



NANUK NEW WORLD 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 Nanuk New World 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 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 Nanuk New World Fund.

Structure, operations and supply chains of the reporting entity

Fund Structure

The Nanuk New World Fund (also referred to as the "Fund") is a registered managed investment scheme, ARSN 618 696 843. ETL is the Responsible Entity of the Fund. Its investors are classified as retail and 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 Nanuk Asset Management Pty Ltd ("**Nanuk**") pursuant to an Investment Management Agreement ("**IMA**") between ETL and Nanuk.

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. 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 Nanuk

Nanuk is a specialist investment manager whose investment activities are focused on the broad global themes of environmental sustainability and resource efficiency.

Nanuk was founded in 2009 with the objective to develop leading global investment expertise related to the long-term theme of environmental sustainability and to generate returns for its investing clients by accessing the various growth opportunities and market inefficiencies associated with this theme.

Nanuk holds an AFSL no. 432119 and acts as investment manager for the Fund as well as a separately managed account on behalf of an institutional investor. Nanuk's registered office is Level 23, Australia Square, 264 George Street, Sydney NSW 2000, Australia and employs approximately 15 staff.

Nanuk is majority owned by its directors and employees.

Operations and supply chains

The Fund's performance objective is to provide investment returns which exceed conventional global equity indices, after management fees, over the long term.

The Fund is an actively managed global equities fund that seeks to outperform traditional global equities indices through investment in a large and growing component of the overall global equity universe positively impacted by global sustainability trends. The Fund provides investors with exposure to a diversified portfolio of listed companies that are assessed to be benefiting from, or contributing to, improving global environmental sustainability and resource efficiency - primarily in areas such as clean energy, energy efficiency, industrial efficiency, advanced and sustainable materials, waste management, recycling and pollution control, food and agricultural productivity and healthcare technology. In managing the Fund, Nanuk's approach is primarily bottom up and focused on identifying stocks that Nanuk considers mispriced and then constructing well diversified portfolios of such opportunities. The investment approach is primarily fundamental but is supported by quantitative tools which enable coverage and analysis of a large and global investment universe.

The Fund's investment management operations include active investments across a range of global equities, generally holding between 65 and 70 securities. The Fund's investments are primarily in developed markets but may include a small proportion of equities listed in selected developing markets.

In preparing this statement, the Fund's direct supply chain has been considered.

The 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 ETL, Nanuk 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 Citigroup Pty Ltd 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. Unit registry services are provided by Automic Pty Limited, which has operations in Australia.

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. 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 (ie. at nighttime) for example, security and cleaning.

In respect of the Fund based on the 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 the following operations/supply chains that exhibit sector and industry risk:

- Agriculture and fishing;
- Apparel;
- Construction and building materials;
- Electronics manufacturing and electronics recycling;
- Financial services;
- Food and beverage;
- Healthcare; and
- Transportation

As at 30 June 2023, the Fund had exposure to companies operating in the following sectors (*determined using Global Industry Classification Standards (GICS) classifications*):

- Agriculture and fishing;
- Construction and building materials;
- Electronics manufacturing and electronics recycling;
- Financial services;
- Food and beverage;
- Healthcare
- Transportation

- **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 and services risk in the Fund's direct operations or supply chains.
- **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 Fund's investments in respect of geographic risk and have not identified any areas of significant geographic risk in its investments. We note the Fund is able to invest in two jurisdictions identified as being of elevated risk. The Fund did hold an investment in one of these jurisdictions during the Reporting Period, but this company is believed to have limited modern slavery risk and was divested in November 2022. With respect to geographic risk in the supply chain, the Fund generally sources providers who are incorporated in Australia and is not aware of any direct suppliers who are incorporated in a high-risk country (as listed in the Global Slavery Index 2018).
- **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. We have not identified any instances of entity risk in the Fund's investments and suppliers. The risk of Modern Slavery with respect to the workforces of ETL and Nanuk is low due to their employment of high skilled, predominantly full time and permanent workforces based in Australia.

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

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

During the Reporting Period, the Investment Manager undertook the following actions:

- assessed the risks of modern slavery in investment portfolios and applied screening methodology to exclude companies in severe violation of norms for responsible business practices, including violations of accepted norms for human rights and labour standards
- updated Nanuk's ESG policy which includes screening for modern slavery issues within potential investee companies
- obtained re-certification of the Fund as a Responsible Investment by the Responsible Investment Association of Australasia (RIAA)

The Investment Manager has committed to reviewing processes to incorporate the following:

- ensuring that within its own direct supply chain, Nanuk staff and employees are trained on the potential for modern slavery in the supply chain and are made aware of the existence and purpose of this Statement. Training will be provided on a regular basis.
- screening new suppliers for modern slavery risks;
- continuously improving the Fund's existing procurement and risk management practices across all relevant business units; and
- continually review Nanuk's screening and investment processes as the landscape of responsible investing evolves.

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 ETL as the Responsible Entity, 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 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 Nanuk. 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, Nanuk is not owned or controlled by the issuer of this MSS.

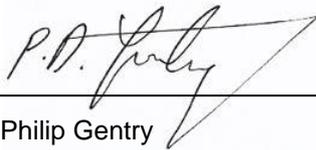
Senior management of the investment manager and the trustee consult on all content included in the MSS and jointly identify, consider and address modern slavery risks set out in the MSS. The MSS is then reviewed and approved by the board of the trustee.

Other relevant information

Nanuk is acknowledged as a Responsible Investment Leader and the Fund is classified as a Responsible Investment by the RIAA (Responsible Investment Association of Australasia).

Approval

This Statement was approved by the Board of Directors of ETL, as the principal governing 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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