

POSITION ON MODERN SLAVERY



Modern slavery is not defined in law, but according to the United Nations, modern slavery is an umbrella term covering practices such as forced labour, human trafficking, and forced marriage¹. According to the International Labour Organisation (ILO), more than 40 million people worldwide are victims of modern slavery².

Mirae Asset's Position:

At Mirae Asset, we practice full ESG integration through a two-pronged approach: actively investing in ESG themes and conducting ESG screening and engagement for our portfolios. Through actively investing in ESG themes we direct capital to companies that have a positive impact on the environment and society. Through conducting ESG screening and engagement, we adapt our portfolios to be more ESG-friendly by refraining from investing in sectors of negative ESG impact, but also encourage ESG-poor companies to improve for long-term business resilience and value creation.

Our approach to modern slavery in our investments:

As investors prioritising long-term value creation, we recognise the risks that modern slavery issues could bring to a company and the responsibilities businesses have in facilitating a fair, safe and inclusive working environment and society.

As part of our proprietary ESG scorecard, companies are assessed against modern slavery issues through sector-specific material social-related topics such as Human Capital Management, Health & Safety, and Supply Chain Management. For example, parameters include:

- Does the company provide competitive employee compensation and communication channels for engagement with employees?
- Does the company promote and practice anti-discriminatory employment?
- Does the company have an appropriate code of conduct applied to its supply chain? Does the company disclose the percentage of facilities that were audited to the code of conduct? What percentage of facilities has been audited to the code of conduct?
- Has the company been involved with controversies related to social issues, such as customer data breaches, labour relations and human rights violations, health and safety incidents, negative impacts on the local community, and breaches of regulatory social standards?

Violations of international human rights standards, such as the United Nations Guiding Principles for Business and Human Rights and the International Labour Organization's fundamental principles, are also monitored for the portfolios of all actively managed funds on a monthly basis.

¹ United Nations, June 2022

² International Labour Organization, June 2022

We reference third party data and indices such as the Global Slavery Index and the Corporate Human Rights Benchmark to identify respective markets and companies that may be of high risk to modern slavery issues or have poor human rights practices. These insights inform our engagement efforts where we utilise our leverage as an investor to influence positive change in corporate behaviours.

Illustrative Example: Global Slavery Index for Key Markets

	Global Slavery Index		
	Prevalence Index Rank	Vulnerability to Modern Slavery	Government Response Rating
China	Low (111/167)	Medium (50.65/100)	Low (CC)
India	Medium (53/167)	Medium (55.49/100)	High (B)
South Korea	Low (137/167)	Low (29.83/100)	Low (CC)

Source: Global Slavery Index, 2018

We also work with other investors to collaboratively engage with companies in order to strengthen our voice as a minority shareholder. We intend to participate in an upcoming collaborative engagement initiative, led by the United Nations Principles of Responsible Investing (PRI), focused on human rights and due diligence for an extractives company.

Our approach to modern slavery in our operations and supply chains:

We consider our responsibilities to respect human rights based on internationally recognised human rights as understood in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions.

Our employees:

- The Code of Conduct and Ethics outlines the rules and principles Mirae Asset and its Board Member, Responsible Officers and staff must adhere to. The cornerstones of our corporate culture include respect and support for cultural diversity, open and honest team cooperation and an environment free from intimidation and harassment.
- Mirae Asset endeavours to offer equal opportunities by not discriminating on the grounds of sex, marital status, disability, creed, colour, race or ethnic origin.
- We also strive to provide and maintain a safe and healthy workplace for all employees by following environmental, safety, and health rules and practices and by reporting accidents, injuries and unsafe equipment, practices or conditions.

- All employees must have a right to work in Hong Kong or the country of employment and must meet minimum age standards.
- It is Mirae Asset's philosophy to provide its employees with cash compensation that is commensurate with the individual's qualifications, relevant experience and job responsibilities. We ensure employees are fairly paid for their voluntary and non-coerced labour.
- We also ensure employees have a right to freedom of expression; appropriate internal and external communication channels are available to our staff for necessary complaints to be made. In 2022, we rolled out our first employee engagement survey.
- We also have in place a Whistleblower Policy which outlines the process of dealing with reports of suspected misconduct and how we work to protect whistleblowers making such reports.

Our suppliers:

- We have a Vendor Selection Policy which sets out the procedures in place to facilitate an open, competitive and non-discriminatory process for selecting suppliers. For example, we do not select vendors who have materially breached any industry regulation or received government warning, have unfairly manipulated the negotiation of a contract or have their businesses suspended.

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