

# Modern Slavery Statement

Wellington Management Australia Pty Ltd ABN 19 167 091 090

Financial Year Reporting Period: 1 January 2022 to 31 December 2022

WELLINGTON  
MANAGEMENT®

## INTRODUCTION

This document is a Modern Slavery Statement (Statement) issued by Wellington Management Australia Pty Ltd (WMA) in accordance with the Modern Slavery Act 2018 (Cth) (Act) and has been approved by the Board of WMA as its principal governing body.

Modern slavery has been defined by the Act to include eight types of serious exploitation: trafficking in persons; slavery; servitude; forced labour; forced marriage; debt bondage; the worst forms of child labour; and deceptive recruiting for labour services.

This Statement outlines our commitment and steps taken in identifying and addressing modern slavery risks within our business and supply chain to address the requirements of the Act. Our review for the financial year 2022 found that no changes to policy nor approach are required to ensure that WMA continues to meet its obligations under the Act.

## STRUCTURE, OPERATIONS AND SUPPLY CHAIN OF THE REPORTING ENTITY

### STRUCTURE

WMA, a proprietary limited company organised in Australia (ABN 19 167 091 090), is an investment manager, and holds an Australian Financial Services Licence (no. 462912). WMA does not own or control other entities.

WMA is 100% owned by Wellington Management Global Holdings, Ltd., a Bermuda-domiciled holding company. The ultimate parent company of the Wellington Management organisation is Wellington Management Group LLP, a Massachusetts private limited liability partnership owned by 204 partners, all fully active in the business of the firm and which has operations in North America, Europe and Asia Pacific regions. Approximately 1000 investment professionals are employed across the Wellington Management Group (Wellington Management).

Sydney, Australia (36 employees)	Address
Wellington Management Australia Pty Ltd	Level 30 180 George Street Sydney NSW 2000 Australia Telephone: +612-8233-6400

All employee data is as of 31 December 2022

### OPERATIONS AND SUPPLY CHAIN

WMA is engaged exclusively in investment management and serves as a trusted adviser and strategic partner to professional investors and wholesale clients.

As an investment manager, we have a relatively simple supply chain built around supporting our investment management practice. The external vendors we procure goods and services from primarily fall into four broad categories:

- **Professional and employee related services:** such as legal, tax, audit/accountancy advice; external investment research providers; external training and recruiting providers; employee insurance and benefit providers.
- **Workplace services:** services which support the running of our day-to-day business (e.g., cleaning, catering, office equipment maintenance services and property management).
- **Technology and data services:** systems, software and hardware purchased to provide the technology infrastructure required to undertake our business; market data services.
- **Travel services:** as a global organisation serving clients in many different countries, our staff undertake global travel; as such, we engage with a number of travel service providers.

## **RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAIN**

As a professional financial services organisation, WMA considers the risk of modern slavery within its Australian business operations to be low, given the nature of the business undertaken. However, we recognise that there may also be modern slavery risks through its supply chain and investment management activity.

### **INVESTMENT MANAGEMENT RISK**

In order to assess a company, we believe there are multiple factors we should consider.

- **Sector/industry exposure risk:** Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. Indicators of this type of risk include the use of unskilled, temporary or seasonal labour, use of short-term contracts and outsourcing, use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible (i.e., at night), security and cleaning.
- **Geographic risk:** Certain countries may have higher risk of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors.
- **Entity risks:** Certain entities may have exposure to modern slavery risks because of poor governance structures, a record of treating workers poorly or a track record of human rights violations.

Our clients are invested in a variety of investment strategies, including both commingled funds and separate accounts, with broad global and regional supply chains. As such, the underlying companies in which we invest span many sectors/industries, countries and entities, some of which have increased exposure to modern slavery risks. We acknowledge that the risks of modern slavery may be heightened in some of our investee companies' supply chains and operations as a result of the geographical location of some suppliers and areas of operation.

### **SUPPLY CHAIN RISK**

The nature of our business along with the high standards we have for ourselves and that we expect from our suppliers is reflected in our overall assessment that the risk of slavery and human trafficking in our supply chain is low. However, Wellington has taken a risk-based assessment to our evaluation of suppliers. Each supplier is evaluated on a case-by-case basis. This evaluation is based on a combination of the supplier's geographic location(s) and the sector(s) in which it operates. Particular consideration is given when a supplier operates in a region and/or industry that has been determined to be more susceptible to slavery and human trafficking.

## **ACTIONS TAKEN BY THE REPORTING ENTITY TO ASSESS AND ADDRESS RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES**

### **POLICIES AND PROCEDURES**

We are committed through our Corporate Sustainability Initiative (CSI) to incorporating socially and environmentally sustainable behaviour into everything we do, including sound governance and engagement with our employees, our community, and our environment. We utilise our procurement procedures and employment policies to raise awareness

of the Act with employees and suppliers to help mitigate the risks of slavery and human trafficking in our business. These global policies and procedures include:

- Code of Ethics
- Safe Work Environment Policy
- Equal Employment Opportunity, Discrimination & Harassment Policy
- Global Escalation of Concerns Policy and associated hotline
- Reference Checking

Our Global Escalation of Concerns Policy is intended to ensure that every Wellington employee knows about and has access to effective avenues to voice any concerns regarding wrongdoing or misconduct at the firm. This policy is supported by our third-party "Concerns Hotline," which enables employees to raise concerns on an anonymous or attributed basis via phone, internet, email, or mail. In addition to reinforcing the importance of voicing concerns, the policy also makes clear that the firm will not tolerate any form of retaliation against an employee who acts to voice concerns. Employees are also encouraged, and in some cases our policies require, that they share any concerns they may have regarding misconduct or wrongdoing with their immediate line manager, or an appropriate representative from our Employee Relations / Human Resources department. In addition, we provide mandatory training on anti-money laundering and anti-bribery and corruption to all new employees, and annual training to all employees across WMA. Through the training employees are directed to share any concerns relating to money laundering with the firm's anti-money laundering officer.

## **SUPPLY CHAIN**

WMA is committed to continuously improving awareness and responding to the risk of modern slavery in its operations and supply chain. The nature of our business activities and the high standards that we expect from both our suppliers and ourselves is reflected in our overall assessment that the risk of modern slavery in our supply chain is low. We have a centralised procurement function responsible for Wellington Management's vendor management processes globally. Within this function, there is a Third-Party Risk Management (TPRM) team that initiates the due diligence review process for new suppliers as well as periodic ongoing reviews for certain existing suppliers.

In order to assess and reduce risk, we undertook a review of suppliers utilised during the 2022 financial year, along with our procurement and vendor oversight processes. As part of our initiative to identify and mitigate slavery and human trafficking risk, we have taken a risk-based approach to our evaluation. Where applicable, we may incorporate modern slavery related provisions in our contractual agreements, and we may also request that a supplier provide information regarding the necessary actions it has taken to prevent or remediate modern slavery in its business or its supply chain. Third party service providers are identified and reviewed for potential modern slavery risks at onboarding, based on risk factors such as the third party's industry and country of operation. Should any supplier be found to use modern slavery in any part of their supply chain and/or their business, it will result in remediation discussions and ultimately could result in contract termination.

Over this reporting period, we have made progress in implementing actions to assist in addressing the modern slavery risks associated with our supply chain. These include reviewing and, where necessary, updating due diligence procedures, and reviewing our suppliers' statements specifically related to Modern Slavery. We also conducted focused training for members of the procurement and third-party risk team.

## **INVESTMENT MANAGEMENT**

Wellington Management is taking a multi-layered approach to tracking and managing the risk of modern slavery in client portfolios. First, we seek to provide training to investment teams (including portfolio managers and research teams), and product management operating in high-risk sectors and regions to increase their understanding of modern slavery, how incidents and risks may show up in securities, and key questions to consider when meeting with company and

country leadership. Second, we work closely with data providers to ensure we understand their latest screening tools and to appropriately incorporate data into Wellington research. Additionally, we have developed a proprietary survey that investment teams may leverage to assess the quality of investee company awareness and diligence in managing this risk in their own operations and supply chains. In order to assess a company, we believe there are multiple factors we should consider.

- **Industry:** Products and services linked to the use of low skilled labour or where the use of migrant labour is common in the production and/or delivery the products and services are at highest risk of modern slavery. These commodity-like/low-skilled workforces typically have less power in the workplace and workers are more easily substituted if they complain about working conditions and worker rights. As a result, findings of Modern Slavery are most commonly found in specific industries. Recognizing the industries where this risk is highest is a critical part of focusing our effort and is an exercise led by our Environmental, Social and Governance (ESG) Analysts.
- **Country:** Governments play a critical role in developing and implementing the laws, policies, and programs needed to prevent and respond to Modern Slavery risk. The Global Slavery Index is produced by a globally recognized NGO with a long track record of assessing Modern Slavery risk and generating in depth research at a country and product level. To that end, the Global Slavery Index has created a Government Response index which includes an assessment of the actions governments are taking to respond to Modern Slavery: <https://www.globalslaveryindex.org/2018/methodology/government-response/>. The framework was developed in consultation with an independent Expert Working Group (“SME Group”) and is based on findings from NGO research and scholars in fields related to modern slavery, such as harmful traditional practices, health, social welfare and migration.  
This assessment is based on tracking government progress towards the achievement of five milestones across 28 activities, where each country is awarded a % score in the range of 0-100, with 100 being the highest possible score. 181 countries have received ratings as part of the Global Slavery Index’s analysis. Country Risk Scores are tracked and monitored in a master spreadsheet maintained by a group of subject matter experts within Wellington comprised of relevant ESG Analysts, Sustainable Investment researchers, and investment directors.
- **MSCI Controversy Score:** MSCI ESG Controversy scores allow institutional investors to analyze a company’s significant social, environmental, and governance impacts by identifying company involvement in major ESG controversies, adherence to international norms and principles, and assessing company performance with respect to these norms and principles. Given that our focus is on reducing risk of forced or child labour practices in company business operations and supply chains, we are leveraging the “Labor Rights” scores specifically related to these topics. All MSCI Controversy scores are tracked and monitored in a master spreadsheet maintained by a group of subject matter experts within Wellington comprised of relevant ESG Analysts, Sustainable Investment researchers, and investment directors.
- **Company Survey:** Investment teams have access to proprietary company surveys. A scoring system was designed by a group of subject matter experts within Wellington comprised of relevant ESG Analysts, Sustainable Investment researchers, and investment directors. Surveys are scored out of a possible 100 points, with more weight allocated to questions that we believe are more critical to helping companies effectively reduce Modern Slavery risk throughout their business operations and supply chains.

Ongoing interactions between the centralised Sustainable Investment Team and investment teams related to company engagement, proxy voting, and portfolio reviews are all opportunities to educate investment teams on ESG issues and trends. Investment teams take part in our ongoing dialogue with companies, and we share engagement information

using a central collaboration platform. Investment teams regularly discuss issuers, write investment notes and make comments in our daily morning investment meeting. This collaboration is a form of ongoing training within our firm.

In addition, Wellington Management maintains multiple internal e-mail distribution lists related to ESG and sustainable investing in order to facilitate information sharing across multiple functions of the firm. Content shared in this forum could include trends or common questions among clients of a certain channel and recent academic studies regarding ESG.

We have become increasingly aware of the pernicious nature of modern slavery—particularly the potential for supply chains and those not directly controlled by companies marketing goods to end users—to be at greater risk for human trafficking and other human rights abuses. Wellington Management is regularly reviews of the ways in which we can improve our due diligence and engagement efforts on this issue across our clients' portfolios.

## **HOW THE REPORTING ENTITY ASSESSES THE EFFECTIVENESS OF ACTIONS TO ASSESS AND ADDRESS RISKS**

Addressing the risk of Modern Slavery within investment portfolios starts with investment team awareness of the risk and where these risks are likely to be elevated. In 2022, Wellington's sustainability team, in partnership with our product management groups, led multiple trainings for investment teams acutely exposed to modern slavery risks particularly in emerging markets. These trainings were supplemented through investment team discussion in common investment team forums such as distribution lists and notes.

We also continued to broaden our research on supply chains and labour rights, with the goal of better assessing risks and promoting the adoption of modern-slavery risk-management best practices in our investee companies. These efforts included improving our data platforms and related insights and expanding the use of due diligence tools, including our proprietary engagement survey. Across Wellington globally, our investment teams may use collected survey results, as well as research conducted by our ESG analysts within their sector ESG materiality frameworks, to assess the quality of investee company awareness and diligence in managing labour risk. Our supply-chain-management engagement survey has so far been shared with more than 350 companies and serves two main purposes. First, it enables us to better understand and assess a company's policies and procedures for managing modern slavery risk across its business operations and supply chains, as well as any progress the company has made through time on adopting responsible business practices with regards to labour management. Second, it enables our investment teams to identify companies where there is room to improve their policies and procedures, and which may benefit from enhanced engagement on the subject. Our investment teams may use collected survey results to assess the quality of investee company awareness and diligence in managing labour risk.

We also strengthened our engagement capabilities on labour rights and modern slavery in 2022. As part of our integration efforts with regards to these topics, our research teams closely collaborate with portfolio managers client account teams to engage with external stakeholders such as issuers and data providers in cases where we believe engagement may help mitigate risk to the portfolio. To that end, at the group level globally, Wellington Management recorded 31 meetings across 22 issuers specifically focused on human rights/modern slavery in the 2022 fiscal year.

In order to ensure the effectiveness of our actions as it relates to modern slavery risk in WMA's supply chain, the centralized procurement team (inclusive of Third Party Risk) periodically reviews our risk assessment and procurement processes to ensure they remain up to date and appropriate (leveraging a risk-based approach). As an additional measure, we reviewed a subset of the suppliers paid by WMA in calendar year 2022 to ensure where appropriate, such suppliers are committed to adhering to the Modern Slavery Act.

## **CONSULTATION PROCESS**

As there are no subsidiaries or entities owned or controlled by WMA, this requirement is not applicable.

## **OTHER RELEVANT INFORMATION**

There is no other relevant information for this reporting period.

## **APPROVAL**

This Statement was approved by the Board of Directors of Wellington Management Australia Pty Ltd on 14 June 2023.

Signed by:

A handwritten signature in black ink, appearing to be 'Aisling Freiheit', written in a cursive style.

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Name: Aisling Freiheit

Title: Director