

Modern Slavery Statement

Version	Change Details	Author	Board Sign-off
v1.0	Original Policy	Roger Clayton	22 March 2023

Background

This statement is produced to provide interested stakeholders with information about Salt Funds Management ('Salt') and its supply chain for the purpose of understanding the potential exposure to modern slavery risk.

Modern slavery includes situations where coercion, threats or deception is used to exploit victims and undermine their freedom. This includes practices such as:

- Human trafficking;
- Slavery;
- Servitude;
- Forced labour;
- Debt bondage;
- Forced marriage; and
- Child labour.

Salt strongly supports global initiatives to eliminate modern slavery practices. As part of this support, Salt will assess and monitor the risks within its supply chains.

About Salt and its supply chains

Structure

Salt was formed in May 2013 as a wholesale funds management firm. Salt's wholly owned subsidiary, Salt Investment Funds Limited, was granted a license under the Financial Markets Conduct Act 2013 as a manager of registered schemes in August 2016 and is governed by the Financial Markets Authority.

Salt is wholly owned by its staff and currently has 14 employees and \$2.0 billion funds under management as at the 31 December 2022.

Operations

Material operations include providing investment management services and managing three managed investment schemes.

Supply chains

Salt suppliers are primarily professional service companies based in New Zealand and globally. Suppliers include global custodians, administration software providers, IT product and service providers, legal advisers, auditors, consultants, sharebrokers, cloud providers, commercial cleaners, banks.

Modern slavery risks in Salt's operations and supply chains

Salt has assessed the risk of modern slavery as low within its business and immediate suppliers. Consideration has been given to the sector and industry, products and services, types of investments made, and geographic risks such as the rule of law and governance. Nonetheless, Salt is aware of the harm modern slavery presents, and that these risks can exist, knowingly or unknowingly further along the supply chain or within that of its clients.

Salt's clients

Investment Management Services, Member & Investor Services

As a manager of managed investment schemes, Salt will hold assets on behalf of KiwiSaver, superannuation and other pooled scheme investors. Salt offers investment funds holding positions in companies that approximate the global market. Where Salt monitors managers, Salt seeks to understand if environmental, social and governance (ESG) factors are considered when making investment decisions.

Salt's funds are provided to individuals, trusts, charities, companies and other entities across New Zealand. Salt will consider governance and reputational factors when making direct investments. Before directing investments to an external manager or fund, Salt reviews the investment process, any Socially Responsible Investing Policy, as well as the underlying holdings and investments. This is frequently assessed and monitored.

Actions taken to assess and address modern slavery risks

Salt will assess and address modern slavery risk according to the risk factors presented. Assessment criteria is made with consideration to whether Salt may cause, contribute to, or may be directly linked to modern slavery risks.

In order to assess and address modern slavery risks, Salt will where appropriate:

- obtain information on suppliers and sub-suppliers, including by way of questionnaire;
- undertake risk assessments on suppliers in regard to modern slavery risk;
- update supplier contractual terms to address modern slavery risks;
- obtain commitment to adhere to a supplier code of conduct;
- provide staff training on modern slavery risks; and
- Monitor and treat reported incidents.

Where a supplier is unwilling to engage with Salt in order for it to assess its exposure to modern slavery risks, Salt may choose to ultimately cease the supplier relationship.

Assessing actions taken

Salt will periodically assess the supplier screening approaches undertaken through internal audits, including by way of control effectiveness testing. This will be reported to the company's Board or the Compliance Committee.