



FSC Guidance Note No 40

Responding to the Modern Slavery Reporting Requirements

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| Application of this Guidance Note | This Guidance Note is relevant to all FSC funds management members who report, including voluntarily, under the Modern Slavery Act 2018 (Cth) or who respond to modern slavery questionnaires from asset owners. |
| Effective Date | 27 July 2021 |
| Purpose of this Guidance Note | The main purpose of this Guidance Note is to assist FSC fund management members in responding to requirements to report modern slavery risk in their operations and supply chains, and actions taken to mitigate risks as per the requirements of the Modern Slavery Act 2018 (Cth). |

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1. Title

- 1.1 This Guidance Note may be cited as FSC Guidance Note No 40 *Responding to Modern Slavery Reporting Requirements (Guidance Note 40)*.

2. Background

- 2.1 The *Modern Slavery Act 2018* (Cth) (the '**Modern Slavery Act**' or '**Act**')¹ requires entities in Australia with an annual consolidated revenue of more than \$100 million to report annually on the risks of modern slavery to their operations and supply chains, and actions taken to mitigate risks. Modern slavery is defined in the Act as trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour ('**modern slavery**'). Reports are kept in a public repository known as the Modern Slavery Statements Register. Statements on the register may be accessed by the public, free of charge, on the internet.

Note that the *Modern Slavery Act 2018* (NSW) was passed by NSW Parliament in June 2018. However, this NSW act has not commenced and so its directions are not in force at the date of this Guidance Note².

The Act sets out mandatory requirements for the types of information that need to be included in Modern Slavery Statements but allows entities flexibility in reporting. It is expected that as entities gain more experience in understanding the risks of modern slavery, the quality of reporting will improve.

The Commonwealth's guidance indicates that financial investment activity including that of fund managers can be considered as reportable operations or as part of a reporting entity's supply chains. Given that fund managers are suppliers of financial services, even those who do not meet the legal threshold for reporting may still be asked to provide details on how they address modern slavery in their role as a supplier. Fund managers may also choose to report voluntarily.

In response to the Act, a joint working group of the Financial Services Council (**FSC**) and the Responsible Investment Association of Australasia (**RIAA**) established a due diligence questionnaire template (the RIAA-FSC DDQ, see Appendix 1 for the latest version) for use by asset owners when assessing fund managers as part of fulfilling the requirements of the Act.

¹ The *Modern Slavery Act 2018* (Cth) section 5(1)(a) defines a reporting entity as an entity which has a consolidated revenue of at least \$100 million for the reporting period if the entity is an Australian entity at any time in that reporting period or carries on a business in Australia at any time in that reporting period. A reporting entity can also be an entity which volunteers to comply with the requirements of the Act under section 6.

² According to the NSW Government (see <https://www.nsw.gov.au/modern-slavery#steps-to-implementation>) "it will seek greater harmonisation with the Commonwealth's Modern Slavery Act 2018. In particular, greater harmonisation of the supply chain reporting threshold, ideally at \$50 million consolidated revenue, as a key reform for a standardised national approach to modern slavery. Following the conclusion of discussions with the Commonwealth Government, the NSW Government will introduce necessary amendments to the Act with a view to commencing components of the NSW Act that complement the Commonwealth Act and which are not inconsistent with it..."

The *Modern Slavery Act 2018* (NSW) section 24(1)(b) defines a commercial organisation required to prepare a modern slavery statement as an organisation having a turnover in a financial year of the organisation of not less than \$50 million or such other amount as may be prescribed by the regulations.

3. Statement of Purpose

The purpose of this Guidance Note is to support fund managers in responding to modern slavery reporting requirements. It can help establish the process and procedures needed for members who need to formally report under legislation, as well as those members who wish to voluntarily report, or are expected to do so by their clients.

Aside from public reporting obligations (where applicable), the Guidance Note is also designed to support member funds who in their role as a supplier of financial services, receive due diligence questionnaires such as the RIAA-FSC DDQ from external stakeholders reporting under the Act. Typically, the due diligence questionnaire will require fund managers to indicate how modern slavery is addressed in their own operations and supply chains, and how mitigating the modern slavery risk *to people* is integrated in the investment process.

This note provides guidance on five key areas:

1. Establishing a governance process for investors that are not required to report under the Act (section 8) - Corporate considerations.
2. Considerations for global fund managers (section 9) – Corporate considerations.
3. Considerations for managing modern slavery risks across different asset classes (section 10) – Investment considerations.
4. Resources to help identify sectors, industries and countries which are more exposed to modern slavery risk. (Section 11) – Corporate and investment considerations.
5. Answering commonly asked questions in questionnaires (section 12) – Corporate and investment considerations.

4. Effective Date

This Guidance Note is current as of 27 July 2021.

5. Application of the Guidance Note

This Guidance Note is applicable to fund managers required to report under the Act, who voluntarily report or who are required to report their modern slavery risk as suppliers of financial services to external stakeholders.

Adoption of this Guidance Note is voluntary.

6. Review of Guidance Note

This Guidance Note will be reviewed next by June 2023.

7. Definitions

7.1 In this Guidance Note:

“Act” means the *Modern Slavery Act 2018* (Cth).

“Baseline Report” means a first year initiating report received by the responsible body of an entity, which describes that entity’s current status and progress towards its modern slavery objectives.

“ESG” means Environmental, Social, and Governance.

“GICS” means Global Industry Classification Standard.

“Modern slavery” means trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour.

“Modern slavery risk” means the potential for an entity to cause, contribute to, or otherwise be directly linked to modern slavery practices through their operations and supply chains.

“Modern Slavery Statement” means an annual public statement that is required of certain large businesses and other entities in Australia, on their actions to address modern slavery risks in their operations and supply chains.

“Operations” means any activity undertaken by the entity to pursue its business objectives and strategy. These activities may include research and development, construction, production, distribution, purchasing, sales, and financial lending and investments.

“Progress report” means any subsequent report to the baseline report, received no less than annually by the responsible body of an entity, which describes the entity’s status and progress towards its modern slavery objectives since the baseline report was issued.

“Responsible body” means the person, committee, board, project or other body with responsibility for the oversight of the modern slavery statement.

“RIAA” means Responsible Investment Association of Australasia.

“Supply chain” means the products and services that contribute to the entity’s own products and services and is not restricted to ‘tier one’ or direct suppliers.

8. Establishing a governance process for non-reporting entities

- 8.1 The purpose of this section is to support FSC members that do not meet the regulatory reporting threshold of a minimum annual consolidated revenue of \$100 million under the Act but are receiving requests from their stakeholders regarding how they address modern slavery in their own operations and supply chain, and how modern slavery risk *to people* is integrated in the investment process.

This section provides guidance for these members in establishing a corporate governance process for assessing modern slavery risks in order to effectively respond to external stakeholders as part of the supply chain.

- 8.2 On the basis that all members will have a governance and project management framework that suits their particular needs, the generic term “responsible body” has been used to describe the person, committee, board, project or other body with responsibility for the oversight of the modern slavery statement (responsible body). This is a flexible concept and there are no specific requirements for how their authority or responsibility is determined.

- 8.3 Initially, a “Baseline Report” should be prepared and given to that responsible body, and then subsequently a “Progress Report” should be prepared and given to that body on at least an annual basis. Depending on the entity, there may be merit in producing a more frequent reporting cycle to capture progress made within that entity. This will depend on the specific needs of the entity and its stakeholders.
- 8.4 These reports should address the majority (but not all) of the matters in the RIAA-FSC DDQ and will be correct at a point in time. Please see Appendix 1 for the most recent version of this questionnaire.
- 8.5 Where permitted, members could respond to this questionnaire by attaching the most recent Baseline or Progress Report, and where appropriate responding to the questionnaire with a response “Refer Baseline/Progress Report dd/mm/yyyy section x”.
- 8.6 Questions which cannot be answered in this way (see gap analysis in 8.7) or which are modified or added to the standard questionnaire, should be responded to following the principle that information which is accurate as at the date of the most recent Baseline/Progress Report constitutes a satisfactory response and that a bespoke and up to date response is not required to each questionnaire.
- 8.7 Embedding the Gap Analysis

| Question on RIAA-FSC DDQ | How is it Embedded |
|--------------------------|--|
| PART 1 | |
| P1 Q1 | baseline |
| P1 Q2 | baseline |
| P1 Q4 | baseline, and maybe the current table of entities, categories and rankings |
| P1 Q5 | baseline, and maybe the current incident register |
| P1 Q6 | baseline, (NB: a register of remediation is not suggested) |
| PART 2 | |
| P2 Q1 | most recent table of countries |
| P2 Q2 | most recent table of sectors |
| P2 Q3 | baseline |
| P2 Q3 | baseline |
| P2 Q3 | baseline, maybe referencing table of categories and rankings |
| P2 Q5 | baseline and incident register |
| P2 Q6 | baseline |

- 8.8 The following recommended definitions should be adopted in the Baseline/Progress Reports:
- a) Categories – reporting by fund managers should broadly distinguish between modern slavery risks encountered in two distinct categories – (a) investments and (b) suppliers.
 - b) Rankings – use a standard taxonomy to categorise inherent and residual risk as extreme, high, medium, low.
 - c) Materiality – where appropriate, apply a materiality threshold (keeping in mind that a risk-based approach based on *risk to people* should be taken - see section 11.6 on salience), and make it clear that once an investee or supplier is excluded by reason of immateriality it is no longer reported on.

- d) Periodicity – prepare a report every twelve months in line with regulatory requirements, using categories, rankings, and general assessment (text) and refer back to that rather than updating responses every time the manager receives a questionnaire.
- e) Oversight – Have the responsible body that oversees the effort receive the report every twelve months. The Guidance Note makes no recommendations as to internal acceptance or approval processes.
- f) Incident register – keep an incident register for actual events and give this to the responsible body every twelve months.
- g) Table of countries – keep a list and give it the oversight group each twelve months.
- h) Table of sectors – (either RIAA or Global Industry Classification Standard (GICS)) using an empirical basis such as country of listing rather than a qualitative basis such as source of sales or location of vendors.

9. Considerations for Global Fund Managers

- 9.1 This section deals with additional internal corporate considerations (in addition to those already outlined elsewhere in this Guidance Note) that are applicable to a global fund manager in the implementation of the Act.
- 9.2 **Head office location:** Given many functions, such as major outsourced relationships, are often centralised in global companies, as well as having Group policies that are applicable to all subsidiaries, Australian-based subsidiary companies may have some challenges in influencing modern slavery practices and meeting reporting requirements. In cases where the head office is located in a jurisdiction that also has a Modern Slavery obligation, such as the UK, this is generally likely to make the implementation easier, compared to the head office not having an equivalent obligation (although the new Australian reporting requirements are broader than the existing UK ones in extending to investee companies as well as internal supply chains). If the head office is in Australia, then it should be possible to instruct offshore subsidiaries to meet the obligations under the Australian Modern Slavery Act.
- 9.3 **Delegation versus investment into offshore funds:** if you are part of a global fund manager, it is likely your investment strategy may include investment into other global products. This may be through the offering of offshore funds into Australia, investment into offshore funds, segregated accounts or delegation of investment management to offshore related parties. 9.3.1 **Offering offshore funds into Australia** – in this instance you would be considered a distributor as opposed to an investment manager. Your obligation will not be to manage modern slavery as part of the investment process. However, the issuer of those funds may need to consider if it meets the definition of a foreign entity carrying on business in Australia.
- 9.4 **Risk Based Approach:** in the baseline report, consideration can be given to applying a risk-based approach for assessing corporate risk exposure to modern slavery through investments and suppliers. For instance, priority may be given to investments and suppliers where there is the greatest risk, but also the greatest ability to influence, such as material portfolio holdings, IT, merchandise or facilities.
- 9.5 **Arm's length treatment:** typically, reporting entities should treat all delegations or supply chain arrangements at arm's length, whether internal or external. Things may

be made easier by being able to rely on group standards such as a supplier code of conduct or business code of ethics.

9.6 **How do you monitor and mitigate risk:** in-line with how you would monitor and mitigate risk in relation to external delegation of investment management, you need to consider what on-going reporting and monitoring is required.

9.7 **Centralisation versus delegation:** supply chains are defined as: the products and services (including labour) that contribute to the entity’s own products and services. This includes products and services sourced in Australia or overseas and extends beyond direct suppliers. The definition of supply chains includes:

- Products provided to the entity by suppliers: For example, a bank’s supply chains include the procurement of uniforms and office supplies.
- Services provided by suppliers: For example, a law firm’s supply chains include the cleaning services provided to the law firm by a contractor. The supply chains of a superannuation fund or fund manager include its external investment managers, who provide a service by managing its portfolios.
- Products and services used by indirect suppliers in the entity’s supply chains: For example, the supply chains of an electronics manufacturer include the mining and refining of minerals used in electronic components purchased by the electronics manufacturer. The supply chains of a telecommunications company include its outsourced call centres overseas.

Entities will need to determine and articulate their own reporting scope. For instance, if Payroll is centralised in head office, this may not be deemed to be part of the supply chain. If, however, the back office settlement function is done in a regional centre, it would be deemed to be part of the supply chain as it contributes to the service provided.

10. Asset Class Considerations

10.1 This section aims to provide guidance on different areas to focus on when understanding and addressing modern slavery risks across asset classes and reporting on the approach taken. This section is designed to support investment teams in the key considerations they should focus on as they are assessing modern slavery risks across their portfolios.

10.2 It should be noted that the modern slavery reporting framework envisages that entities will make progress over time. A risk based approach should be taken. Entities should prioritise in their considerations where they have the ability to influence certain asset classes, for instance through voting or stewardship activities.

| Asset Classes | Reporting guidance |
|------------------------|---|
| Australian Equities | Modern Slavery Statement is usually required so investors can utilise this as a starting point when assessing modern slavery risk. Investors have the ability to influence through voting rights and engagement. |
| International Equities | Where there is no corresponding obligation in other jurisdictions, modern slavery statements are not available. Investors should gather and analyse the data and /or make qualitative assessments as needed, even though companies may have |

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| Asset Classes | Reporting guidance |
|--|---|
| | <p>limited understanding of modern slavery risks and provided little, if any, relevant disclosure.</p> <p>This does not apply to all jurisdictions, for example see the UK Modern Slavery Act and California Transparency in Supply Chains Act. Also, many European companies are proactive at managing these risks, as are companies in high risk sectors (e.g. Apparel), and legislative measures are being actively considered in other jurisdictions (e.g. Canada, EU).</p> <p>In the absence of specific modern slavery disclosures, more general disclosures about the investee company's approach to supply chain management of Environmental, Social, and Governance (ESG) risks may be a reasonable proxy.</p> <p>As with domestic equity portfolios, investors have the ability to influence through voting rights and engagement, either directly or through their mandates/outsourcing arrangements to offshore parents.</p> |
| <p>Fixed Income includes hybrids, asset backed securities etc.</p> | <p>Corporate</p> <ul style="list-style-type: none"> • Australian corporate bonds - typically rely on modern slavery statement as for Australian Equity holdings in the same/related investee entity. • Ability to influence is more limited than equities but engagement is possible with debt issuers, and member funds should consider incorporating this into their ESG engagement strategy. <p>Government/Supranational</p> <ul style="list-style-type: none"> • Limited third party independent research linked to country risk or prevalence (Global Slavery Index and US Department of State Trafficking in Persons Report are, however, useful for this). • Evaluate legislative protections in place for people and the factors which might limit the ability of government to enforce protections such as instability, war and corruption. |
| <p>Cash</p> | <p>No influence. Investee financial institutions should themselves be publishing a modern slavery statement if domiciled/operating in Australia.</p> |
| <p>Alternatives</p> | <p>Alternatives might include derivatives, property (direct or via a structure such as REIT), infrastructure, and private assets such as equities and debt.</p> <p>Best practice on assessing modern slavery risk with alternatives is yet to be developed in the industry, and further experience is needed.</p> <p>When deciding how deep to go in assessing modern slavery risk in alternative assets, fund managers should consider the level of influence and access they have.</p> |

| Asset Classes | Reporting guidance |
|-----------------------------|--|
| | <p>Some useful tools to help in assessing risk with alternatives include:</p> <ul style="list-style-type: none"> • Property, Construction and Modern Slavery: This resource has been prepared by the Australian Human Rights Commission and KPMG and includes guidance for suppliers and investors with assets in the property and construction sector. • Human Rights in Private Equity: This paper summarises discussions from a workshop with the British Institute of International and Comparative Law and the Principles for Responsible Investment. It includes key issues for consideration relating to human rights due diligence for the private equity industry. • Cleaning Accountability Framework: This framework has been developed for the property sector where cleaning services have modern slavery risk. It was developed with investors' input and Australian Super is a founding partner. |
| Asset management approaches | <p>Investors broadly have three available mechanisms to address modern slavery risks and seek to influence companies in managing that risk: through investment decisions (buy or not buy), proxy voting and engagement.</p> <p>Passive managers manage portfolios that typically track an index. As such, passive managers typically do not have the option of excluding or divesting stocks based on specific concerns.</p> <p>Adopting a risk-based approach is therefore more relevant for passive managers, which may implement processes to identify the highest risk of modern slavery issues within their portfolio and complement with considerations around sphere of influence and ability to steer company behaviour.</p> <p>Considerations such as AUM allocated in a security, level of ownership, position in overall holdings, and corporate governance/shareholder structures (i.e. controlled vs widely held company) may play a role for passive managers.</p> |

11. Risk Identification Resources

- 11.1 The following information provides direction on how a business can go through the process of assessing the risk of modern slavery in their operations, supply chain and investment portfolios. This section does not provide guidance on the specific risk rating methodology to use but does provide a curated set of credible sources that could help identifying sectors, industries and countries which are more exposed to modern slavery risk.
- 11.2 While there are industries and geographies with inherent risks, every company and investment portfolio will have varying exposure to these risks.

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11.3 It is important to keep in mind that in this context, the risk to people should be the primary focus of any risk assessment undertaken.

11.4 This is a dynamic issue and while these resources still have relevant information, new guidance continues to become available as more research is conducted.

11.5 Resources

| Name and link | Relevance | Date |
|---|--|--------------------------------|
| The Global Slavery Index | Outlines high risk import and export industries by country. | 2018 |
| Sweat and Toil app (US) | This app allows you to search by country or type of product or sector to understand the modern slavery implications. It also has information on types of exploitation. | 2019 |
| Government resources | The Government has put together a few resources including: <ul style="list-style-type: none"> • Guidance procurement teams update processes to incorporate modern slavery; • Draft contract clauses to incorporate into legal contracts; • Supplier questionnaire; and • An infographic that provides an overview of key facts as well as risks to consider. | 2020 |
| Responsible sourcing tool | An interactive tool to help guide a company through potential risks based on sector and geography | 2019 (updated periodically) |
| Product list | US Department of Labour 2018 List of Goods Produced by Child Labour or Forced Labour | 2018 |
| RIAA and ACSI guidance | Framework for investor reporting. It provides broad context on matters investors may wish to consider in preparing their modern slavery statements. | 2018 |
| RIAA Investor Toolkit on Human rights with focus on supply chains | Toolkit to help investors to engage constructively with the intention to encourage better practice from companies, thereby reducing human rights risks in supply chains. This toolkit focuses on practical engagement points with a business rationale. | 2018 |
| Finance Against Slavery and Trafficking's (FAST) blueprint | Provides a collective action framework for the whole financial sector and professional service providers to accelerate action to end modern slavery and human trafficking. The FAST Implementation Toolkit, comprising practical tools and initiatives, including workflows and diagnostic tools, is intended to help financial sector actors in implementing the Blueprint. | 2019 (updated periodically) |

| Name and link | Relevance | Date |
|--|--|--------------------------------|
| US Department of State's Annual Trafficking in Persons Reports | Comprehensive resource of governmental anti-trafficking efforts, useful for country level information. | 2020 |
| KnowTheChain | A resource for companies and investors to understand and address forced labour risks within their global supply chains by benchmarking current corporate practices across sectors. | 2020 |
| Altioirem | Not-for-profit library and resource centre that helps people understand the role finance must play in addressing sustainability challenges and building a better future for all. | 2020 (updated periodically) |
| Cleaning Accountability Framework | Provides a framework for managing the risk of modern slavery in cleaning supply chains. | 2020 |

11.6 In determining the highest risk to people, investors should to the extent possible, prioritise 'salience' by considering:

11.6.1 **Scale: the gravity of the impact, which means how much someone's** enjoyment of a particular human right was set back by what the company was doing. For example, when prioritising the scale of modern slavery issues, the issues that have the biggest impact on the human rights of the victims should be addressed first.

11.6.2 **Scope:** the number of people experiencing the negative impact. For example, companies and industries where there is widespread forced labour or other modern slavery issues should be prioritised.

11.6.3 **Remediability:** the ability of the impact to be put right. For example, consideration should be given to impacts on human life and health where there is limited opportunity to remediate.

12. Answering commonly asked questions in questionnaires

12.1 This section aims to provide guidance on commonly asked questions from clients in modern slavery questionnaires. The following questions are primarily drawn from the RIAA-FSC DDQ (please see Appendix 1 for the most recent version of this questionnaire). With further experience, this guidance will be updated.

As noted in Section 8 above, it is expected that provision of your entity's most recent Act report or Baseline or Progress report with suitable cross references would be the most expedient means of responding.

12.2 **Supplier Self-Assessment Questionnaire** - The proposed content of the response to the questionnaire is not a requirement but is useful to provide when the information is available.

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| Question | Proposed Content of Response |
|--|---|
| <p>Does your organisation have a policy or process that governs how it assesses and manages Modern Slavery risks and impacts in its business operations (this may be including or separate to investment operations)? Please provide links, details or example/s.</p> | <p>Include details of any policies in relation to supplier management, ethical sourcing, modern slavery, employee handbook</p> <p>Provide a summary of how the policy identifies and addresses modern slavery risks</p> <p>If possible, provide an example of how the policy has been implemented</p> <p>Include details on any training to relevant employees.</p> <p>If possible, please include information on whether your business has a formal avenue through which to receive human rights related complaints from your suppliers.</p> |
| <p>What is the highest level of your organisation that is responsible for governance and reporting of Modern Slavery risks in your business operations? Please provide details, for example role title and responsibility or reporting line.</p> | <p>Include details of any regular updates on changes to the structure, operations and supply chain of your business operations?</p> <p>If possible, please discuss whether you have established a position on your current maturity and future ambition with regards to leading modern slavery risk identification, management and reporting practices.</p> |
| <p>Who (what role or position) has day to day responsibility for assessing and managing Modern Slavery risks and impacts in its business operations, including supply chain (i.e. outside investment operations)? Please provide details, for example role title and responsibility or reporting line.</p> | <p>If possible, please include information on whether your business has KPIs in place to track performance on human rights and modern slavery risk assessment and compliance with relevant policies across your operations and / or supply chain?</p> <p>If possible, provide detail on how modern slavery is included in their job description.</p> |
| <p>Does your organisation assess and manage Modern Slavery risks and impacts in its supply chain specifically? Please provide example/s.</p> | <p>If possible, provide an example of how modern slavery risks are monitored.</p> <p>If possible, outline the scope of the supply chain mapping undertaken to identify and categorise high-risk areas – by country, sector, beyond tier one suppliers?</p> <p>If possible, outline the extent to which your business has engaged, or intends to engage, with suppliers on how you intend to identify modern slavery risks.</p> |
| <p>How does your organisation ensure incidents of Modern Slavery in its business operations, including supply chain are tracked, managed, reported and prevented? Please provide example/s.</p> | <p>If possible, provide an example of how modern slavery risks are monitored.</p> <p>If possible, outline your data management framework (do you have a centralised approach to the collection of supply chain data?). If possible, please include what data</p> |

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| Question | Proposed Content of Response |
|--|---|
| | <p>and risk indicators you draw on (internal and external)?</p> <p>If possible, provide details of any external audits undertaken.</p> |
| <p>Have you defined a remediation policy / process for instances where you identify a high risk of modern slavery? If yes, please provide a copy or provide a brief summary. If not, do you intend to develop one?</p> | <p>Where an incident of modern slavery is identified, our obligation under the legislation is to provide a remedy to victims or enable a remedy if we did not directly cause the incident (for example, if it happened in our supply chain). Therefore, any policy should include a remediation process.</p> <p>If possible, include reference to any collaborations (e.g. sector specific multi-stakeholder initiatives) with experts, civil society or other relevant stakeholders to assist with remediation and/or better identification of high risk modern slavery risks.</p> |

11.3 Investment Activities Questionnaire

| Question | Proposed Content of Response |
|--|--|
| <p>In the table below please indicate whether your investment universe for the mandate you have with [fund] includes any of these countries and whether you currently have any direct exposure to these countries?</p> <p><i>[Note: Listing, headquartered or domicile can be used to form your response. Please feel free to provide any additional comments as appropriate – particularly if you are able to identify whether the company’s operations or supply chains are different to their headquarters. These regions – top 50 - have been identified using the Global Slavery Index 2018 – Estimated prevalence of modern slavery by country – Table 4; page 178. You may want to consider other countries that may be included in other indices such as the Transparency International Index and you can use the ‘Other’ section at the bottom to include these.]</i></p> | <p>If your approach to addressing modern slavery specifically references any of these countries, include a comment in the comments box. In addition, if you have mapped past HQ to operations or supply chain(s) locations, also provide this information in the comments box.</p> |

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| Country | Investment Universe Y/N | Current Investment Y/N | Comments if applicable |
|---|------------------------------------|-----------------------------------|-------------------------------|
| | | | |
| <i>Afghanistan</i> | | | |
| <i>Albania</i> | | | |
| <i>Angola</i> | | | |
| <i>Belarus</i> | | | |
| <i>Brunei Darussalam</i> | | | |
| <i>Burundi</i> | | | |
| <i>Cambodia</i> | | | |
| <i>Cameroon</i> | | | |
| <i>Central African Republic</i> | | | |
| <i>Chad</i> | | | |
| <i>Congo</i> | | | |
| <i>Congo, Democratic Republic of the</i> | | | |
| <i>Djibouti</i> | | | |
| <i>Equatorial Guinea</i> | | | |
| <i>Eritrea</i> | | | |
| <i>Greece</i> | | | |
| <i>Guinea</i> | | | |
| <i>Guinea-Bissau</i> | | | |
| <i>Iran, Islamic Republic of</i> | | | |
| <i>Kenya</i> | | | |
| <i>Korea, Democratic People's Republic of (North Korea)</i> | | | |
| <i>Lao People's Democratic Republic</i> | | | |
| <i>Liberia</i> | | | |
| <i>Libya</i> | | | |
| <i>Macedonia, the former Yugoslav Republic of</i> | | | |
| <i>Madagascar</i> | | | |
| <i>Malawi</i> | | | |
| <i>Malaysia</i> | | | |
| <i>Mauritania</i> | | | |

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| Country | Investment Universe Y/N | Current Investment Y/N | Comments if applicable |
|--|------------------------------------|-----------------------------------|-------------------------------|
| <i>Mongolia</i> | | | |
| <i>Myanmar</i> | | | |
| <i>Niger</i> | | | |
| <i>Nigeria</i> | | | |
| <i>Pakistan</i> | | | |
| <i>Papua New Guinea</i> | | | |
| <i>Philippines</i> | | | |
| <i>Rwanda</i> | | | |
| <i>Somalia</i> | | | |
| <i>South Sudan</i> | | | |
| <i>Sudan</i> | | | |
| <i>Swaziland</i> | | | |
| <i>Syrian Arab Republic</i> | | | |
| <i>Thailand</i> | | | |
| <i>Timor-Leste</i> | | | |
| <i>Togo</i> | | | |
| <i>Turkey</i> | | | |
| <i>Turkmenistan</i> | | | |
| <i>Uganda</i> | | | |
| <i>Ukraine</i> | | | |
| <i>Zimbabwe</i> | | | |
| <i>Other – please specify (e.g. countries where human rights violations are known)</i> | | | |

| Question | Proposed Content of Response |
|--|---|
| If you invest in any of the sectors/industries in the table below can you please indicate the country, the company or asset is located – listing, headquartered or domicile can be used to form your response. Please feel free to provide any additional comments as appropriate – particularly if you are able to identify whether the | As above, if you have mapped past HQ to operations or supply chain(s) locations, also provide as a comment below. |

FSC GUIDANCE NOTE 40

| Question | Proposed Content of Response |
|--|------------------------------|
| <p>company's operations or supply chains are different to their headquarters.</p> <p><i>[Note: these sectors have been identified using the RIAA Investor Toolkit and the ACSI Modern Slavery Risks, Rights and Responsibilities: A guide for companies and investors and the Responsible Sourcing Tool]</i></p> | |

| Sector | Country (e.g. Thailand; Bangladesh, Australia) |
|---|--|
| <i>Agricultural and fishing industries</i> | |
| <i>Apparel industry</i> | |
| <i>Construction and building materials industry</i> | |
| <i>Mining Industry</i> | |
| <i>Electronics manufacturing and electronics recycling industry</i> | |
| <i>Food and Beverage industries</i> | |
| <i>Health care</i> | |
| <i>Forestry</i> | |
| <i>Hospitality</i> | |
| <i>Housekeeping/Facilities</i> | |
| <i>Transport and Warehousing</i> | |
| <i>Financial Services</i> | |

If you report under and would prefer to use GICS sectors please use the table below:

| GICS Sector | Country (e.g. Thailand, Bangladesh, Australia etc) |
|-------------------------------|--|
| <i>Information Technology</i> | |
| <i>Healthcare</i> | |
| <i>Consumer Discretionary</i> | |
| <i>Consumer staples</i> | |
| <i>Financials</i> | |
| <i>Energy</i> | |
| <i>Materials</i> | |
| <i>Utilities</i> | |

FSC GUIDANCE NOTE 40

| | |
|-------------------------------|---|
| GICS Sector | Country (e.g. Thailand, Bangladesh, Australia etc) |
| <i>Real Estate</i> | |
| <i>Communication Services</i> | |
| <i>Industrials</i> | |

| Question | Proposed Content of Response |
|---|--|
| <p>Please confirm whether your ESG integration approach includes an assessment of modern slavery risks (or human rights risks) in the companies (including operations and supply chain) in which you invest and their impact on people.</p> <p>If yes, please provide an explanation of your process/approach and an example.</p> | <p>If possible, please provide an example of action taken when elevated Modern Slavery risks are identified both in terms of your actions directly with investee companies and / or related risk management processes internally.</p> |
| <p>If no, please explain why.</p> | <p>Our obligation under the legislation is to address risks to people rather than financially material risks.</p> <p>If possible, please provide an example which demonstrates this approach.</p> |
| <p>How do you address the risks identified? For example, does your engagement or inter-actions with portfolio companies or assets focus on modern slavery risks (or human rights risks) in terms of impact on people?</p> <p>If yes, please provide an explanation of your process and an example. It would also be good to understand how you prioritise your engagements.</p> <p>If no, please explain why.</p> | <p>Engagement is the key way for investors to address risk, but also list any other activities to address risk here, such as policy advocacy, joining working groups/collaborations etc.</p> |
| <p>Do you or do you plan to track, manage and report incidents? If so how?</p> | <p>Outline your approach to ensuring that once an incident has occurred, it is monitored until it is resolved.</p> |
| <p>Do you or do you plan to assess and monitor the effectiveness of your approach? If so, how?</p> | <p>Under the legislation we are required to self-assess the effectiveness of how we identify and address these risks. This could include steps such as monitoring the number of investment staff who have had training, the number of engagements, or number of incidents of modern slavery identified in investment portfolios as examples.</p> |

Appendix 1: RIAA-FSC Due Diligence Questionnaire

This final draft document contains:

1. Modern Slavery Due Diligence Questionnaire – funds
2. Modern Slavery Due Diligence Questionnaire – bonds

As part of a joint RIAA And FSC working group we have established due diligence questionnaires that asset owners could use when assessing fund managers as part of the Modern Slavery Act requirements.

As a working group we thought it would be worthwhile providing this to other industry participants that might be interested to know that this DDQ is available to them.

We will be reviewing the DDQ towards the end of May, as such and comments or suggestions from those that have trailed the use of the documents is welcomed. Please email any such queries to Jessie Pettigrew at BT and Liza McDonald at First State.

jessie.pettigrew@btfinancialgroup.com

[Liza McDonald@firststatesuper.com.au](mailto:Liza_McDonald@firststatesuper.com.au)

1. Modern Slavery Due Diligence Questionnaire – funds

[Insert individual asset owner/asset manager preamble]

With introduction of the Australian Modern Slavery Act 2018, passed on 29 November 2018, [fund] has an obligation to report annually on the risks of modern slavery in its operations (which includes investment activities) and supply chains, and where risks have been identified, details regarding the actions to address those risks. The Act defines Modern Slavery to include eight types of serious exploitation - trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work) and deceptive recruiting for labour or services.

For the purposes of the Act, [fund's] operations include its investment activities and we therefore need to report on the risks of modern slavery in our investment activities and portfolios (both internal and externally managed).

As an external investment manager appointed by [fund] to manage our investments, under the guidance issued by the Australian Government we have deemed that you are a 'supplier' and undertake 'investment activities'. We therefore require you to complete the following questionnaire.

For more information on the Act and Guidelines please refer to the following publications:

<https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

<https://responsibleinvestment.org/wp-content/uploads/2019/11/ACSI-RIAA-Modern-Slavery-Reporting-Guide-for-Investors-November-2019-2.pdf> (produced by RIAA and ACSI).

By way of further guidance we provide the following definitions:

Risk of Modern Slavery – the concept of 'risk' when referring to Modern Slavery refers to the **risk to people**, rather than risk to the reporting or related entities themselves.

In other words, for investors (such as [fund] and you as our manager) when reporting on the risk of modern slavery in portfolios and taking a risk-based approach on engagements, the primary or first

order focus should not relate to risk to a portfolio or risk to the business, but risk to people, i.e. where there are possibilities that within the portfolio or business operations (including supply chain) there are people experiencing or exposed to Modern Slavery. Severity of the risk to people (Modern Slavery Risk) relates to the severity of modern slavery practices, likelihood of them occurring as well as the extent of it in terms of number of people affected and over what time period.

We have therefore adopted the Global Slavery Index to determine our risk based approach on high risk countries and sectors.

High risk factors. Modern slavery risks, including the potential labour-related rights, are risks which restrict or remove someone's freedom. Example of modern slavery risk flags include:

Vulnerable Populations – e.g. low skilled, temporary jobs, migrant workers or minorities

High risk geographies – lack of regulation or enforcement agencies; poor track records on corruption and human rights; prevalence of criminal organisations

Business models structured around high-risk practices – e.g. complex and long supply chains with several intermediaries along the chain; oligopolistic industries exercising pricing pressure on suppliers; labour intensive industries and supply chains with pressure on shorter lead times

High-risk product and services categories, often sector specific – e.g. agriculture; mining; apparel industry; construction and building materials & electronics

We also refer you to the following publications – some of which have formed the basis of our questions and some of which may assist you in responding to the questionnaire.

- RIAA Investor Toolkit: Human rights with focus on supply chains <https://responsibleinvestment.org/wp-content/uploads/2018/09/HRWG-Investor-Toolkit.pdf>
- The Global Slavery Index 2018: Walk Free Foundation <https://www.globallslaveryindex.org/>
- ACSI Modern Slavery Risks, Rights & Responsibilities: A guide for companies and investors <https://www.acsi.org.au/images/stories/ACSIDocuments/generalresearchpublic/ACSI-Modern-Slavery-Report.Feb19.pdf>
- Responsible Sourcing Tool <https://www.responsiblesourcingtool.org/>
- Liechtenstein Initiative's Finance Against Slavery & Trafficking <https://www.fastinitiative.org/>
- Transparency International - specifically their Corruption Perceptions Index 2019 <https://www.transparency.org/>

Please note that the questionnaire has been set up in two parts:

1. Part 1: Supplier Questionnaire.
2. Part 2: Investment Activities Questionnaire.

Please complete our self-assessment questionnaire. Completing this questionnaire honestly and transparently will allow us to work together to identify risk factors in our investments and their supply chains related to modern slavery risk. The questionnaire is designed to assist asset owners/funds to identify types of modern slavery related risk, collaborate to address these risks, improve transparency across shared supply chains and identify areas for further due diligence. Please note that Part 2 is to reflect the mandate/investment that we have in place with you.

Organisation details

| | |
|---|--|
| Organisation name: | |
| Organisation number (ABN/ACN or foreign registration equivalent): | |
| Registered Address: | |
| Investment Mandate details (e.g. EM Debt; Listed Global Equities) | |

Details of key contact

| | |
|---------------------------|--|
| Contact Name: | |
| Position in Organisation: | |
| Email address: | |
| Contact Number: | |
| Date of this response: | |

Is your organisation required to report under any existing legislation that captures your corporate or investment activities response to Modern Slavery across all the jurisdictions you operate?

If yes, you may provide only the relevant page or paragraph reference from your statement or provide the Statement.

If no, please respond to the remaining questions in detail.

Even if you are required to produce a Modern Slavery Statement under the Australian Act – as this may not be available for either 6 months or 12 months or may not cover your investments, we would appreciate it if you could complete as appropriate Parts 1 & 2 for this initial survey.

Please note if you report under the UK Modern Slavery Act, please note your statement may address Part 1. However you will need to provide details for Part 2.

PART 1: SUPPLIER SELF-ASSESSMENT QUESTIONNAIRE

- 1. Does your organisation have a policy or process that governs how it assesses and manages Modern Slavery risks and impacts in its business operations (this may be including or separate to investment operations)? Please provide links, details or example/s.*
- 2. What is the highest level of your organisation that is responsible for governance and reporting of Modern Slavery risks in your business operations? Please provide details, for example role title and responsibility or reporting line.*
- 3. Who (what role or position) has day to day responsibility for assessing and managing Modern Slavery risks and impacts in its business operations, including supply chain (i.e. outside investment operations)? Please provide details, for example role title and responsibility or reporting line.*
- 4. Does your organisation assess and manage Modern Slavery risks and impacts in its supply chain specifically? Please provide example/s.*

5. *How does your organisation ensure incidents of Modern Slavery in its business operations, including supply chain are tracked, managed, reported and prevented? Please provide example/s.*
6. *Have you defined a remediation policy / process for instances where you identify a high risk of modern slavery? If yes, please provide a copy or provide a brief summary. If not, do you intend to develop one?*

Please feel free to provide any additional commentary you feel appropriate below.

PART 2: INVESTMENT ACTIVITIES QUESTIONNAIRE

1. In the table below please indicate whether your investment universe for the mandate you have with [fund] includes any of these countries and whether you currently have any direct exposure to these countries?

[Note: Listing, headquartered or domicile can be used to form your response. Please feel free to provide any additional comments as appropriate – particularly if you are able to identify whether the company’s operations or supply chains are different to their headquarters.]

These regions – top 50 - have been identified using the Global Slavery Index 2018 – Estimated prevalence of modern slavery by country – Table 4; page 178. You may want to consider other countries that may be included in other indices such as the Transparency International Index and you can use the ‘Other’ section at the bottom to include these.]

| Country | Investment Universe Y/N | Current Investment Y/N | Comments if applicable |
|--|----------------------------|---------------------------|------------------------|
| | | | |
| Afghanistan | | | |
| Albania | | | |
| Angola | | | |
| Belarus | | | |
| Brunei Darussalam | | | |
| Burundi | | | |
| Cambodia | | | |
| Cameroon | | | |
| Central African Republic | | | |
| Chad | | | |
| Congo | | | |
| Congo, Democratic Republic of the | | | |
| Djibouti | | | |
| Equatorial Guinea | | | |
| Eritrea | | | |
| Greece | | | |
| Guinea | | | |
| Guinea-Bissau | | | |
| Iran, Islamic Republic of | | | |
| Kenya | | | |
| Korea, Democratic People’s Republic of (North Korea) | | | |
| Lao People’s Democratic Republic | | | |
| Liberia | | | |
| Libya | | | |
| Macedonia, the former Yugoslav Republic of | | | |
| Madagascar | | | |
| Malawi | | | |
| Malaysia | | | |
| Mauritania | | | |

| | | | |
|---|--|--|--|
| Mongolia | | | |
| Myanmar | | | |
| Niger | | | |
| Nigeria | | | |
| Pakistan | | | |
| Papua New Guinea | | | |
| Philippines | | | |
| Rwanda | | | |
| Somalia | | | |
| South Sudan | | | |
| Sudan | | | |
| Swaziland | | | |
| Syrian Arab Republic | | | |
| Thailand | | | |
| Timor-Leste | | | |
| Togo | | | |
| Turkey | | | |
| Turkmenistan | | | |
| Uganda | | | |
| Ukraine | | | |
| Zimbabwe | | | |
| Other – please specify (e.g. countries where human rights violations are known) | | | |

2. If you invest in any of the sectors/industries in the table below can you please indicate the country the company or asset is located – listing, headquartered or domicile can be used to form your response. Please feel free to provide any additional comments as appropriate – particularly if you are able to identify whether the company’s operations or supply chains are different to their headquarters.

[Note: these sectors have been identified using the RIAA Investor Toolkit and the ACSI Modern Slavery Risks, Rights and Responsibilities: A guide for companies and investors and the Responsible Sourcing Tool]

| Sector | Country (e.g. Thailand; Bangladesh, Australia) |
|--|---|
| Agricultural and fishing industries | |
| Apparel industry | |
| Construction and building materials industry | |
| Mining Industry | |
| Electronics manufacturing and electronics recycling industry | |
| Food and Beverage industries | |
| Health care | |
| Forestry | |
| Hospitality | |
| Housekeeping/Facilities | |
| Transport and Warehousing | |
| Financial Services | |

If you report under and would prefer to use GICS sectors please use the table below:

| GICS Sector | Country (e.g. Thailand, Bangladesh, Australia etc) |
|------------------------|---|
| Information Technology | |
| Healthcare | |
| Consumer Discretionary | |
| Consumer staples | |
| Financials | |
| Energy | |
| Materials | |
| Utilities | |
| Real Estate | |
| Communication Services | |
| Industrials | |

3. Please confirm whether your ESG integration approach includes an assessment of modern slavery risks (or human rights risks) in the companies (including operations and supply chain) in which you invest and their impact on people.
If yes, please provide an explanation of your process/approach and an example.
If no, please explain why.
4. How do you address the risks identified? For example, does your engagement or inter-actions with portfolio companies or assets focus on modern slavery risks (or human rights risks) in terms of impact on people?
If yes, please provide an explanation of your process and an example. It would also be good to understand how you prioritise your engagements.
If no, please explain why.
5. Do you or do you plan to track, manage and report incidents? If so how?
6. Do you or do you plan to assess and monitor the effectiveness of your approach? If so how

Please feel free to provide any additional commentary you feel appropriate below.

2. Modern Slavery Due Diligence Questionnaire – bonds

[Insert individual asset owner/asset manager preamble]

With introduction of the Australian Modern Slavery Act 2018, passed on 29 November 2018, [fund] has an obligation to report annually on the risks of modern slavery in its operations (which includes investment activities) and supply chains, and where risks have been identified, details regarding the actions to address those risks. The Act defines Modern Slavery to include eight types of serious exploitation - trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work) and deceptive recruiting for labour or services.

For the purposes of the Act, [fund's] operations include its investment activities and we therefore need to report on the risks of modern slavery in our investment activities and portfolios (both internal and externally managed).

As an external investment manager appointed by [fund] to manage our investments., under the guidance issued by the Australian Government we have deemed that you are a 'supplier' and undertake 'investment activities'. We therefore require you to complete the following questionnaire.

For more information on the Act and Guidelines please refer to the following publications:
<https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>.
<https://responsibleinvestment.org/wp-content/uploads/2019/11/ACSI-RIAA-Modern-Slavery-Reporting-Guide-for-Investors-November-2019-2.pdf> (produced by RIAA and ACSI).

By way of further guidance we provide the following definitions:

Risk of Modern Slavery – the concept of 'risk' when referring to Modern Slavery refers to the **risk to people**, rather than risk to the reporting or related entities themselves.

In other words, for investors (such as [fund] and you as our manager) when reporting on the risk of modern slavery in portfolios and taking a risk-based approach on engagements, the primary or first order focus should not relate to risk to a portfolio or risk to the business, but risk to people, i.e. where there are possibilities that within the portfolio or business operations (including supply chain) there are people experiencing or exposed to Modern Slavery. Severity of the risk to people (Modern Slavery Risk) relates to the severity of modern slavery practices, likelihood of them occurring as well as the extent of it in terms of number of people affected and over what time period.

We have therefore adopted the Global Slavery Index to determine our risk based approach on high risk countries and sectors.

High risk factors – Modern slavery risks, including the potential labour-related rights, are risks which restrict or remove someone's freedom. Example of modern slavery risk flags include:

Vulnerable Populations – e.g. low skilled, temporary jobs, migrant workers or minorities

High risk geographies – lack of regulation or enforcement agencies; poor track records on corruption and human rights; prevalence of criminal organisations

Business models structured around high-risk practices – e.g. complex and long supply chains with several intermediaries along the chain; oligopolistic industries exercising pricing

pressure on suppliers; labour intensive industries and supply chains with pressure on shorter lead times

High-risk product and services categories, often sector specific – e.g. agriculture; mining; apparel industry; construction and building materials & electronics

We also refer you to the following publications - some of which have formed the basis of our questions and some of which may assist you in responding to the questionnaire.

- RIAA Investor Toolkit: Human rights with focus on supply chains
<https://responsibleinvestment.org/wp-content/uploads/2018/09/HRWG-Investor-Toolkit.pdf>
- The Global Slavery Index 2018: Walk Free Foundation <https://www.globallslaveryindex.org/>
- ACSI Modern Slavery Risks, Rights & Responsibilities: A guide for companies and investors
<https://www.acsi.org.au/images/stories/ACSIDocuments/generalresearchpublic/ACSI-Modern-Slavery-Report.Feb19.pdf>
- Responsible Sourcing Tool <https://www.responsiblesourcingtool.org/>
- Liechtenstein Initiative's Finance Against Slavery & Trafficking
<https://www.fastinitiative.org/>
- Transparency International - specifically their Corruption Perceptions Index 2019
<https://www.transparency.org/>

Please note that the questionnaire has been set up in two parts:

3. Part 1: Supplier Questionnaire.
4. Part 2: Investment Activities Questionnaire.

Please complete our self-assessment questionnaire. Completing this questionnaire honestly and transparently will allow us to work together to identify risk factors in our investments and their supply chains related to modern slavery risk. The questionnaire is designed to assist asset owners/funds to identify types of modern slavery related risk, collaborate to address these risks, improve transparency across shared supply chains and identify areas for further due diligence. Please note that Part 2 is to reflect the mandate/investment that we have in place with you.

Organisation details

| | |
|---|--|
| Organisation name: | |
| Organisation number (ABN/ACN or foreign registration equivalent): | |
| Registered Address: | |
| Investment Mandate details (e.g. EM Debt; Listed Global Equities) | |

Details of key contact

| | |
|---------------------------|--|
| Contact Name: | |
| Position in Organisation: | |
| Email address: | |
| Contact Number: | |
| Date of this response: | |

Is your organisation required to report under any existing legislation that captures your corporate or investment activities response to Modern Slavery across all the jurisdictions you operate?

If yes, you may provide only the relevant page or paragraph reference from your statement or provide the Statement.

If no, please respond to the remaining questions in detail.

Even if you are required to produce a Modern Slavery Statement under the Australian Act – as this may not be available for either 6 months or 12 months or may not cover your investments, we would appreciate it if you could complete as appropriate Parts 1 & 2 for this initial survey.

Please note if you report under the UK Modern Slavery Act, please note your statement may address Part 1. However you will need to provide details for Part 2.

PART 1: SUPPLIER SELF-ASSESSMENT QUESTIONNAIRE

- 1. Does your organisation have a policy or process that governs how it assesses and manages Modern Slavery risks and impacts in its business operations (this may be including or separate to investment operations)? Please provide links, details or example/s.*
- 2. What is the highest level of your organisation that is responsible for governance and reporting of Modern Slavery risks in your business operations? Please provide details, for example role title and responsibility or reporting line.*
- 3. Who (what role or position) has day to day responsibility for assessing and managing Modern Slavery risks and impacts in its business operations, including supply chain (i.e. outside investment operations)? Please provide details, for example role title and responsibility or reporting line.*
- 4. Does your organisation assess and manage Modern Slavery risks and impacts in its supply chain specifically? Please provide example/s.*

5. *How does your organisation ensure incidents of Modern Slavery in its business operations, including supply chain are tracked, managed, reported and prevented? Please provide example/s.*

6. *Have you defined a remediation policy / process for instances where you identify a high risk of modern slavery? If yes, please provide a copy or provide a brief summary. If not, do you intend to develop one?*

Please feel free to provide any additional commentary you feel appropriate below.

PART 2: INVESTMENT ACTIVITIES QUESTIONNAIRE

7. (a) If you invest in Government Bonds: In the tables below please indicate whether your investment universe for the mandate you have with [fund] includes any of these countries and whether you currently have any direct exposure to these countries?

{Note: These countries – broken into tier 1 (highest risk CCC to D) and tier 2 (high risk BB, B) - have been identified using the Global Slavery Index 2018 – Government Response rating – Table 1; page 45}

Tier 1

| Country | Investment Universe Y/N | Current Investment Y/N | Comments if applicable |
|--|----------------------------|---------------------------|------------------------|
| Korea, Democratic People’s Republic of (North Korea) | | | |
| Libya | | | |
| Eritrea | | | |
| Central African Republic | | | |
| Iran, Islamic Republic of | | | |
| Equatorial Guinea | | | |
| Guinea | | | |
| Zimbabwe | | | |
| Papua New Guinea | | | |
| Congo, Democratic Republic of the | | | |
| Guinea-Bissau | | | |
| Pakistan | | | |
| Chad | | | |
| Somalia | | | |
| Mauritania | | | |
| Sudan | | | |
| Congo | | | |
| Burundi | | | |
| Angola | | | |
| Swaziland | | | |
| Timor-Leste | | | |
| Venezuela, Bolivarian Republic of | | | |
| Saudi Arabia | | | |
| Kuwait | | | |
| Korea, Republic of (South Korea) | | | |
| Ghana | | | |
| China | | | |
| Suriname | | | |
| Turkmenistan | | | |
| Malawi | | | |
| Niger | | | |
| Cameroon | | | |
| Gabon | | | |

| | | | |
|----------------------------------|--|--|--|
| Togo | | | |
| Cape Verde | | | |
| Hong Kong | | | |
| Cuba | | | |
| Russia | | | |
| Brunei Darussalam | | | |
| Haiti | | | |
| Barbados | | | |
| Nepal | | | |
| Jordan | | | |
| Malaysia | | | |
| Lesotho | | | |
| Taiwan | | | |
| Benin | | | |
| Cambodia | | | |
| El Salvador | | | |
| Sri Lanka | | | |
| Honduras | | | |
| Japan | | | |
| Morocco | | | |
| Kenya | | | |
| Algeria | | | |
| Ethiopia | | | |
| Burkina Faso | | | |
| Qatar | | | |
| Djibouti | | | |
| Mauritius | | | |
| Lao People's Democratic Republic | | | |
| Gambia | | | |
| Rwanda | | | |
| Namibia | | | |
| Botswana | | | |
| Tajikistan | | | |
| Kazakhstan | | | |
| Singapore | | | |
| Tanzania, United Republic of | | | |
| Bahrain | | | |
| Myanmar | | | |
| Oman | | | |
| Madagascar | | | |
| Zambia | | | |
| Liberia | | | |
| Guyana | | | |
| Lebanon | | | |
| Mali | | | |
| Mongolia | | | |
| Uzbekistan | | | |

Tier 2

| Country | Investment Universe Y/N | Current Investment Y/N | Comments if applicable |
|---------------------------------|-------------------------|------------------------|------------------------|
| Trinidad and Tobago | | | |
| Thailand | | | |
| Estonia | | | |
| Bosnia and Herzegovina | | | |
| Azerbaijan | | | |
| Vietnam | | | |
| United Arab Emirates | | | |
| South Africa | | | |
| Turkey | | | |
| Senegal | | | |
| Ecuador | | | |
| Iceland | | | |
| Nicaragua | | | |
| Sierra Leone | | | |
| Nigeria | | | |
| India | | | |
| Luxembourg | | | |
| Guatemala | | | |
| Bangladesh | | | |
| Tunisia | | | |
| Romania | | | |
| Panama | | | |
| Cote d'Ivoire | | | |
| Uganda | | | |
| Bolivia, Plurinational State of | | | |
| Colombia | | | |
| Kyrgyzstan | | | |
| Paraguay | | | |
| Mozambique | | | |
| Belarus | | | |
| Egypt | | | |
| Albania | | | |
| Slovenia | | | |
| Lithuania | | | |
| Canada | | | |
| Jamaica | | | |
| Denmark | | | |
| Hungary | | | |
| Dominican Republic | | | |
| Finland | | | |
| Ireland | | | |
| New Zealand | | | |
| Germany | | | |
| Bulgaria | | | |
| Philippines | | | |

| | | | |
|----------------------|--|--|--|
| Moldova, Republic of | | | |
| Brazil | | | |
| Greece | | | |
| Kosovo | | | |
| Poland | | | |
| Armenia | | | |
| Slovakia | | | |
| Ukraine | | | |
| Czech Republic | | | |
| Peru | | | |
| Mexico | | | |
| Israel | | | |
| Indonesia | | | |
| Uruguay | | | |
| Costa Rica | | | |

5. (b) If you invest in Corporate Bonds: In the table below please indicate whether your investment universe for the mandate you have with [fund] includes any of these countries and whether you currently have any direct exposure to these countries?
[Note: listing, headquartered or domicile can be used to form your response. Please feel free to provide any additional comments as appropriate – particularly if you are able to identify whether the company’s operations or supply chains are different to their headquarters.
Note: These regions – top 50 - have been identified using the Global Slavery Index 2018 – Estimated prevalence of modern slavery by country – Table 4; page 178. You may want to consider other countries that may be included in other indices such as the Transparency International Index and you can use the ‘Other’ section at the bottom to include these.]

| Country | Investment Universe Y/N | Current Investment Y/N | Comments if applicable |
|-----------------------------------|-------------------------|------------------------|------------------------|
| | | | |
| Afghanistan | | | |
| Albania | | | |
| Angola | | | |
| Belarus | | | |
| Brunei Darussalam | | | |
| Burundi | | | |
| Cambodia | | | |
| Cameroon | | | |
| Central African Republic | | | |
| Chad | | | |
| Congo | | | |
| Congo, Democratic Republic of the | | | |
| Djibouti | | | |
| Equatorial Guinea | | | |
| Eritrea | | | |
| Greece | | | |
| Guinea | | | |

| | | | |
|---|--|--|--|
| Guinea-Bissau | | | |
| Iran, Islamic Republic of | | | |
| Kenya | | | |
| Korea, Democratic People's Republic of (North Korea) | | | |
| Lao People's Democratic Republic | | | |
| Liberia | | | |
| Libya | | | |
| Macedonia, the former Yugoslav Republic of | | | |
| Madagascar | | | |
| Malawi | | | |
| Malaysia | | | |
| Mauritania | | | |
| Mongolia | | | |
| Myanmar | | | |
| Niger | | | |
| Nigeria | | | |
| Pakistan | | | |
| Papua New Guinea | | | |
| Philippines | | | |
| Rwanda | | | |
| Somalia | | | |
| South Sudan | | | |
| Sudan | | | |
| Swaziland | | | |
| Syrian Arab Republic | | | |
| Thailand | | | |
| Timor-Leste | | | |
| Togo | | | |
| Turkey | | | |
| Turkmenistan | | | |
| Uganda | | | |
| Ukraine | | | |
| Zimbabwe | | | |
| Other – please specify (e.g. countries where human rights violations are known) | | | |

6. If you invest in corporate bonds, and you invest in any of the sectors/industries in the table below can you please indicate the country the company or asset is located – listing, headquartered or domicile can be used to form your response . Please feel free to provide any additional comments as appropriate – particularly if you are able to identify whether the company’s operations or supply chains are different to their headquarters..

[Note: these sectors have been identified using the RIAA Investor Toolkit and the ACSI Modern Slavery Risks, Rights and Responsibilities: A guide for companies and investors and the Responsible Sourcing Tool]

| Sector | Region (e.g. Thailand; Bangladesh, Australia etc) |
|--|--|
| Agricultural and fishing industries | |
| Apparel industry | |
| Construction and building materials industry | |
| Mining Industry | |
| Electronics manufacturing and electronics recycling industry | |
| Food and Beverage industries | |
| Health care | |
| Forestry | |
| Hospitality | |
| Housekeeping/Facilities | |
| Transport and Warehousing | |
| Financial services | |

If you report under and would prefer to use GICS sectors please use the table below:

| GICS Sector | Country (e.g. Thailand, Bangladesh, Australia etc) |
|------------------------|---|
| Information Technology | |
| Healthcare | |
| Consumer Discretionary | |
| Consumer staples | |
| Financials | |
| Energy | |
| Materials | |
| Utilities | |
| Real Estate | |
| Communication Services | |
| Industrials | |

7. Please confirm whether your ESG integration approach includes an assessment of modern slavery risks (or human rights risks) in the companies (including operations and supply chain) in which you invest and their impact on people.

If yes, please provide an explanation of your process/approach and an example

If no, please explain why

8. How do you address the risks identified? For example, does your engagement or interactions with Corporates and/or Governments focus on modern slavery risks (or human rights risks) in terms of impact on people?

If yes, please provide an explanation of your process and an example. It would also be good to understand how you prioritise your engagements.

If no, please explain why

9. Do you or do you plan to track, manage and report incidents? If so how?

10. Do you or do you plan to assess and monitor the effectiveness of your approach? If so how?

Please feel free to provide any additional commentary you feel appropriate below.