



**ADAMANTEM**  
CAPITAL

ADAMANTEM CAPITAL

# MODERN SLAVERY STATEMENT

This statement is made by Adamantem Capital Management Pty Limited  
("Adamantem") for the period 1 July 2019 – 30 June 2020 ("Reporting Period")

STRICTLY CONFIDENTIAL

## Foreword

At Adamantem, we believe that organisations have a responsibility to consider their role in ensuring the respect of all human rights and avoidance of human rights abuses.

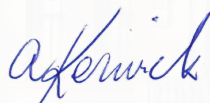
As part of our strong commitment to responsible investing, we assess and address the risks of modern slavery in the operations and supply chains of the businesses in which we invest. By submitting this Modern Slavery Statement we extend that analysis to also consider modern slavery risks within our own operations and supply chains.

Adamantem is not required to file an annual modern slavery statement under the Modern Slavery Act 2018 (Cth). However, we are voluntarily making this statement to play our part in helping to reduce risks to people, improve the integrity and quality of global supply chains and strengthen our approach to responsible investing.

This inaugural Modern Slavery Statement sets out the first steps we have taken on this journey, which we intend to use as a foundation to build upon and deepen our approach over the coming years. We look forward to continuing to work with our suppliers, and other stakeholders in the private equity and investment industries, to help raise awareness of modern slavery issues, and influence others to assess and manage the risk of harm arising as a result of business activities and relationships.



**Rob Koczkar**  
Director



**Anthony Kerwick**  
Director

***This Modern Slavery Statement was approved by the Board of Adamantem Capital Management Pty Ltd on 19 February 2021.***

*Adamantem Capital acknowledges the Traditional Owners of country throughout Australia and recognises their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.*



## Executive Summary

Modern slavery happens in all industries but is often hidden and hard to detect because of the complexity of global supply chains. Adamantem is aware that every business has the potential to inadvertently cause, contribute to, or be directly linked to modern slavery through its operations and supply chains.

Driven by a desire to more deeply embed human rights into our core business practice, Adamantem has chosen to voluntarily report under the Modern Slavery Act 2018 (Cth). This statement follows the mandatory reporting criteria in the Act and sets out:

- An overview of the Adamantem business, including details of our structure, operations and supply chains, to provide context and background
- The actions we have taken during the Reporting Period to assess potential modern slavery risks in our operations and supply chains, with a focus on how they may cause, contribute to or be directly linked to modern slavery
- The actions we have taken during the Reporting Period to address these modern slavery risks, and how we intend to assess the effectiveness of these actions going forward

Modern slavery victimises millions of adults and children who are exploited, abused, denied basic human rights and deprived of their dignity, and in framing our statement we have focused on the risk of harm to people. We consider our voluntary modern slavery reporting to be an important first step in delivering on our Responsible Investing Policy commitment:

*“Adamantem respects the protection of internationally proclaimed human rights and works to ensure that we are not complicit in human rights abuses.”*



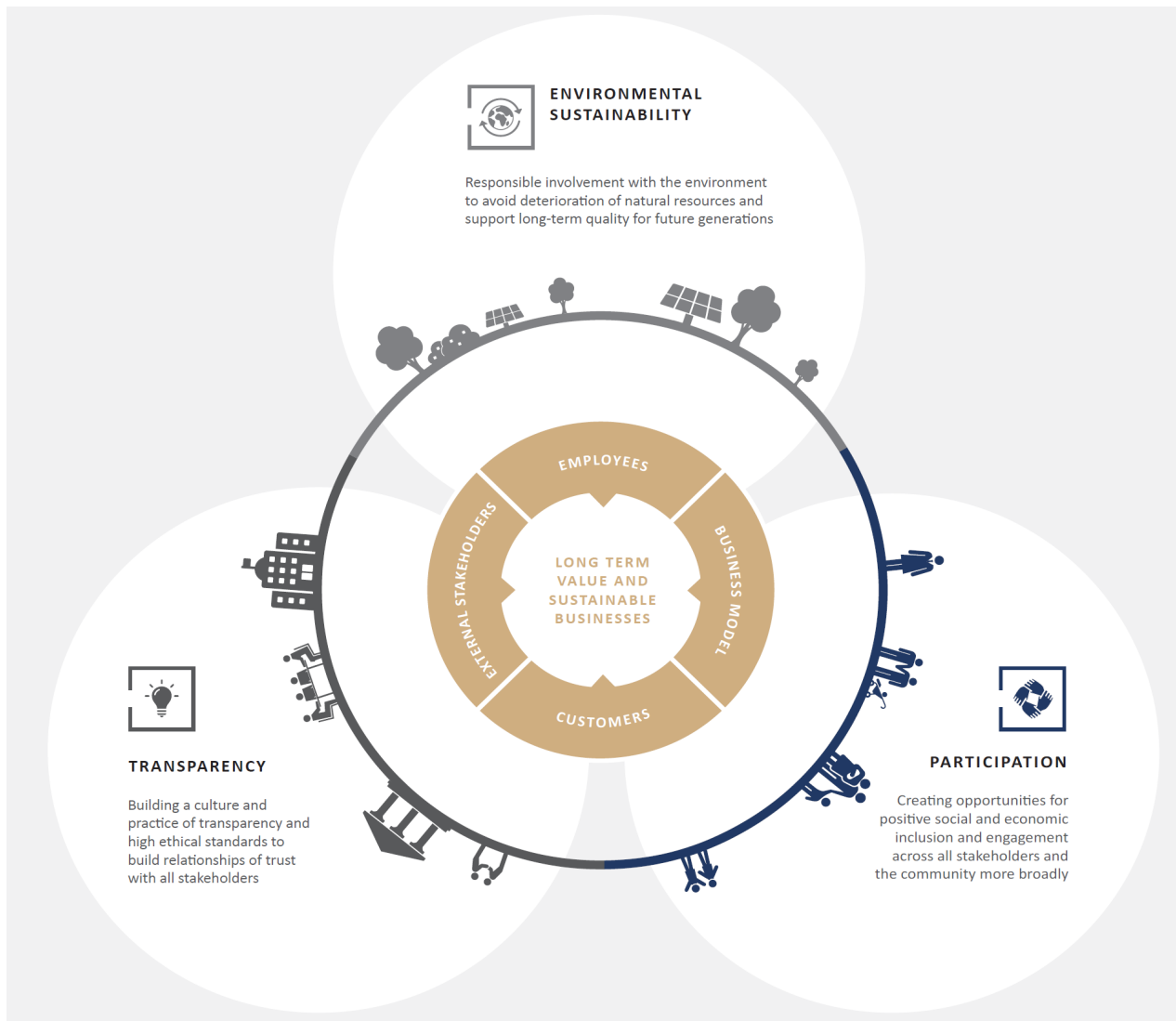
# 1. THE ADAMANTEM BUSINESS

## 1.1. About Adamantem

Adamantem Capital Management Pty Limited (ABN 31 616 283 124) (“Adamantem”) is a private equity investment manager, established in 2016, specialising in the Australian and New Zealand mid-market. We invest with conviction behind clear, well-articulated and well-researched value creation opportunities. Our ambition is to consistently produce outstanding returns for investors by supporting management teams to take considered risks to create change and grow value.

Adamantem has a strong focus on building long-term sustainability through its responsible investment approach, which aims to deliver better outcomes for investors and real-world social impact. Our responsible investing approach is built around three key pillars:

- (a) Environmental sustainability – responsible involvement with the environment to avoid deterioration of natural resources and support long-term quality for future generations
- (b) Participation – creating opportunities for positive social and economic inclusion and engagement across all stakeholders and the community more broadly
- (c) Transparency – Building a culture and practice of transparency and high ethical standards to build relationships of trust with all stakeholders

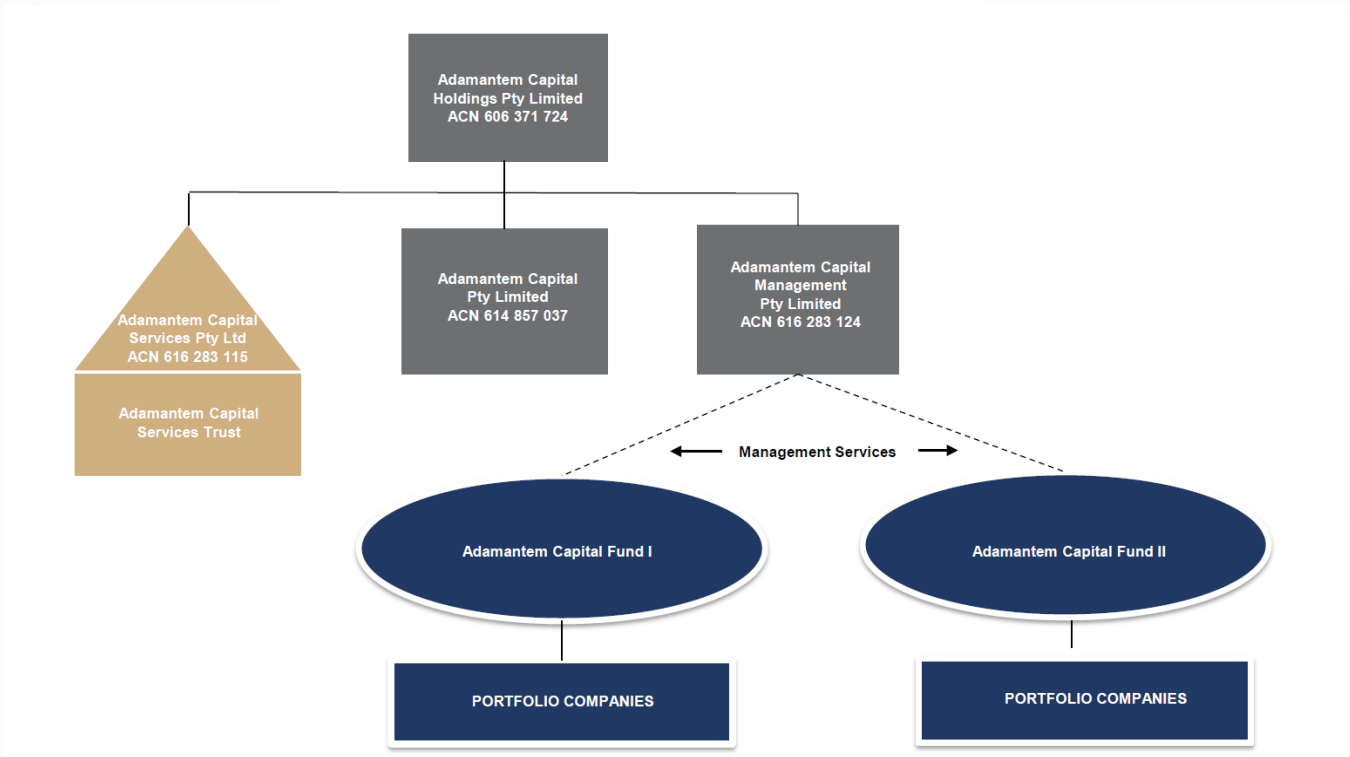


## 1.2. Adamantem's Structure

This statement is made by Adamantem<sup>1</sup>, a private company with its registered office at Level 27, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000.

Adamantem is part of the broader Adamantem Capital group of companies ("the Adamantem Capital Group").

The corporate structure of the main operating entities in the Adamantem Capital Group is set out below. All entities shown in the corporate structure are companies, other than Adamantem Capital Funds I and II, which comprise various vehicles, including limited partnerships.



Adamantem is a corporate authorised representative of Adamantem Capital Pty Limited the holder of Australian Financial Services Licence No. 492717. Adamantem Capital Services Pty Ltd is the main operating and procurement entity for the Adamantem Capital Group.

## 1.3. Adamantem's Structure

### 1.3.1. General operations

Adamantem manages two private equity investment funds ("Adamantem Funds") which have been established to make control investments in companies with an enterprise value of between A\$100 million and A\$300 million operating in Australia and New Zealand. Together the Adamantem Funds have committed capital of over \$1 billion from a variety of domestic and international investors.

Adamantem has a team of approximately 25 permanent staff, including investment and operations professionals. Adamantem is headquartered in Sydney, Australia, with all members of staff working from the Sydney CBD office or from their home in the Sydney region.

<sup>1</sup> It includes the operations of Adamantem which are conducted through the Adamantem Capital Services Pty Ltd (ABN 29 616 283 115) as trustee for the Adamantem Capital Services Trust (Adamantem Services)

### 1.2.1. Adamantem Portfolio Companies

During the Reporting Period, Adamantem Capital Fund I held investments in six portfolio companies across a range of different industries (“**Portfolio Companies**”):

 <p>HERITAGE LIFECARE* Member of Heritage Lifecare Group</p>	<p><i>New Zealand aged care and retirement operator</i></p>
	<p><i>Australian community-based healthcare business specialising in the provision of allied health and home care services to the aged and disability sectors</i></p>
	<p><i>Leading producer of processed meats in New Zealand</i></p>
	<p><i>A specialised, Australian-based data and analytics consultancy</i></p>
	<p><i>An Australian manufacturer of specialised, premium horse feed and supplements for the horse racing, breeding and equestrian markets</i></p>
	<p><i>An Australian firm that engineers and distributes electrical components for commercial and industrial buildings, power distribution networks, infrastructure and mining operations</i></p>

During the Reporting Period Adamantem Capital Fund II had not yet made any investments.

As an investment manager, Adamantem’s operations are separate and distinct from those of the companies in which it invests. As a result of the nature of these activities and the structure of the Adamantem Funds, Adamantem does not control any of its investee Portfolio Companies. This statement excludes the operations and supply chains of individual Portfolio Companies. As part of Adamantem’s investment decision making process, Adamantem does assess whether potential investments may be exposed to modern slavery risks and considers how those risks may be mitigated during the investment period . During our investment period Adamantem supports Portfolio Companies in the preparation of their own modern slavery statements under the Modern Slavery Act 2018 (Cth).

### 1.4. Adamantem’s Supply Chains

Adamantem directly procures a variety of products and services:

- Products – primarily comprise office supplies, office equipment, catering supplies and consumables for the office
- Services – primarily comprise professional services support (such as legal, accounting, financial advisory and management consultancy support), as well as services in relation to travel, telecommunications, recruitment, public relations, property rental (including cleaning) and IT support.

Adamantem’s direct supplier arrangements vary from long term relationships (for example in the case of property rental agreements) to specific project based engagements (for example in the case of professional services support on specific investment transactions). Project based engagements are, mostly, with suppliers where there is a long standing relationship and working history.

The majority of Adamantem’s material suppliers are Australian or New Zealand based.

### *Impact of COVID-19 on Adamantem's operations and supply chains*

*During the COVID-19 pandemic, Adamantem has had to significantly alter the way it operates on a day to day basis. The majority of our staff have been working from home since early 2020, and we have had to adapt and adjust to new ways of working with our portfolio companies and our suppliers. Adamantem is acutely aware that the pandemic may serve to increase the risks of modern slavery in certain instances.*

*We have taken steps to ensure the health and safety of our staff and supported our portfolio company management teams with their COVID-19 response plans, including in relation to employee conditions and supply chain management. We have sought to maintain our supplier relationships and keep open communication channels about the impact of the pandemic on working conditions and business capabilities. While the pandemic has delayed some of our modern slavery workplans for both Adamantem and our portfolio companies, we are proud that this work continued to be a high priority. For example, half-day senior management modern slavery workshops planned for portfolio companies in the first half of 2020 still went ahead (slightly delayed), re-designed and facilitated remotely. We will continue to monitor the impact of COVID-19 across our business, our portfolio companies and our suppliers and factor it into our modern slavery risk assessment and action plans, including specifically in relation to ensuring providers of PPE and any additional cleaning products and services form part of our supply chain analysis and engagement.*

## **2. MODERN SLAVERY RISKS IN ADAMANTEM'S OPERATIONS AND SUPPLY CHAINS**

### **2.1. How we have assessed our modern slavery risk exposure**

We are aware that Adamantem has the potential to inadvertently cause, contribute to, or be directly linked to modern slavery. Following our decision to voluntarily report under the Modern Slavery Act 2018 (Cth) we implemented a workplan, supported by external specialist experts, to assess the potential modern slavery risk exposure in our operations and supply chains, focusing on assessing general areas where modern slavery risks were likely to be most significant. This included co-developing:

- A "Modern Slavery Guide" to develop Adamantem's understanding of what modern slavery is, key things to look for and tools to identify high risk geographies, sectors and products/services.
- A self-assessment questionnaire and supplier modern slavery questionnaire as the first step in the assessment process, to collate a range of information in order to facilitate a deeper dive modern slavery assessment. This included identifying a list of material suppliers during the Reporting Period who were then requested to complete the supplier modern slavery questionnaire.

We assessed the modern slavery risk exposure in our operations by analysing:

- Risk factors within our own workforce
- Geographical risks based on the location of our operations
- Sector and industry risks based on the sector(s) in which we operate

We assessed the modern slavery risk exposure in our supply chains by analysing:

- Geographical risks based on the location of our material suppliers
- Product, service, and sector risks based on the nature of the products or services supplied by our material suppliers
- The level of modern slavery risk management being practised by our material suppliers

## 2.2. Findings

We have identified that the following elements of our operations and supply chains may be directly linked to potential modern slavery risks:

	Operation/Supply Chain Element	Description of potential modern slavery risks
1	<b>Procurement of services that rely on base skilled labour, which are considered at higher risk of modern slavery practices</b>	Adamantem has identified that there is a risk that we may be directly linked to modern slavery through our use of the following services: <ul style="list-style-type: none"> <li>• Premises cleaning</li> <li>• Premises security</li> <li>• Catering</li> </ul>
2	<b>Procurement of products which are exposed to higher risks of modern slavery in their production processes</b>	Adamantem has identified that there is a risk that we may be directly linked to modern slavery through our procurement of the following products: <ul style="list-style-type: none"> <li>• IT &amp; computer equipment, which often contain high risk commodities that are connected with child labour and forced labour</li> <li>• Groceries and consumables, which are exposed to sector, commodity and geographic risk</li> </ul>
3	<b>Investment in portfolio companies which operate in sectors with higher risks of modern slavery</b>	Adamantem has identified that there is a risk that we may be indirectly linked to modern slavery through our investments in portfolio companies which operate in the following high risk sectors: <ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• IT services &amp; software</li> <li>• Healthcare services</li> <li>• Agriculture/Agricultural products</li> </ul> <p>These portfolio companies may also have supply chains located in areas of high geographic risk.</p>

## 3. ACTIONS TAKEN DURING THE REPORTING PERIOD TO ADDRESS MODERN SLAVERY RISKS

During the Reporting Period Adamantem's actions focused on three general areas of modern slavery risk management:

<b>Formalising accountability and responsibility for managing modern slavery risks</b>	<b>Incorporating modern slavery risk assessments investment into due diligence and portfolio company management</b>	<b>Focusing on creating a best practice working environment for all our employees</b>
Formal briefing of the Adamantem Board on assessing modern slavery risks in operations and supply chains	Developed an updated Environmental, Social and Governance due diligence framework to apply to all investment decisions, which specifically addresses modern slavery risks	Introduced an updated formalised onboarding process for all staff, including updated Adamantem Human Resources policies and associated training
Specific allocation of responsibility for assessing and reporting on modern slavery in operations and supply chains to Director, Responsible Investing	Published Responsible Investing Policy which expressly states that Adamantem will not invest in businesses that engage in: <ul style="list-style-type: none"> <li>• "forced, compulsory or child labour practices"</li> <li>• "activities that are illegal under applicable local laws or banned by global conventions"</li> </ul>	Continued to educate staff about the Acceptable Workplace Behaviour Policy which contains complaint, grievance and remediation provisions
Published Responsible Investing Policy which expressly states "Adamantem respects the protection of internationally proclaimed human rights and works to ensure that we are not complicit in human rights abuses"	Supported two portfolio companies to assess the modern slavery risks in their operations and supply chains, including co-facilitating half day senior management workshops to develop multi-year modern slavery action plans and modern slavery statements.	Engaged an external consultant to undertake a formal cultural assessment of the Adamantem workplace, with a focus on fostering an inclusive and diverse workplace culture



Formalising accountability and responsibility for managing modern slavery risks	Incorporating modern slavery risk assessments investment into due diligence and portfolio company management	Focusing on creating a best practice working environment for all our employees
Developed a risk management framework aligned to the principles of Australian Standard ISO 31000:2018, including a risk register, which specifically addresses modern slavery risks within Adamantem, provides appropriate controls and sets out a reporting framework. Risk reporting is reviewed by the Board.	Supported portfolio companies on the development and implementation of updated whistleblowing policies	
Actively monitoring and reporting to investors on the progress of portfolio companies' modern slavery workstreams		

Adamantem is in the process of developing a multi-year modern slavery action plan based on the work done during this Reporting Period. In the short term Adamantem intends that this action plan will:

- target more closely the elements of our operations and supply chains which we have now identified have a higher risk of being directly linked to potential modern slavery risks (see Section 2.2)
- focus on strengthening our supply chain management processes and policies.

#### 4. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

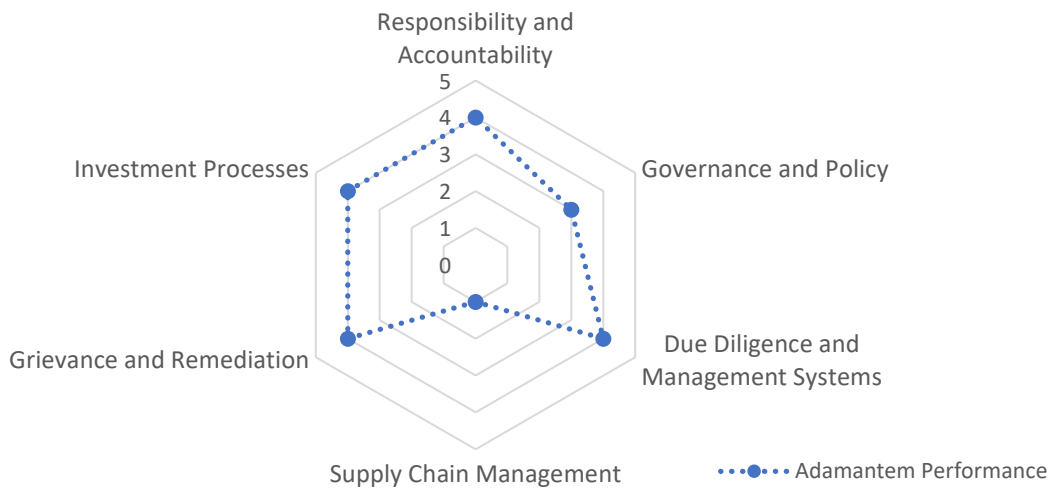
During the Reporting Period Adamantem focused on commencing our modern slavery risk assessment process and laying the foundations across the business for developing a robust approach to modern slavery risk management.

At this early stage Adamantem will assess the effectiveness of our actions to address modern slavery risks through the periodic review of the modern slavery section of our risk register.

As we develop our detailed modern slavery action plan, we intend to assess the effectiveness of our actions through:

- the development of a formal tracking and measurement framework
- understanding how our actions have improved our internal ability to manage modern slavery risks. The results of our modern slavery readiness assessment – conducted by an external advisor – set out below will serve as a baseline for us to measure the effectiveness of the actions we take to improve our internal procedures and processes.

#### MODERN SLAVERY READINESS ASSESSMENT



0 – No evidence	1 – Partial evidence of some initiatives, but not systematic	2 – Systems/Processes currently under development
3 - Systems exist, but are not appropriately resourced	4 - Comprehensive system in place	5 – Best practice and publicly reported on

## 5. OUR PROCESS OF CONSULTATION

Adamantem is the main operating subsidiary of the Adamantem Capital Group. All entities within the Adamantem Capital Group are owned and controlled by the same shareholders and have appointed the same directors who have prepared, reviewed and adopted this Modern Slavery Statement. Adamantem's internal consultation process involved engaging those shareholders and directors with other members of the Adamantem Capital Group leadership team to discuss the matters the subject of this Statement. As a result, there is a common awareness throughout the Adamantem Capital Group of modern slavery risks in the business and the actions that need to be taken.

## 6. OTHER RELEVANT INFORMATION

Adamantem's commitment to addressing modern slavery in our operations and supply chain is further reflected through the following:

- We are a signatory to the United Nations Principles for Responsible Investing and report annually in accordance with their reporting framework.
- We are a member of the Responsible Investing Association Australasia. Adamantem's Director of Responsible Investing is a member of their Human Rights Working Group and the associated First Nations Peoples' Rights sub-group.

# Company & Contact Information



## Company

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# Company & Contact Information



Adamantem Capital Management Pty Ltd (ACN 616 283 124) (authorised representative number 1250911) (Adamantem) is the investment manager of the Adamantem Capital Fund I (Fund I) and Adamantem Capital Fund II (Fund II). Adamantem only provides financial services to wholesale clients, as defined in section 761G of the Corporations Act 2001 (Cth).

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