



MODERN SLAVERY STATEMENT

Introduction

Manx Financial Group PLC is an AIM-listed company (LSE: MFX.L) which has subsidiaries (together referred to as “Group”) offering a suite of financial services to retail and commercial customers, both in the Isle of Man and the UK. MFG’s strategy is to combine organic growth with strategic acquisition to further augment the range of services it offers and to gain greater market share in its preferred markets.

Manx Financial Group PLC’s owns Conister Bank Limited (“Bank”) which is an established independent local bank on the Isle of Man and was established in 1935 as Conister Trust.

The Bank also has a registered branch office in the UK, which is registered at Companies House, and which provides banking and consumer credit to UK customers. The Bank’s branch offers the same products to UK customers as the Bank offers to its Isle of Man customers.

Manx Financial Group PLC also owns a number of the Bank’s sister companies.

The Group’s Modern Slavery Statement applies to the following entities and their subsidiary companies:

- Manx Financial Group PLC.
- Conister Bank Limited and its UK Branch.

The Group’s Policy Statement

Modern slavery is a heinous crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person’s liberty by another brutally to exploit them for personal or commercial gain. It is the great human rights issue of our time.

Business must not be knowingly or unknowingly complicit in this horrendous and sickening crime.

The Group has a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships both with our staff and our suppliers, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with

our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers, and other business partners.

The Group's and Bank's Structure and its business supply chains:

The Bank operates in the Financial Services Sector in the Isle of Man, in Jersey and, through a branch office, in the UK.

The Bank offers its customers banking products (instant access, fixed term deposit and notice accounts), consumer and commercial credit products (hire purchase and lease purchase) and second charge mortgage products. These products are offered to retail and commercial customers in the Isle of Man, in Jersey and in the UK.

Accordingly, the Bank is registered with the Financial Services Authority in the Isle of Man and with the Jersey Financial Services Commission. The Bank is also authorised and regulated in the UK, in relation to its Branch's activities, by the Financial Conduct Authority and by the Prudential Regulation Authority.

The main supply chains are suppliers providing IT and infrastructure services, business and payments processing, consultancy, and professional services.

Our Commitments and Policies

The Group is committed to upholding recognised human rights through the way we operate. We have a 'Anti-Slavery and Human Trafficking Policy' ("Anti-Slavery Policy") in place which demonstrates our commitment to trading ethically and fairly. We are also committed to improving our practices to ensure we effectively combat slavery and human trafficking from occurring within our business and our supply chain. We impose the same high standards on our suppliers, contractors, and other business partners.

Our anti-slavery commitments (contained in our Anti-Slavery Policy) reflect our requirements to act ethically and with integrity in all our business relationships. These commitments also require us to implement effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

As part of our initiative to identify and mitigate the risk of slavery and human trafficking taking place in our business, we have in place systems and policies to:

- Identify and assess potential risk areas and unethical behaviour.
- Ensure that we only work with suppliers who abide by our Anti-Slavery Policy or adhere to similar principals and ethical guidelines.
- Mitigate the risk of slavery and human trafficking occurring.
- Protect whistle blowers.
- Investigate all claims of unethical behaviour.

We have zero tolerance of slavery and human trafficking. To ensure all those in our supply chain comply with our values we have contractual obligations on our suppliers to ensure they are and remain compliant with the Modern Slavery Act 2015.

The Group's Risk Assessment and Management

When a new business relationship, activity, product or service or material change in operational policy is proposed, the Group undertakes human rights due diligence, as summarised above, in relation to the proposals and identifies and prioritises any human rights risks posed by them. The human rights due diligence exercise is undertaken on a departmental basis but is led by the Compliance Department and the Head of Risk.

Once a human rights risk has been identified, the risk is investigated by the Group's Compliance Department, led by the Head of Risk and Compliance and a risk modern slavery risk impact assessment is produced.

That risk assessment is undertaken also on a departmental basis and is also led by the Group's Compliance Department and Head of Risk and Compliance. That assessment takes the following risks into account:

- Country.
- Sector.
- Transaction.
- Business partnership.

Where human rights issues are found, the Head of Risk and Compliance, having regard to the modern slavery risk assessment, decides how best the risk can be remedied or mitigated through enhanced training, disciplinary action, improved purchasing practices, contractual sanctions, or contract termination, as the case may be.

Where possible the due diligence and assessments are carried out before the relationship, activity product, service or decision is entered into or taken. Depending on the particular circumstances and the human rights risks posed, the Group undertakes human rights due diligence and risk assessments on an ongoing basis at intervals determined by the Compliance Department on a case-by-case basis.

Key Performance Indicators and Measuring Effectiveness of the Anti-Slavery Policy

In order to verify whether adverse human rights impacts being addressed, the Group tracks the effectiveness of their response. The Group recognises that tracking is necessary for it to know if the Anti-Slavery Policy is being implemented optimally, whether it has responded effectively to the identified human rights impacts, and to drive continuous improvement. As explained below, the Group's tracking is:

- Based on Qualitative and quantitative indicators.
- Draws on feedback from both internal and external sources, including affected stakeholders.
- Integrated into our internal reporting processes.

KPIs are used by the Group to ensure that the risk of modern slavery and human trafficking is kept to an absolute minimum. Such KPIs include:

- Not more than 50% of the Group’s activities will be outsourced to third parties.
- 100% of all first tier and critical suppliers will be assessed annually with a modern slavery risk impact assessment.
- A minimum of two outsourced suppliers are audited, with this risk considered, per annum.
- Training and capacity building of staff budget which should include modern slavery issues, measuring changes in awareness of risk; appropriate decision-making and swift action, should not fall below £50,000.
- Zero tolerance for breaches of grievance procedures and whistle-blowing procedures for workers and employees if cases are suspected or found.
- Any suspicions of modern slavery and human trafficking, as raised by the Group’s incident and breaches process, must be investigated as a matter of urgency, and resolved no later than 14 days of notification.

These KPIs are monitored regularly on a monthly basis as part of the Bank’s Conduct Committee.

Training

Training is a fundamental way of raising awareness and ensuring that people understand the importance of a particular issue. It also helps people understand what they need to do, and how to work together internally or externally if they encounter something that raises concerns.

Our training programme ranges from detailed training courses to broader awareness-raising programmes.

Approval and Financial Year

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our modern slavery and human trafficking statement for the financial year ending 31st December 2023.

This Statement was approved by the Board of Directors of Manx Financial Group PLC on 13th March 2024.

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Douglas Grant
Group CEO, Manx Financial Group PLC
Managing Director, Conister Bank Limited