

Modern Slavery Statement

18 August 2020

This Modern Slavery Statement (Statement) is made pursuant to section 16 of the Australian *Modern Slavery Act 2018* (the Act). The Statement is provided by Dexus and covers entities within the Dexus group including:

- Dexus Funds Management Limited as Responsible Entity for the trusts comprising the ASX-listed entity DXS
- Dexus Wholesale Property Limited as Responsible Entity for Dexus Wholesale Property Fund
- Dexus Wholesale Funds Limited as Responsible Entity for Healthcare Wholesale Property Fund

The Statement covers Dexus's operations as they relate to assets owned and managed by the group, which comprises the ASX listed entity (DXS) and the third party funds management business.

In accordance with the Act, this Statement sets out the steps we have taken from 1 July 2019 through 30 June 2020 (FY20) to prevent modern slavery in our business and supply chains. As this is Dexus's first Statement, it includes reference to actions undertaken prior to the FY20 reporting period, in order to provide historical context for our current position in understanding and managing modern slavery risk.

About Dexus and our supply chain

Dexus is an Australian real estate investment trust listed on the Australian Securities Exchange, managing a high-quality Australian property portfolio valued at \$32 billion. We invest directly in real estate assets and own \$15.5 billion of office and industrial properties in Australia. We manage a further \$16.5 billion of Australian office, retail, industrial and healthcare properties for third party clients. The group's \$10.6 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns.

Our direct workforce comprises over 550 employees across functions including leasing, property management, development management, and corporate functions. All direct employees are paid in excess of the Australian minimum wage and are based either at Dexus office locations (Sydney, Melbourne, Brisbane, Perth) or at properties within the portfolio.

Dexus works with over 2,000 suppliers, who provide a diverse range of products and services which are grouped into categories:

- Building operations – including cleaning and waste management, security, building services, energy, water, electrical, mechanical, hydraulic, lifts, capital works, fire protection, and landscaping
- Developments – including development management, construction, façade materials, and building materials
- Corporate – including information technology equipment, merchandise, events, and conferences.

Dexus operates only in Australia, and as a result, the majority of suppliers with which we have a contractual relationship (Tier 1 suppliers) are also Australian. We are aware that some companies in our supply chain are domiciled internationally, especially suppliers in Tier 2 (i.e. suppliers of the Tier 1 suppliers) and further tiers.



Governance of modern slavery risk management at Dexus

Our assessment and management of modern slavery risk is a component of Dexus’s overarching approach to upholding human rights in its operations and supply chain. The governance framework applied to modern slavery is summarised in the table below.

Dexus modern slavery governance framework	
Dexus Board (Board) Ultimate oversight of compliance with modern slavery regulations	
Board ESG Committee Oversight of Dexus’s approach to managing modern slavery risk in the supply chain	
Board People and Remuneration Committee Oversight of Dexus’s approach to managing modern slavery risk in the Dexus workforce	
Board Risk Committee Oversight of the inclusion of modern slavery considerations into Dexus’s approach to risk management	
Group Management Committee Executive-level management committee with ultimate responsibility for managing modern slavery risk in Dexus’s operation and supply chain, and ensuring remediation of incidents of modern slavery that occur	
Group ESG Committee Oversight of the implementation of activities relating to modern slavery risk in Dexus operations and supply chain	
<i>Dexus operations</i>	<i>Dexus supply chain</i>
People and Culture team - Responsible for developing and implementing Dexus’s approach for identifying and managing modern slavery risk in its own workforce - The Head of People and Culture reports to the Group Management Committee and the Board People and Remuneration Committee	Modern Slavery Working Group - Responsible for developing and implementing Dexus’s approach for identifying and managing modern slavery risk in its supply chain - Chaired by the Executive General Manager, Investor Relations, Communications and Sustainability , and includes senior representatives from Asset Management, Development, Risk, Governance, Compliance, Sustainability, and Communications teams
Head of Governance Responsible for receiving, investigating, and leading the resolution of grievances relating to modern slavery in Dexus operations and supply chain (including anonymous disclosures made according to the Dexus Whistleblower Policy). The Head of Governance reports to the General Counsel and separately to the Dexus Board.	

Dexus policies and procedures apply to all entities within the group.

Dexus policies such as the Human Rights Policy, Sustainable Procurement Policy and Supplier Code of Conduct, and the Employee Code of Conduct, include our expectation that our direct operations and supply chain are free from modern slavery. Policies are publicly available at www.dexus.com/corporategovernance

In 2019, Dexus joined the United Nations Global Compact, furthering our public commitment to respecting and supporting human rights in line with international standards. We also participate in the Modern Slavery Roundtable convened by the Property Council of Australia (PCA), to collaborate with our industry peers to reduce modern slavery risk across the property industry.

Managing modern slavery risk in Dexus direct operations

The material human rights risks present in Dexus’s direct operations are different to those in its supply chain. Our employees are skilled white-collar professionals operating exclusively in Australia, and therefore are considered low risk with regard to child labour, forced labour, or other modern slavery practices. Dexus’s approach to human rights in its operations focuses on confirming individuals’ rights to work in Australia and maintaining a safe, healthy and inclusive workplace.

As part of employee onboarding, we use a human rights due diligence process including an identity and visa status check during the recruitment process. Any material issues such as a candidate’s inability to evidence their right to work will lead to the abandonment of potential employment. Dexus has updated its



Employee Code of Conduct and Recruitment Policy to include expectations that our own management and recruitment processes, as well as those of external recruitment agencies used by Dexus, acknowledge our Human Rights Policy and have appropriate procedures for managing modern slavery risk.

We maintain high standards for human rights in our workplace to ensure we minimise the likelihood of modern slavery risk factors. Key activities to uphold human rights in our workplace include:

- Building an inclusive and diverse workplace that is free from discrimination, bullying and harassment, and that offers equal opportunity in career advancement
- Providing leave entitlements in excess of statutory requirements and other benefits enabling employees to enjoy the right to family, recreation and work-life balance
- Focusing on employee health and safety through risk management and wellbeing initiatives
- Providing training on modern slavery to raise awareness among employees and support them to identify and report modern slavery risks in our direct operations and supply chain

All Dexus employees earn wages above Australian legal minimum requirements and are free to associate and enter into collective bargaining agreements.

As the 'first line of defence' in managing modern slavery in Dexus operations and supply chains, it is important that Dexus employees have a strong understanding of modern slavery and how to raise concerns about modern slavery risk. During FY20, Dexus required all of its employees to successfully complete training on modern slavery risk and provided them with resources regarding how to recognise and report modern slavery concerns. Modern slavery training information has also been integrated into the induction program for new starters.

Managing modern slavery risk in Dexus supply chain

We consider people in our supply chain to be at higher risk of modern slavery practices than our direct employees, and are aware of the following risk factors across our supply chain that Dexus may contribute to or be directly linked to:

- Use of low-skilled, contract, and/or migrant labour
- Subcontracting and use of third-party labour hire agencies
- A highly competitive and cost driven business sector
- Procurement of specific materials (the production of which may involve modern slavery)
- Supplier operations in countries with weak or opaque commitments to human rights

Based on this understanding of modern slavery risk factors, our supply chain sustainability risk assessment suggested the following categories as focus areas: cleaning and waste management services, security services, capital works at operational assets, development works, IT, corporate merchandise, and procurement of materials sourced from overseas.

Since the completion of our supply chain risk assessment and the introduction of the Act, Dexus's Modern Slavery Working Group has developed a staged approach to managing modern slavery in our supply chain. The focus for FY20, the first reporting year under the Act, has been on Tier 1 suppliers, which are those suppliers with whom Dexus has a direct contractual agreement. In future years, Dexus will expand its focus to Tier 2 suppliers (i.e. entities who are suppliers to our Tier 1 suppliers) and beyond. Future focus areas will also include Dexus's joint venture partners and customers who occupy our property portfolio.

Modern slavery risk and the COVID-19 pandemic

Modern slavery risks are never static, and the abrupt shift in economic activity resulting from the onset of the COVID-19 pandemic has created unprecedented challenges for businesses across the globe. For a property owner and manager like Dexus, the pandemic has increased the need for essential services like cleaning and security in some areas, while decreasing this need in other areas. If not managed well, abrupt increases in demand can amplify the risk of forced labour, while decreases in demand can lead to employees being stood down without pay and without access to public benefits.

Dexus has been focused on ensuring its suppliers, most notably its cleaning and security providers, have been managing their workforces appropriately during the COVID-19 pandemic. Dexus has kept its portfolio operational throughout the crisis, thus minimising the risk of job losses across our cleaning and security contractor workforces. Where cleaning requirements have been reduced at the request of customers, Dexus has engaged with affected contractors who may be impacted to protect jobs where possible. Dexus has also affirmed its expectations on suppliers that they uphold the highest standards of occupational health and safety with their workforces.



All suppliers, regardless of tier, are expected to comply with Dexus's Sustainable Procurement Policy and Supplier Code of Conduct, which in turn requires our suppliers to comply with Dexus's Human Rights Policy. In FY20, we further clarified our expectations for suppliers through updating contractual documentation with modern slavery requirements and enhancing the consideration of modern slavery risk factors during the supplier selection process. We also delivered an awareness campaign to educate suppliers and their workforces about modern slavery and how to report concerns, through integration of modern slavery information into site induction terminals and signage in key locations across assets in our portfolio.

We conduct due diligence on suppliers both before and during our engagement with them, to understand human rights risk exposure and any potential breaches. As part of the PCA Modern Slavery Roundtable, we collaborated with industry peers through the PCA to develop a common supplier due diligence platform questionnaire. In FY20, we invited a selection of existing suppliers to disclose information on their labour management practices using the questionnaire. We are using the responses to identify higher risk suppliers with whom we should engage to ensure modern slavery risks are appropriately identified and managed.

Incident management

Dexus has established procedures to enable individuals within our operations and across our supply chain to identify and escalate concerns. The Dexus Whistleblower Policy specifies grievance mechanisms available to stakeholders to safely and anonymously raise concerns about modern slavery in our operations and supply chain. In FY20, the Whistleblower Policy was updated to include reference to modern slavery and to specify that its coverage includes the workforces of Dexus suppliers, as well as their spouses and dependants. We included this material to make it clear to individuals in our supply chain that Dexus wants to hear from them if they have concerns, and that they will be covered under the protections specified in the policy.

When a concern is raised, or we otherwise become aware that an individual in our supply chain may be impacted by modern slavery, we investigate the matter further and take appropriate action. The appropriate action would depend on whether Dexus has caused the impact, contributed to the impact, or is linked to the impact through our business relationships. In all cases, the focus is on mitigating the risk to the individual(s) experiencing the impact and using our leverage to foster continuous improvement.

Assessing effectiveness

Dexus is committed to collaboration and stakeholder engagement as critical components of eliminating modern slavery. Through our involvement in the PCA Modern Slavery Working Group and the Global Compact Network Australia's Modern Slavery Community of Practice, we are contributing to the development of shared understanding, resources and tools. By working together, we can share best practice and continuously enhance how we address modern slavery as an industry and as a country.



In addition to external collaboration and engagement, we use a range of evaluation metrics and methods to assess our effectiveness and continuously improve our approach to managing modern slavery, summarised in the table below.

Category	How we assess effectiveness
Governance	We review our policies and frameworks that address modern slavery on an annual basis, or more frequently as required. These reviews are overseen by the Modern Slavery Working Group and the Board ESG Committee, both of which ensure that the reviews capture any amendments required to maintain the effectiveness of the relevant policies and frameworks.
Risk assessment and management	We evaluate a range of considerations to continuously enhance how we assess and manage modern slavery risk in our operations and supply chain. Key activities that help us understand the effectiveness of our risk assessment and management processes include: <ul style="list-style-type: none"> - Training provided to Dexus employees, including general training for all employees and specialist training for employees with functions closer to possible modern slavery risks (e.g. People and Culture, Procurement roles) - Training provided to Dexus suppliers - Suppliers disclosing through the PCA supplier due diligence questionnaire platform - Completion of supplier risk assessments - Completion of supplier audits or spot checks
Incident reporting and remediation	We encourage prompt and transparent reporting of concerns related to modern slavery in our operations and supply chain. Key activities that help us understand the effectiveness of our reporting and remediation processes include: <ul style="list-style-type: none"> - Incidents raised and investigated through internal reporting channels - Whistleblower concerns and related investigations - Analysis of reports against risk management activities, to understand whether our activities have enhanced awareness and thus led to increased reporting - Annual review of remediation processes <p>The Dexus Board receives a quarterly report on complaints, including any grievances raised via the whistleblower mechanism. We report publicly on grievances in our annual reporting suite.</p>

Consultation and approval

In the process of developing this Statement, Dexus Management made the Statement available for review and comment by the Boards of Dexus Funds Management Limited, Dexus Wholesale Property Limited, and Dexus Wholesale Funds Limited.

This Statement has been approved by the Dexus Board on 18 August 2020.

W Richard Sheppard
Chair, Dexus Funds Management Limited
18 August 2020

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