

VFMC Modern Slavery Policy

October 2020



Improving the future prosperity of Victoria

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1 Document Information

1.1 Document Status

The current status of this document is shown below.

Original issue date	October 2020
Current approval date	October 2020
Owner	Chief Investment Officer
Date of next review	October 2021
Board review required	Yes – reviewed annually

1.2 Document History

The history of changes made to this document is shown below.

Version	Date	Summary of changes
1.0	29 October 2020	First Issue

2 Introduction

The term “modern slavery” covers a wide range of exploitative practices where people are controlled or coerced for the personal or commercial gain of others.

VFMC is against all forms of slavery and this policy sets out our commitments. We are required to comply with the Modern Slavery Act 2018 (Cth) (**Act**) which covers eight types of serious exploitation practices which are offences under the Australian Criminal Code: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the inappropriate or unacceptable form of child labour (**modern slavery**). In meeting our obligations under the Act we take into account the Guidelines for Reporting Entities issued by the Department of Home Affairs and closely align our approach with the *UN Guiding Principles on Business and Human Rights*, the recognised global standard for preventing and addressing business-related human rights harm.

We treat modern slavery as a sub-set of the social risks considered under our ESG Policy. As such, this Modern Slavery Policy should be read in conjunction with our ESG Policy.

3 Our Expectations

Having legally compliant and responsible labour practices in place at our suppliers is important to VFMC. VFMC expects its investment managers and other suppliers (irrespective of whether or not they are themselves captured by the Act) to actively implement adequate measures to identify, assess and address the risk of modern slavery in their own operations, supply chains and investment activities.

3.1 Commitments

VFMC is committed to responsible labour practices. VFMC seeks to:

- avoid causing or contributing to adverse impacts associated with modern slavery practices through its own activities (i.e. direct impacts); and
- prevent or mitigate the adverse impacts associated with modern slavery practices where it has not directly contributed to that impact, but the impact is nevertheless linked to its operations and supply chains, including investment, by a business relationship (i.e. indirect impacts).

As part of VFMC’s commitment to addressing modern slavery risks, we are focused on five areas of implementation:

1. Staying informed of emerging trends and material human rights issues in our operational and supply chains including in our investment portfolios
2. Continuing to build our understanding of the potential risk of modern slavery practices connected with our operations and supply chain (including our investment portfolios)
3. Embedding modern slavery due diligence in our operations, procurement and investment decision making processes
4. Investment stewardship activity to influence positive change at investee companies and at external fund managers
5. Collaborating with peers and industry groups to collectively drive change at a market wide and policy level

We are committed to evolving and improving our modern slavery program over time. VFMC will also publish a Modern Slavery Statement as required by the Act.

3.2 Responding to identified cases on modern slavery practices

VFMC has measures in place designed to avoid direct modern slavery impacts through its own activities. In the unlikely event that VFMC identifies that it has caused or contributed to direct modern slavery impacts it will take action to address and cease such activity and will provide for, or cooperate in, the remediation of that impact in a fair and equitable manner.

Where VFMC is indirectly linked to modern slavery impacts through its business relationships, VFMC will not be responsible for remediating the impact but instead will aim to use its influence to promote a change in the supplier's or investee company's business practice. In our investments, this will typically take the form of engagement with investee companies, fund managers and other suppliers as well as policymakers and other like-minded investors.

Where a modern slavery impact is irremediable or where an investment manager, other supplier or investee has consistently, over a set time-frame failed to implement appropriate due diligence measures regarding modern slavery risks in their own operations or supply chain, VFMC reserves the right to terminate any contract or cease to hold an investment in our portfolio.

Where required by law VFMC will report any identified instance of modern slavery practice to the relevant authorities.