
MODERN SLAVERY POLICY

1. INTRODUCTION

1.1. Background

Pella Funds Management (“Pella”) is a purpose-driven organization seeking to deliver consistent, sustainable returns and to advocate for a better planet. To deliver on this mandate Pella embeds Responsible Investing into everything Pella does, and its Responsible Investing Charter is available on Pella’s website.

Slavery is a blight on the world that needs to be eradicated. It is a problem that is more universal than many would assume with the International Labor Organization and Walk Free Foundation estimating there are more than 40m slaves in the world in 2016, including approximately 15k in Australia¹. These are startling numbers that demonstrate the need for a united approach by all free people and businesses.

Pella recognizes its responsibility not to contribute to slavery and to seek to eradicate it in all its forms, including: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour (e.g. subjected to slavery or engaged in hazardous work). Pella’s Modern Slavery Statement, along with its Responsible Investing Charter communicate the guidelines Pella follows to fulfill its responsibilities.

This statement follows the guidelines set out by the Commonwealth Modern Slavery Act 2018 (Act). It is intended to be a living document and our intention is for it to add to the prescribed presentation guidelines over time.

1.2. Scope

This statement is jointly made on behalf of the following entities

- Pella Funds Management (ACN 650 028 103) - parent of the Pella group of companies and its controlled entities:
 - Pella Management (ACN 650 219 971)
 - Pella Funds (ACN 650 744 791)

¹ Dr Ingrid Landau, Monash Business School.

- o Pella Global (ACN 650 744 773)

The above entities are involved in funds management, are registered in NSW, Australia, and share the same registered address: 117/165-167 Phillip Street, Sydney NSW 2000.

2. STRUCTURE

Pella is a private, proprietary company that is limited by shares that was established in May 2021. The company is majority owned by its founding principals and all founding employees are shareholders in the Company.

3. OPERATIONS

Pella offers an investment strategy to individuals, institutions, family offices and other entities seeking Pella's investment expertise. The strategy is long-only and invests in globally in listed equities that pass Pella's Sustainability guidelines. These companies must have unquestionable Environmental, Social and Governance (ESG) practices and cannot be involved in activities that contravene Pella's values. The ESG requirements and excluded activities are explained in Pella's website.

4. SUPPLY CHAIN

Pella has fewer than twenty suppliers, all of which are based in developed markets. The suppliers fall into the following categories:

- Operational services - Perpetual Trustees (Australia), Mainstream, (Australia), eNerds (Australia), Attentus (Australia)
- Software - Bloomberg (USA), Factset (USA), Microsoft (USA), Refinitiv (USA)
- Research - MSCI (USA), various stock-brokers (TBA)
- Professional services - lawyers and accountants
- Commercial cleaning

Most of the services are delivered from developed markets but some of Pella's software and services providers use labour based in emerging markets such as India, Philippines, and elsewhere. All of Pella's major suppliers have Modern Slavery Statements or policies, and Pella believe they are compliant with Pella's Modern Slavery targets.

Pella's most material service supplier arrangements are mainly based on annual or biennial service agreements.

5. MODERN SLAVERY RISKS

Areas where Modern Slavery risks might occur are: (i) Pella's supply chain; (ii) Investments made by funds managed by Pella.

The risks of slavery within Pella's supply chain are most pronounced where the service providers use services based in emerging markets, or when the service providers use less skilled labour in developed markets. Within the latter group, Pella identifies the provision of commercial cleaning as the area of greatest risk.

Pella conducts due diligence on key service providers, and chooses to only partner with suppliers who share Pella's position on modern slavery.

The nature of the services provided by the services providers in emerging markets, suggests that the risk of modern slavery in these operations is remote as the services are provided by a skilled and mobile workforce. Regardless, Pella seeks best of breed suppliers that have demonstrable ESG policies and practices and, ideally, modern slavery statements.

For services that are at greater risk of modern slavery, e.g. commercial cleaning, Pella will only engage providers with unblemished track-records on workers' rights and allow their workers to unionise. Pella also seeks assurances that the service providers do not engage in any modern slavery practices as defined by the Act.

Modern slavery risks are more pronounced in many of the investments made by Pella-managed funds than in Pella's supply chain. To mitigate these risks Pella incorporates strict ESG requirements for all its investments and utilizes third-party ESG research to identify areas of potential non-compliance.

In addition, Pella's values mean it explicitly exclude any enterprises that do not adhere to the UN Global Compact, which specifies that businesses should not engage in any form of forced and compulsory labour, child labour, or be complicit in human rights abuses. Finally, Pella actively engages with all its funds' investments to enquire about areas of potential risk and seek compliance.

As part of Pella's annual Sustainability Report, Pella assess compliance and effectiveness of its Modern Slavery Statement. Where deficiencies are identified Pella will initially engage with the culprit supplier or investment to seek more information of how the perpetrator intends to resolve the issue and within what time frame. Following that Pella may cease to use the service provider or reduce or liquidate the investment.

6. ASSESS EFFECTIVENESS OF ACTIONS

Pella believe its actions are effective. Prioritising ESG requirements over price means Pella's supply chain is well positioned to avoid modern slavery risks. Compliance with Pella's ESG and value-based requirements, supported with external ESG research means Pella avoids businesses that are at the greatest risk of participating in modern slavery. Finally, Pella's engagement practices encourage its suppliers and investments to incorporate best practices.