



ICE INVESTORS

**SGH ICE FUND
MODERN SLAVERY
STATEMENT**

For the year ended 30 June 2021

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Background

This document is a Modern Slavery Statement ('Statement') issued by Equity Trustees Limited ABN 46 004 031 298 ('ETL') in its capacity as the responsible entity of the SGH ICE Fund (also referred to as the "Fund") in accordance with the Modern Slavery Act 2018 (Cth) (the 'Act') and has been approved by the Board of ETL as its principal governing body.

This Statement discloses ETL and the Fund's commitment and steps taken in identifying and addressing modern slavery risks within its business and supply chain, which includes the activities we will implement in 2021.

Structure, operations and supply chains of the Reporting Entity

Fund Structure

The Fund is a registered managed investment scheme, ARSN 118 533 458. ETL is the responsible entity of the Fund. Its investors are classified as retail and wholesale clients pursuant to the Corporations Act (Cth) 2001.

The Board of Directors of ETL govern the Fund's operations. ETL's responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution, the Corporations Act and general trust law. ETL has appointed SG Hiscock and Company Limited ("SGH") as the investment manager of the Fund. SGH has appointed ICE Investors Pty Ltd (ICE Investors) under a sub-investment agreement to undertake the portfolio management of the Fund.

The Fund conducts all business activities in accordance with high levels of ethical and professional standards and in accordance with relevant laws in Australia. The Fund is committed to mitigating the risk of modern slavery in the business and supply chains of the Fund and the assets in which it invests.

About Equity Trustees

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 of which the Fund is one. ETL's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000, Australia.

About SG Hiscock & Company Limited

SG Hiscock & Company Limited ("SGH") is the investment manager of the SGH ICE Fund and is an Australian Public Company limited by shares. SGH is a boutique investment manager entirely owned by directors, staff and associates. SGH holds an AFSL no. 240679. It acts as investment manager for a range of managed investment schemes and unit trusts. SGH's registered office is L28, 367 Collins Street, Melbourne, VIC, 3000, and employs approximately 30 people.

About ICE Investors Pty Ltd

ICE Investors Pty Ltd (ICE Investors) is the appointed sub-investment manager for the Fund and is a Corporate Authorised Representative of SGH. ICE Investors specialises in investing in Australian listed industrial companies. ICE Investors applies a franchise investment style to identify quality companies that are suitable investment candidates. ICE Investors' registered office is Level 12, 350 Collins Street, Melbourne, VIC, 3000, Australia. It employs 3 people.

Operations and supply chains

The Fund's investment objective is to achieve positive long-term returns over rolling 5 to 7 year periods.

The Fund's investment strategy is to deliver superior medium to long-term returns by investing, either directly or through derivatives, in listed securities which possess, in the opinion of the sub-investment manager, a sustainable competitive edge. The Fund strategy is focused on quality, providing a unique exposure to predominantly mid to small cap Australian industrial franchise companies.

In preparing this statement, the Fund's direct supply chain has been considered.

The Fund's operations and supply chains involve custody and administration of assets, and also include several support functions including marketing and communication, governance, risk and compliance services and human resources. These support functions are provided by ETL, SGH, ICE Investors and other external service providers. Internal policies and procedures in relation to the selection of service providers are followed and service providers are typically selected after a due diligence (financial & operational) process which includes risk assessments and thorough reviews with internal subject matter experts.

ETL, as Responsible Entity of the Fund, has entered into agreements with each of the service providers which govern the nature and scope of the services to the Fund.

Administration of the Fund's assets are held via Mainstream Fund Services Pty Ltd which has operations in Australia, and a number of international jurisdictions including North America, Europe and Asia, as part of a global group of companies. Custody of the Fund's assets are held via State Street Australia Limited, part of the State Street group of companies operating in North America, Europe and Asia.

Risks of modern slavery practices in operations and supply chains of the Reporting Entity

Modern slavery has been defined by the Act to include eight types of serious exploitation, including:

- Trafficking in persons;
- Slavery;
- Servitude;
- Forced labour;
- Forced marriage;
- Debt bondage;
- The worst forms of child labour;
- Deceptive recruiting for labour services.

We acknowledge the following types of modern slavery risks and their indicators that can exist in the Fund's operations and supply chains as well as in the equity holdings of the Fund:

- **Sector and industry risk:**

Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes.

Indicators of this type of risk include the use of unskilled, temporary or seasonal labour, use of short-term contracts and outsourcing, use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible (i.e. at night-time) for example, security and cleaning. In respect of the Fund based on the sectors identified using the Responsible Investment Association, Australasia (RIAA) investor toolkit and the Australian Council of Superannuation Investors (ACSI) Modern Slavery Risks, Rights and Responsibilities: A Guide for Companies and Investors and the Responsible Sourcing Tool, we have not identified any significant areas of sector or industry risk in the Fund's operations or supply chains.

The Fund uses outsourced service providers for infrastructure and professional services including legal, compliance, accounting and IT. All of these service providers operate within the financial services sector which generally presents as lower risk to Modern Slavery given

that the sector, by its nature, requires an educated workforce across roles that are relatively well remunerated.

- **Product and services risk:** where certain products and services have high modern slavery risks because of the way they are produced, provided or used. We have not identified any significant areas of product services risk in the Fund's operations or supply chains.
- **Geographic risk:** where some countries may have higher risk of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors. We have not identified any areas of significant geographic risk in the Fund's operations or supply chains.
- **Entity risks:** where an entity may have particular modern slavery risks because of poor governance structures, a record of treating workers poorly or a track record of human rights violations. We have not identified any instances of entity risk in the Fund's operations or supply chains.

With respect to the investments of the Fund, the Fund acknowledges that its investments may include owning companies that may be categorised as higher risk with regards to Modern Slavery by virtue of any of the main categories of risk identified above. However, the likelihood that a company identified as contravening acceptable practices is a candidate for investment by the Fund is low. Should a situation arise where Modern Slavery risks in the operations of a company in which the Fund invests are identified, the sub-investment manager would determine whether to remain invested in the company and/or whether to seek to proactively engage with the company with the objective of mitigating the identified risks to the extent reasonably practicable.

Actions taken by the Reporting Entity to assess and address risks, including due diligence and remediation processes.

The Reporting Entity is committed to continuously improving awareness and response to the risk of modern slavery in the Fund's operations and supply chains.

During the Reporting Period ETL 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 Fund,
- 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 this Statement;
- actively engaged with investment managers when any suspected modern slavery activity was detected.

How the reporting entity assesses the effectiveness of actions to assess and address risks

ETL will 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 the Reporting Entity, which is a Trust. However, the trustee of the Trust and the investment manager of the trust consult on the preparation of this MSS.

The trustee of the Reporting Entity is ETL (the issuer of this statement). The trustee is responsible for holding the assets of the trust, issuing interests in the trust to investors and entering into agreements on behalf of the trust.

The investment manager of the Fund is SGH. The investment manager is appointed by the trustee under an Investment Management Agreement. SGH has appointed ICE Investors Pty Ltd (ICE Investors) under a sub-investment agreement to undertake the portfolio management of the Fund. The role of the sub-investment manager is to make investment decisions regarding the assets of the trust.

For clarity, SGH is not owned or controlled by the issuer of this MSS.

Senior management of the investment manager and the trustee consult on all content included in the MSS and jointly identify, consider and address modern slavery risks set out in the MSS. The MSS is then reviewed and approved by the board of the trustee.

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.



Philip Gentry

Date: 23 December 2021

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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Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 and EQT Responsible Entity Services Ltd ABN 94 101 103 011 are part of the EQT Holdings Limited group (brand name Equity Trustees) which also includes Equity Trustees Wealth Services Limited ABN 33 006 132 332 AFSL 234528, Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757, RSE L0001458 HTFS Nominees Pty Ltd ABN 78 000 880 553 AFSL 232500 RSE L0003216 EQT Legal Services Pty Ltd ABN 32 611 391 149. EQT Holdings Limited ABN 22 607 797 615 is a publicly listed company on the Australian Securities Exchange (ASX: EQT) with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth, London and Dublin.