



**MFS GLOBAL EQUITY TRUST,  
MFS CONCENTRATED GLOBAL  
EQUITY TRUST AND  
MFS HEDGED GLOBAL EQUITY  
TRUST  
MODERN SLAVERY STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2023**

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## Background

This document is a modern slavery statement (**'Statement'**) and is a joint 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:

- MFS Global Equity Trust (ARSN 093 197 221);
- MFS Concentrated Global Equity Trust (ARSN 130 718 188); and
- MFS Hedged Global Equity Trust (ARSN 112 310 442).

(collectively, the **'Funds'**), each 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 of each of the Reporting Entities in accordance with the Act and has been approved by the Board of ETL as their principal governing body.

This Statement discloses ETL and MFS International Australia Pty Ltd (**'MFS Australia'** or **'Investment Manager'**) commitment and steps taken in identifying and addressing modern slavery risks within its business and supply chain, and includes the activities implemented since the first Modern Slavery Statement, including the financial year ending 30 June 2023.

This is the third Statement for the MFS Global Equity Trust, and the second Statement for the MFS Concentrated Global Equity Trust and MFS Hedged Global Equity Trust.

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

### Structure of the Funds

The Reporting Entities are registered managed investment schemes. ETL is the responsible entity of the Funds. The investors of the Funds are classified as wholesale clients pursuant to the *Corporations Act (Cth)* 2001.

The Board of Directors of ETL govern the operations of the Funds. The investments and investment strategy of the Funds are managed by MFS Australia pursuant to an investment management agreement (**'IMA'**) between ETL and MFS Australia.

The business activities of the Funds are conducted in accordance with high levels of ethical and professional standards and in accordance with relevant laws in Australia. ETL and MFS Australia are committed to mitigating the risk of modern slavery in the business and supply chains of the Funds 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, including the Funds. ETL's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000, Australia.

### About MFS International Australia Pty Ltd

MFS Australia is a proprietary limited company incorporated in Australia. MFS Australia holds an AFSL no. 485343. MFS Australia is an Australian-based investment manager and is a member of the MFS Investment Management group of companies (**'MFS'**). MFS Australia has delegated the investment management of the Funds to another member of MFS, MFS Institutional Advisors, Inc., a US Securities and Exchange Commission registered investment adviser. Established in 1924, MFS is an active, global asset manager with investment offices in Boston, Hong Kong, London, Mexico City, São Paulo, Singapore, Sydney, Tokyo and Toronto. MFS is a member of the Sun Life Financial group of companies.

MFS Australia's registered office is Level 15, 20 Martin Place, Sydney NSW 2000 and had 25 full time employees at the end of the reporting period.

## **Operations and supply chains**

The Funds all invest primarily in common stock and related securities of global issuers. The Funds will not invest in issuers that MFS believes are principally engaged in the manufacturing of tobacco products. The Funds may invest in issuers located in emerging markets countries (as defined by MFS). The Funds may utilise derivatives as a routine means to accomplish exposures to various equities or markets. In selecting investments for the Funds, MFS is not constrained by any particular investment style. MFS may invest the assets of the Funds in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS uses an active bottom-up investment approach to buying and selling investments for the Funds. The MFS Concentrated Global Equity Trust invests in a concentrated portfolio of global shares (unhedged). The MFS Hedged Global Equity Trust invests directly into the MFS Global Equity Trust with a currency hedging strategy overlaid, therefore the underlying securities in both trusts are identical. In preparing this Statement, ETL has considered the direct supply chain.

The operations and supply chains of the Funds 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 ETL and other external service providers. The Funds follow internal policies and procedures in relation to the selection of service providers, 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 Funds, has entered into agreements with each of the service providers which govern the nature and scope of the services provided to the Funds.

Administration and custody of the assets of the Funds are held via State Street Australia Limited which has operations in Australia and a number of international jurisdictions including North America, Europe and Asia, as part of a global group of companies.

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

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; and
8. Deceptive recruiting for labour services.

It is acknowledged that the following types of modern slavery risks and their indicators can exist in the operations and supply chains of the Funds:

- **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 night time) for example, security and cleaning.

In respect of the Funds, based on 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 investments of the MFS Global Equity Trust and MFS Hedged Global Equity Trust are exposed to the following categories that exhibit sector and industry risk:

- Agriculture and fishing;
- Apparel;
- Construction and building materials;
- Electronics manufacturing and electronics recycling;
- Food and beverage;
- Healthcare;
- Hospitality;
- Transport and warehousing; and
- Financial services.

The MFS Concentrated Global Equity Trust is exposed to the following categories that exhibit sector and industry risk:

- Apparel;
- Food and beverage;
- Healthcare; and
- Transport and warehousing.

- **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 operations or supply chains of the Funds. This is on the understanding that product and services risk is lower in relation to professional and/or financial service suppliers (which make up the bulk of the suppliers of the Funds).
- **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 investments of the Funds in respect of geographic risk and based on the Global Slavery Index 2018 and have identified no areas of geographic risk in their investments.
- **Entity risks:** where an entity may have particular modern slavery risks because of their reliance on long and/or complex supply chains, insufficient oversight or governance structures, or historical controversies in the area of human rights. While MFS believes the risk of modern slavery in the direct operations of the companies MFS owns in the Funds are low, it is very difficult to assess this risk in the long, complex and often opaque supply chains of many companies. As a result, it will be impossible for MFS to provide full assurance that the

companies in the Funds are completely free from modern slavery. MFS integrates Environmental, Social and Corporate Governance (**ESG**) risks, such as modern slavery, into the investment process as detailed in the [MFS Global Equity Trust 2020 Statement](#). MFS has sought to understand modern slavery risk at an entity level through direct discussions with management teams and third-party organisations that evaluate these issues.

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

ETL and MFS Australia are both committed to continuously improving awareness and response to the risk of modern slavery in the operations and supply chains of the Funds.

Since the last Reporting Period and during the Reporting Period, the Investment Manager undertook the following actions:

- Continued to ensure that modern slavery training has been provided to employees globally on relevant modern slavery risks, in order to improve awareness of and responsiveness to modern slavery risk in its operations and supply chains. MFS continues to incorporate training on modern slavery risk for new employees hired in Australia. All MFS employees globally have been offered modern slavery awareness training;
- Continued to review and update a number of its policies and procedures to specifically address modern slavery risks, including its whistleblower policy and code of business conduct;
- Developed a [Statement on Human Rights](#) that addresses how MFS commits to the protection and preservation of human rights across all areas of its business in accordance with the United Nations principles. The Statement includes detail on how MFS addresses modern slavery risks from an investments, employee and supplier/vendor perspective. The Statement also sets out the grievance mechanisms available via an ombudsman/whistleblower program;
- Continued to assess and engage with vendors, including on the supplier code of conduct during the vendor onboarding process and adding targeted questions to due diligence questionnaires relating to human rights;
- Designed and implemented vendor engagement protocols to further understand code of conduct practices, inclusive of human rights;
- Continued to monitor and periodically review vendors for negative news events (inclusive of modern slavery risks) during vendor onboarding and ongoing due diligence monitoring processes;
- Continued to consider mechanisms for conducting deeper vendor screening and detailed analysis of parts of MFS' global vendor supply chain;
- Deployed a vendor management tool that will further enhance oversight capabilities by leveraging technology to further mitigate risk. As part of this deployment, implemented a mechanism for vendors to actively confirm receipt and review of the MFS Supplier Code of Conduct;
- Hired a Vendor Management Senior Manager focused on strategic initiatives inclusive of modern slavery supplier and vendor risk.
- Engaged with companies regarding modern slavery or child labour, documenting company responses that were sufficient or required additional follow up queries;
- Collaborated with representatives from Know the Chain to better understand the forced labour and other policies of important companies in the consumer technology supply chain;

- Developed a specific set of engagement questions developed by its' ESG analysts that can be used to build a complete picture of modern slavery risks during informal meetings with company managements as well as during formal engagements with corporate sustainability teams and board members; and
- Developed sector maps to help analysts identify the sub-sectors and industries which have the most vulnerable and at-risk supply chains.

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 Entities and ETL assess the effectiveness of actions to assess and address risks**

As this is the third year of modern slavery reporting for the MFS Global Equity Trust, and the second year of modern slavery reporting for the MFS Concentrated Global Equity Trust and MFS Hedged Global Equity Trust, ETL, the Responsible Entity of the Fund is in the early stages of assessing the effectiveness of the risk-based approach which includes the review of geographical jurisdictions 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 each of the Reporting Entities, i.e. the Funds, which are trusts. However, ETL and MFS Australia consulted on the preparation of this Statement.

The trustee and responsible entity of the Reporting Entities is ETL (the issuer of this Statement). ETL is responsible for holding the assets of the Funds, issuing interests in the Funds to investors and entering into agreements on behalf of the Funds.

MFS Australia is appointed by ETL under an IMA. The role of the investment manager is to make investment decisions regarding the assets of the trust. For clarity, MFS Australia is not owned or controlled by the issuer of this Statement.

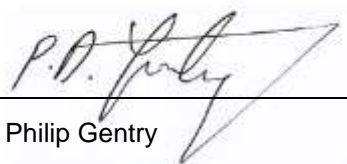
Senior management of ETL and MFS Australia are consulted on all content included in this Statement and jointly identify, consider and address modern slavery risks set out in the Statement. The Statement is then reviewed and approved by the board of the trustee.

## Other relevant information

No other relevant information for this reporting period.

## Approval

This Statement was approved by the Board of Directors of ETL, as the principal body of the Reporting Entities, on 29 November 2023.



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Philip Gentry

Chair

Date: 1 December 2023

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

For media inquiries wishing to discuss this Statement, please contact:

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Equity Trustees Limited (“**ETL**”) (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Funds. ETL is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). MFS International Australia Pty Ltd (“MFS Australia”) (ABN 68 607 579 537), AFSL 485343 is the Investment Manager for the Funds and is regulated by the Australian Securities and Investments Commission.

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