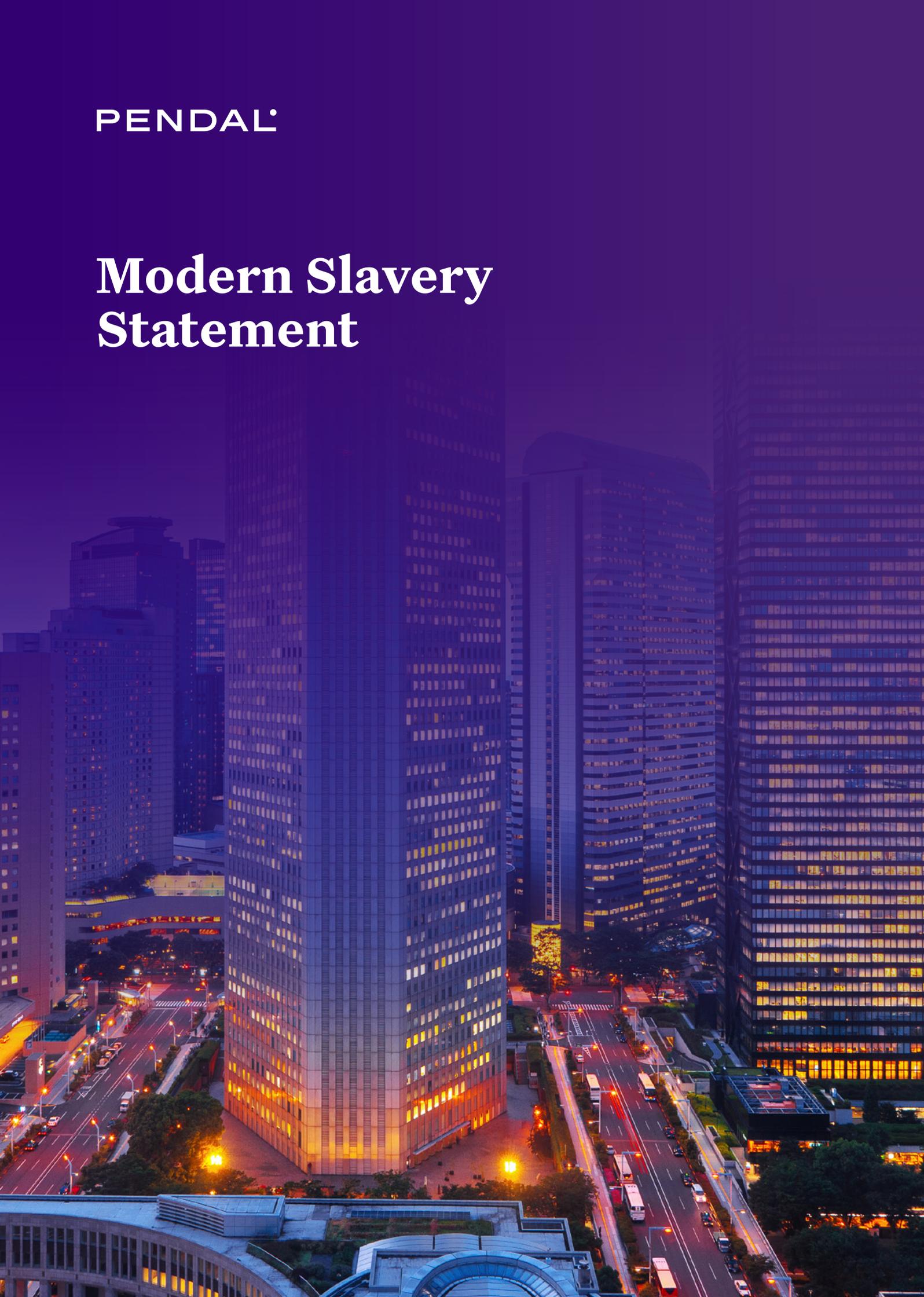


PENDAL

Modern Slavery Statement



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Scope and Purpose

This Modern Slavery Statement (MSS) applies across the Pendal Group (Group). The Group consists of Pendal Group Limited (including its Australian subsidiaries), J O Hambro Capital Management Limited (including its global subsidiaries), Thomson Seigel Walmsley (TSW)¹ and Regnan, our specialist ESG business unit.

Regulation to address modern slavery is now in place in several jurisdictions globally including the UK and Australia, key locations for Group operations. A number of other jurisdictions are also implementing forms of modern slavery regulation. We welcome these regulations and the wider global efforts to eliminate modern slavery.

As required by the Australian Modern Slavery Act 2018 (the Act), the Group has an obligation to report annually on the risk of modern slavery in its operations and supply chains. This MSS also covers our regulatory reporting requirements under the UK's Modern Slavery Act.

This MSS is for the financial year ending 30 September 2022 (FY22) and sets out the approach taken, and progress made, by the Group² to identify and address modern slavery and human trafficking risks.

Pendal Group's Human Rights Statement provides further information which supports this MSS.

This MSS report has been approved by the Group Chief Risk Officer and the Pendal Group Board during March 2023.

¹ Acquired in July 2021

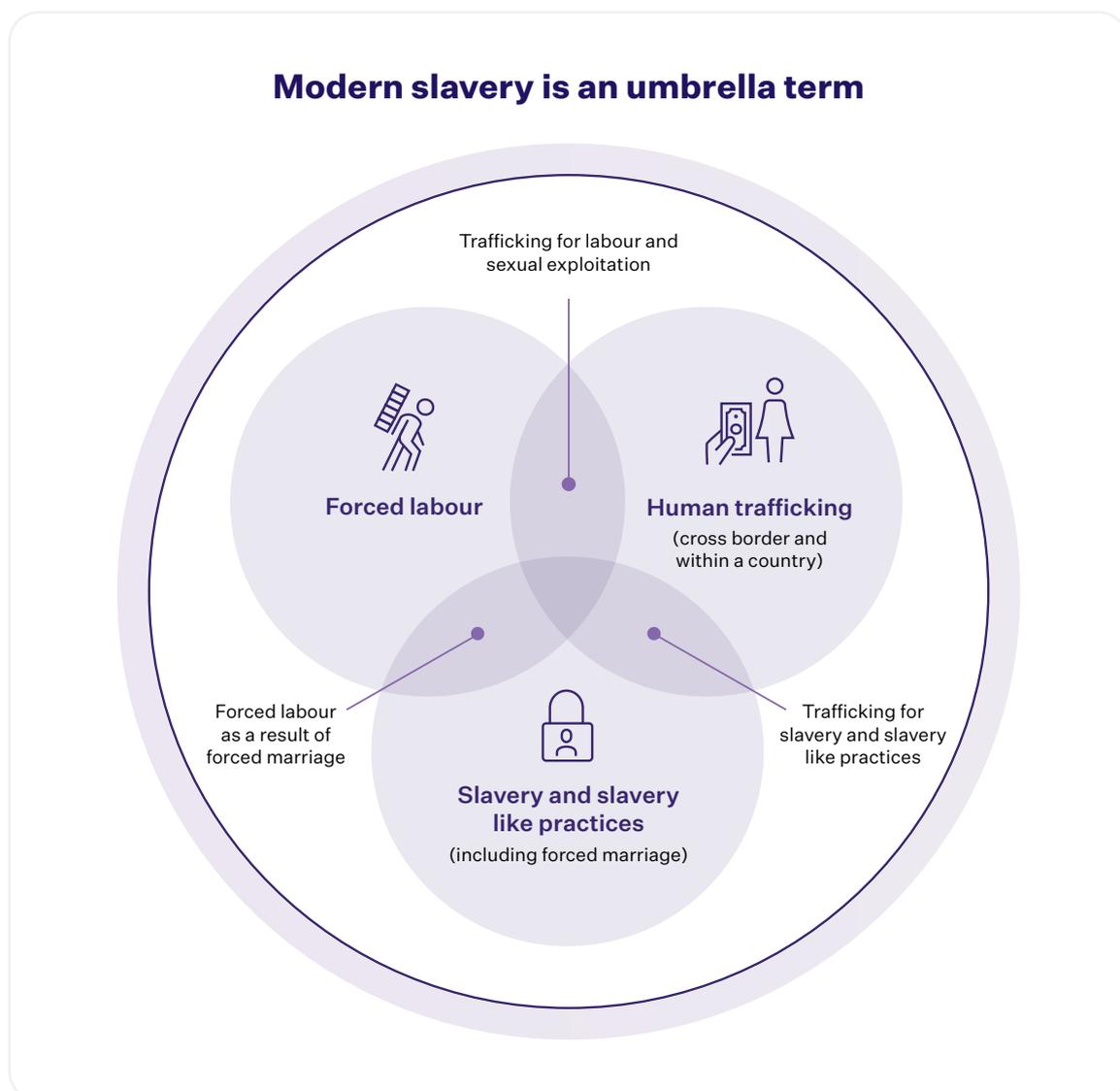
² Pendal Group became a subsidiary of Perpetual Limited on 23 January 2023



Respecting Human Rights

Modern slavery is a form of human rights abuse estimated to affect 50 million people globally.¹ Modern slavery refers to situations in which work cannot be refused or ceased due to coercion, threats or deception; and where workers may be deprived of personal freedom. Under regulation in different jurisdictions, this can be defined as including activities such as human trafficking and slavery-like practices, forced labour,

deceptive recruiting, forced marriage, and debt bondage. Whilst it is governments that have a core duty to protect human rights, we believe (consistent with the UN Guiding Principles for Business and Human Rights), that companies also have a responsibility to embed high standards to respect human rights and that all individuals and groups are equally entitled to human rights and fundamental freedoms, without discrimination.



¹ Anti-Slavery International <https://www.antislavery.org/>

Organisational Structure

The Group is a global investment management business in the financial services sector. It is incorporated in Australia and was listed on the Australian Securities Exchange (under the ticker “PDL”)¹.

As at 30 September 2022, the Group had approximately 459 employees, annual fee revenue of AUD 629.7 million and Funds Under Management (FUM) of AUD 104.5 billion.

Subsidiaries and controlled entities

Name	Country of incorporation/formation	Class of shares	Equity holding	
			2022 %	2021 %
Pendal Institutional Limited	Australia	Ordinary	100	100
Pendal Fund Services Limited	Australia	Ordinary	100	100
Regnan – Governance Research and Engagement Pty Ltd	Australia	Ordinary	100	100
Pendal UK Limited	UK	Ordinary	100	100
J O Hambro Capital Management Holdings Limited	UK	Ordinary	100	100
J O Hambro Capital Management Limited	UK	Ordinary	100	100
JOHCM Funds (UK) Limited	UK	Ordinary	100	100
JOHCM Funds (Ireland) Limited	Ireland	Ordinary	100	100
JOHCM (Singapore) Pte Limited	Singapore	Ordinary	100	100
JOHCM (USA) Inc.	USA	Ordinary	100	100
Pendal USA Inc.	USA	Ordinary	100	100
Thompson, Siegel & Walmsley LLC	USA	Ordinary	100	100

¹ Pendal Group Limited ('PDL') was removed from the ASX Official List as at the close of trading on 24 January 2023, following implementation of the scheme of arrangement between PDL and its shareholders in connection with the acquisition of all the issued capital in PDL by Perpetual Limited (ASX: PPT).

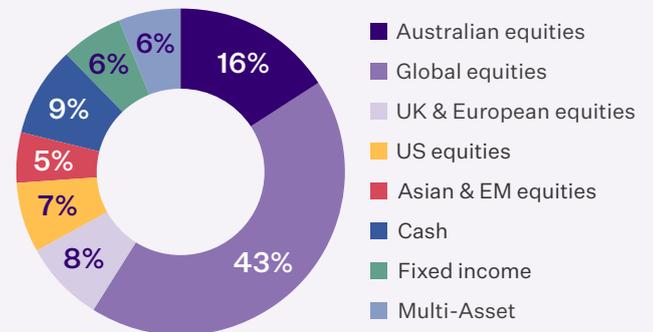
Our Business Model

The Group is focused on delivering superior investment returns for clients through active fund management. Our clients include institutions such as pension funds, sovereign wealth funds and insurance companies, as well as high net worth individuals and not-for-profit and community organisations. The core asset classes in which we invest include equities, fixed income, and multi asset investments.

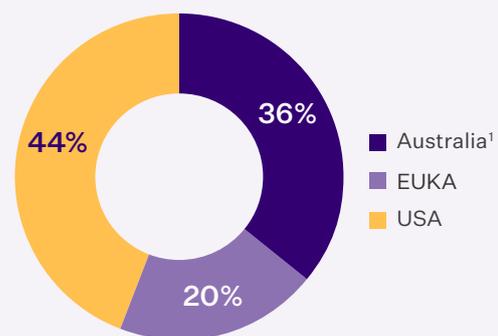
Our investment strategies, including ESG related strategies, are managed by proven and experienced fund managers who are given autonomy to make investment decisions. Investment teams are supported by an operating platform, which includes supplier management systems and processes.

We are regulated by the Australian Securities Investments Commission (ASIC), UK Financial Conduct Authority (FCA), US Securities and Exchange Commission (SEC), Monetary Authority of Singapore (MAS) and the Central Bank of Ireland (CBI).

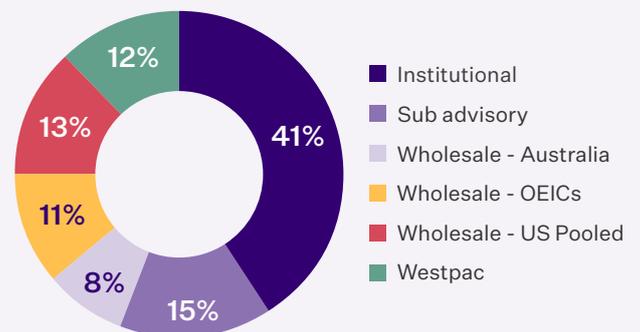
FUM by asset class¹



FUM by geography¹
(client domicile)



FUM by channel¹



Note: As at 30 September 2022

¹ Includes Australia and New Zealand

Our Operations and Supply Chain

We continue to adapt and enhance our practices and seek to minimise the risks of modern slavery through regular assessments, which support our understanding of the evolving issues in this area. These assessments, and the enhancements we are making, focus on how our operations, our supply chain and our investments may adversely affect people.

Our operations and supply chain include third parties and outsourced providers appointed for the purpose of providing investment services and supporting the business operations, which are asset management related.

Our supply chain typically consists of outsourced service providers such as administrators, custodians, registry providers, data and technology providers and external investment managers. These are typically long-term relationships, and ongoing oversight is carried out via our governance processes and as part of our regulatory responsibilities. The Group currently has approximately 1400 suppliers.



Managing Modern Slavery Risks in Our Business

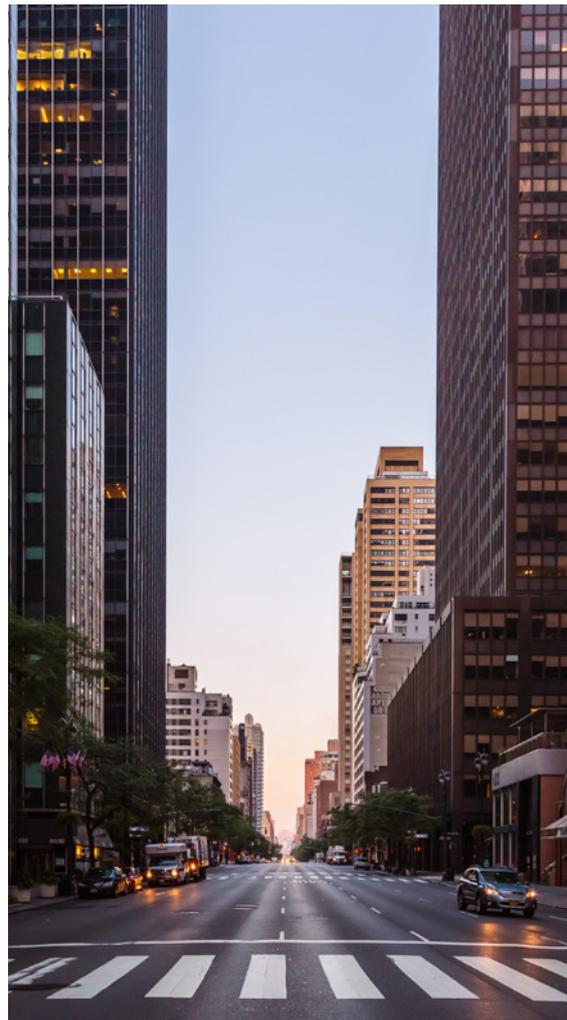
The Group is committed to continued improvement in the management of modern slavery risks. In line with the Group's Risk Management Policy, the management of 'risk' is the responsibility of all employees. This is also the case when considering modern slavery risks.

The 'key risks of modern slavery practices' outline the potential for the Group to cause, contribute to, or be directly or indirectly linked to modern slavery through its operations and supply chains, as it relates to the risk to individuals. Our modern slavery risk management framework has identified a number of factors that elevate the inherent risk for modern slavery. These include:

- 1. Vulnerable populations:** Low skilled, temporary jobs, migrant workers or minorities.
- 2. High and medium risk geographies:** Lack of regulation or enforcement agencies, poor track records on corruption and human rights, prevalence of criminal organisations.
- 3. Business models:** Structured around high-risk practices. For example, complex and long supply chains with several intermediaries along the chain, oligopolistic industries, labour intensive industries or short lead times.
- 4. High-risk product and services categories:** Often sector specific. For example, agriculture, mining, apparel industry, construction and building materials and electronics.
- 5. Complex organisational structures and operations:** Where control and oversight can be diminished.

As the COVID-19 pandemic and geopolitical tensions continues to impact on societies and the global economy, we continue to monitor the implications for business risk.

Where relevant, we have started to consider these risks in our modern slavery risk assessment process. To date we have not identified additional material modern slavery risks in our supply chain. However we continue to monitor elevated risks identified within our investment holdings and respond accordingly (see case study on page 15).



Key Areas of Progress

Building on the activities outlined in our FY21 Modern Slavery Statement, we continue to progressively improve our analysis and approach to managing modern slavery risk.

During FY22 we:

- Developed a Group wide Modern Slavery Policy which was approved by the Pendal Group Audit and Risk Committee (ARC) in February 2022 and will embed modern slavery practices across the whole Group's operations.
- Finalised development of our proprietary ESG data platform ("Affinity") that brings together data from a number of third party and open-source providers to create a range of sustainability indicators and metrics, including modern slavery. These tools and indicators support some of our UK and Australian investment teams to manage modern slavery risks through their ongoing investment due diligence and monitoring processes.
- Engaged with higher risk suppliers to understand what frameworks they have in place and assessed whether their risk is within appetite. Relationship owners have commenced discussions with their suppliers to further reduce their residual modern slavery risk.
- Included modern slavery clauses in new supplier contracts.
- Delivered targeted modern slavery training for TSW Portfolio Managers and Investment Teams.
- Continued involvement in modern slavery related industry forums.
- Carried out more than 24 global modern slavery related company engagements.

We will continue to assess and refine our Modern Slavery framework and processes in conjunction with Perpetual Limited as a combined group in FY23.



Key Risks and Actions

Our Operations

We continue to monitor and assess potential modern slavery risks within our operations, supply chain and investments. We are a global investment management business, and our statutory responsibilities and employment policies help to manage people related risks, ensuring that we do not directly employ people under conditions constituting modern slavery.

Similarly, key risks on our operations and supply chain includes third parties and outsourced providers appointed for the purpose of providing investment services and supporting the business operations, specifically that our operations and supply chains are not directly employing people under conditions constituting modern slavery.



Key actions taken – how we manage the risks

- 1. Business Model:** We are a global investment management business, and do not have subsidiaries or offices based in countries that we inherently consider to be high risk in terms of modern slavery practices. We operate in a highly regulated environment and are compliant with requirements for managing modern slavery risks.
- 2. Governance:** We have a robust approach to governance with a range of oversight committees and assurance functions. Our Code of Conduct, which all staff must abide by both in terms of its strict requirements and spirit, acts as a further risk management tool.
- 3. Policies and Procedures:** We have a range of specific employee related policies and procedures, including whistleblowing, grievance, employment screening (including work eligibility checks), employment working conditions and workplace behaviour. We have developed a Group Modern Slavery Policy (approved by the ARC in February 2022). There are also a number of compliance policies that contribute to the management of modern slavery risks including those relating to anti-money laundering and anti-bribery and corruption.
- 4. Training:** In addition to our ongoing people and compliance training programme, Pendal has implemented human slavery specific training for investment teams and staff.

Our Supply Chain

The key risks relate to how our suppliers are managing modern slavery risks in their business activities, including tier two suppliers and beyond (i.e. within their own supply chains and/or sub-contracting relationships).

We have approximately 1400 suppliers globally. The material suppliers are typically listed and regulated financial services entities who employ skilled, permanent workers. Many of these operate within jurisdictions with regulatory responsibilities to report on their exposure to modern slavery, and to have in place appropriate risk management practices.



Our Supply Chain (continued)

Key actions taken – how we manage the risks

- 1. Due Diligence:** We have established supplier selection policies and processes. These include detailed due diligence and credential verification elements for material suppliers such as jurisdiction analysis, adequacy of policies and procedures, and compliance with regulatory responsibilities. Information on our supply chain operations is gathered at the outset of a new supplier relationship, and thereafter monitored and reviewed using a risk-based approach. All material suppliers are reviewed at least annually, if not more frequently.
- 2. Governance:** Our governance and oversight practices involve various committees - including outsourcing committees where senior management regularly monitors and reviews the performance of material suppliers and identifies potential areas for improvement.
- 3. Risk Assessment and Compliance:** We have developed a risk assessment framework and rated all of our suppliers. Factors that contribute to the assessment include geographical risk assessment, business model, increased levels of outsourcing, and higher volumes of temporary workers/manual labour. This has resulted in 26 suppliers being rated as high risk for 2022 (down from 34 suppliers in 2021). For the high-risk suppliers we inspected modern slavery statements and sent a request for all these suppliers to confirm their approach to managing modern slavery risks via sign-off of an in-house developed Modern Slavery Compliance statement. Pleasingly there has been a relative increase in the number of these suppliers preparing modern slavery statements over 2022. Our relationship owners are satisfied that the remaining vendors have not increased Pendal's exposure to modern slavery, and continue to encourage them to formalise their own modern slavery policies and controls. Going forward, we will continue to carry out deeper analysis and where appropriate, engagement and validation will be conducted on moderate/lower rated suppliers.

Due to the global reach of certain suppliers, we acknowledge there is a risk that further outsourcing will take place by some of our suppliers. Examples of this could be in areas such as office maintenance, catering, delivery staff, or cleaning. We acknowledge that these indirect risks are harder to identify/ manage and we continue to develop our risk assessment framework, engagement plans and compliance sign-off requirements, to help seek further comfort that our suppliers are managing modern slavery related risks within their own supply chain.
- 4. Contract Management:** Our suppliers are expected and in some cases contractually obliged to notify us of breaches of laws and regulations which may affect our services. We continue to implement modern slavery clauses in new and re-negotiated contracts.
- 5. Engagement:** During FY22, we continued our engagement with key suppliers. This included discussing the impacts of COVID-19 on their operations and the services they provide to the Group, and where appropriate, providing support to our suppliers.

Our Investments

The key risks relate to how well the companies we invest in are managing modern slavery risks in their businesses.

As at 30 September 2022, we managed circa AUD 104.5 billion on behalf of clients. Our investments are primarily in companies trading on listed markets and often in companies who themselves have regulatory obligations to ensure they manage modern slavery risks.

Key actions taken – how we manage the risks

We aim to manage modern slavery investment risks in two main ways: 1) through our investment decision-making and 2) through direct engagement with companies and issuers. Our investment decision-making and engagement processes continue to evolve to help assess modern slavery risks.

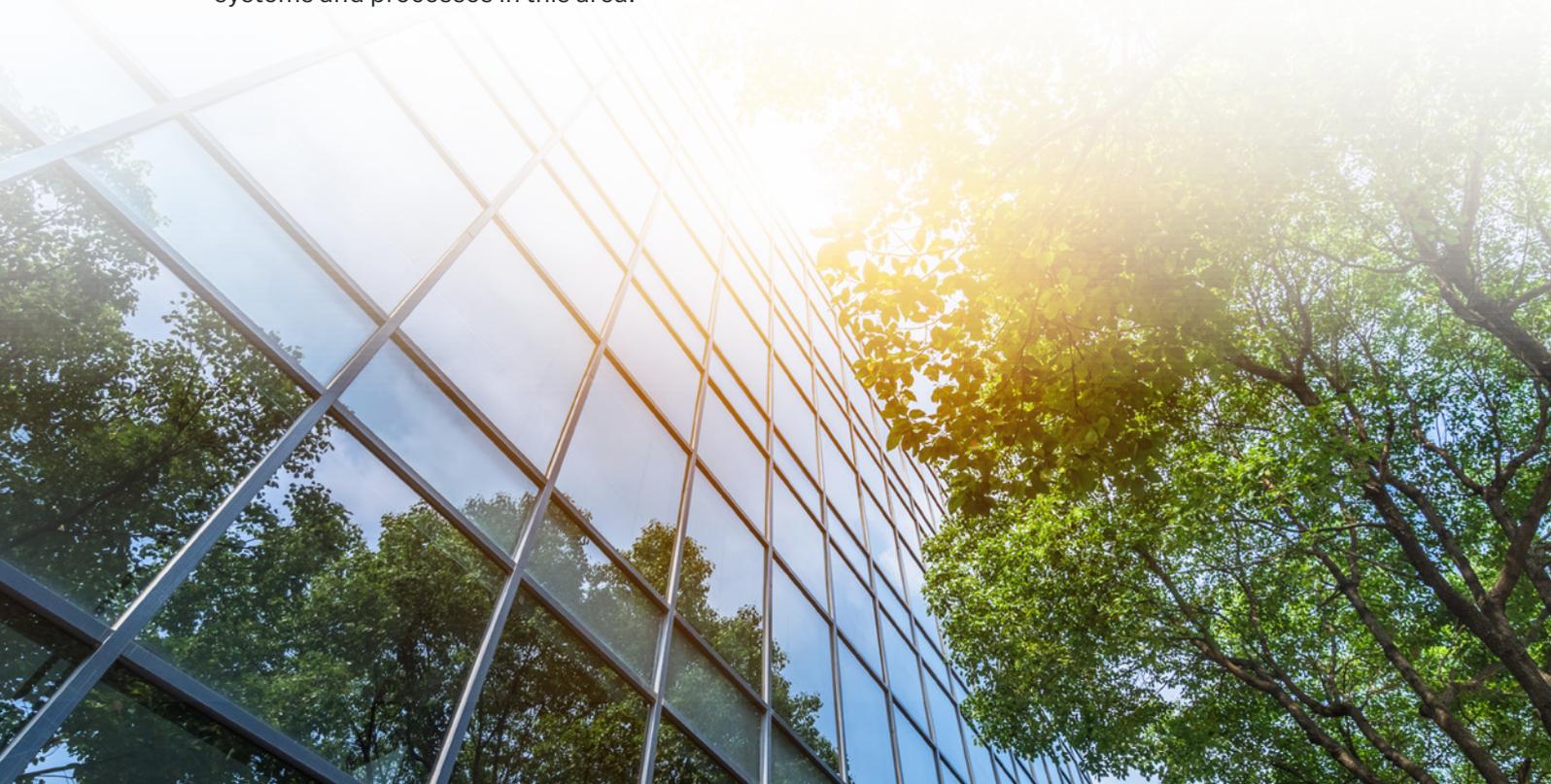
Investment Decision-making

Our investment managers continue to progressively incorporate assessment of modern slavery risks into their decision-making process. We recognise that our approach will continue to evolve and remain committed to enhancing our systems and processes in this area.

We use a Sustainable Investment Tool that ingests ISS data allowing each investment teams to review ESG controversies such as modern slavery concerns to help support our identification of relevant incidents. For example, instances where companies have breached human rights norms or labour standards or there may be evidence of issues in their supply chain.

We prioritise engagement where we believed the companies face elevated risks, or where there was evidence that suggested controls were not appropriately designed or operating effectively. Collectively across the Group more than 24 modern slavery-related engagements were held with investee companies.

We also have access to a new human rights risk service, which provides additional country-level insights with respect to human rights abuses.



Our Investments (continued)

Engagement

1. Direct engagement with Investee companies: Further to our top-down modern slavery risk assessment framework, company engagement is another avenue for gathering information to support our company and sector level assessments and to seek effective mitigation of these risks. For example, Regnan and our Australian equities investment team undertook corporate engagements on modern slavery adopting different but complementary approaches. Our investment teams prioritised engagements where we believed the companies face elevated risks, or where there was evidence that suggested controls were not appropriately designed or operating effectively. We seek to test company thinking on their exposure and for them to demonstrate evidence of adequate controls and processes in place. If we identify an investee company where we think the processes are not sufficient to manage modern slavery risks, if appropriate, we will continue to engage with the company to further understand the situation and help drive positive change.

Regnan engagement has focused on encouraging market-leading practices from those companies viewed as well placed and/or committed to making a meaningful difference to managing modern slavery risks. Engagement has therefore focused on raising the benchmark against which others will be assessed to encourage the broader adoption of these practices. In some instances the Pendal and Regnan teams have jointly engaged merging these risk management and best practice perspectives to drive change.

2. Collaborative Engagement: We also see collaborative engagement, for example with other investors, Non-government organisations (NGOs) or industry associations, as a means to address modern slavery related risks in our investments. Internally, we actively encourage collaboration across investment teams and other parts of our business, as an effective way to identify and address such risks in both our operations and our investments.

CASE STUDY

Modern slavery case study

The Australian Equities team and Regnan have been jointly engaging with a retailer with significant supply chain exposure to high-risk regions in China. Following recent increases in resourcing and capabilities to address potential modern slavery exposures we sought a greater focus on suppliers beyond the first tier, especially in light of potential legislation banning the importation of goods made with forced labour, similar to that already introduced in the United States of America. Here the burden of proof lies with the importer of goods to demonstrate that the items are 'slavery free'.

In a follow up meeting the company acknowledged that evidence of the efficacy of its modern slavery approach had been a recurring theme in investor discussions. The wording of its claim that it was "not aware" of links to modern slavery had been carefully chosen.

The company has taken initial steps to consolidate the number of its suppliers to enhance its oversight. But to date it has not explored options to diversify the regions from which it sources or to look for alternate inputs, including recycled materials that come with a lower risk of modern slavery. The company expressed a reluctance to pre-empt the findings of further supplier profiling.

Our engagement also sought the publishing of factory lists. This was initially refuted as of little interest to many stakeholders. However, the company later acknowledged our reflections on the potential for such an approach to enhance its monitoring of modern slavery issues. We argued that such a list would make it easier for non-government organisations and others working on these issue to proactively contact the company with information.

To date the company has commenced work to understand its tier 2-4 exposures but acknowledges that this will take several years to complete. To date no instances of modern slavery have been identified. We will continue to engage to seek evidence of the efficacy of its approach and the disclosure of factory lists as part of its overall risk program.



Grievance Mechanisms and Remediation

We provide our employees and other stakeholders with various channels to raise grievances related to any illegal or unethical behaviour, including in relation to human rights and modern slavery.

Our people related policies including the Code of Conduct and Whistleblowing Policy are key parts of this framework (a copy of both policies is available on the Pendal Group website). This framework helps give our employees a clear understanding of their responsibilities in relation to the behaviours we expect and assists in the fostering of a culture where individuals can speak up confidentially and without reprisal. This helps us to manage risks including risks to people. To date, no specific modern slavery related concerns have been raised across the Group.

Should we identify our direct involvement in, or contribution to, modern slavery or human rights abuses against an individual or group, we would work collaboratively to ensure remediation for the persons affected. We would participate in remediation processes in good faith and with the intention of offering effective and legitimate remedy.

As part of our supplier selection and due diligence processes, we require our material suppliers to have appropriate grievance and remediation processes in place. We also encourage our investee companies to implement appropriate grievance mechanisms so their workers and suppliers can raise issues and support disclosure around these issues where possible. We supplement formal mechanisms with other insights such as participation in relevant industry groups to share information and best practice. We also build relationships with relevant NGOs that work with vulnerable people and encourage investee companies to do the same. We maintain relationships with a range of NGOs providing a more informal channel through which to understand our potential involvement, including indirectly, in modern slavery activities, noting that many of the most vulnerable are unlikely to raise concerns through the more formal channels in place.



Our Approach to Assessing Effectiveness

We continue to make progress in managing modern slavery risks, and acknowledge that further advances are required.

We acknowledge that our assessment of the effectiveness of these actions is still in the early stages of development.

We aim to take meaningful steps to embed enhancements throughout our global operations, supply chains and investments. Our first priority has been to create a strong foundation by increasing awareness at all levels of our workforce, including amongst supplier relationship managers and investment management teams. We believe that this approach will encourage more conversations and engagement about modern slavery to take place. During the year investment managers have raised modern slavery concerns suggesting that our early training efforts have raised awareness.

Our supplier management practices and governance processes provide insight into the effectiveness of our efforts, and what further improvements we could make.

Our Group-wide Incident Management framework, including remediation, is a key part of our broader Risk and Compliance framework. Modern slavery incidents will be covered by these frameworks in the same way that other incidents are addressed and employees have been made aware of the need to escalate areas of increased risk of modern slavery where these are identified. Incidents are identified, assessed and managed with the key objective being that we ensure our clients are treated equitably (do not lose out due to any errors we make) and that we learn from any mistakes and continue to improve our processes and controls. We can confirm that to date there have been no modern slavery related incidents reported in any of our global businesses.

There are also a number of external sources that help us to assess effectiveness.

Regnan, our specialist responsible investment business unit, has been engaging specifically on modern slavery in its collective engagement programme, on behalf of the Group and several external clients. Where appropriate, Regnan shares insights from this programme with some of the Group's investment teams, supporting their own direct engagements on modern slavery. These insights, and our broader involvement and contribution to 'Responsible Investment' industry groups provide us with a good benchmark on the approach we are taking to managing modern slavery risks and help us to assess effectiveness, and to identify areas for improvement.

Our clients, as part of their due diligence, are also increasingly interested in the management of modern slavery risks. This provides us with insights on the expectations of our clients, and helps us to assess the effectiveness of our actions.

We will continue to enhance our risk management processes to further improve the way in which we assess the effectiveness of our actions to manage modern slavery risks in our operations and supply chain. Where appropriate, we will develop further metrics and use technology to support our assessment, for example, the level and quality of supplier responses required for our high-risk supplier sign-off of our Compliance Statement.

Our Commitment

We recognise that the societal and regulatory expectations around modern slavery continue to evolve as our collective knowledge and understanding deepens. This requires the Group to be flexible and inquisitive and to understand how our business and investments may negatively impact individuals or groups of people, and as a result be affected by modern slavery risks. This will necessitate ongoing enhancements to analysis, training, systems and processes. We will continue to work collaboratively with industry bodies and where appropriate, engage with suppliers and investee companies to influence positive change. We remain committed to a comprehensive, transparent and progressive response to modern slavery, acknowledging that this is in the interests of our business, our stakeholders and the wider community.



Sam Mosse

Chief Risk and Sustainability Officer

Pendal Group Board

March 2023

This statement has been prepared by Pendal Group Limited ACN 126 385 822 and the information contained within is current as at 31 March 2023.

This statement has been issued in the United Kingdom by J O Hambro Capital Management Limited, authorised and regulated by the Financial Conduct Authority.

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