



# L1 Long Short Fund Limited – Modern Slavery Statement

*For the year ended 30 June 2022*

L1 Long Short Fund Limited ABN 47 623 418 539

[www.L1LongShort.com.au](http://www.L1LongShort.com.au)

## Table of contents

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Background	3
Structure, operations and supply chains of the Reporting Entity	3
Company Structure	3
About the Company	3
About L1 Capital	3
Operations and supply chains	3
Risks of modern slavery practices in operations and supply chains of the Reporting Entity	4
Actions taken by the Reporting Entity to assess and address risks.	5
How the Reporting Entity assesses the effectiveness of actions to assess and address risks	5
Consultation process	6
Other relevant information	6
Approval	6

## Background

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This document is a Modern Slavery Statement ('Statement'), made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) (the 'Act') in respect to the financial year ending 30 June 2022 (the 'Reporting Period') in relation to L1 Long Short Fund Limited ('LSF' or 'the Company'), which is a 'Reporting Entity' under the Act.

The Statement is issued by L1 Capital Pty Ltd ABN 21 125 378 145 ('L1', 'L1 Capital' or 'Investment Manager') in its capacity as the investment manager of the Reporting Entity in accordance with the Act and has been approved by the Board of LSF.

This Statement discloses L1 and the Company'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 2022.

## Structure, operations and supply chains of the Reporting Entity

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### Company Structure

The Company is an Australian Securities Exchange Listed Investment Company, (ASX:LSF).

The Board of Directors of the Company govern the Company's operations. Its investments and investment strategy are managed by L1 Capital pursuant to an investment management agreement between the Company and L1 Capital.

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

### About the Company

The Company was established to invest in a portfolio of predominantly Australian and New Zealand securities, with up to 30% invested in global securities. The Company has the ability to both buy and short-sell securities, which provides a flexible strategy to deal with changing stock market conditions. The objective is to deliver strong, positive, risk-adjusted returns to investors over the long term. LSF's registered office is C/- Acclime Australia, Level 7, 330 Collins Street, Melbourne, VIC 3000, Australia.

### About L1 Capital

L1 Capital is an independent, Australian investment manager with a global presence.

The business was established in 2007 and is owned by its senior staff, led by founders Raphael Lamm and Mark Landau. The team is committed to offering clients best of breed investment products. It has approximately AUD \$5b in funds under management and investment professionals in 5 locations globally.

L1 Capital manages money for a range of clients including large superannuation funds, pension funds, asset consultants, financial planning groups, family offices, high net worth individuals and retail investors.

L1 Capital holds an AFSL no. 314302. It acts as investment manager for a range of managed investment schemes and unit trusts. L1 Capital's registered office is Level 10, 530 Collins Street, Melbourne, VIC 3000, Australia.

### Operations and supply chains

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

The Company's operations and supply chains involve custody and administration of assets and also include several support functions including the suppliers of office facilities and management, information technology hardware and software, office equipment, travel and hospitality expenses and legal, tax, accounting and financial services. These support functions are, in many cases, provided by 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.

The Company has entered into agreements with each of the service providers which govern the nature and scope of the services to the Company.

Link Market Services Limited is the registrar of the Company. Goldman Sachs International, Merrill Lynch International & Morgan Stanley & Co. International plc are the custodians of the Company assets. The registrar and custodians have operations in Australia and a number of international jurisdictions including North America, Europe and Asia, as part of global groups of companies.

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

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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 Company's operations and supply chains as well as in the equity holdings of the Company:

- **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 nighttime) for example, security and cleaning. In respect of the Company 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 identified that the Company's investments are exposed to the following categories that exhibit sector and industry risk:

- Security and cleaning services
- Catering services
- Hotel and other travel services
- Agricultural and fishing industries
- Apparel industry
- Electronics manufacturing and electronics recycling industry
- Food and beverage industries
- Health care
- Financial services
- Mining and resources

- **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 Company'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 analysed the Company's investments in respect of geographic risk and have not identified any areas of significant geographic risk in its investments.

- **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 Company's investments and suppliers.

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

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

During the Reporting Period, L1 Capital undertook the following actions on behalf of the Company:

- assessed the risks of modern slavery in investment portfolios as part of the investment process;
- began work to analyse and understand the Company's supply chain more deeply, exploring options to work with suppliers and partners on an increasingly collaborative basis;
- began work to develop measures to assess the effectiveness of the steps taken to enhance the Fund's understanding and capacity to identify and address modern slavery risks;
- reviewed the requirements of any regulations and guidance issued in connection with the Act;
- maintained a Modern Slavery Register to track any incidents of modern slavery;
- ensured that, to the best of the Company's knowledge, the Company did not commence commercial arrangements with entities that contravene the UN Guiding Principles on Business and Human Rights. Should any existing commercial arrangement be found to have breached the UN Guiding Principles, L1 Capital would ensure the Company would take steps to reassess whether it would continue to provide services with that entity and would cease commercial relations unless a satisfactory remediation process is established;
- utilised remediation processes including whistleblower hotlines, contract clauses and continued to improve appropriate policies and procedures including the L1 Capital Code of Conduct, the L1 Capital Internal Dispute Resolution Policy and the L1 Long Short Fund Limited Whistleblower Policy to mitigate risks and effects of modern slavery practices.

## How the Reporting Entity assesses the effectiveness of actions to assess and address risks

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Given the Company is in the early stages of reporting on modern slavery, the Company is still working through its assessment of the effectiveness of actions taken to date. The Board is satisfied that L1 Capital is developing its modern slavery framework and is committed to ensuring that modern slavery risk is assessed and addressed and, where necessary, managed and remediated.

Effectiveness measures will include:

- incorporating the Modern Slavery Policy into L1 Capital's updated Responsible Investment and Environmental, Social and Governance Policy;
- maintaining the Modern Slavery Register in L1 Assured;
- working to ensure modern slavery considerations are included in new supplier contracts where possible;
- continuing to ensure that the L1 Long Short Fund Limited's whistleblower policy operates effectively and allows for employees to report modern slavery concerns in L1 Capital's supply chain and operations functions.

## Consultation process

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The Company and L1 Capital have shared information in respect of their supply chains and activities, facilitated by L1 Capital's Head of Legal and Compliance who has implemented a framework for tracking and reporting on modern slavery risk.

L1 Capital has engaged with its major outsourced providers and reviewed their Modern Slavery Statements. The Company is committed to developing and enhancing its approach to modern slavery reporting each year. It will do this by working across its supply chain to assess and address risks of modern slavery and, where necessary, manage and remediate the risk appropriately.

## Other relevant information

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No other relevant information for this reporting period.

## Approval

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This Statement was approved by the Board of Directors of the Company, on 19 December 2022

*Andrew Larke*

Andrew Larke (Dec 19, 2022 15:10 GMT+11)

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Andrew Larke

Chair of the LSF Board

Date: 19 December 2022