



Orbis Global Equity LE Fund  
(Australia Registered)

Orbis Global Equity Fund  
(Australia Registered)

Modern Slavery Statement

For the year ended 30 June 2021

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## Background

This document is a Modern Slavery Statement (**'Statement'**) and is a joint Statement made pursuant to section 14 of the *Modern Slavery Act 2018 (Cth)* (the **'Act'**) in respect to the financial year ending 30 June 2021 (the **'Reporting Period'**) in relation to:

- Orbis Global Equity LE Fund (Australia Registered) ARSN 613 753 030; and
- Orbis Global Equity Fund (Australia Registered) ARSN 147 222 535,

(collectively, the **'Funds'** and each a **'Fund'**), each a 'Reporting Entity' under the Act.

The Statement is issued by Equity Trustees Limited ABN 46 004 031 298 ('ETL') as the Funds' responsible entity and has been approved by the Board of ETL as its principal governing body.

This Statement discloses each Fund's commitment and steps taken in identifying and addressing modern slavery risks within its business and supply chain, which includes the activities implemented in financial year ending 30 June 2021.

This is the second Statement for the Funds.

## Structure, operations and supply chains of the reporting entities

### About the Orbis Global Equity LE Fund (Australia Registered) and the Orbis Global Equity Fund (Australia Registered)

The Board of Directors of ETL govern the Funds' overall operations. The Funds' investments and investment strategy are managed by Orbis Investment Management Limited pursuant to an investment management agreement.

A summary of each Fund is set out in the table below:

Fund	Orbis Global Equity Fund (Australia Registered)	Orbis Global Equity LE Fund (Australia Registered)
Australian Registered Scheme Number (ARSN)	147 222 535	613 753 030
Objective	Seeks higher returns than the average of the world's equity markets, without greater risk of loss over the long term.	Seeks higher returns than the average of the world's equity markets, without greater risk of loss and after applying the exclusions. Current exclusions are companies directly involved tobacco and controversial weapons.
Investments	Aims to remain continuously invested in, and exposed to, all the risks and rewards of selected global equities.	Aims to remain continuously invested in, and exposed to, all the risks and rewards of selected global equities, after applying the exclusions.
Structure	Each Fund is an Australian-resident managed investment scheme that is registered with the Australian regulator, ASIC.	



## About Equity Trustees the Fund's Responsible Entity

ETL is a wholly owned subsidiary of EQT Holdings Ltd which is a diversified financial services company publicly listed on the Australian Securities Exchange (ASX: EQT). ETL holds an Australian Financial Services Licence ('AFSL') no. 240975. It acts as a trustee and responsible entity for a range of managed investment schemes and unit trusts, which includes the Funds. ETL's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000, Australia.

## About Orbis Investment Management Limited – the Fund's investment Manager

The Funds are actively managed by Orbis Investment Management Limited ('Orbis', 'we', 'our') through an investment management agreement between ETL and Orbis.

Founded in 1989, Orbis has been investing globally for 30 years. Since the firm's inception, its purpose has been straightforward: to empower its clients by enhancing their savings and wealth. Orbis believes it can do this by applying a fundamental, long term and contrarian investment philosophy that reflects the investment beliefs outlined below:

- Investment decisions are better driven by fundamental, bottom up research, not top-down macro forecasting
- Taking a long-term perspective allows us to focus where others don't.
- The best long-term investment ideas are often contrarian, found in areas of the market which are out of favour with most investors.
- Contrarian investment decisions are best made by individuals, not committees.
- To deliver superior investment returns over the long term, we must be prepared to build portfolios that look very different from their benchmarks.
- Risk is permanent capital loss, not short-term volatility or tracking error.

In seeking superior risk-adjusted returns for its clients, Orbis aims to invest in shares trading at a significant discount to its assessment of their intrinsic value, being the price that a prudent business person would pay for the business. Orbis is structured in a way that requires it to deliver meaningful value of money to its clients, and recognises that without the trust and confidence of its clients, the firm cannot and should not survive.

Orbis collectively manages long-only equity, balanced and absolute return mutual funds reflecting a variety of strategies, including global equities, Japanese equities and emerging market equities. There are Orbis Funds domiciled in Australia, Bermuda, Luxembourg, the United Kingdom and the United States.

Orbis is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), a voluntary framework for incorporating environmental, social and governance issues into investment and ownership decisions. The Orbis UK companies also provide a UK Modern Slavery Statement in accordance with regulations in that jurisdiction.

## Understanding modern slavery risk

The Funds' approach to understanding their modern slavery risk is to examine their operations, supply chain and investments for any indication of the following: trafficking in persons, forced marriage, forced labour, slavery,



debt bondage, servitude, the worst forms of child labour, and deceptive recruitment practices.

The Funds have performed an initial risk assessment on its immediate suppliers and investments for key inherent modern slavery risk indicators.

## Risk of Modern Slavery practices in the Funds' immediate operations and supply chains

The Funds have entered into agreements with each of its service providers which govern the nature and scope of the services provided. The Funds consider that the risk of modern slavery in these direct supplier levels to be low considering that all the suppliers are from lower risk jurisdictions as detailed by the Global Slavery Index and are regulated financial and professional services companies.

Furthermore, the Funds have engaged with each of these tier one suppliers regarding the extent to which they must adequately monitor their supply chains to ensure material compliance with all relevant legislation and regulations in the countries in which they operate.

A summary of the Funds' immediate supply chain and operations and can be found below:

Relationship	Supplier	Jurisdiction
Responsible Entity	ETL	Australia
Investment Manager	Orbis Investment Management Limited	Bermuda and as part of a global group of companies
Custody	Citibank, N.A. Sydney and Hong Kong Branches	Australia, Hong Kong and as part of a global group of companies and sub-custodians
Administrator	OneVue Fund Services Pty Ltd	Australia
Consultants	Ernst & Young (Auditors and tax advisers) PWC (tax advisers) Hive Legal and HWL Ebsworth (Legal advisers)	Australia and as part of a global group of companies

## Risks of modern slavery practices in the Funds' investments

As part of a bottom-up investment research process, Orbis considers a range of factors that might affect a company's intrinsic value, which can include environmental, social (including modern slavery) and governance ('ESG') issues. Orbis' research of ESG factors informs decisions not to invest in a company as much as it informs decisions to invest. For example, the risks of modern slavery at the company or in its supply chain may cause Orbis to revise its forecasts for a company's long-term fundamentals, or to adjust the valuation multiple assumed at the end of its investment horizon. In these ways, such considerations can impact Orbis' assessment of a company's intrinsic value – and thus its investment decisions, including position sizing.

As an example, Orbis decided in mid-2020 not to undertake further research on a UK fashion retailer due in part to concerns relating to its supply chain, including allegations of dangerous working conditions, undisclosed subcontracting and payments less than the minimum wage.



For the Funds' investments as to 30 June 2021, Orbis did not specifically screen out investment ideas due to their inherent or actual exposure to modern slavery risks. Accordingly, Orbis acknowledges that the risk of modern slavery practices might exist within the operations and supply chains of the companies whose shares are held in the Funds. For example, a small number of investee companies have direct or indirect exposure to agricultural production in developing countries with a higher inherent risk of modern slavery practices. Conversely, investee companies operating in industries such as finance or media and entertainment have a lower risk of modern slavery practices.

## Actions taken to assess and address modern slavery risks in the Funds' investments

When Orbis believes that an investee company's exposure to modern slavery risks has the potential to impact its intrinsic value materially, it may take one or more of the following actions. These actions are not mutually exclusive and Orbis may take additional action depending upon the specific modern slavery risk that is identified:

- Monitor material modern slavery risks and ESG factors of investee companies.
- Meet with company management to form a view on how effectively it is managing its modern slavery risks, and to share any concerns Orbis has in that regard.
- Vote on resolutions in a manner that is in each Fund's interest, which may be contrary to that recommended by the company's management.

In early 2021, Orbis engaged with an investee company to understand potential modern slavery risks relating to its supply chain in Asia. The investee company explained that the high-risk supplier in question was not part of its supplier network.

When Orbis concludes that modern slavery risk considerations make an investment's prospective risk-adjusted return unattractive, it would sell the position. This does not mean Orbis believes disinvestment is the solution to managing modern slavery risk. Instead, Orbis believes constructive engagement is most likely to lead to change.

Members of Orbis' investment team have access to internal guidance notes (updated during the Reporting Period) which outline best practice for identifying relevant ESG factors (including modern slavery risks), engaging with investee companies and voting at shareholder meetings. Each year, Orbis holds workshops with each investment team to ensure they understand its approach to responsible investing and to share recent experiences, including lessons learned. Workshops took place in the 1Q of 2020 and in the 4Q of 2021.

## Actions taken by ETL to assess and address risks, including due diligence and remediation processes

During the Reporting Period, ETL as the Responsible Entity of each of the Funds undertook the following actions:

- updated the annual due diligence questionnaire to include modern slavery questions designed to identify any potential risks in the supply chains of the Funds;
- undertook Modern Slavery training to the ETL Board of Directors relating to the obligations of the Act and the responsible members of the ETL Board in approving these Statements; and
- actively engaged with investment managers when any suspected modern slavery activity was detected.



## How the Funds assess the effectiveness of actions to assess and address risks

As this is the second year of modern slavery reporting, ETL as the Responsible Entity of the Orbis Global Equity LE Fund (Australia Registered) and the Orbis Global Equity Fund (Australia Registered), is in the early stages of assessing the effectiveness of the risk-based approach which includes the review of geographical jurisdictions the Reporting Entities are exposed to and the likely exposure within any investable assets that may align to areas of known modern slavery risks.

Future actions Orbis may take to assess and address modern slavery risks in the Funds' investments include:

- developing and implementing ways to screen new and existing assets in each Fund for modern slavery risks; and
- considering strategies to engage with investee companies that screen as high risk.

The Funds are focused on assessing modern slavery risk and using the risk assessment process detailed above to understand their exposure to this risk. This assessment process will change over time as the Funds continue to develop processes around identifying and assessing modern slavery risks in its overall operations and investments.

ETL intends to provide its Board of Directors with an annual assessment on the implementation and effectiveness of actions to ensure the obligations within this Statement are met. The Board shall consider the effectiveness of the measures as set out above and have the authority to make amendments to this Statement as it sees fit.

## Consultation process

There are no subsidiaries or entities owned or controlled by each of the Reporting Entities (i.e. the Funds) which are trusts. However, ETL and Orbis consulted on the preparation of this Statement.

## Other relevant information

No other relevant information for this Reporting Period.

## Approval

This Statement was approved and signed by Philip Gentry on behalf of the Board of Directors of ETL, the responsible entity of the Reporting Entities on 23 December 2021.

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Philip Gentry

Chair

Date: 23 December 2021



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For clients wishing to discuss this Statement, please contact your client service representative.

For media inquiries wishing to discuss this statement, please contact:

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