

Joint Modern Slavery Statement

For financial year ending 30 June 2024

Introduction

This **Joint** Modern Slavery Statement (**Statement**) is made pursuant to the *Modern Slavery Act 2018*(Cth). It relates to the reporting period commencing 1 July 2023 and ending 30 June 2024.

This Statement is made by LGT Crestone Holdings Limited, on its own behalf, and on behalf of its parent entity LGT Holding (Australia) Pty Ltd, and that of its wholly owned subsidiaries, including LGT Crestone Wealth Management Limited, the operating company for the business, which holds an Australian Financial Services Licence, and procures the services and support facilities required to manage the business (collectively **LGT Crestone, we, us, our**).

This statement has been completed in consultation with LGT Crestone's directors and officers and sets out how LGT Crestone identifies and addresses modern slavery risks within its operations and supply chain. It outlines the measures that we currently take and propose to take in future reporting periods to continue to improve our operations to combat modern slavery risks.

Our business and supply chains

LGT Crestone's business provides investment advisory, execution, custody and lending services to its clients. The business is managed by the Executive Committee and governance oversight is provided by the Board of Directors of LGT Crestone Holdings Limited and related committees. We have approximately 340 employees located in Adelaide, Brisbane, Melbourne, Perth and Sydney.

We provide investment advice, portfolio management, custodial and lending services to wholesale and professional investors, who are predominantly Australian residents. We provide our clients with access to a wide range of domestic and international investment products – both listed and unlisted – including equities, managed funds, fixed income, cash services, capital markets offerings and structured products.

We provide advice to our clients on investment products and have products that are approved (made available to our clients if suitable for their investment portfolio) or recommended (form part of the House View on what is an optimum investment portfolio), but ultimately it is our clients' decision as to what investments they make.

We do not undertake direct investment ourselves.

Our supply chain is made up of the following:

- **Key suppliers** - provide the core services of custody, execution and clearing facilities, client portal and our core technology platform. Our key suppliers are either Australian entities or global entities with business operations in Australia and head offices located in North America, Europe and Singapore.
- **Fund/Investment Managers** – provide a range of managed funds and/or fund strategies that are offered to our clients. These entities can operate globally and offer domestic and international investments opportunities. There are a limited number of recommended external fund/investment managers who are considered our key suppliers in this category.
- **Technology** providers and support services – provide services to manage our information, communications, technology and cyber security needs, including software and hardware purchases. Our primary provider is in Australia with a small number of subsidiary / support providers located offshore in North America, Europe, India and Singapore.
- **Contract suppliers** - provide business support services and operate principally in Australia although some have global operations. This category includes property services (e.g. facilities management, utilities, cleaning, waste management and security); logistics and correspondence; consulting, auditing and advisory services, recruitment services, marketing, printing and promotional goods and services and office supplies.

Potential risk areas

Given the nature of our operations and the profile of our workforce, we consider the risk of modern slavery occurring in our operations to be '**Low**', however, we maintain of procedural safeguards throughout our operational processes to minimise said risks from occurring. We advise as follows:

- The risk that our operations may cause modern slavery practices directly: We have a relatively small number of skilled employees who operate solely in Australia in clearly structured and documented roles, with appropriate supervision and remuneration packages. We operate under local employment laws and comply with Industry Award requirements (Banking, Finance and Insurance). With regards to expected work pattern, all contracts stipulate our standard working hours and employees' place of work. In addition, employees are provided with a copy of the Employee Handbook upon onboarding which includes workplace health and safety information and our flexible working and hybrid working arrangements.
- The risk that our operations or actions in our supply chains may contribute to modern slavery practices in that we facilitate or incentivise these practices: While our supply chain generally includes professional services providers, we have identified

some potential risks in areas such as cleaning, waste management, security, printing, catering, recruitment agencies (sector and product risk) and information technology, maintenance, and support procurement (sector and geographic risk).

- The risk that our operations may be directly linked to modern slavery practices through the activities of our suppliers: The fund/investment managers span a range of geographies (including emerging markets) and sectors which may have potential modern slavery risks. However, we are not required to report on modern slavery risks associated with the investment products purchased by our clients.

Steps taken to manage potential risk areas

General approach to suppliers

We have reviewed the Australian Border Force Risk Screening Toolkit for Modern Slavery, and acknowledge that some sectors, products, services, geographic regions, and entities may have high modern slavery risks due to inherent factors. We further considered the International Labour Organisation (ILO) indicators of Forced Labour within our analysis.

LGT Crestone has conducted extensive analysis on our suppliers to assess these risk and indicators, taking into account:

- the nature of the industry of our suppliers, and the business services provided to us
- the potential presence of vulnerable people within our suppliers' operations
- whether suppliers operate in higher risk countries based on the 'Global Slavery Index'
- adverse news reports concerning our suppliers
- the insights of labour and human rights groups.

As part of this analysis to identify modern slavery risks in the supply chain, we have performed the following due diligence around supplier engagement:

- sending a modern slavery questionnaire to new suppliers (or where there is a change to the relationship with an existing supplier) and assessing the provided responses
- assessing inherent supplier risk, factoring in their industry, product and service offering and geographic location
- checking whether suppliers have issued a Modern Slavery Statement and reviewing content
- using a reputable global tool to undertake searches on suppliers for adverse media and performing further checks on alerts flagged
- additional searches on Google for adverse media on higher risk organisations
- completing an overall risk assessment whereby we allocate a risk rating to each modern slavery risk factor to determine an overall risk rating.

All new suppliers (or where there is a change to the relationship) are subject to a similar due diligence approach and direct feedback by utilising our Supplier Questionnaire. We also include a modern slavery clause in new supplier contracts, where appropriate and, in future, will provide a copy of our Supplier Code of Conduct.

Employees, Recruitment and Training

We follow local employment laws (including Industry Awards: Banking, Finance and Insurance) and practices in hiring employees. We undertake a regular benchmarking exercise each year to ensure that our salaries are aligned to the market.

We provide general training to all employees on modern slavery matters via mandatory compliance training.

Policies

LGT Crestone has a robust set of internal policies and procedures in relation to modern slavery risks which are accessible by all staff via our intranet. These include:

- Modern Slavery Policy that outlines how we identify, assess and manage modern slavery
- Whistleblowing Policy - we provide a mechanism for the anonymous reporting of issues if people are concerned about retaliation
- Code of Conduct - this code encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business

- Vendor Management Policy – outlines the process and due diligence when engaging with vendors. Supplier contracts to make explicit reference to modern slavery risks where the risk has been identified as high.
- AML/CTF Program – noting that money laundering and terrorism activities can be closely related to modern slavery and human trafficking.
- Fraud Policy and Anti-Bribery and Corruption Policy – assists in the identification of fraudulent and corrupt activities that may support modern slavery practices.
- Supplier Code of Conduct – denotes the ethical standards and values that we expect of each of our suppliers.

Future steps

LGT Crestone understands the importance of continuing to develop and enhance our processes to combat modern slavery risks connected to our business activities. Since last year we have:

- Continued with due diligence review of our strategic partners to ensure they have a published Modern Slavery Statement. We have reviewed these statements with no issues identified.
- Continued to update our risk matrix on suppliers by industry, geography and services and developed a more specific way of measuring the effectiveness of our modern slavery risk processes by using the Australian Government Guidance on Risk Indicators.
- Provided awareness training about modern slavery in the workplace that assists employees in identifying and raising instances where a risk of exploitation is elevated. LGT Crestone launched its first mandatory training in 2023 and the next release is scheduled in September 2024. In addition, we have implemented targeted training for employees with purchasing responsibilities in relation to our contractual and due diligence requirements for suppliers and our Supplier Code of Conduct and Vendor Management Policy.

Remediation

Should any potential modern slavery practices be identified, we will engage with the relevant suppliers to understand the severity of the incident and their remediation processes. In cases where a supplier's response is insufficient, we may seek to terminate the relationship.

Assessing the effectiveness of our efforts

We recognise that there is a risk that modern slavery practices may exist within our operations and supply chains. Our general assessment of each category of modern slavery risks is as follows and the actions taken to minimise the risks are set out below:

- Risk that our operations may cause modern slavery practices directly is likely to be low due to the small number of employees who operate in clearly structured and documented roles.
- Risk that our operations or actions in our supply chains may contribute to modern slavery practices is likely to be low. Our supply chain generally comprises professional and financial services providers, who are considered as low risk. While we have some suppliers that fall under a higher inherent risk category, these suppliers have been identified as low risk to LGT Crestone, based on our assessments.
- Risk that our operations may be directly linked to modern slavery practices through the activities of our suppliers is likely to be medium to high due to the industry and geographical breadth of the investment products we make available to our clients.

Overall and given the nature of our operations and the profile of our workforce, we consider the risk of modern slavery occurring through our operations and supply chains to be '**Low**'. However, we maintain procedural safeguards throughout our operational processes to seek to mitigate modern slavery risks generally.

We also understand the importance of assessing the effectiveness of our modern slavery risk assessment processes. We recognise our approach to assessing modern slavery risk will be an evolving process and will engage in a process of improvement as we learn more about this critical risk category and any changes made to the Modern Slavery Act.

We have documented our processes and maintain spreadsheets of assessment ratings in order to have a consistent approach that generates measurable data for ongoing assessment. We will continue to use this approach to identify and assess relevant KPIs which may include:

- Levels of engagement by our strategic partners/key suppliers in discussions on modern slavery risks
- Number of suppliers willing to complete and return the Modern Slavery Questionnaire

- Number of supplier contracts with modern slavery clauses agreed
- Analysis of decreasing overall risk ratings of our suppliers and/or no major changes in risk ratings from the prior year.

Conclusions

We will continue to evaluate the effectiveness of our policies and procedures in combating modern slavery practices. We will publish an annual Modern Slavery Statement that outlines the steps we have taken over the financial year to identify where our supply chains and operations may be contributing to modern slavery practices, and the actions we have taken to minimise these risks.

This Statement covers 1 July 2023 to 30 June 2024 and was approved by the Board of Directors of LGT Crestone Holdings Limited on 24 September 2024 and by circular resolution by the Board of Directors of LGT Holding (Australia) Pty Ltd dated 26 November 2024.



Michael Chisholm
Chief Executive Officer
LGT Crestone Holdings Limited
18 December 2024



Mathew Zauner
Director
LGT Holding (Australia) Pty Ltd
18 December 2024