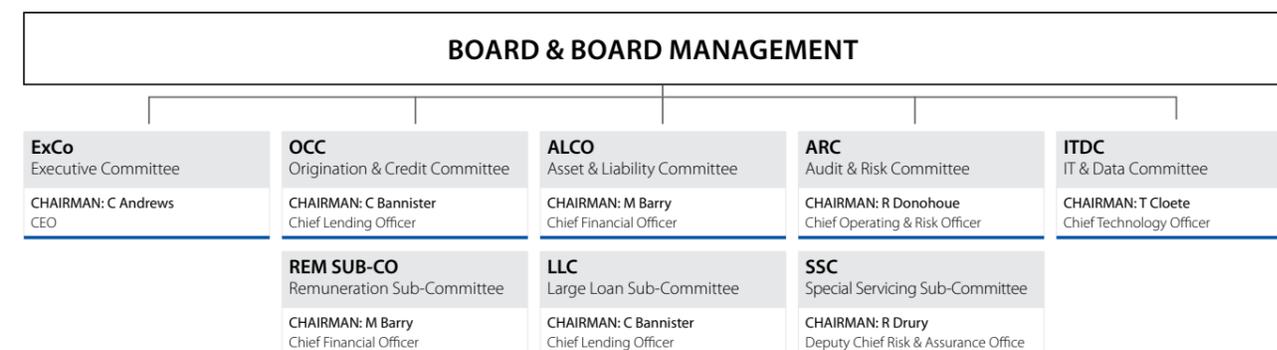
**Asset & Liability Committee (ALCO)** since 1994 – responsible for Group funding, product pricing, interest rate management, liquidity of funding lines (including capital market issues), protecting against pricing and market risk, and monitoring portfolio concentrations and facility covenant stress tests.

**Audit & Risk Committee (ARC)** since 1997 – responsible for managing group risk, maintaining AFSL and ACL licensing, the La Trobe Financial Group's compliance plans, setting the internal audit program, reviewing engagement of external auditors and ensuring training of staff to a requisite standard.

**IT & Data Committee (ITDC)** since 2015 – charged with the oversight of the the La Trobe Financial Group's IT and data strategy, governance and compliance framework.

### Sub Committees

A number of additional sub-committees, also meet regularly on specific specialized areas of the business.





La Trobe Financial is regulated by the Australian Securities & Investments Commission (ASIC), Australia's lead regulator responsible for consumer protection laws relating to financial services, company reporting, registrations and conduct. The institutional wholesale funding portion of the business raises funding from bank entities regulated by the Australian Prudential Regulation Authority (APRA) and other overseas regulators.

La Trobe Financial has a documented risk management system that is reviewed each year. The risk management system incorporates the La Trobe Financial Group's risk management framework (RMF) and compliance management framework (CMF) and is benchmarked against APRA CPS 220 and ASIC RG 259. La Trobe Financial also operates under various Commonwealth laws governing lending and investment operations including the National Consumer Credit Protection Act 2009 and the Corporations Act 2001.

The Company holds all requisite Australian Financial Services Licenses (AFSL) and Australian Credit Licenses (ACL). It has an independent Internal Audit function and the Head of Internal Audit reports directly to the Board Audit & Risk Committee. The Internal Audit team assists external auditors, Ernst & Young, by conducting continuous operational audits and reviews of all property debt assets, systems, and processes.

The Board has established the following mechanisms to ensure that work on ESG risks holds sufficient standing within the La Trobe Financial Group and provides the Board with the requisite Group wide insights to strategically respond to the risks:

- the formal endorsement of the Framework incorporating all proposed changes to existing and introduction of new processes and operational infrastructure. These include the development and evolution of risk reporting and monitoring of identified Material ESG Risks. The risk reporting process has now been embedded in the business. At present there are 12 Material ESG Risks identified;
- the formal delegation to the La Trobe Financial Group Executive (and, specifically, the Chief Risk Officer) for operational management of climate and other ESG risks under the overall Group Risk Management Framework (RMF). This delegation incorporates specific delegated accountability to individual senior managers for the management of ESG risks;
- the requirement for the La Trobe Financial Group's key Management Committees (principally the Asset and Liability Committee (ALCO), Origination and Credit Committee (OCC) and Audit & Risk Committee (ARC)) to undertake appropriate consideration of ESG risks at its quarterly meetings – due consideration of these risks has occurred at all relevant committees during 2022 and into 2023;
- a requirement for key management Executives to provide an annual formal update to the Board Audit and Risk Committee (BARC) on:
  - the ESG risk outlook incorporating updates to the La Trobe Financial Group Material ESG Risk Register;
  - ESG risk performance reporting updates and;
  - the outcomes of specific ESG risk management actions (to be monitored through the Key Risk Indicators (KRI) dashboard).
- ongoing Risk & Governance Assurance reviews of the effective operations of ESG Risk Management activities across the La Trobe Financial Group and;
- the formal incorporation of consideration of climate and other ESG risks in the development and maintenance of the La Trobe Financial Group's Risk Appetite Statement (RAS) (incorporating where appropriate the risk exposure limits and thresholds for the financial risks that the La Trobe Financial Group is willing to bear). This occurred in 2022 in relation to the FY23 RAS. Further, ESG risk considerations have been embedded into the La Trobe Financial Group's bi-annual portfolio stress testing activities which, in turn, are an input into the La Trobe Financial Group's annual financial planning process.

# ETHICS AND ASX CORPORATE GOVERNANCE PRINCIPLES



Our purpose is to be a successful partner and protector of our customers' wealth, whether they are investing with, or borrowing from, La Trobe Financial. To do this we operate our business with prudent, efficient and ethical management and in compliance with all domestic regulatory and global industry best practice standards.

Since inception in 1952, La Trobe Financial has dedicated itself to putting "others before self". This foundational principle has informed all of the La Trobe Financial Group's activities and all of its business decisions. The economic impact that the business has had on Australia has been profound. The \$36 billion in cumulative assets under management has had an estimated impact of over \$100 billion<sup>1</sup> on the Australian economy and has been responsible for the creation of at least some 72,000 jobs.

The La Trobe Financial Group's impact goes well beyond financial returns. The La Trobe Financial Group has focussed on creating a long-term legacy for its employees, customers and the communities in which its employees live and work. Whether it's being among the first in 1968 to offer superannuation to our incredible female staff, or the \$2 million of funds allocated towards the 2020 bushfire and COVID-19 relief, La Trobe Financial is authentically committed to the highest standards of corporate responsibility. In that context, strong corporate governance principles are integral to day-to-day business at La Trobe Financial.

<sup>1</sup>Based on the Money Supply Multiplier effect whereby for each \$1 money lent in an economy an equivalent \$2.8 of Gross Domestic Product is driven by that lending activity.

# THE 7 PRINCIPLES OF THE ASX CORPORATE GOVERNANCE COUNCIL



*"We have always held a commitment to the highest standards of corporate governance. Our commitment to ESG is just as important, and the 'G' therein is vital to our future.*

*We believe that by doing our jobs we are creating a better community and with this in mind focusing on a more sustainable future.*

*We have therefore aligned our integrated and effective governance with 7 Principles and Recommendations published by the Australian Stock Exchange (ASX) Corporate Governance Council that are presently applicable to the organisation. These Principles and Recommendations are designed to achieve good governance outcomes and meet the reasonable expectations of our investors."*

**Rowan Donohue**  
Chief Operating & Risk Officer

## PRINCIPLE 1



Lay solid foundations for management and oversight.

## PRINCIPLE 2



Structure the Board to be effective and add value.

## PRINCIPLE 3



Instil a culture of acting lawfully, ethically and responsibly.

## PRINCIPLE 4



Safeguard the integrity of corporate reports.

## PRINCIPLE 5



Make timely and balanced disclosure.

## PRINCIPLE 6



Respect the rights of security holders.

## PRINCIPLE 7



Recognise and manage risk.

# STAFF OBLIGATIONS AND CODE OF CONDUCT

The La Trobe Financial Code of Conduct is a critical component of our corporate governance infrastructure. It applies to all La Trobe Financial directors, officers, employees and temporary workers. The key principles of our Code of Conduct cover commitments to:

- Maintain confidentiality
- Adhere to standards of professional conduct
- Refrain from harassment, bullying or discriminatory behaviour
- Maintain the highest standards of ethical conduct and good practice
- Refrain from insider trading and
- Abide by the La Trobe Financial Group's Anti-Corruption Compliance Policy.

Each employee is required to acknowledge that they have received, read, understood and accepted the contents of the Code as they join the La Trobe Financial Group and thereafter required to re-attest to it annually.

The La Trobe Financial Group's Chief Operating and Risk Officer annually reviews the Code of Conduct and considers any necessary changes in the La Trobe Financial Group's standards and practices. The Board Audit and Risk Committee monitors compliance with the Code of Conduct and receives regular reports on any compliance issues from the both the Chief Operating and Risk Officer and from the La Trobe Financial Group's Internal Auditors.

## Whistle-blower Hotline

A significant component of fostering a positive work environment is ensuring multiple means by which employees are able to raise concerns both informally (by fostering a culture of respect, openness and collaboration), and formally (through a Whistleblower hotline that permits anonymous reporting). Our Whistleblowing Program encourages employees to raise concerns as soon as possible and to feel safe in doing so. We have a zero-tolerance approach to bribery, including facilitation payments. We mandate that all La Trobe Financial employees complete annual anti-bribery and corruption (ABC) training and certify their compliance with our ABC Program. In addition, ABC is integrated into all our business activities, decision making and execution processes in accordance with our Anti-Corruption Compliance Policy (ACCP). Our Whistleblower service, managed by an independent third party, is available 24 hours a day, seven days a week to facilitate the anonymous reporting of suspected unethical, illegal or unsafe behaviour.

In addition to the ongoing and timely independent review of employee reports, any significant hotline reports are brought to the attention of Group senior management and relevant committees of the Board on a quarterly basis at a minimum. In 2022, our employees completed 772 hours of ABC/Whistleblower training.

# HUMAN RIGHTS AND MODERN SLAVERY

La Trobe Financial is committed to addressing the risks of modern slavery in our supply chain and operations by acting ethically, honestly, and with integrity in all parts of our business dealings and relationships. La Trobe Financial expects the same standard and approach to modern slavery from our service providers, suppliers, sub-contractors and other business partners.

As part of this commitment, the La Trobe Financial Group makes an annual Modern Slavery Statement (the Statement) in accordance with the Modern Slavery Act 2018 (Cth) (the Act).

The purpose of the Statement is to reflect the La Trobe Financial Group's continued progress in meeting the requirements under the Act, including the:

- identifying of modern slavery risks in our supply chains and operations;
- actions taken to assess and address modern slavery risks; and
- assessment of the effectiveness of these actions.

The most recent Statement was lodged in late December and covers the operations of the La Trobe Financial Group during the Financial Year Ended 30th June 2022.

During the reporting period, La Trobe Financial procured goods and services from over 350 suppliers. The majority of our direct suppliers are businesses based in Australia. No direct suppliers were identified that are based in any of the 10 countries taking the least action to respond to modern slavery according to the Global Slavery Index's 2018 findings. Therefore, in general terms and at this current time, we consider our direct supply chain to be low risk, and non-complex in supporting the corporate functions of La Trobe Financial, and the selling and distribution of its products and services.

La Trobe Financial measures the effectiveness of its management of modern slavery risks across various dimensions. These included:

- Monitoring outcomes to an assessment of exposure to high risk suppliers. No high-risk suppliers were identified for the reporting period.
- Monitoring the number of incidents and breaches incurred. None were identified for this reporting period.
- Monitoring modern slavery training completion. Full compliance was achieved for this reporting period.
- Review of La Trobe Financial's adherence to the Act and Modern Slavery Statement. An external legal firm provided independent advice that identified that the La Trobe Financial Group adhered to the requirements.

La Trobe Financial also undertakes continuous improvement activities both focused on each reporting period, and on delivering sustainable improvements over a period of time within a risk-based approach to support effective use of resources and time.

## Data Privacy

La Trobe Financial is responsible for the servicing of over 120,000 customers and operates proprietary IT systems for the day-to-day management of the business. We have a responsibility to all our stakeholders (including our customers) to protect their personal data.

La Trobe Financial's Data and Records Policy (Policy) complies with all local and national regulatory requirements. The Policy sets out the requirements to manage data and records held by the La Trobe Financial Group.

Although the La Trobe Financial Group is not an APRA regulated entity, the Policy has been established having regard to APRA's guidance in relation to industry practices, as outlined in Prudential Guide CPG 235 – Managing Data Risk issued September 2013 (CPG 235). It is the Board's intention to, at a minimum, comply with the guidance of APRA CPG 235, whilst ensuring that the business has the ability to continue operating in the event of identified catastrophic events.

Through this Policy, La Trobe Financial has implemented a data framework:

- a. To protect the integrity and security of La Trobe Financial's corporate data together with data relating to employees, customers and business partners
- b. To ensure La Trobe Financial meets its corporate and legal responsibilities in relation to document retention and privacy laws.
- c. To ensure records are maintained in a proper and confidential manner so that they may be used appropriately.
- d. To comply with all statutory and legal obligations as to maintenance of records, ledgers, subsidiary ledgers and other financial functions.

Employees are required to attend regular data protection awareness training, which covers:

- The type of information La Trobe Financial possesses;
- The importance of using—and retaining—this information only for the business purpose intended; and
- How to secure this information. Group employees are required, under the Code of Conduct, to comply with all applicable data protection and privacy laws. An incident of employee non-compliance with our policy or unauthorised use or disclosure of confidential information may result in disciplinary action up to, and including, termination of employment.

## Cybersecurity

We have consistently invested in IT capabilities to meet or exceed the evolving expectations of our customers and business partners as well as to improve overall risk and performance management (including critical ongoing investment in cybersecurity risk management capabilities).

The following recognised frameworks and standards are used by the La Trobe Financial Group to address cyber risk management:

- NIST Cybersecurity Framework;
- ASIC Report 429 – Cyber Resilience: Health Check;
- APRA Prudential Practice Guide CPG 234 – Management of security risk in information and information technology;
- APRA Prudential Practice Guide CPG 235 – Managing Data Risk;
- APRA Prudential Practice Guide CPG 232 – Business Continuity Management; and
- APRA Prudential Practice Guide CPS 234 – Information Security.

During the course of 2023, we aim to enhance our vendor management program, including developing a Vendor Code of Conduct that sets out our expectations of vendors that provide goods or services to the La Trobe Financial Group, including, where applicable, to have the necessary policies and procedures in place to support such commitments within their supply chain. In connection with any vendor engagement, we must comply with all policies and procedures, including the following to the extent applicable:

- Anti-bribery and corruption program
- Data protection program
- Enterprise information security policy
- Anti-money laundering and trade sanctions policy and
- Anti-slavery and human trafficking policy

Further under the ESG Risk Management Framework we will:

- Continue to review and evolve our measurement, reporting and monitoring of ESG risks



*"The health and wellbeing of all stakeholders is paramount to La Trobe Financial, and this extends to the online world. Being a socially conscious organisation, knowing breaches of data security can have a lasting impact on mental health, we take our cybersecurity obligations seriously."*

**Daniel Muchow**

Head of Cyber Risk & Security

## A final word

As you have read, our ESG Framework is a lens through which we view all of our business practises. We are proud to be on this journey and are energised by the challenges ahead.

With an eye to the future, we are focussed on delivering an impact beyond investment returns, including:

- adopting renewable energy to power our business
- investing in our people as our most precious asset
- developing the next generation of female leaders for Australia
- finalising and deploying green & social loans
- finalising and deploying green & social RMBS
- continuing to explore ways to contribute to the society in which we live and work

We thank you for your interest in our ESG program.

Yours sincerely,

**Lilian Chin**  
Director of ESG



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