



**AXA IM SUSTAINABLE
EQUITY FUND
MODERN SLAVERY
STATEMENT
2023**

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Background

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 2023 (the **'Reporting Period'**) in relation to AXA IM Sustainable Equity Fund a 'Reporting Entity' under the Act.

The Statement is issued by Equity Trustees Limited ABN 46 004 031 298 (**'ETL'** or **'Responsible Entity'**) in its capacity as the responsible entity/Trustee of the Reporting Entity in accordance with the Act and has been approved by the Board of ETL as their 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 implemented in financial year ending 30 June 2023.

This is the first Statement for the AXA IM Sustainable Equity Fund.

Structure, operations and supply chains of the reporting entity

Fund Structure

AXA IM Sustainable Equity Fund (also referred to as the "Fund") is a registered managed investment scheme, ARSN 130 872 749. ETL is the responsible entity of the Fund. Its investors are classified as wholesale clients pursuant to the Corporations Act (Cth) 2001.

The Board of Directors of ETL govern the Fund's operations. Its investments and investment strategy are managed by AXA Investment Managers Australia Ltd pursuant to an Investment Management Agreement ("**IMA**") between ETL and the Investment Manager.

The business activities of the Fund are conducted in accordance with high levels of ethical and professional standards and in accordance with relevant laws in Australia and the countries in which it operates. 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 AXA Investment Managers Australia Ltd

AXA Investment Managers Australia Ltd (the **'Investment Manager'**) whose registered office is level 29, 255 George Street, Sydney, Australia. The Investment Manager holds an AFSL no. 273320. It acts as investment manager for a range of managed investment schemes. AXA Investment Managers Australia Ltd is a wholly owned subsidiary of AXA S.A.

Operations and supply chains

The Funds' primary activity is the investment of its assets in securities of companies.

The Funds' investment objective is to provide a superior risk adjusted return (total return divided by total risk (before fees, expenses and taxes) greater than the return of the MSCI ACWI ex-Australia Index Net Dividend Withholding Tax (AUD) (the "Benchmark") on a rolling six-to-eight-year basis, while also seeking significantly improved ESG metrics and lower carbon intensity than the Benchmark.

The Investment Manager seeks to achieve its investment objective by selecting a diversified portfolio of securities from the Benchmark using proprietary models to reduce exposure to what the Investment Manager believes to be uncompensated sources of risk in the equity market. The Fund will invest in equities (long only), Exchange Traded Funds, American Depositary Receipts, Global Depositary Receipts and cash. The assets of the Fund will generally be invested within the following guidelines:

- 300 to 600 securities at any point of time
- Short-term overdrafts resulting from timing differences between trade and settlement date are permitted.
- With the exception of temporary periods upon large cash inflows or withdrawals, the Fund will maintain as close to a fully invested position as possible.

The Fund's investment management operations include active investments across International Equities markets. These are managed by sub-investment managers who are direct or indirect subsidiaries of AXA investment Managers SA.

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 AXA investment Managers Australia Ltd, ETL 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 and Custody of the Fund's assets are held via State Street Australia Ltd which has operations globally.

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:

1. Trafficking in persons;
2. Slavery;
3. Servitude;
4. Forced labour;
5. Forced marriage;
6. Debt bondage;
7. The worst forms of child labour;
8. Deceptive recruiting for labour services.

It is acknowledged that 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.
- **Product and services risk:** where certain products and services have high modern slavery risks because of the way they are produced, provided or used.
- **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.

- **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.

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

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

Management of modern slavery risks of the Funds' investee companies

ESG is integrated into the Investment process of the AXA IM Sustainable Equity fund using AXA IM Responsible Investing framework. This framework has three pillars (1) ESG data and research (2) AXA IM Exclusion policies and (3) Voting & Engagement.

Modern slavery and human rights risk are addressed within AXA IM Responsible Investing framework using several measures. Specifically, AXA IM exclusion policies results in the divestment from companies that are assessed as being in Violation of International norms and standards. AXA IM policy focuses on "non-compliance" with the UNs Global Compact Principles, International Labour Organization's (ILO) Conventions, OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). These standards focus on Human rights (including modern slavery risks), Society, Labour and the Environment.

In addition, AXA IM RI policies also exclude companies that are assessed as being exposed to severe controversies based on Sustainalytics' Controversies Research methodology and companies with a CCC ESG rating from MSCI.

Companies that are identified by the above policies are reviewed and monitored by AXA IM. In certain cases, instead of immediate divestment AXA IM may perform its own additional qualitative research or may engage with the company on corrective actions to resolve the identified issue.

AXA IM maintains a regular dialogue with the management teams of investee companies and takes a proactive stance on Modern Slavery issues. As example, we are part of an investor coalition on the issue of Forced Labour and Child Labour.

During the Reporting Period ETL undertook the following actions:

- Established an ESG working group of key internal business stakeholders with the purpose to assess ESG trends, standards and guidance relevant to EQT Group, recommend actions and report measures taken to mitigate ESG risks and implement strategic ESG opportunities and operational enhancements; and
- Engaged with external consultants to develop a sustainability material assessment to determine ESG topics which represent the greatest risks, sustainability framework and policies to assess, monitor and report on ESG matters, and sustainability roadmap and action plan on the short, medium and long-term horizons; and
- Continued to refine and design ETL's modern slavery onboarding questionnaires to service providers and investment managers.

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

As this is the first year of modern slavery reporting for the ETL as the Responsible Entity of the Funds is in the early stages of assessing the effectiveness of the risk-based approach which includes the review of the Reporting Entities are exposed to and the likely exposure within any investable assets that may align to areas of known modern slavery risks.

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 ETL 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 trust is AXA Investment Management Australia Ltd. The investment manager is appointed by the trustee under an Investment Management Agreement. The role of the investment manager is to make investment decisions regarding the assets of the trust. For clarity, AXA Investment Management Australia Ltd is not owned or controlled by the issuer of this MSS.

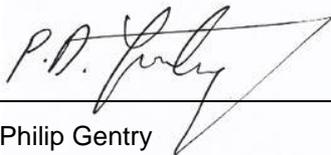
Senior management of the investment manager and the trustee consult on all content included in the MSS and jointly identify, consider and address modern slavery risks set out in the MSS. The MSS is then reviewed and approved by the board of the trustee.

Other relevant information

No other relevant information for this reporting period.

Approval

This Statement was approved by the Board of Directors for ETL, as the principal body of the Reporting Entity, on 21 December 2023.



Philip Gentry

Chair

21 December 2023

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

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