

Platinum Asset Management Limited (ASX: PTM)

Modern Slavery Statement

FINANCIAL YEAR 2020-2021



Modern Slavery Statement

1. Introduction

This modern slavery statement (**Statement**) is made by Platinum Asset Management Limited (ABN 13 050 064 287) (**PTM**) on behalf of the entities listed in the table below.

It covers the period 1 July 2020 to 30 June 2021 and has been prepared in accordance with the requirements of Australia's *Modern Slavery Act 2018* (Cth) (**MSA**).

| Platinum Group | Reporting Entities as defined in the MSA | Voluntary Reporting Entities as defined in the MSA |
|---|--|--|
| Platinum Corporate Entities: | | |
| <ul style="list-style-type: none"> • Platinum Asset Management Limited | Yes | |
| <ul style="list-style-type: none"> • Platinum Investment Management Limited (ABN 25 063 565 006) trading as Platinum Asset Management (Platinum Asset Management) | Yes | |
| <ul style="list-style-type: none"> • Platinum Asset Pty Limited | Yes | |
| Platinum Managed Funds: | | |
| <ul style="list-style-type: none"> • Platinum Investment Management Limited as the responsible entity for its registered managed investment schemes¹ | | Yes |

¹ Platinum International Fund; Platinum International Fund (Quoted Managed Hedge Fund); Platinum Global Fund (Long Only); Platinum Global Fund; Platinum Asia Fund; Platinum Asia Fund (Quoted Managed Hedge Fund); Platinum European Fund; Platinum Japan Fund; Platinum International Health Care Fund; Platinum International Brands Fund; Platinum International Technology Fund.

| Platinum Listed Investment Companies: | | |
|--|--|-----|
| • Platinum Capital Limited | | Yes |
| • Platinum Asia Investments Limited | | Yes |

For the purposes of this Statement the **Platinum Corporate Entities**, the **Platinum Managed Funds** and the **Platinum Listed Investment Companies** are collectively referred to as the **Platinum Group**.

This is a joint Statement prepared and lodged by PTM on behalf of the Platinum Group.

A joint Statement is appropriate given the commonality of the supply chains within the Platinum Group and the fact that the Platinum Corporate Entities' Australian business operations are carried out through Platinum Asset Management. Specifically, Platinum Asset Management is a Corporate Entity and also the responsible entity of the Managed Funds. Similarly, Platinum Asset Management is the delegated investment manager and administrator of the Platinum Listed Investment Companies. Other suppliers to the Platinum Listed Investment Companies are the share registry, custodial and fund administration service providers and professional services firms that provide legal, audit and consultancy services to the Platinum Listed Investment Companies. These firms are also suppliers to Platinum Asset Management as a Corporate Entity and/or as the responsible entity of the Platinum Managed Funds.

A joint Statement is also appropriate given that the Platinum Group Entities operate under a number of common policies. Specifically, the Platinum Corporate Entities and the Platinum Listed Investment Companies are covered by the same Modern Slavery Policy, Whistleblower Protections Policy and Anti-Bribery and Corruption Policy and to the extent that Platinum Asset Management performs services on behalf of the Platinum Listed Investment Companies and the Platinum Managed Funds, the policies of Platinum Asset Management are applicable.

The Statement outlines the Platinum Group's ongoing commitment to identify and address modern slavery risks arising in the Platinum Group's supply chains and operations. It also provides details of the Platinum Group's approach, policies and plans to continuously improve and strengthen its commitment to ensuring respect for human rights and freedom from modern slavery.

2. Platinum Group structure

PTM is a company listed on the Australian Securities Exchange. It is the holding company of a number of subsidiary companies, and in particular of Platinum Asset Management through which the Australian funds and asset management business is carried out. For ease of reference we include a link to the 2021 Platinum Asset Management Limited Annual Report which outlines the Platinum consolidated group:

https://www.platinum.com.au/PlatinumSite/media/Financial-Statements/ptm_0621.pdf

The Platinum Corporate Entities' business operations are carried out through Platinum Asset Management, which has over 100 employees. Platinum Asset Management is also the responsible entity of the Platinum Managed Funds and provides standalone discretionary investment management services to a number of clients, including the Platinum Listed Investment Companies.

PTM, Platinum Asset Pty Limited and the Platinum Listed Investment Companies have no employees. Platinum Asset Management is the principal supplier of investment and administration services to the Platinum Listed Investment Companies.

The Platinum Group's response to modern slavery was led by Platinum Asset Management's Environmental, Social and Corporate Governance working group (**ESG Committee**), comprised of senior representatives from Platinum Asset Management's Legal, Compliance, Investment and Investment Specialist teams. The ESG Committee is sponsored by Platinum Asset Management's Director of Investor Services and Communications and Platinum Asset Management's Chief Investment Officer, who are both Executive Directors of PTM and Platinum Asset Management. In preparing this Statement, representatives of the ESG Committee consulted with the board of directors of each of the entities named above by circulating a draft of the Statement to the directors on the boards of each of entity and seeking their input and feedback prior to the approval of the Statement.

3. Platinum Group operations

Platinum Asset Management was founded in 1994 and is an Australian-based global equity asset manager with approximately \$22 billion under management (as at 30 November 2021). It focuses on one core investment style and asset class (international shares) across a number of products. It provides discretionary investment management services to Australian and non-Australian clients.

Platinum Asset Management offers a range of investment products including:

- managed funds - comprising eight unlisted Australian-registered managed funds, offering a suite of different global, regional and sector strategies, and providing investors with exposure to diversified portfolios of companies worldwide;
- listed investment companies - investors can access Platinum Asset Management's global strategy and Asia ex-Japan strategy through two ASX-listed investment companies (respective ASX codes: PMC and PAI);
- ASX quoted managed funds - Platinum International Fund (Quoted Managed Hedge Fund) (ASX code: PIXX) and the Platinum Asia Fund (Quoted Managed Hedge Fund) (ASX code: PAXX) are actively managed funds quoted on the ASX;
- Platinum Investment Bond - is a collaboration between Platinum Asset Management and Lifeplan Australia Friendly Society Limited who is responsible for issuing and administering the investment bond. It provides access to two investment options, the Platinum International Fund established in 1995 and/or the Platinum Asia Fund established in 2003; and
- offshore investment fund products - Platinum Asset Management is the investment manager or adviser for a number of offshore investment vehicles that have been established or incorporated by Platinum Asset Management in countries outside of Australia.

Platinum Asset Management pursues its offshore product distribution and client servicing strategy in relation to European professional clients and eligible counterparties through fully owned subsidiaries of Platinum Asset Management which are established in the United Kingdom and Malta.

Platinum Asset Management's business is managing clients' money and the investment management fees charged to clients are the chief source of revenue. Platinum Asset Management has a simple core belief: if we

responsibly and successfully look after our clients' money, our business should prosper. A failure to understand and commit to this priority will not result in an enduring asset management business.

This belief has led Platinum Asset Management to maintain a deep and consistent commitment to sustainable business practices and responsible investment management. In particular, Platinum Asset Management considers that the following themes are key to the long-term sustainability of its business:

- putting clients' interests first – valuing independence and transparency;
- being a responsible money manager;
- environmental, social and corporate governance (**ESG**) considerations in investing;
- advocating for change and engaging with policymakers;
- engaging with our employees;
- contributing to the community; and
- being environmentally and socially responsible.

4. Platinum Group supply chains

The Platinum Group's principal suppliers consist of:

- professional services firms (for example, share registry, custodial and fund administration service providers, legal firms, audit, accounting and consultancy firms, marketing and research firms) providing services in relation to the running of our operations and provision of investment management services;
- businesses that we engage in relation to our premises (for example, cleaning and catering services, IT systems, stationery services, printing and other office and business support services);
- others such as accommodation and travel providers, recruitment services, security services, software services and IT procurement.

Platinum Asset Management is also the principal supplier to the Platinum Listed Investment Companies, supplying investment management and administration services, and to the Managed Funds, as a responsible entity.

Key suppliers are generally engaged on a long-term basis, with some changes from time to time.

5. Modern slavery risks

The Platinum Group recognises that modern slavery is a significant worldwide problem. Based on our business model, our exposure to the risks of modern slavery arise from two main sources: (i) in our corporate supply chains; and (ii) from our operations i.e. within the investment portfolios managed by Platinum Asset Management.

Platinum Group – corporate supply chains

We consider a number of indicators of modern slavery risks in our corporate supply chains including sector and industry, nature of products and services, geographical location and specific entity risk. Based on the assessment undertaken by Platinum Asset Management of our Tier 1 and Tier 2 Suppliers (referred to in section 6), it has been identified that companies in our corporate supply chains may from time to time

outsource certain work and activities to offshore subsidiaries or other entities. This may pose a modern slavery risk from the perspective that we may not have a direct contractual relationship with the personnel that perform these activities and therefore we may be indirectly exposed to modern slavery practices.

Platinum Group - operations (investment portfolios)

Consistent with the Responsible Investment Association Australasia, Platinum Asset Management has identified specific countries and industry sectors which it considers to have a high risk of modern slavery having regard to the nature of the Platinum Group's operations, and in particular, the investments that Platinum Asset Management manages on behalf of the Platinum Managed Funds, Platinum Listed Investment Companies and Platinum Asset Management's other investment management clients. These are²:

- Agricultural and fishing industries, e.g. coffee from Latin America and Africa, fish from Thailand, Cambodia, Indonesia and various African countries, palm oil from Sierra Leone and south-east Asia, rice from Brazil, India, Kenya, tea from east Africa, tobacco from various countries in South America and Africa.
- Apparel industry e.g. cotton from Uzbekistan, Egypt, Turkey, Turkmenistan as well as several African and other Asian countries. Leather from Pakistan, India and Bangladesh and textiles from Bangladesh. Also, garment production in e.g. Malaysia, China, India, Turkey and Jordan.
- Construction and building materials industry, e.g. bricks manufacturing in Asia and South America, coal production in some Asian countries and construction in the Middle East.
- Mining industry, particularly, e.g. copper, gold, tin, coltan and tungsten from the Democratic Republic of the Congo in Africa as well as several other West African countries, Indonesia and South America.
- Electronics and electronics recycling industry, particularly China.

6. Actions taken to assess and address modern slavery risks

Platinum Group – corporate supply chains

Following the assessment of the Platinum Group's key priority risk suppliers (Tier 1 Suppliers) as described in our 2020 Modern Slavery Statement, Platinum Asset Management continued to analyse the modern slavery risks in the Platinum Group's corporate supply chains through an assessment of the Platinum Group's moderate risk suppliers (Tier 2 Suppliers). This analysis was undertaken by reviewing publicly available information on websites and through the use of external screening tools, namely Sustainalytics and Media Check. If the information on a supplier's website revealed that there was any indicia of modern slavery risk (including those referred to in section 5 above, for example if part of a supplier's operations were being conducted in a high risk jurisdiction) or if any relevant controversies were identified through the screening tools, the supplier was sent our standard modern slavery questionnaire for completion.

During the reporting period and up until the filing date of this Statement, 40 Tier 2 Suppliers were assessed, including Platinum Asset Management's largest brokers (based on commission spend) used for trading on behalf of the Platinum Managed Funds, the Platinum Listed Investment Companies and Platinum Asset Management's other investment management clients. Out of the 40 Tier 2 Suppliers assessed, 11 suppliers

² *Investor Toolkit: Human rights with focus on Supply Chains*, produced by the Responsible Investment Association Australasia, August 2018, page 5

were asked to complete our standard modern slavery questionnaire. Responses were received from all 11 suppliers and following a review of these responses, Platinum Asset Management was satisfied with the actions being taken and measures being implemented by these suppliers to address the indicia that had raised the initial concerns. In particular, Platinum Asset Management was satisfied that these suppliers had in place adequate procedures and policies to reduce and mitigate the potential risks of modern slavery that had been identified.

In addition, any new supplier contracts that were entered into by the Platinum Group during the reporting period were reviewed with a view to incorporating our standard modern slavery contractual clauses where this was possible.

Platinum Group - operations (investment portfolios)

The actions taken by Platinum Asset Management to address modern slavery risk in the Platinum Group's operations (through the investments in the investment portfolios managed by Platinum Asset Management) are set out below.

i. Investment Process and Responsible Investment Policy

Platinum Asset Management is a fundamental equity investor and believes that private enterprise plays a central role in wealth creation and social enterprise. We invest with a long-term outlook (typically five years or more) and, as part owners of the enterprises in which we invest, it is paramount to us that these enterprises maintain their social licence to operate. We view social and environmental sustainability as well as sound corporate governance as vital to a company's long-term viability, growth and profitability, which in turn affects the performance of our investment portfolios.

To this end, Platinum Asset Management has adopted a Responsible Investment Policy which affirms our commitment to responsible investing and outlines our approach to:

- incorporating ESG considerations (including modern slavery) into our investment process;
- engaging with our investee companies; and
- proxy voting.

Modern slavery risks in our investee companies are being assessed by our investment team as part of our broader ESG approach to investing. Before initiating a long position in a company, our analysts typically meet or speak with members of the management team or other representatives of the company to ask a range of questions about its operations, the challenges the company may be facing and the key conditions required for its continued success. These may encompass targeted questions relating to ESG factors (including modern slavery), such as supply chain management, employee relations, environmental risk and mitigation as well as corporate governance. The dialogue with management continues in regular follow-up meetings and conversations after we invest in the company. Analysts are required to keep a record of the key findings from these meetings and monitor the progress of any initiatives discussed. This process is under-pinned by our newly introduced proprietary ESG reports. When completing an ESG report for an investee company, the responsible analyst is required to fill out a section specifically addressed at establishing the attitude of the

management of our investee companies towards modern slavery risks. To date we have prepared 32 ESG reports.

In addition, with the introduction of Platinum Asset Management's dedicated ESG Investment Specialist earlier this year, Platinum Asset Management has developed a new proprietary ESG risk assessment tool, the Global Responsible Investment Determination (the **GRID**). This tool uses a matrix to assess each investee company from a multi-dimensional perspective, namely, GICS-code, operating country and on a controversy basis. The tool uses external data (Sustainalytics, SASB and FactSet) and internal metrics to establish the ESG risk-profile of an investee company. Modern slavery risk is being specifically assessed as part of this process, forming part of our "social capital", "human capital" and "controversy" risk-measures. We also separately cross check against Walk Free's Global Slavery Index. In the case of an investee company triggering a flag on any one of these risk measures, an in-depth analysis and report (**Deep Dive**) is performed to assess any actual modern slavery risks. During the reporting period and up until the filing date of this Statement, we performed Deep Dives on 26 investee companies where modern slavery risk measures had been flagged. In most cases, after further analysis, we have satisfied ourselves that these investee companies have adequate procedures and policies in place to reduce and mitigate modern slavery risks. However, with respect to around 20% of those investee companies, we were either unable to ascertain whether there was any actual modern slavery risk, or otherwise we identified that there was an actual risk of modern slavery. In the latter instances, we have started to actively engage with these companies to better understand what steps and actions management is taking to address modern slavery risks in their businesses and supply chains and to voice any concerns we may have about them. We are currently in the early stages of this engagement process. All engagements are recorded and will be tracked.

We believe our greatest impact comes in the form of active engagement with our investee companies in order to deepen our understanding of management's views and strategies on modern slavery related issues and to voice any concerns we may have about them. However, given the diversified nature of our portfolios, we are realistic about the extent to which we can effect change through active ownership, and we may choose to exit a position in cases of material modern slavery risks rather than persisting with attempts to engage with an unreceptive management team.

ii. Signatory to United Nations Principles for Responsible Investment

The United Nations and Walk Free estimate that there are approximately 40 million victims of modern slavery around the world³. Platinum Asset Management believes freedom from slavery is a fundamental human right and that entities have a responsibility to respect human rights in their operations and supply chains.

On 7 January 2021 Platinum Asset Management became a signatory to the United Nations Principles for Responsible Investment. The United Nations Sustainable Development Goals (**UN SDGs**) are an articulation of the world's most pressing sustainability issues and as such act as the globally agreed sustainability framework. Platinum Asset Management supports the UN SDGs and notes that as part of the UN SDGs, the international community has committed to end modern slavery by 2030 (Target 8.7). The UN Guiding Principles on Business and Human Rights seek to set a global standard for addressing the adverse human rights impacts linked to business activity.

³ Global Slavery Index [2018] Dataset, Walk Free Foundation available from www.globalslaveryindex.org

More generally

i. Modern Slavery Training

During the year Platinum Asset Management conducted compulsory modern slavery training for staff members.

ii. Modern Slavery Policy

The Platinum Corporate Entities and Platinum Listed Investment Companies are covered by the same Modern Slavery Policy which reflects our commitment to acting ethically and with integrity in all our business relationships, and to implementing effective systems and controls to identify and mitigate the risks of modern slavery in our corporate supply chains and operations (investment portfolios).

Our Modern Slavery Policy also sets forth our ongoing commitment to continuously improve in this area, outlines who is responsible for the day to day implementation of the policy as well as what employees should do if they become aware of any breaches of the policy. The policy addresses the consequences in the event of any breach of the policy and provides details of the training that Platinum Asset Management provides to its employees in order to identify modern slavery practices.

iii. Associated Policies

Platinum Asset Management has always held high standards of integrity in all aspects of its operations and has put in place robust policies and procedures aimed at preventing unlawful, unethical or improper conduct. Platinum Asset Management's Modern Slavery Policy, operates alongside a number of other policies which contribute to the identification, assessment and mitigation of modern slavery risks that we may be exposed to, namely Platinum Asset Management's:

- *Whistleblower Protections Policy*

Our Whistleblower Protections Policy has been put in place to enable employees and other eligible persons to raise concerns regarding illegal or improper conduct in relation to Platinum Asset Management, without fear of reprisal or detrimental treatment. Employees may raise concerns about Platinum's supplier management practices under Platinum Asset Management's whistleblower protection framework. The Platinum Corporate Entities and the Platinum Listed Investment Companies are covered by the same Whistleblower Protections Policy.

- *Anti-Bribery and Corruption Policy*

Platinum Asset Management takes a zero-tolerance approach to bribery and corruption and has put in place an Anti-Bribery and Corruption Policy to set out the minimum expectations applicable to our employees in observing and upholding our position on bribery and corruption. The Platinum Corporate Entities and the Platinum Listed Investment Companies are covered by the same Anti-Bribery and Corruption Policy.

- *Diversity and Inclusion Policy and Workplace Behaviour Policy*

Platinum Asset Management actively promotes a culture of equal opportunity, meritocracy, fairness and equality. Our Diversity and Inclusion Policy and Workplace Behaviour Policy form the foundation of our commitment to respect and support human rights in the workplace.

- *Business Rules of Conduct Policy*

Platinum Asset Management's Business Rules of Conduct Policy (**BROC**) applies to all Platinum Asset Management employees. The BROC sets forth Platinum Asset Management's expected standards of behaviour, provides a framework for how employees should act in the workplace, and informs employees of their responsibilities with respect to confidentiality and privacy, personal trading, conflicts of interest and market trading activities.

- *AML/CTF Program*

Platinum Asset Management maintains an AML/CTF program that comprehensively identifies and evaluates money laundering and terrorism financing risks posed to its business. Platinum Asset Management recognises that the prevention of money laundering and terrorism financing is a key component of mitigating modern slavery risks in our business. Our AML/CTF program may identify concerns that require further review and investigation.

iv. Corporate Responsibility and Sustainability Report

Platinum Asset Management's exposures to material sustainability risks - economic, environmental and social are disclosed in the PTM Corporate Responsibility and Sustainability Report. This annual report discusses Platinum Asset Management's strategy and performance in addressing the opportunities and challenges associated with each of these themes. It also considers Platinum Asset Management's goals and initiatives against the framework of the UN SDGs as we seek to align our future prosperity with that of the broader community.

7. Assessing our effectiveness

The key performance indicators below summarise some of the measures that Platinum Asset Management has implemented on behalf of the Platinum Group to assess the effectiveness of the actions taken to identify and address modern slavery practices in the Platinum Group's corporate supply chains and operations (investment portfolios):

- the number of corporate suppliers assessed for modern slavery risks;
- the percentage of responses received from modern slavery questionnaires sent to corporate suppliers where potential modern slavery risks have been identified in our corporate supply chains;
- the number of corporate supplier contracts containing our standard modern slavery contractual provisions;
- the number of Deep Dives conducted on investee companies where modern slavery risk measures have been flagged by the GRID;
- the number of ESG reports completed on investee companies;
- the number of our engagements with investee companies on modern slavery and the results of such engagements; and

- the number of modern slavery training sessions delivered to staff and the percentage of attendance to track and improve levels of awareness among staff.

Having regard to the relevant indicators above, the measures taken to identify and address modern slavery practices in the Platinum Group's corporate supply chains appear to have been reasonably effective. All high and moderate risk corporate suppliers have been assessed for modern slavery risks and where any potential modern slavery risks have been identified, Platinum Asset Management has engaged with those suppliers to better understand their policies and procedures to manage modern slavery risks in their business.

In terms of the modern slavery risks in the Platinum Group's operations (investment portfolios), Platinum Asset Management is in the early stages of this assessment and engagement process. Platinum Asset Management's recently appointed ESG Investment Specialist will continue to work closely with Platinum Asset Management's investment team during the next reporting period to ensure that ESG considerations (including those associated with modern slavery) are an integral part of Platinum Asset Management's investment process. Platinum Asset Management will also continue to engage and track its levels of engagement with the management of investee companies where modern slavery risks are identified.

We recognise that our review and assessment of our actions to identify and address modern slavery risks across our corporate supply chains and in our operations (investment portfolios) is an ongoing and evolving process that we will continue to enhance and build on. Over subsequent reporting periods we will continue to review, enhance and develop further metrics to assess the effectiveness of our actions, in line with continuous improvement.

8. Looking forward – FY2022

In the year ahead the Platinum Group's key priorities are to:

- continue to work through the remainder of our corporate suppliers and revisit our high risk suppliers to re-assess the effectiveness of our actions;
- continue to work through our existing supplier contracts to incorporate our standard modern slavery contractual provisions;
- continue to track our levels of engagement with the management of our investee companies where modern slavery risks have been identified and the progress made by such companies in addressing any ongoing modern slavery risks;
- ensure that at least 90% of our investee companies in our investment portfolios are backed by an ESG report;
- focus on how to measure and judge the impact of our actions (with reference to working towards the target of eradicating Modern Slavery, as per the UN SDG's by 2030) and incorporate the results of these deliberations in our Modern Slavery Policy and our next modern slavery statement;
- update Platinum Asset Management's Responsible Investment Policy;
- formalise a clearly defined terms of reference for the ESG Committee including responsibility for assessing and tracking modern slavery risks, measuring outcomes and reviewing internal governance;
- continue to refine our processes and procedures to ensure consistent alignment against the requirements of the Modern Slavery Act 2018 (Cth).

9. Approval of Statement

This Statement was approved by the Board of Directors of Platinum Asset Management Limited in its capacity as the principal governing body of Platinum Asset Management Limited and is signed by Guy Strapp in his role as a director of Platinum Asset Management Limited.

Guy Strapp

Director

Platinum Asset Management Limited

Date: 20 December 2021 | 9:37 AM AEDT

This Statement was approved by the Board of Directors of Platinum Investment Management Limited in its capacity as the principal governing body of Platinum Investment Management Limited (both in its principal capacity and as responsible entity of the Platinum Managed Funds) and is signed by Andrew Stannard in his role as a director of Platinum Investment Management Limited.

Andrew Stannard

Director

Platinum Investment Management Limited

Date: 20 December 2021 | 9:40 AM AEDT

This Statement was approved by the Board of Directors of Platinum Asset Pty Limited in its capacity as the principal governing body of Platinum Asset Pty Limited and is signed by Andrew Stannard in his role as a director of Platinum Asset Pty Limited.

Andrew Stannard

Director

Platinum Asset Pty Limited

Date: 20 December 2021 | 9:40 AM AEDT

This Statement was approved by the Board of Directors of Platinum Asia Investments Limited in its capacity as the principal governing body of Platinum Asia Investments Limited and is signed by Margaret Towers in her role as a director of Platinum Asia Investments Limited.

Margaret Towers

Director

Platinum Asia Investments Limited

Date: 20 December 2021 | 3:11 PM AEDT

This Statement was approved by the Board of Directors of Platinum Capital Limited in its capacity as the principal governing body of Platinum Capital Limited and is signed by Margaret Towers in her role as a director of Platinum Capital Limited.

Margaret Towers

Director

Platinum Capital Limited

Date: 20 December 2021 | 3:11 PM AEDT