

Platinum Asset Management Limited (ASX: PTM)

# Modern Slavery Statement

FINANCIAL YEAR 2019-2020





## Modern Slavery Statement

### 1. Introduction

This modern slavery statement (**Statement**) is made by Platinum Asset Management Limited (ABN 13 050 064 287) (**PTM**) on behalf of the entities listed in the table below.

It covers the period 1 July 2019 to 30 June 2020 and has been produced in accordance with Australia's *Modern Slavery Act 2018* (Cth) (**MSA**).

Platinum Group	Reporting Entities as defined in the MSA	Voluntary Reporting Entities as defined in the MSA
<b>Platinum Corporate Entities:</b>		
• Platinum Asset Management Limited	Yes	
• Platinum Investment Management Limited ( <b>Platinum, we, our or us</b> )	Yes	
• Platinum Asset Pty Limited	Yes	
<b>Platinum Managed Funds:</b>		
• Platinum Investment Management Limited as the responsible entity for its registered managed investment schemes <sup>1</sup>		Yes
<b>Platinum Listed Investment Companies:</b>		
• Platinum Capital Limited		Yes
• Platinum Asia Investments Limited		Yes

For the purposes of this Statement the **Platinum Corporate Entities**, the **Platinum Managed Funds** and the **Platinum Listed Investment Companies** are collectively referred to as the **Platinum Group**.

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<sup>1</sup> Platinum International Fund; Platinum International Fund (Quoted Managed Hedge Fund); Platinum Unhedged Fund; Platinum Global Fund; Platinum Asia Fund; Platinum Asia Fund (Quoted Managed Hedge Fund); Platinum European Fund; Platinum Japan Fund; Platinum International Health Care Fund; Platinum International Brands Fund; Platinum International Technology Fund.



This is a joint Statement prepared and lodged on behalf of PTM, Platinum and Platinum Asset Pty Limited. It also serves as a voluntary statement, presented on behalf of the Platinum Managed Funds and the Platinum Listed Investment Companies as noted above.

A joint Statement is appropriate given the commonality of the supply chains within the Platinum Group and the fact that the Platinum Corporate Entities operate under common policies with the parent company PTM.

The Statement sets forth the Platinum Group's ongoing commitment to identify and address modern slavery risks arising in the Platinum Group's corporate supply chains and investment portfolios. It also provides details of the Platinum Group's approach, policies and plans to continuously improve and strengthen its commitment to ensuring respect for human rights and freedom from modern slavery.

## 2. Organisational Structure

PTM is a company listed on the Australian Securities Exchange. It is the holding company of a number of subsidiary companies, and in particular of Platinum Investment Management Limited (ABN 25 063 565 006) (**Platinum**) through which the funds and asset management business is carried out.

The Platinum Corporate Entities' business operations are all carried out in Australia through Platinum, which has over 100 employees. Platinum is also the responsible entity of the Platinum Managed Funds and provides standalone discretionary investment management services to a number of clients.

The Platinum Listed Investment Companies have no employees, only non-executive directors and Platinum is the principal supplier of investment and administration services to the Platinum Listed Investment Companies.

The Platinum Group's response to modern slavery was led by Platinum's Environmental, Social and Corporate Governance working group (**ESG Working Group**), comprising of senior representatives from Platinum's Legal, Compliance, Investment and Investment Specialist teams. The ESG Working Group is sponsored by Platinum's Director of Investor Services and Communications and Platinum's Chief Investment Officer, who are both Executive Directors of PTM and Platinum. In preparing this Statement, representatives of the ESG Working Group consulted with the board of directors of each of the entities named above.



### 3. United Nations Principles for Responsible Investment

The United Nations and Walk Free Foundation estimate that there are approximately 40 million victims of modern slavery around the world<sup>2</sup>. Platinum believes freedom from slavery is a fundamental human right and that entities have a responsibility to respect human rights in their operations and supply chains.

On 7 January 2021 Platinum became a signatory to the United Nations Principles for Responsible Investment (**UNPRI**). The United Nations Sustainable Development Goals (**UN SDGs**) are an articulation of the world's most pressing sustainability issues and as such act as the globally agreed sustainability framework. Platinum supports the UN SDGs and notes that as part of the UN SDGs, the international community has committed to end modern slavery by 2030 (Target 8.7). The UN Guiding Principles on Business and Human Rights (**UN Guiding Principles**) seek to set a global standard for addressing adverse human rights impacts linked to business activity.

### 4. Platinum's business

2021 marks 27 years since the founding of Platinum. From small beginnings with four investment professionals and a handful of support staff working from a makeshift office, Platinum has grown into one of Australia's most trusted global equities managers with \$25 billion under management (as at 31 January 2021).

Platinum's business is managing clients' money. We charge clients fees for doing so and these fees are our chief source of revenue. Platinum has a simple core belief: if we responsibly and successfully look after our clients' money, our business should prosper. A failure to understand and commit to this priority will not result in an enduring asset management business.

This belief has led Platinum to maintain a deep and consistent commitment to sustainable business practices and responsible investment management. In particular, we consider that the following themes are key to the long-term sustainability of our business:

- being a responsible money manager;
- Environmental, Social and Corporate Governance (**ESG**) considerations in investing;
- putting clients' interests first – valuing independence and transparency;
- advocating for change and engaging with policymakers;
- engaging with our employees;
- contributing to the community; and
- being environmentally and socially responsible.

### 5. Modern Slavery risks

Platinum recognises that modern slavery is a significant worldwide problem. Based on our business model, our exposure in our supply chains to the risks of modern slavery arises from two main sources: (i) our corporate supply chain; and (ii) within the investment portfolios we manage.

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<sup>2</sup> Global Slavery Index [2018] Dataset, Walk Free Foundation available from [www.globalsslaveryindex.org](http://www.globalsslaveryindex.org)



## 6. Combating Modern Slavery in our Corporate Supply Chains

Platinum's principal suppliers consist of professional services firms providing services in relation to the running of our operations and provision of investment services, businesses that we engage in relation to our premises i.e. cleaning and catering services, IT systems, stationery services, printing and other office and business support services. Platinum is also the principal supplier to the Platinum Listed Investment Companies, supplying investment management and administration services.

### ***Supplier risk assessment***

One of the first steps we undertook was to develop a risk-based approach to analysing modern slavery risk in our existing supply chain. We considered each category of supplier against a number of risk factors, including:

- (i) sector risk, geography risk, product and services risks and complex entity risks; and
- (ii) the most 'severe' risks (i.e. those that would cause the greatest harm to people).

In addition to this we also assessed all of our suppliers where our annual spend was above a certain materiality threshold.

Using these criteria, we identified our key priority risk suppliers (**Tier 1 Suppliers**) and carried out an assessment of any modern slavery risks by:

- developing a modern slavery questionnaire which was sent to our Tier 1 Suppliers to assist us in identifying any areas for further due diligence;
- overlaying this by analysing external modern slavery risk data from third parties such as Sustainalytics, Media Check and FactSet.

### ***Strengthening our supplier contracts***

One of the key ways we have sought to ensure that our suppliers meet our expectations is to include clauses in our supplier contracts that directly address modern slavery risks. We are advanced in updating our Tier 1 Supplier contracts with these clauses.

A review of our Tier 2 moderate risk suppliers (**Tier 2 Suppliers**) is underway and we will continue to work through these suppliers over the coming reporting period.

## 7. Our Investment Team's approach to Modern Slavery risks

Platinum is a fundamental equity investor. We believe that private enterprise plays a central role in wealth creation and social enterprise. We invest with a long-term outlook (typically five years or more) and, as part owners of the enterprises in which we invest, it is paramount they maintain their social licence to operate. Platinum views social and environmental sustainability as well as sound corporate governance as vital to a company's long-term viability, growth and profitability, which in turn affects the performance of our investment portfolios.

To this end, we have adopted the Responsible Investment Policy which affirms our commitment to responsible investing and outlines our approach to:

- incorporating ESG considerations into our investment process;
- engaging with companies; and
- proxy voting.



The ESG factors that we may examine in our integrated analysis are wide-ranging and depend on the specific industry as well as the geographic location of the particular business. Some examples include, but are not limited to:

- environmental: carbon footprint, resource depletion and waste management.
- social: working conditions and industrial relations, community resettlement (e.g. by mining companies or real estate developers), product safety and cybersecurity.
- governance: executive compensation, board independence and diversity, as well as having processes in place to prevent fraud and other malpractice.

Accordingly, modern slavery risks are assessed by Platinum's investment team as part of our broader approach to ESG.

Consistent with the Responsible Investment Association Australasia, Platinum has identified specific countries and industry sectors which we consider to be high risk. These are<sup>3</sup>:

- Agricultural and fishing industries, e.g. coffee from Latin America and Africa, fish from Thailand, Cambodia, Indonesia and various African countries, palm oil from Sierra Leone and south-east Asia, rice from Brazil, India, Kenya, tea from east Africa, tobacco from various countries in South America and Africa.
- Apparel industry e.g. cotton from Uzbekistan, Egypt, Turkey, Turkmenistan as well as several African and other Asian countries. Leather from Pakistan, India and Bangladesh and textiles from Bangladesh. Also, garment production in e.g. Malaysia, China, India, Turkey and Jordan.
- Construction and building materials industry, e.g. bricks manufacturing in Asia and South America, coal production in some Asian countries and construction in the Middle East.
- Mining industry, particularly, e.g. copper, gold, tin, coltan and tungsten from the Democratic Republic of the Congo (DRC) in Africa as well as several other West African countries, Indonesia and South America.
- Electronics and electronics recycling industry, particularly China.

If a company operates within these countries or sectors, our investment team will assess their operations and supply chains and, if any material risks are identified, will engage with management to understand the actions they are taking. Platinum also leverages external tools to identify modern slavery risks more generally across our investment portfolios through the use of Sustainalytics, Refinitiv, FactSet, and the Walk Free Foundation.

## 8. Our Modern Slavery Policy

Platinum has developed a Modern Slavery Policy which reflects our commitment to acting ethically and with integrity in all of our business relationships, and to implementing effective systems and controls to identify and mitigate the risks of modern slavery in our supply chains.

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<sup>3</sup> *Investor Toolkit: Human rights with focus on Supply Chains*, produced by the Responsible Investment Association Australasia, August 2018, page 5



Our Modern Slavery Policy also sets forth our ongoing commitment to continuously improve in this area, outlines who is responsible for the day to day implementation of the policy as well as what employees should do if they become aware of any breaches of the policy. The policy addresses the consequences in the event of any breach of the policy and provides details of the training that Platinum provides employees in order to identify modern slavery practices.

## 9. Associated Policies

Platinum has always held high standards of integrity in all aspects of its operations and has put in place robust policies and procedures aimed at preventing unlawful, unethical or improper conduct. Platinum's Modern Slavery Policy, operates alongside a number of other policies which contribute to the identification, assessment and mitigation of modern slavery risks that we may be exposed to, namely Platinum's:

- ***Diversity and Inclusion Policy and Workplace Behaviour Policy***

Platinum actively promotes a culture of equal opportunity, meritocracy, fairness and equality. Our Diversity and Inclusion Policy and Workplace Behaviour Policy form the foundation of our commitment to respect and support human rights in the workplace.

- ***Whistleblower Protections Policy***

Our Whistleblower Protections Policy has been put in place to enable employees and other eligible persons to raise concerns regarding illegal or improper conduct in relation to Platinum, without fear of reprisal or detrimental treatment. Employees may raise concerns about Platinum's supplier management practices under Platinum's whistleblower protection framework.

- ***Business Rules of Conduct Policy***

Platinum's Business Rules of Conduct Policy (**BROC**) applies to all Platinum employees. The BROC sets forth Platinum's expected standards of behaviour, provides a framework for how employees should act in the workplace, and informs employees of their responsibilities with respect to confidentiality and privacy, personal trading, conflicts of interest and market trading activities.

- ***AML/CTF Program***

Platinum maintains an AML/CTF program that comprehensively identifies and evaluates money laundering risks posed to its business. Platinum recognises that the prevention of money laundering and terrorism financing is a key component of mitigating modern slavery risks in our business. Our AML/CTF program may identify concerns that require further review and investigation.

## 10. Corporate Responsibility and Sustainability Report

Platinum discloses its exposure to material sustainability risks - economic, environmental and social in its Corporate Responsibility and Sustainability Report.

This annual report discusses our strategy and performance in addressing the opportunities and challenges associated with each of these themes. It also considers our goals and initiatives against the framework of the UN SDGs as we seek to align Platinum's future prosperity with that of the broader community.



## 11. The Covid-19 pandemic

When Covid-19 took hold in Australia in March last year, Platinum promptly initiated measures to protect the health and wellbeing of our employees. We were able to seamlessly transition the majority of our employees from the office to a fully working from home arrangement, and our business has remained fully operational during this time. To support our employees, technology and other office equipment was deployed. We also kept in regular contact with our employees through regular check-ins, the creation of interest group messaging channels and online social events. Employees were also encouraged to use our Employee Assistance Program services if they needed. We are transitioning our employees back into the office but continue to closely monitor the guidance from New South Wales Health to ensure that the health and wellbeing of our employees is protected.

## 12. Looking forward

Platinum seeks to consistently improve its ability to meet ESG commitments to our clients as well as better align our investment activities with the broader interests of society. Platinum has recently recruited a dedicated ESG Investment Specialist whose primary focus will be to work closely with Platinum's Investment Team to further embed ESG considerations (including those associated with modern slavery) into our investment process. Platinum acknowledges that modern slavery risk management is an ongoing process which requires continuous improvement.

In the year ahead our key priorities are to: (i) continue to track our levels of engagement with the management of companies where modern slavery risks have been identified in our investment portfolios and the progress made by such companies in addressing any ongoing modern slavery risks; (ii) integrate our assessment of modern slavery risks into our broader procurement processes; (iii) deploy our modern slavery questionnaire to our Tier 2 Suppliers; (iv) formulate a corporate supplier engagement and remediation process; and (v) continue to refine our processes and procedures to ensure consistent alignment against the requirements of the *Modern Slavery Act 2018* (Cth).

This statement was approved by the Board of Directors of Platinum Asset Management Limited.

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*Guy Strapp*

Guy Strapp

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Director

**Platinum Asset Management Limited**

Date: 19 March 2021 | 6:17 PM AEDT





This statement was approved by the Board of Directors of Platinum Investment Management Limited.

DocuSigned by:  
*Andrew Stannard* Andrew Stannard  
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Director  
**Platinum Investment Management Limited**

Date: 19 March 2021 | 6:03 PM AEDT

This statement was approved by the Board of Directors of Platinum Asset Pty Limited.

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*Andrew Stannard* Andrew Stannard  
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Director  
**Platinum Asset Pty Limited**

Date: 19 March 2021 | 6:03 PM AEDT

This statement was approved by the Board of Directors of Platinum Asia Investments Limited on behalf of Platinum Asia Investments Limited

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*Margaret Towers* Margaret Towers  
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Director  
**Platinum Asia Investments Limited**

Date: 19 March 2021 | 7:18 PM AEDT



This statement was approved by the Board of Directors of Platinum Capital Limited on behalf of Platinum Capital Limited

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Margaret Towers

Margaret Towers

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Director

**Platinum Capital Limited**

Date: 19 March 2021 | 7:18 PM AEDT

## **Disclaimer**

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*You should also read the relevant Platinum Managed Fund product disclosure statement before making any decision to acquire units in a fund, a copy of which is available at [www.platinum.com.au](http://www.platinum.com.au)*

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