

GLOBAL X

by Mirae Asset

MODERN SLAVERY STATEMENT

Approved by the Board: 21 June 2021

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VOLUNTARY MODERN SLAVERY STATEMENT

1 INTRODUCTION

Global X Management (AUS) Limited (“Global X” or the Company) is committed to promoting and supporting a culture of corporate-compliance and ethical behaviour. We endorse the implementation and promotion of ethical business practices to protect workers from being exploited and abused.

As a responsible corporate citizen the Company places considerable importance on environmental, social and governance issues which include a commitment to preventing slavery and human trafficking in its business activities and operations and ensuring that its supply chain is free from slavery and human trafficking, in line with the requirements of the Australian Modern Slavery Act 2018 (Act).

To this end, the Company has developed a framework aimed at defining the Company’s policies with regard to identifying and dealing with the risks of encountering modern slavery practices and maintaining responsible and transparent value chains.

Global X aims to create an awareness and consideration within the organisation of what constitutes industry good practice and to provide guidance to management and staff on the implications of the Act on Global X’s operations and on the role that Global X can play in tackling modern slavery.

The Global X Modern Slavery Statement is made on a voluntary basis and has not been submitted to the Australian Border Force.

2 OUR BUSINESS

Global X is a specialist investment manager operating in the exchange traded fund sector. The key business functions are managed from Global X’s principal place of business, being Level 9, 115 Pitt Street Sydney NSW, 2000. The Company currently manages eighteen exchange traded products and administers five exchange traded precious metal products issued by Global X Metal Securities Australia Limited. All products are quoted on the ASX AQUA market or the Cboe market.

The exchange traded products invest passively in portfolios of securities, derivative or physical precious metals, with the aim of providing investors with a return that tracks the performance of specified benchmark. Global X, as investment manager, has limited discretion over the investments of the funds within its mandate and will only make adjustments to the composition and weightings of the assets held by the fund at the same time as and to the same extent that any equivalent changes are made to the composition of the relevant index by the index provider.

The products are open to investment by both wholesale and retail investors.

3 RELEVANT POLICIES

Global X has a set of policies and procedures in place that govern the way the business operates. The Company is committed to ensuring that appropriate risk-based strategies are in place. These policies assist in preventing and mitigating the risk of modern slavery and human trafficking occurring in its business.

3.1 CODE OF CONDUCT POLICY

The Code of Conduct outlines the principles and standards that Directors, employees and relevant contractors acting on behalf of the Company are required to abide by. All Directors and employees must comply with the legal framework governing their operations and must be conscious of the impact of their business on society and evaluate actions in a broader social context. Particular attention is paid to environment, questions of occupational health and safety, industrial relations, equal opportunity for employees, the impact of competition and consumer protection rules, and other legislative initiatives that arise from time to time.

3.2 WHISTLEBLOWERS POLICY

The Company encourages all its Employees (includes any director, secretary, officer, employee, secondee or contractor including any employee of any contractor of a member of the Company) to raise any concerns related to the direct activities or the supply chains of the organisation. Procedures are in place where Employees are able to report instances of reportable conduct where there are reasonable grounds to support such action, without fear of intimidation, disadvantage or reprisal.

3.3 OUTSOURCING STATEMENT

Global X ensures that any outsourced services are provided by parties who have appropriate experience, provide adequate service standards and comply with regular reporting and are monitored. Due diligence processes are completed prior to the appointment of outsourced service providers and all material appointments of service providers are approved by the Board.

As part of the annual review process Global X will obtain confirmation from external service providers engaged by the Company that they have given due consideration to dealings within their organisation that may potentially involve modern slavery issues. A written certification will be received annually from each external service provider confirming this matter.

3.4 ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM PROGRAM

Global X's AML-CTF program has been implemented to meet the obligations contained within the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the Act) and accompanying AML/CTF Rules. Procedures are in place to detect and mitigate the risks of financial crime. Any proceeds of crime arising from human trafficking would be managed under the AML-CTF Policy.

3.5 RISK MANAGEMENT FRAMEWORK

Global X has an appropriate risk management framework in place which incorporates a Fraud and Corruption program. We undertake a comprehensive review of our internal and external business drivers (as well as our internal systems and procedures) and identify a range of potential fraud and corruption risk events that we believe have the potential to occur within our organisation.

3.6 HUMAN RESOURCES MANUAL

Global X has a commitment to equal opportunity employment and to prevent any harassment and discrimination in the workplace. The Company has procedures in place concerning employment screening and appropriate workplace behaviour. All staff are expected to abide by these policies and procedures. The Company is committed to full compliance with these provisions.

4 SUPPLY CHAIN AND INVESTMENT PROCESS MANAGEMENT

Global X engages with numerous suppliers in relation to its day to day business operations. A supplier approval procedure is in place (as noted in Outsourcing Statement above) to ensure that suppliers are reputable and we expect all of our suppliers to act in an ethical manner with integrity in relation to human rights issues.

In addition to this, the various exchange traded products managed by the Company may from time to time make investments in overseas jurisdictions which are considered to be at high risk of involvement in modern slavery practices. The nature of the investments made, particularly in the case of index funds, makes the process of tracing investment flows through various entities in which an Global X Fund may invest extremely difficult. The sections below provide some discussion as to the identification of risks, actions taken to address these risks, and the assessment of the effectiveness of these actions.

4.1 RISKS OF MODERN SLAVERY PRACTICES WITHIN THE SUPPLY CHAIN AND INVESTMENT PROCESS

Global X is committed to ensuring that appropriate risk-based strategies are in place throughout our business, including consideration of the risk of modern slavery and human rights issues.

Due to the nature of indexed fund investing, the Company and the schemes it operates may be exposed to modern slavery practices via the following supply chain activities:

- The indirect and unintentional investment in industries which have the potential to be involved in modern slavery practices.
- The indirect and unintentional investment in high-risk overseas jurisdictions which have the potential to be involved in modern slavery practices.
- The investment in low-risk overseas jurisdictions which then source supplies from high risk jurisdictions.

4.2 DUE DILIGENCE AND REMEDIATION PROCESSES

Where we find evidence of issues of modern slavery arising when analysing prospective investments, we will implement appropriate actions to ensure that due diligence is conducted to the extent necessary to give Global X assurance that any exposure to modern slavery practices is limited as best as possible. This may extend to the exercise of proxy voting powers to either encourage investee entities to make fuller disclosure of their modern slavery exposure or to ensure compliance with modern slavery principles.

With regard to Global X's local suppliers, the Company will ensure, to the best of their knowledge, that only reputable suppliers are engaged and due diligence has been conducted by these suppliers to ensure that consideration has been given to potential modern slavery issues. All appointed contractors and associated hourly rates are reviewed by the Company to ensure they are in line with current award rates as per the Fair Work Act 2009 (FW Act) and Fair Work Regulations 2009.

4.3 MEASURING EFFECTIVENESS OF OUR PROCESSES

The Company will conduct an annual review of this Statement to ensure that processes and risk management strategies are effective and are up to date in line with industry best practice.

The review process will include the following:

- Updated value chain due diligence, as a result of either Global X's own screening processes or from public information available on investee entities.
- Details of any significant modern slavery risks that have been reported and identified, any action that has been taken to address them and progress to date.
- Any gaps or shortcomings identified in Global X's processes relating to the investigation of modern slavery practices, and actions taken to remedy these issues.

4.4 CONSULTATION PROCESS

The Company has consulted with, and sought feedback on this Statement from, management of all relevant entities within the Mirae Asset Global Investments Group to ensure that Global X's modern slavery risks are appropriately identified, assessed and addressed. Training on the requirements of the Act and on the key areas of potential modern slavery risk has been provided by the Company's Compliance Officer.

It is the intention of Global X to provide ongoing training on modern slavery issues and to keep management and staff up to date with any changes to the requirements of the Act.

5 AMENDMENT OF STATEMENT

This Statement can only be amended with the approval of the Board.

6 ADOPTION OF STATEMENT AND BOARD REVIEW

The Board will review this Statement periodically. The Compliance Officer will communicate any amendments to employees as appropriate.