

VFMC Modern Slavery Policy

October 2021



Improving the future prosperity of Victoria

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1 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**) that 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 Investment Stewardship Policy. As such, this Modern Slavery Policy should be read in conjunction with our Investment Stewardship Policy.

2 Our Expectations

It is essential for VFMC that its suppliers have legally compliant and responsible labour practices in place. 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 operations, supply chains and investment activities.

2.1 Commitments

VFMC is committed to responsible labour practices and seeks to:

- Avoid causing or contributing to adverse impacts associated with modern slavery practices through its 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).

From an investment management perspective, VFMC evaluates modern slavery and other ESG risks as part of its investment management processes, including pre-investment due diligence and post investment monitoring. VFMC’s internal investment committee (TRAC) and Executive Investment Committee (EIC) maintain oversight of the investment management process and due diligence processes, which includes modern slavery risk management in VFMC’s investment management supply chain.

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 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 also publishes an annual Modern Slavery Statement as required by the Act.

2.2 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. It 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 may 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 timeframe failed to implement appropriate due diligence measures regarding modern slavery risks in their operations or supply chain, VFMC reserves the right to terminate any contract or cease to hold an investment in our portfolio.

Any instances of the modern slavery that are identified will be reported to VFMC's Audit Risk and Compliance Committee (ARCC) via the Chief Risk Officer (CRO) report.

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

3 Document Information

3.1 Document Status

Original issue date	October 2020
Current approval date	October 2021
Document category	Board level policy
Annual attestation required	No
Policy induction session required	No

3.2 Document Review and Approval

Policy role	VFMC role	Minimum review frequency	Last review date	Next review date
External review	N/A	Every two years	N/A	N/A
Owner	Head of Investment Stewardship	Annually	August 2021	August 2022
Approver 1 (ELT member)	CIO	Annually	August 2021	August 2022
Approver 2 (Management committee)	ORMC	Annually	September 2021	August 2022
Approver 3 (Board committee)	ARCC	Annually	October 2021	October 2022
Approver 4 (Board)	Board	Annually	October 2021	October 2022

3.3 Document History

Version	Date	Summary of changes
1.0	October 2020	First issue
2.0	October 2021	Second issue, minor amendments and updates