



# Modern Slavery Statement

June 2025

## Purpose

This Modern Slavery Statement has been developed by Chester Asset Management Pty Ltd (collectively referred to as "Chester Asset Management", "Chester" "we", "us", "our") to outline its approach to managing the risk of modern slavery across its operations, supply chain and investment activities. It provides an overview of how Chester identifies and monitors risk related to modern slavery and human trafficking in our business operations and portfolio and outlines the actions we take to manage the risk. This Statement has been prepared pursuant to the *Modern Slavery Act 2018 (Cth)* ("the Act").

This statement will be reviewed annually, or more frequently if required.

## Definitions

The term "*modern slavery*" encompasses various exploitative practices where individuals are controlled or coerced for the personal or commercial gain of others. The Act identifies eight types of serious exploitative practices which are offences under the Australian Criminal Code. These practices include; trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and inappropriate or unacceptable forms of child labour.

## Beliefs

Chester condemns slavery and human rights abuse and we are committed to managing of modern slavery risk across our business operations and investment activities.

Chester supports the United Nations Guiding Principles on Business and Human Rights, which are the recognised global standard for preventing and addressing business-related human rights issues.

Chester views modern slavery as a systemic Environmental, Social, and Governance ("ESG") risk as outlined in our *Responsible Investment Policy & ESG Guidelines*.

We are not required to, and do not, report under the Act. Chester, however, has chosen to prepare this Statement to reflect our proactive approach to managing the risk of modern slavery in its operations and supply chains and to articulate its approach to prevent, detect, and mitigate any instances of modern slavery within its scope of influence.



## Policy Statement

Chester seeks to manage modern slavery risks within its operational and investment supply chains, by raising internal staff awareness and establishing processes to assess modern slavery risk.

Chester sets clear expectations for its suppliers to uphold legally compliant and responsible labour practices. Chester expects its suppliers to manage risks related to modern slavery within their operational supply chains.

If Chester is found to have directly caused or contributed to an instance of modern slavery, it will take prompt action to cease and address such activity to the extent possible, as well as provide fair and just remediation when determined appropriate. In cases where it is identified that Chester is indirectly connected to an instance of modern slavery, Chester will use its influence where possible to encourage remediation by the supplier or investee company involved.

If a modern slavery impact is found to be irremediable, or if a supplier, or investee company consistently fails to implement appropriate due diligence measures regarding modern slavery risks over a specified timeframe, Chester reserves the right to terminate any contract or divest from the relevant investment.

Chester is committed to complying with all applicable laws and regulations related to modern slavery and human trafficking in every jurisdiction that we and our investee companies operate.

## Organisation Structure, Operations & Supply Chain

Chester Asset Management, established in 2017, is a boutique investment manager specialising in Australian equities with a 'value' style approach. As of 30 June 2025, the firm managed approximately A\$1.6 billion in funds under management. Our goal is to protect and grow capital over time by investing in businesses with asymmetric risk-return profiles. Chester Asset Management is a 100% staff-owned business with five Australian based employees working from our Melbourne and Adelaide-based offices.

### *Governance and oversight*

The Chester board is responsible for ensuring that Chester complies with the requirements of the Modern Slavery Act. Chester's Managing Director is responsible for ongoing leadership of the investment team.

### *Supply Chain*

Chester's core activity is investment management. Our supply chains include professional services firms including fund administration, custodians, auditors, professional advisors and IT services and infrastructure. Several of the fund administration, support and back-office functions are provided by Copia Investment Partners the responsible entity ("RE") of managed investment schemes issued by Chester.

The following diagram outlines Chester’s exposure to Modern Slavery risks and scope of influence.



Own Operations Exposures
<p>Directly Managed by Chester</p> <ul style="list-style-type: none"> <li>• Legal and professional services</li> <li>• Technology equipment and services</li> <li>• Printing and publishing</li> <li>• Portfolio management and trading</li> <li>• Brokerage and trading activities</li> </ul> <p>Managed by Copia Investment Partners</p> <ul style="list-style-type: none"> <li>• Office rental and service</li> <li>• Marketing and media merchandise</li> <li>• Proxy advisers</li> <li>• Custody and registry services</li> </ul>

Investee Company Exposures
<ul style="list-style-type: none"> <li>• Portfolio company supply chains</li> <li>• Modern Slavery Statements of investee companies</li> <li>• Risk Assessment undertaken as part of investee company research and analysis using Chester’s ESG Scorecard and Modern Slavery Checklist</li> <li>• Advocacy and engagement with portfolio companies on management of ESG factors</li> </ul>

Chester Asset Management’s largest spend category is professional services with highly skilled labour predominately domiciled in Australia.

### Identifying modern slavery risks

We acknowledge there may be modern slavery risks across both Chester Asset Management as a business and those businesses which Chester Asset Management invests in.

#### *Risk of Modern Slavery in Chester’s Own Operations*

Chester Asset Management recognises that, although we operate in a regulated environment with relatively simple supply chains, modern slavery risk may still arise. Chester has taken a risk-based approach to identify areas of greatest risk in its operations and supply chains. Chester is guided by external research that suggests high risk areas include areas such as; outsourced administrative services, procurement of IT equipment, and building services (such as facilities management, cleaning, waste management and security, and print and promotional goods). Risk may be heightened where third-party suppliers are involved or where goods and services are sourced from regions with weaker labour standards. These risks, while not extensive, require careful monitoring to ensure ethical practices are upheld.



Of the operational goods and services procured by Chester and Copia Investment Partners, Chester believes the following items present the highest risk of Modern Slavery:

1. services to the firm's office space, such as cleaning and security
2. sourcing of office supplies such as stationery and paper; and
3. procurement of IT equipment

Chester has assessed there is a low likelihood that modern slavery or human rights violations are present in its immediate operations and supply chain given the nature of its business. Chester makes the following observations with respect to the highest risk services in determining that there is a low overall likelihood that modern slavery or human rights violations are present in its supply chain.

1. Office Space: Chester has an office in Melbourne that is owned and managed by Dexus. Dexus has a human rights policy, anti-human rights management framework and supplier code of conduct which includes human rights considerations. Dexus publishes Modern Slavery Statements which outline the actions it takes to manage modern slavery risk and addresses the services referenced above.
2. Office supplies: Chester purchases office paper and stationery from Officeworks, a subsidiary of Wesfarmers. Both companies publish Modern Slavery Statements with progressive plans in place.
3. IT equipment: Chester purchases IT equipment from multi-national manufacturers including Apple and national retailers including JB-HiFi. Both enterprises publish Modern Slavery Statements and have developed strategies for monitoring and mitigating the risk.

Chester has implemented a thorough supplier due diligence process and trained staff engaging in the procurement of these items. Chester undertakes regular reviews of these areas and where required will develop action plans to mitigate any risks identified.

The source of Chester's investment funds also presents a risk from a modern slavery perspective. Chester's funds are sourced from a range of wholesale clients, including superannuation funds and investment platforms. All clients are based in Australia.

#### *Risk of Modern Slavery in Investment Portfolios*

Chester Asset Management invests in equities listed on the Australian Securities Exchange ("ASX"), with exposure across a broad range of sectors, some of which operate in international markets. We acknowledge that modern slavery risks can vary significantly by sector and region. Certain sectors, particularly those that rely on low-cost labour or operate in regions with weaker labour protections, present higher risks of modern slavery.

Sectors such as manufacturing, agriculture, textiles, and mining, particularly in jurisdictions outside of Australia, are known for their reliance on large, often low-wage workforces, particularly in emerging economies where oversight and enforcement of labour standards can be limited. In these sectors, forced labour, exploitative working conditions, and human trafficking are more prevalent,



creating potential risks within our investment portfolio. Companies involved in these sectors may face direct exposure to modern slavery practices within their supply chains, particularly in areas like raw material sourcing or production processes.

In addition to sector-specific risks, we recognise that operations in certain geographic regions, such as Southeast Asia, parts of Africa, and Latin America, carry heightened risks due to weaker labour laws and enforcement. Chester Asset Management is particularly mindful of investments in companies that operate in or source materials from these regions, as they may be more vulnerable to engaging in or being indirectly linked to modern slavery practices.

## Actions taken to assess and address key risks

Consistent with the companies Chester invests in, we are continuously evolving our practices to address modern slavery risks. Below is a summary of our actions to assess and address the risk.

### *Due Diligence*

Chester Asset Management's due diligence process for vendors is designed to ensure that our partners' values align with our own and uphold the UN Guiding Principles on Business and Human Rights. This could include our partners adopting an ESG Policy Commitment, similar to Chester's, making a commitment to uphold human rights. We conduct assessments to confirm vendors meet our ethical standards and legal requirements, particularly those operating in regions where modern slavery is more prevalent. This includes reviewing supplier policies where applicable.

### *Workforce*

Chester Asset Management's workforce is entirely based in Australia, a jurisdiction with strong labour protections and a low risk of modern slavery. In our recruitment processes, we ensure strict compliance with the *Fair Work Act 2009* and *Fair Work Regulations* and have done so in FY2023-24 when we recruited two new employees. These laws provide robust protection for employees covering; wages, working conditions, leave entitlements, and other employment standards. Chester is committed to maintaining a fair and ethical working environment and our team members are all employed under transparent and legally compliant terms.

### *Training*

Chester Asset Management integrates modern slavery training into the annual compliance program, ensuring that all employees are equipped to recognise and respond to modern slavery risk. This training covers the identification of red flags in both operational and investment contexts and reinforces employees' responsibilities in addressing risk. As part of our commitment to continuous improvement, we regularly update the training content to reflect evolving modern slavery practices and industry developments, ensuring that our staff are always informed and proactive in safeguarding against exploitation.



## Investment Management

Chester Asset Management undertakes comprehensive due diligence on investee companies as part of our investment management approach. With respect to modern slavery, our approach includes an assessment of investee company policies and practices related to labour rights and modern slavery.

In 2025, Chester developed and implemented a bespoke Modern Slavery Assessment Checklist for companies in our investment universe. The key areas considered are outlined below:

Chester Modern Slavery Assessment Checklist	
<p><b>Policies &amp; Governance</b></p> <ul style="list-style-type: none"> <li>• Does the company have a Modern Slavery policy?</li> <li>• Is this publicly available?</li> <li>• Has the company signed up for International Frameworks? Eg UN Guiding principles on Business &amp; Human Rights</li> </ul>	<p><b>Sector Risks</b></p> <ol style="list-style-type: none"> <li>1. Does the company operate in any of the following sectors defined as high risk?</li> <li>2. Does the sector make up more than 50% of revenue?</li> <li>3. Does the company rely on high-risk input materials (e.g. cotton, palm oil, cobalt)?</li> <li>4. Are there industry initiatives or certifications addressing labour practices (e.g. Fair Trade)?</li> <li>5. Is the company part of industry-wide initiatives to address labour exploitation (e.g. Responsible Business Alliance)?</li> </ol>
<p><b>Jurisdictional Risk</b></p> <ol style="list-style-type: none"> <li>1. Does the company have operations in any of the following high-risk countries?</li> <li>2. Does this country make up more than 50% of revenue?</li> <li>3. Does the company have a proactive risk assessment for operations in this geography?</li> <li>4. Does the company have policies to mitigate risks in jurisdictions with weak laws?</li> <li>5. Are there external factors (e.g. political instability, corruption, poverty) exacerbating risks?</li> <li>6. Has the company been linked to forced labour in these regions?</li> </ol>	<p><b>Supply Chain Risks</b></p> <ol style="list-style-type: none"> <li>1. Does the company disclose its supply chain structure (e.g. suppliers, locations and processes)?</li> <li>2. Is the supply chain disclosure detailed?</li> <li>3. Is the supply chain materially exposed to high-risk regions?</li> <li>4. Does the company use high risk materials in its supply chain (e.g. cobalt, palm oil, cotton)?</li> </ol>

As of 30 November 2024, 76% of our investee companies publish modern slavery statements. Where slavery is considered a material ESG risk factor, Chester seeks to engage with companies in our investment universe to foster open dialogue to understand their supply chain management, risk mitigation strategies and compliance with relevant legislation.

Through regular discussions and meetings, we encourage investee companies to adopt best practices and enhance their transparency regarding modern slavery risks. Additionally, we utilise our proprietary quality assessments to evaluate how companies integrate ethical considerations into their operational frameworks. This engagement not only supports our investment decisions but also helps to drive positive change within the industries in which we invest.



Chester has adopted the Principles for responsible Investment (“PRI”) framework to guide its implementation of responsible investment practices. The key practices with respect to assessing and managing the risk of modern slavery in Chester’s investment portfolios are:

1. incorporating Modern slavery as a standard risk when undertaking investment risk analysis, see the checklist above
2. being an active owner and incorporating ESG issues into our ownership policies and practices; and
3. engaging with investee companies on identified material ESG risks and seeking appropriate disclosure on ESG matters

Specific actions Chester takes with respect to its assessment of Modern Slavery risks include:

1. Subscribing to external ESG research and monitoring for controversies in respect of UN Global compact compliance or human rights violations.
2. Undertaking investee company due diligence utilising Chester’s bespoke Modern Slavery Checklist which examines disclosures, supporting a more effective engagement process with owned companies.
3. Actively encouraging investee companies to disclose modern slavery risks, including case studies to demonstrate governance practices and highlight how issues are managed when they arise.
4. Assessing a company’s response to modern slavery risks by considering governance and oversight and strategies adopted by companies to address risk.
5. Offering training to the investment team to assist in developing and maintaining awareness of modern slavery risk.

### *Policies*

Chester Asset Management has established a Responsible Investment Policy and ESG guidelines. This policy, serves as a framework for our investment decision-making, integrating criteria that assess the ESG practices of potential investee companies. By investing in businesses that demonstrate a commitment to human rights, labour standards, and sustainable practices, we are mitigating the risk of modern slavery within our portfolio.

Additionally, our policy includes guidelines for ongoing monitoring and engagement with companies to promote compliance with modern slavery regulations and to encourage continual improvement in practices across industries. Through this policy framework, Chester strives to foster a responsible investment approach that mitigates risk.



## Assessing the effectiveness of our actions

Chester Asset Management acknowledges the challenges in definitively assessing the effectiveness of our modern slavery initiatives, especially in the early stages of our reporting efforts. However, we remain committed to continuously addressing and evaluating modern slavery risks through a broad approach, which includes:

- **Supplier Reviews:** We conduct regular reviews of our suppliers as part of our ongoing due diligence process. This allows us to gain deeper insights into our supply chain risks and ensures that we uphold ethical standards throughout our vendor relationships.
- **Monitoring Investment Portfolios:** We monitor modern slavery risks within our investment portfolios, assessing the exposure of our holdings to potential labour exploitation. This ongoing vigilance helps us identify and address risks proactively.
- **Individual Investee Company Assessments:** Each investee company is evaluated against a set of criteria established during the portfolio construction process. This includes a proprietary Quality Assessment that considers their policies, practices, and commitment to ESG, which encapsulates modern slavery.
- **Continuous Improvement through Feedback Loops:** We are dedicated to refining our modern slavery practices and policies through ongoing feedback from employees, stakeholders, and external experts. By incorporating insights and suggestions, we aim to enhance our response to modern slavery risks and adapt our strategies to evolving industry standards.

Chester Asset Management aims to build a robust framework for assessing the effectiveness of our actions against modern slavery, ensuring that we remain vigilant and proactive in our commitment to ethical practices.

## Looking ahead

Chester Asset Management is committed to assessing our practices and aligning with the *Modern Slavery Act 2018 (Cth)*. We will continue to build awareness and identify modern slavery risks within our supply chains. We will implement a structured review mechanism that includes annual assessments of our policies and practices, regular feedback from stakeholders, and updates to our procedures based on emerging risks and legislative changes. This iterative process will enable us to adapt and enhance our strategies continually, ensuring that our commitment to combating modern slavery remains effective and aligned with best practices.

## Approval process and responsibilities

The Chester Asset Management team has been involved in the development and endorsement of this Statement and is responsible for implementing objectives considered in this Statement. The Statement has been reviewed and approved by the Managing Director.