



Modern Slavery Statement

For financial year ending 30 June 2023

Introduction

This Modern Slavery Statement (**Statement**) is made pursuant to the *Modern Slavery Act 2018* (Cth). It relates to the reporting period commencing 1 July 2022 and ending 30 June 2023.

This Statement is made by LGT Crestone Holdings Limited, on its own behalf and that of its wholly owned subsidiaries, including LGT Crestone Wealth Management Limited, the operating company for the business, which holds an Australian Financial Services Licence, and procures the services and support facilities required to manage the business (collectively **LGT Crestone, we, us, our**).

This statement been completed in consultation with LGT Crestone's directors and officers and sets out how LGT Crestone identifies and addresses modern slavery risks within its operations and supply chain. It outlines the measures that we currently take and propose to take in future reporting periods to continue to improve our operations to combat modern slavery risks.

Our business and supply chains

LGT Crestone Holdings Limited is a public company that is wholly owned by the LGT Group, a privately owned global wealth management provider. The business is managed by the Executive Committee and governance oversight is provided by the Board of Directors and related committees. We have approximately 330 employees and offices in Adelaide, Brisbane, Melbourne and Sydney.

We provide investment advice, portfolio management and custodial services to wholesale and professional investors, who are predominantly Australian residents. We provide our clients with access to a wide range of domestic and international investment products – both listed and unlisted – including equities, managed funds, fixed income, cash services, capital markets offerings and structured products.

We provide advice to our clients on investment products and have products that are approved (made available to our clients if suitable for their investment portfolio) or recommended (form part of the House View on what is an optimum investment portfolio), but ultimately it is our clients' decision as to what investments they make.

We do not undertake direct investment ourselves.

Our supply chain is made up of the following:

- **Key suppliers** - provide the core services of custody, execution and clearing facilities, client portal and our core technology platform. Our key suppliers are either Australian entities or global entities with business operations in Australia and head offices located in North America, Europe and Singapore.
- **Fund/Investment Managers** – provide a range of managed funds and/or fund strategies that are offered to our clients. These entities can operate globally and offer domestic and international investments opportunities. There is a limited number of recommended external fund/investment managers who are considered our key suppliers in this category.
- **Technology** providers and support services – provide services to manage our information, communications, technology and cyber security needs. Our primary provider is located in Australia with a small number of subsidiary / support providers located offshore in North America, Europe, India and Singapore.
- **Contract suppliers** - provide business support services and operate principally in Australia although some have global operations. This category includes property services (e.g. facilities management, utilities, cleaning, waste management and security); logistics and correspondence; consulting, auditing and advisory services, marketing, printing and promotional goods and services and office supplies.

Potential risk areas

We advise as follows:

- The risk that our operations **may cause** modern slavery practices directly: We have a relatively small number of skilled employees who operate solely in Australia in clearly structured and documented roles, with appropriate supervision. We operate under local employment laws and comply with Industry Award requirements (Banking and Finance). Where our employees work from home, we have requested workplace health and safety information about their home working environments and provide appropriate support.
- The risk that our operations or actions in our supply chains **may contribute** to modern slavery practices in that we facilitate or incentivise these practices: While our supply chain generally includes professional services providers, we have identified some potential risks in areas such cleaning, waste management, security, printing, catering, recruitment agencies (sector and product risk) and information technology, maintenance, and support procurement (sector and geographic risk).
- The risk that our operations **may be directly linked to** modern slavery practices through the activities of our suppliers: The fund/investment managers span a range of geographies (including emerging markets) and sectors which may have potential modern slavery risks. However, we are not required to report on modern slavery risks associated with the investment products purchased by our clients.

Steps taken to manage potential risk areas

General approach to suppliers

We have reviewed the Australian Border Force Risk Screening Toolkit for Modern Slavery, and acknowledge that some sectors, products, services, geographic regions, and entities may have high modern slavery risks due to particular inherent factors. We further considered the International Labour Organisation (ILO) indicators of Forced Labour within our analysis.

LGT Crestone Limited has therefore conducted extensive analysis on our suppliers to assess these risk and indicators, taking into account:

- the nature of the industry of our suppliers, and the business services provided to us
- the potential presence of vulnerable people within our suppliers' operations
- whether suppliers operate in higher risk countries based on the 'Global Slavery Index'
- adverse news reports concerning our suppliers
- the insights of labour and human rights groups.

As part of this analysis to identify modern slavery risks in the supply chain, we have performed the following due diligence around supplier engagement:

- sending the modern slavery questionnaire to new suppliers (or where there is a change to the relationship with an existing supplier) and assessing the provided responses
- assessing inherent supplier risk, factoring in their industry, product and service offering and geographic location
- checking whether suppliers have issued a Modern Slavery Statement and reviewing content
- using a reputable global tool to undertake searches on suppliers for adverse media and performing further checks on alerts flagged
- additional searches on Google for adverse media on higher risk organisations
- determining an overall risk assessment whereby we allocate a risk rating to each modern slavery risk factor to determine an overall risk rating.

All new suppliers are subject to a similar due diligence approach and direct feedback by utilising our Supplier Questionnaire. We also include a modern slavery clause in new supplier contracts, where appropriate and, in future, will provide a copy of our Supplier Code of Conduct.

Employees, Recruitment and Training

We follow local employment laws (including Industry Awards: Banking / Finance) and practices in hiring employees. We undertake a regular benchmarking exercise each year to ensure that our salaries are aligned to the market.

We provide general training to all employees on Modern Slavery matters via mandatory compliance training.

Policies

A Modern Slavery Policy has been approved. In addition, we have the following policies:

- Whistleblowing Policy - we provide a mechanism for the anonymous reporting of issues if people are concerned about retaliation
- Code of Conduct - this code encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business
- Vendor Management Policy (to replace current Outsourcing Policy) - we have updated our policy (to be implemented in late 2023) and supplier contracts to make explicit reference to modern slavery risks and due diligence
- AML/CTF Program – noting that money laundering and terrorism activities can be closely related to modern slavery and human trafficking
- Fraud Policy and Anti-Bribery and Corruption Policy – assists in the identification of fraudulent and corrupt activities that may support modern slavery practices.
- Supplier Code of Conduct – denotes the ethical standards and values that we expect of each of our suppliers.

Future steps

Crestone understands the importance of continuing to develop and enhance our processes to combat Modern Slavery risks connected to our business activities. Since last year we have:

- Continued with due diligence review of our strategic partners to ensure they have a published Modern Slavery Statement. We have reviewed these statements with no issues identified.
- Continued to update our risk matrix on suppliers by industry, geography and services and developed a more specific way of measuring the effectiveness of our Modern Slavery risk processes by using the Australian Government Guidance on Risk Indicators.

In addition, we will implement targeted training for employees with purchasing responsibilities in the coming year including in relation to our contractual and due diligence requirements for suppliers and our Supplier Code of Conduct and Vendor Management Policy.

Assessing the effectiveness of our efforts

We recognise that there is a risk that Modern Slavery practices may exist within our operations and supply chains. Our general assessment of each category of Modern Slavery risks is set out below and the actions taken to minimise the risk set out below:

- Risk that our operations may cause Modern Slavery practices directly is likely to be low due to the small number of employees being less than 330 who operate in clearly structured and documented roles.
- Risk that our operations or actions in our supply chains may contribute to Modern Slavery practices is likely to be low. While our supply chain generally comprises professional and financial services providers, based on the assessment these suppliers have been identified as low risk to LGT Crestone.
- Risk that our operations may be directly linked to Modern Slavery practices through the activities of our suppliers is likely to be medium to high due to the breadth of the investment products we make available to our clients.

We also understand the importance of assessing the effectiveness of our modern slavery risk assessment processes. We recognise our approach to assessing modern slavery risk will be an evolving process and will engage in a process of improvement as we learn more about this critical risk category and any changes made to the Modern Slavery Act.

We have documented our processes and maintain spreadsheets of assessment ratings in order to have a consistent approach that generates measurable data for ongoing assessment. We will continue to use this approach to identify and assess relevant KPIs which may include:

- Levels of engagement by our strategic partners/key suppliers in discussions on modern slavery risks
- Number of suppliers willing to complete and return the Modern Slavery Questionnaire
- Number of supplier contracts with Modern Slavery clauses agreed
- Analysis of decreasing overall risk ratings of our suppliers and/or no major changes in risk ratings from the prior year.

Conclusions

We will continue to evaluate the effectiveness of our policies and procedures in combating modern slavery practices. We will publish an annual Modern Slavery Statement that outlines the steps we have taken over the financial year to identify where our supply chains and operations may be contributing to modern slavery practices, and the actions we have taken to minimise these risks.

This Statement covers 1 July 2022 to 30 June 2023 and was approved by the Board of Directors of LGT Crestone Holdings Limited on 12 October 2023.



Michael Chisholm
Chief Executive Officer
LGT Crestone Holdings Limited
19 October 2023