

# FY23 Modern Slavery Statement

For Financial Year ending 30 June 2023

## Reporting entity

This statement (“**Statement**”) is submitted under section 13 of the Modern Slavery Act 2018 (Cth) (the “**Act**”) for the ICG Australia Fund ABN 87 173 969 (“**Trust**”). This Statement has been prepared by the Responsible Entity of the Trust, The Trust Company (RE Services) Limited ACN 003 278 831 (“**Responsible Entity**” or “**RE**”) and approved by the board of directors of the Responsible Entity (the ‘principal governing body’ under the Act) on 15<sup>th</sup> December 2023. The RE is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827 and a part of the Perpetual Group (comprising Perpetual Limited and its subsidiaries, including the Responsible Entity)..

This Statement has been approved by a resolution of The Trust Company (RE Services) Limited Board and signed by Vicki Riggio as the Director for The Trust Company (RE Services) Limited.



Vicki Riggio

Director  
The Trust Company (RE Services) Limited

## Consultation

There are no subsidiaries or entities owned or controlled by ICG Australia Fund which the RE is required to consult with to prepare this Statement. This Statement was developed in consultation with the Investment Manager, ICG Intermediate Capital Managers Limited, for the Trust (“**Investment Manager**”), which is a subsidiary of ICG Plc, a listed entity on the London Stock Exchange in the UK (Company Number: 02234775).

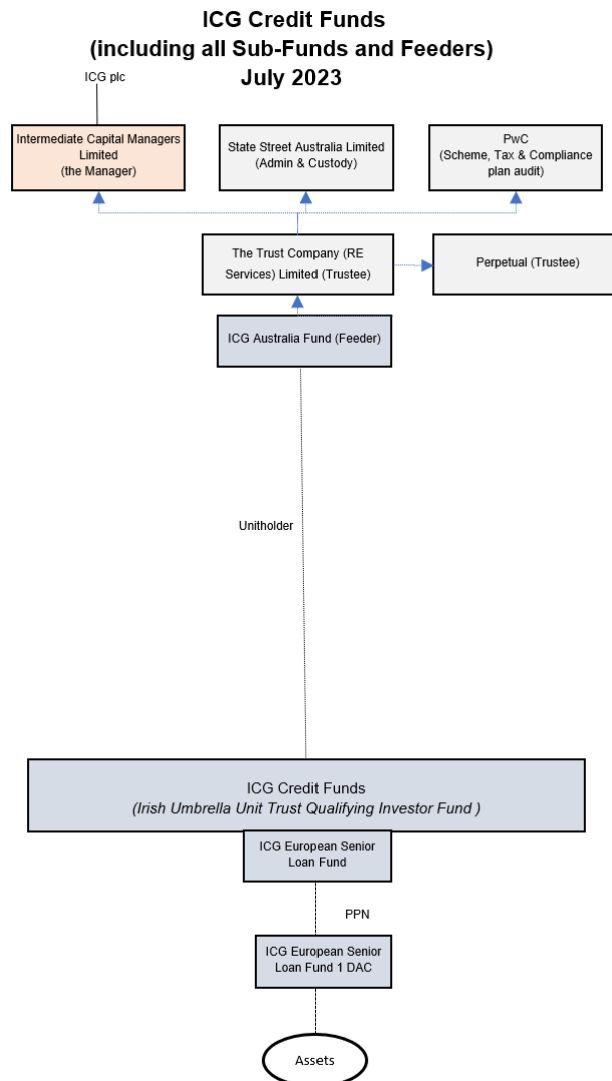
## Structure, operations and supply chain

### Structure

The Trust is a registered managed investment scheme domiciled in Australia. It was constituted on 28 June 2017 and has been in operation since 16 August 2017. The Trust invests in the ICG European Senior Loan Fund (the “**Underlying Fund**”) managed by the Investment Manager, ICG Alternative Investment Limited. The Trust owns no real property and has no employees.

The Investment Manager is a subsidiary of ICG Plc, a global alternative asset manager with a track record of over 30 years of investing in Structured and Private Equity, Private Debt, Real Assets and Credit strategies with offices in the United Kingdom, Europe, US, Middle East, Asia Pacific and Australia.

A diagram showing the legal structure of the Trust is set out below.



*THIS IS INDICATIVE ONLY AND IS PROVIDED FOR GUIDANCE ONLY*

## Operations

The primary operation of the Trust is the investment in the Underlying Fund. Perpetual Limited's subsidiary The Trust Company (RE Services) Limited is the Responsible Entity for ICG Australia Fund and is the Responsible Entity for the Trust. ICG Intermediate Capital Managers Limited is the Investment Manager for the Trust.

### *Perpetual Corporate Trust (PCT)*

The RE sits within PCT, which is a division of Perpetual Limited and forms part of the Perpetual Group. PCT provides a broad range of fiduciary, agency and digital products to the debt capital markets and managed funds industries both domestically and internationally. Debt Market Services includes trustee, document custodian, agency, trust management, accounting, standby servicing, and reporting solutions. Perpetual Digital provides data services, industry roundtables, and our new Perpetual Intelligence platform-as-a-service products supporting the banking and financial services industry. Managed Funds Services provides services including independent responsible entity, wholesale trustee, custodian, investment management and accounting (such as those provided by the RE).

### *Investments*

The Underlying Fund seeks to provide an absolute net return to investors with low volatility and low correlation to other markets. The Underlying Fund seeks to achieve its investment objective by investing principally in a diversified portfolio of sub-investment grade debt issued by entities globally including leveraged loans, second lien loans, floating rate notes and debt securities. Such assets will be principally issued by European entities. As at 30 June 2023, the Trust had \$938millionAUD net assets under management.

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## Supply chain

The Trust's supply chain consists of two direct service providers in the procurement categories listed below. These service providers are all located in Australia and one is also part of a multinational corporate group that has offices in many other countries worldwide.

*Procurement categories for service providers engaged both directly and indirectly include:*

- Auditor
- Tax agent
- Administrator
- Custodian
- Independent valuer
- Registry provider
- Legal counsel
- Distribution partners and channels

## Modern slavery risks

The RE understands that modern slavery risk can occur in operations and supply chains. The RE considers risk assessment a critical process to identifying the inherent risk of modern slavery across the Trust. As RE, we conduct an annual risk assessment on the supply chain of all trusts that meet the Act's reporting threshold. The risk assessment is done separately to Perpetual Group's corporate modern slavery supply chain risk assessment and is in addition to routine due diligence activities undertaken for management of the Trust by the Investment Manager.

### Defining modern slavery risks

Modern slavery is serious exploitation that undermines a person's freedom. In a situation where modern slavery occurs, a person cannot refuse or leave due to threats, violence, coercion, abuse of power, or deception<sup>1</sup>. Modern slavery occurs in a variety of forms, there are eight types including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour<sup>2</sup>.

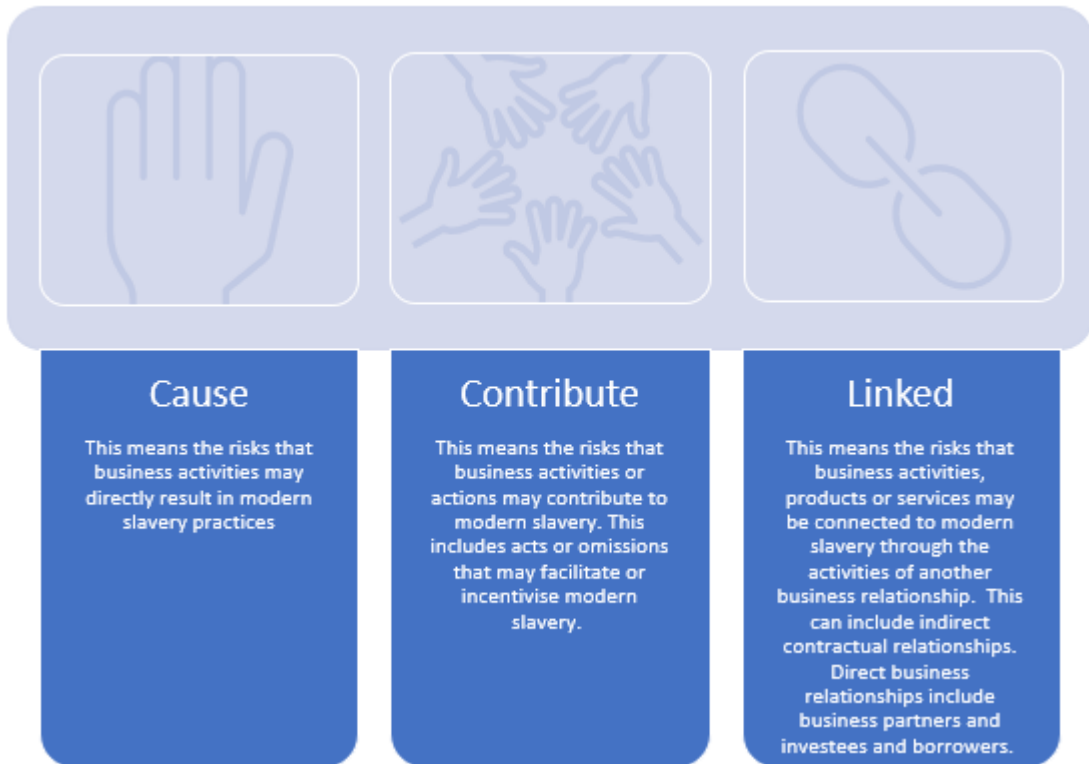
Modern slavery risk means the potential for the Trust to cause, contribute to, or be directly linked to modern slavery through their operation or supply chain. This means looking at risks to people rather than risk to the company (such as reputational or financial damage), although often these risks are connected. The Trust recognises that COVID-19, conflict and climate change driving migration has exacerbated modern slavery risks for people in vulnerable situations<sup>3</sup>.

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<sup>1</sup> International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), 2022. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, 13.

<sup>2</sup> As defined in the Australian Modern Slavery Act 2018 (Cth)

<sup>3</sup> International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), 2022. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage



### Risk assessment methodology

In FY23, the RE collected information on the Trust’s supply chain and operations to include in a modern slavery risk assessment. Specifically, the RE investigated the investment trust and service providers that we have a direct relationship with. The investment trust and service providers were then assessed for inherent modern slavery risks and an inherent risk profile was determined for each entity. Inherent risk is the level of risk before any actions are taken to manage the risk’s impact or likelihood.

Additional due diligence is conducted by the Investment Manager on investments (as described below).

### Risk assessment results

#### Investments

The risk assessment for the underlying investment holdings for the Trust is undertaken by the Investment Manager in accordance with their Responsible Investment Policy. See the due diligence section of this Statement below for further details of their approach.

#### Supply chain

The RE’s FY23 risk assessment did not identify any high-risk service providers. The risk assessment identified that all components of the Trust’s supply chain are low risk. This is because the service providers are all professional or diversified financial services organisations, who operate in Australia, which is identified as a low-risk country location by the Perpetual Group’s ESG data provider, or have low risk exposure where they operate internationally as well.

#### Sector/product

Professional Services and  
Diversified Financial Services

#### Inherent risk profile

There is generally a low risk of modern slavery in the professional services and diversified financial services industries in Australia, due to the general absence of factors concerning workers that might be vulnerable to exploitation, and the nature of the work itself. There may be risks in the operations and supply chains of these businesses such as through their procurement of cleaning services and merchandising and other equipment for offices which may be linked to higher risks of modern slavery.

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## Actions to address modern slavery risks

The Trust invests in the Underlying Fund managed by ICG Alternative Investment Limited. ICG's worldwide investment teams, including of the Underlying Fund, are required to comply with ICG's Responsible Investment Policy, which includes ICG's ESG priorities and reflects material ESG topics, including modern slavery and human rights, that may be considered during the ESG due diligence and engagement and monitoring processes.

### Due Diligence

#### Risk assessment

The RE's annual risk assessment was conducted to assess the Fund's inherent modern slavery risks. Additional due diligence is conducted by the Investment Manager as part of their Responsible Investment Policy (as described below).

#### *Investments*

The Investment Manager has an Exclusion List to ensure that the firm does not make direct investments in companies that they consider to be incompatible with the corporate values and responsible investing approach of the firm. Included within this Exclusion List, the Investment Manager will not knowingly<sup>4</sup> make direct<sup>5</sup> investments in businesses which systematically use harmful or exploitative forms of forced or child labour.

The Investment Manager conducts an ESG assessment during the Underlying Fund's pre-investment process across all direct investments through their ESG Screening Checklist, which includes specific review of human rights violations and adherence to labour standards. In FY23, the Investment Manager further enhanced the ESG Screening Checklist to more explicitly assess the exposure of potential direct investments to sectors and economic activities that are typically prone to or linked to instances of modern slavery, human trafficking or human rights violations more broadly. In addition, the investment teams run potential investments on a web-based screening tool, RepRisk, to confirm any known instances of human rights related fines, accidents, litigation proceedings, or potential violations. The investment teams also have an ongoing obligation to monitor material ESG considerations throughout the life of an investment.

Further details about the Investment Manager's approach can be obtained from its Parent Company's [Modern Slavery and Human Trafficking Statement](#).

#### *Supply chain*

As the Responsible Entity for the Trust, the RE owns the relationships with the direct service providers which are used by the Trust. As part of the Perpetual Group, the RE is subject to the same policies, due diligence and remediation process to address modern slavery as the Perpetual Group. This includes adherence to the Perpetual Group's Modern Slavery Framework which sets out the programs, processes and tools in place to ensure compliance with the Modern Slavery Act.

Procurement processes including provisions focused on modern slavery are included within contractual terms with new suppliers to ensure our suppliers understand we require them to assess and manage modern slavery risk in their business. We reviewed and updated these clauses in FY23. Over the last year, we have noted increased negotiation on our modern slavery clauses. In order to manage this risk, and to provide greater oversight of any deviations from our terms, we have implemented a register that records any deviation or omission from our standard modern slavery clause.

New and existing employees of the RE take part in our modern slavery training module and employees have access to Perpetual Group's grievance mechanism (see the paragraph "Grievance mechanism" below).

### Remediation

As a RE, Perpetual Group may be directly linked to modern slavery through our business relationships with other entities via their own investments and supply chains.

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<sup>4</sup> Defined as actual knowledge following reasonable enquiry in the pre-investment due diligence process.

<sup>5</sup> Intended to exclude fund of funds investments.

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Perpetual Group's remediation approach is outlined in our Modern Slavery Framework. Should an incident of modern slavery occur in a Trust for which we act as RE which we have 'caused or contributed' to, we would engage with the Investment Manager and act in accordance with our remediation principles.

The purpose of remediation is to ensure Perpetual Group takes reasonable steps to:

- Address the underlying root causes driving the existence of modern slavery if possible;
- Prevent the modern slavery impact from re-occurring by collaborating, supporting remediation and monitoring the implementation of remedial measures taken by another party; and
- Ensure compliance with national and international labour and human rights standards.

Perpetual Group's remediation process has been approved by the Executive Committee and has been captured in our Modern Slavery Framework. The process details specific steps that we will take if the Perpetual Group, including our controlled entities, has 'caused or contributed' to modern slavery.

Our approach to remediation is led by a set of guiding principles. These include ensuring that our actions are in the best interest of the suspected victim or victims and responding in a way that is appropriate to the circumstances of the situation.

The principles also articulate that we will take steps to prevent further harm to achieve the best possible outcome for the victim or victims and consider whether there is any action that Perpetual can take that may address the underlying structural factors that have contributed to the exploitation.

Our Modern Slavery Framework, including the remediation process, is available to our employees on our intranet.

### **Grievance mechanism**

Modern slavery is a form of reportable misconduct under Perpetual Group's Whistleblower Policy. Through this mechanism, employees in the Perpetual Group including the Responsible Entity can report any concerns to a Whistleblower Protection Officer or anonymously through our third-party whistle-blower hotline. Training on how to access and report through this grievance mechanism are provided in our employee-wide modern slavery training program.

### **Measuring the effectiveness of actions**

Outlined below is the key progress made by the Responsible Entity on behalf of the Trust in FY23 and the actions for FY24.

#### **FY23 progress:**

- Mapped the Investment Manager's supply chain to identify the different sectors service providers are from.
- Conducted an annual risk assessment to determine inherent modern slavery risks.
- Reviewed and updated the Perpetual Group process for assessing and reporting on modern slavery in trusts.

#### **Actions for FY24**

- Monitor emerging global trends in modern slavery and include anything relevant for the FY24 risk assessment.
- Commitment to have trust statement reporting process reviewed internally on an annual basis.
- Conduct modern slavery training for trust managers including for the RE.

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## Appendix

### Appendix 1: Australian Modern Slavery Act – Mandatory Reporting Criteria

The following table describes the location of each mandatory reporting criteria within the FY23 Modern Slavery Statement.

<b>Mandatory Reporting Criteria</b>	<b>Location in Statement</b>
Identify the reporting entity	Reporting Entity, Page 1
Describe the reporting entity's structure, operations, and supply chains	Structure, Operations and Supply Chain, Page 1
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Modern Slavery Risks, Page 3
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Actions to Address Modern Slavery Risks, Page 5
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Measuring the Effectiveness of Actions, Page 5
Describe the process of consultation and any entities the reporting entity owns or controls	Consultation, Page 5