



# Human Rights

Position Statement | 2024



**YARRA**  
CAPITAL MANAGEMENT

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Yarra Capital Management (YCM) is a leading independent, active Australian investment manager responsible for managing over AUD\$22 billion on behalf of our clients across asset classes, including listed equities, fixed income and multi-asset strategies.

## **Acknowledgement of Country**

Yarra Capital Management acknowledges First Nations peoples, the traditional custodians of the land and waterways on which we work in and across Australia.

We particularly recognise the Wurrundjeri people of the Kulin nation on which our Melbourne office is located as well as the Gadigal people of the Eora nation where our Sydney office is located.

We recognise the unique contribution and continuing connection of First Nations peoples to land, water and culture and celebrate their ongoing vital contribution to Australian culture and society.

We pay our respects to elders past, present and emerging.

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# 01. Introduction

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At Yarra Capital Management (YCM), we recognise the nexus between sustainable corporate earnings and value creation and social and economic growth and environmental well-being.

We are committed to operating as a responsible business that upholds and respects human rights throughout our activities and relationships.

To inform our approach to upholding and protecting human rights, we are guided by global frameworks including the [United Nations Global Compact](#), the [UN Universal Declaration on Human Rights](#) and the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#) which are grounded in recognition that businesses alongside states must play a role to protect freedoms and human rights.

The purpose of this statement is to outline our commitment as a business to respecting and protecting human rights and to share how we uphold these commitments

Human rights recognise that each person has inherent value regardless of age, background, socioeconomic status, gender, physical or mental ability, race, nationality or ethnicity, education, or other identifying trait or status. Human rights are about fundamental and universal rights to liberty, freedom, dignity, equality, and fair treatment. We believe that all people are entitled to these rights without discrimination.

This position statement applies to the whole of Yarra Capital Management Group, including:

- YCM's investment strategies:
  - Australian publicly listed equities
  - Australian private companies
  - Australian fixed income securities
- Tyndall Asset Management's investment strategies focused on Australian value equities
- International equities investment strategies including multi-manager strategies and products accessed via partners.

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# 02. Our Commitment & Approach

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As investment managers, there are different ways we may influence or impact the human rights of people around the world, including through our relationships with: our people, our clients, our investees, our partners, our suppliers, and our communities.

As such, we are committed to:

- Taking accountability for – and managing any direct adverse impacts on – human rights in our operations with our people;
- Respecting human rights through our value chain and exercising influence and control to uphold these rights where possible with our clients, our partners, our suppliers and our communities; and
- Acting as responsible stewards of capital by embedding human rights due diligence considerations into our investment decision making process and exercising influence to reduce human rights violations in our engagements with investees.

## Our Operations

Through our business operations, we aim to ensure we are respecting and protecting the human rights of our people. We aim to create a workplace that promotes dignity, mutual respect and fair treatment of all people and is free from discrimination on any grounds.

This is supported formally through our policies, including:

- Code of Conduct;
- Work, Health and Safety;
- Hours of Work;
- Equal Opportunity;
- Flexible Work;
- Diversity and Inclusion Statement of Commitment;
- Whistleblower; and
- Our Employee Handbook.

We recognise that many aspects of human rights are experienced through culture and relationships in the workplace. We strive to create an environment where people feel safe, promote mutual respect, and are free to make choices about their lives without judgement or penalty.

We seek input and feedback from our people through many forums and channels, including regular staff surveys that collect anonymous data about staff perceptions and their experiences in the workplace. This information assists our leadership team in implementing strategies that seek to ensure people are happy and productive at work. Staff and suppliers also have access to Whistleblower reporting channels.

We understand we hold sensitive data that may impact people adversely if not managed responsibly. As such, we are committed to managing this data in a responsible manner that adheres to all local regulations and laws.

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# 02. Our Commitment & Approach (cont.)

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## **Our Value Chain**

Our value chain consists of suppliers that provide products and services to YCM, partners in distribution of our investment products, external asset managers that we engage to provide sub-advisory services or products, institutional clients that engage us to manage investments on their behalf, and wholesale / retail clients who invest in our strategies through various vehicles, and communities in which we live and work and who are impacted by our activities.

### **Suppliers**

We understand that the actions of our suppliers, and how we interact with them, are a key aspect of our efforts to improve social, environmental, and economic outcomes for wider community in which we operate.

As investment managers, our procurement is heavily weighted toward service providers, notably in Information and Communication Technology (ICT) (40% of CY23 spend); and Professional Services (29%).

YCM undertakes due diligence on suppliers in our supply chain. We ask our tier one suppliers to complete annual questionnaires on their environmental, social and governance (ESG) performance and modern slavery risks.

We expect our suppliers and partners to commit to upholding responsible environmental, social and governance practices. This includes monitoring, reporting and reducing risks of modern slavery or forced labour in their operations and supply chains. It also extends to creating workplaces that are healthy, safe, fair, are environmentally responsible, and embedding activities that promote diverse, equitable and inclusive practices. Where we deem appropriate, we may include such expectations and/or requirements in contractual arrangements.

If material issues are identified through our due diligence or engagement with a supplier, YCM will engage with the supplier to seek further information. In serious cases, the identification of material issues acts as a trigger for YCM to review the ongoing nature of the arrangement.

### **Partners and Clients**

YCM approaches relationships with partners and clients with the utmost mutual respect, ethics and integrity. We understand that these relationships are critical to our business success and, on moral grounds, expect that all key partners and clients to uphold legal and ethical obligations to their people and the communities in which they operate. Where we deem appropriate, we may include such expectations and/or requirements in contractual arrangements.

### **Communities**

We understand our inextricable relationship with our communities where our people live and work and where our investments have impact. We feel strongly that we have an obligation to act as a good corporate citizen and partner with community organisations in our volunteering and workplace giving campaigns. In these programs, YCM encourages all employees to act with integrity and promote dignity and mutual respect in our community interactions.

We work with community partners who we believe uphold these same values and promote respect for human rights. Many of our community partners have a mission to promote social and economic inclusion for people experiencing disadvantage and exclusion, which we value and support.

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# 02. Our Commitment & Approach (cont.)

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## **Our Investments**

We recognise that the biggest influence and impact we have on the rights, livelihoods and well-being of people is through our investment activities. We believe that upholding human rights is not only morally the right thing to do, but that violating human rights introduces financial risk into our investment portfolios.

As responsible investors committed to delivering strong and sustainable returns for our clients, we have robust ESG integration processes where our investment teams assess material ESG risks of all investments. This includes tracking issues related to human rights such as issues related to: health, safety, pollution, workplace conditions, discrimination, governance, fairness, diversity, and modern slavery.

Recognising the seriousness of potential adverse impacts resulting from human rights abuses, we have developed a supplementary scorecard for modern slavery to track the risks of all investments specific to forced labour. YCM's investment teams complete these risk assessments and consider them in conjunction with investment decisions, stewardship activities (including proxy voting and engagement activities), and ongoing monitoring, valuation and reporting.

## **Managing Human Rights Concerns**

In relation to our corporate activities, including matters pertaining to people, operations and suppliers, any team member is able to raise any concern about human rights. This would be flagged with our Legal, Risk and Compliance team, and subsequently communicated to our Chief Sustainability Officer and Managing Director for management and response.

In relation to investment activities, all investment staff are required to raise any concerns about human rights issue in an existing or potential investee company, including through formal due diligence. These concerns are escalated to the relevant portfolio manager and/or senior member of the investment team and are reviewed in consultation with the Chief Sustainability Officer. The investment teams hold regular ESG / Responsible Investment forums to further support the identification of Human Rights concerns.

Material business issues are reported to the YCM Board Audit, Risk & Compliance Committee and/or Board(s) of Directors as appropriate.

**Effective as at September 2024**