

Modern Slavery Policy

Document Control

a. Version Control / Revision History

This document has been through the following revisions:

Version	Date of Approval	Remarks / Key changes / Reason for Update
1	May 2022	Initial version

b. Authorisation

This document requires the following approvals:

Authorisation	Name
Initial Version	Board
Revisions	Board

Background

This Policy is based on fiduciary responsibilities of Longwave Capital Partners Pty Ltd (Longwave) to act in the best interest of its clients as shareholders. It describes the approach taken by Longwave in relation to addressing and assessing modern slavery risks in our business, investment portfolio, and supply chain. The policy should be read in conjunction with our ESG Policy, Stewardship Policy and Proxy Voting Policy.

Longwave employs the United Nations Guiding Principles on Business and Human Rights 'Protect, Respect, Remedy' framework as our primary source for understanding our responsibilities and guide our approach to address modern slavery risks in both our operations and supply chain.

Risks in Operations and Supply Chain

Cause: Modern slavery risk relating to Longwave's own activities is considered low. Longwave is an Australian based investment team.

Contribute: Longwave's supply chain may contribute to modern slavery. Longwave recognises that modern slavery risks are particularly prevalent in the lower tiers of supply chains, especially in developing countries where there is less regulation, oversight and/or enforcement.

Directly linked: Longwave may be connected to actual or potential modern slavery practises through its investment portfolio. The Longwave Australian Small Companies Fund is our diversified, active portfolio of high-quality small companies that has been built using our distinctive combination of fundamental and quantitative research methods. Investee companies are domiciled in Australia and New Zealand.

We understand our responsibility to use or seek leverage to mitigate adverse impacts. Longwave considers modern slavery risks throughout our investment lifecycle, including prior to investment decision-making, during investment decision-making, and throughout investment stewardship.

Longwave and broader Pinnacle Group Policies

Longwave is committed to conducting its business and its relationships with integrity. Policies and supporting documents that govern the way we operate and aid us to address modern slavery include:

Stewardship Policy | Outlines Longwave's prioritisation of stewardship efforts on companies that have a lack of disclosure surrounding broader ESG efforts.

ESG Policy | Outlines how Longwave incorporates and integrates ESG criteria into our investment process.

Proxy Voting Policy | Outlines Longwave's guiding principles for proxy voting decisions, including socially responsible policy issues.

Code of Conduct | Ensures employees are aware of their obligations in applying the highest ethical standards in all its dealings.

Whistle-blower Policy | Provides guidance on how to raise a concern about suspected or actual unethical or unlawful behaviour. This Policy extends to all current and former services providers.

Human Resources Manual | Outlines expected employee behaviour, how longwave maintains a work environment that is free from harassment, discrimination and bullying and our grievance resolution procedure.

All policies are made available to employees and reviewed annually.

Taking Action to Address and Assess Risks

Education | Increasing awareness of modern slavery risks by including modern slavery in annual employee ESG training. Longwave monitor compliance with this training requirement.

Cross-Affiliate ESG Working Group | An internal collaboration between Pinnacle and Affiliates to promote responsible investment and sustainable operations that contribute positively to society and the environment.

External guidance | Sought assistance and guidance from Pinnacle, to start addressing modern slavery in our workforce and operational supply chain.

Longwave Workforce and Supply Chain

Due Diligence and Risk Monitoring

Longwave's suppliers include brokers, custodians, professional services, technology infrastructure, property management, data and information subscriptions, front office systems, and insurance.

Risk associated with Longwave's tier one service providers is considered low as these services rely on a highly skilled professional workforce. We do, however, acknowledge that modern slavery risks are most prevalent in lower tiers of our supply chains, where workers are more likely to have a lower understanding of the workplace rights to which they are entitled.

We are committed to enhancing our supply chain risk assessments. As such, Longwave may seek to engage further external guidance to assess lower tiers of our supply chain.

Remediation Process

- > Longwave has a grievance resolution procedure in place to support a fair and productive workplace.
- > Employees are expected to maintain the highest standards in line with Longwave's Code of Conduct.
- > Longwave takes unlawful and unethical behaviour very seriously and employees are encouraged to speak up if they suspect something is not right in line with Longwave Whistle-blower Policy. This Policy extends to all Longwave services providers.

Overtime, we seek to mature our capacity to identify, manage, address, and remediate modern slavery risks and impacts at lower tiers of our operational supply chain.

Investments

Due Diligence and Risk Monitoring

Longwave has an investment philosophy anchored in a belief that for small caps, quality is a key driver of long-term investment outperformance. When we assess companies, ESG components are integral in our broader fundamental research and are viewed as markers of quality.

For modern slavery, Longwave employs a risk-based approach as the basis for prioritisation of engagements, which is guided by the level of risk identified using a modern slavery scorecard. Longwave assess portfolio companies at least annually using an internal proprietary modern slavery scorecard. Scorecards are used to identify and assess modern slavery risk.

Longwave will directly engage with investees to clarify elements around specific modern slavery risk exposures. We believe engaging in an active dialogue with portfolio companies or entities, gives us the opportunity to improve our understanding of their approach to address modern slavery in their own business and supply chain.

Longwave's portfolio managers and analysts are responsible for considering the risk of modern slavery in the investment process. Further details are outlined in our ESG Policy.

Remediation process

Longwave believe that best practise remediation should address the modern slavery practise, rather than terminating the relationship and allowing the problem to continue.

If we find evidence that companies are terminating supplier relationships, rather than following best practice remediation processes, we will communicate our view on best practice directly with the Board.

If Longwave were to identify a potential risk of modern slavery in an investee company, we would look to engage with the firm on a progressive escalation basis to understand their remediation processes. If an investee company proved unwilling to remediate the modern slavery practises and we had exhausted all avenues of engagement and activism, only then would we consider the stock for exclusion.

Future Commitments

Longwave recognises that these actions will not guarantee an end to modern slavery, however, we are committed to contribute to reducing the prevalence of modern slavery in our operations, supply chain and investment portfolio.

We recognise that modern slavery practises may change as situations evolve, and such, current policies and processes will be subject to review if proven inadequate through our ongoing due diligence process.