

**crestone.**

# **Modern Slavery Statement**

DECEMBER 2021

## Introduction

This Modern Slavery Statement (**Statement**) is made pursuant to the Australian Commonwealth Modern Slavery Act of 2018. It relates to the reporting period commencing 1 July 2020 and ending 30 June 2021.

This Statement is made by Crestone Holdings Limited, on its own behalf and that of its wholly owned subsidiaries (collectively **Crestone, we, us, our**). It has been completed in consultation with the directors and officers of both itself and its subsidiaries, which include:

- Crestone Wealth Management Limited – the operating company for the business, which holds an Australian Financial Services Licence.
- Crestone Management Services Pty Limited – procures the services and support facilities required to manage the business.

This statement sets out how Crestone identifies and addresses Modern Slavery risks within its supply chain. It outlines the measures that Crestone takes now and proposes to take in future reporting periods to continue to improve our practices to combat Modern Slavery risks.

## Our business and supply chains

Crestone Holdings Limited is a public company that is employee owned. The business is managed by the Executive Committee and governance oversight is provided by the Board of Directors and related Committees. We have approximately 250 employees and have offices in Brisbane, Melbourne, Sydney and Adelaide.

We provide wealth advice, portfolio management and custodial 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 – and covering equities, managed funds, fixed interest, cash services, capital markets offerings and structured products.

While 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), ultimately it is our clients' decision as to what investments they make.

We are not a financial product manufacturer nor an asset/fund manager. We do not undertake direct investments ourselves.

Our supply chain is made up of the following:

- **Strategic Partners** - provide the core services of custody, execution and clearing facilities, margin lending, client portal and our core technology platform. Our strategic partners are either Australian entities or global entities with business operations in Australia and head offices located in North America, Europe or 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 is 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 cybersecurity needs. Our primary provider is located in Australia with a small number of our subsidiary / support providers located offshore North America, Europe, India or Singapore.
- **Contract suppliers** - provide business support services and operate principally in Australia although some have global operations. This category includes property services (eg facilities management, utilities, cleaning, waste management and security); logistics and correspondence; consulting, auditing and advisory services; marketing, printing and promotional goods and services; and office supplies.

## Potential risk areas

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 in clearly structured and documented roles, with appropriate supervision. We operate under local employment laws and comply with Industry Award requirements (Banking and Finance). Where our employees work from home, we have requested workplace health and safety information about their home working environments and provided appropriate support.
- 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 and catering (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 that our clients purchase.

## Steps taken to manage potential risk areas

### General approach to suppliers

In the past year, we have conducted a risk assessment of our supply chain by taking into account:

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

As part of identifying Modern Slavery risks in the supply chain, we have performed the following due diligence around supplier engagement:

- sending an annual modern slavery questionnaire to our suppliers and assessing the response where completed and returned
- assessment of supplier risk, factoring in their industry, services/products provided and geography
- checking whether suppliers have issued a Modern Slavery Statement and reviewing content
- use of a reputable global tool to undertake a search on suppliers for adverse media checks and performing further checks on alerts flagged
- additional search on Google for adverse media check on higher risk organisations
- overall risk assessment whereby we allocate a risk rating to each factor and then an overall risk rating
- all information is captured in a spreadsheet for future reference and cross checking in later years

All new suppliers are subject to a similar due diligence approach. We include a modern slavery clause in new supplier contracts where appropriate.

### Employees, Recruitment and Training

We follow local employment laws (including Industry Awards: Banking / Finance) 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. In the coming year, Crestone employees with high purchasing responsibilities will be identified and provided additional training on the Modern Slavery requirements, Crestone contractual terms, and supporting suppliers to undertake due diligence.

### Policies

A Modern Slavery Policy has been approved. In addition, we have the following policies:

- 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.
- Outsourcing Policy - we have updated our Outsourcing Policy and supplier contracts to make explicit reference to modern slavery practices.

- AML/CTF Program – money laundering and terrorism activities can be closely related to Modern Slavery and can be closely related to human trafficking.
- Fraud Policy and Anti-Bribery and Corruption Policy – assists in the identification of fraudulent and corrupt activities that may support modern slavery activities.

## Future steps

Crestone understands the importance of continuing to develop and enhance our processes to combat Modern Slavery risks connected to our business activities. In future reporting periods, we will aim to:

- introduce a supplier code of conduct
- engage more proactively with our strategic partners and critical suppliers on modern slavery risks
- develop a more specific way of measuring the effectiveness of our modern slavery risk processes
- seek an independent review of our modern slavery risk processes

## Assessing the effectiveness of our efforts

We 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.

In our first year, we used the service of a reputable law firm to confirm that our proposed approach was in line with industry practices and to review our Supplier Modern Slavery Questionnaire. This provided us with a starting point for our assessment processes and enabled us to get an understanding of the data available.

This year is our second year and we have commenced documenting our procedures and maintaining spreadsheets of the assessment ratings in order to ensure we have a consistent approach that generates measurable data for an ongoing assessment process. We will use this information to identify and assess relevant KPIs which may include:

- Level 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 suppliers willing to sign up to the Supplier Code of Conduct
- Number of supplier contracts with modern slavery clauses agreed
- Decreased in overall risk ratings of our suppliers / no major changes in risk ratings from last 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 2020 to 30 June 2021 and has been approved by the Board of Directors of Crestone at the board meeting on 16 November 2021.



Chief Executive Officer  
Crestone Wealth Management

16 November 2021