

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are set against a clear blue sky. A white graphic line starts at the top left, goes down, then right, then down again, and finally right towards the bottom right. A blue segment is integrated into the white line, following the path of the white line from the top left down to the middle right.

dexus

Modern Slavery
Statement
2021

Modern Slavery Statement 2021

We recognise that every person has the right to live a life that is free from fear, harassment and discrimination, and that everyone is entitled to a universal set of human rights.



[About this Statement](#)

→ Page 1

[Our operations and activities](#)

→ Page 4

[Corporate governance](#)

→ Page 6

[Modern slavery management framework](#)

→ Page 8

[Modern slavery risks and risk assessment process](#)

→ Page 10

[Actions taken to address and manage modern slavery risks](#)

→ Page 12

[Assessing effectiveness](#)

→ Page 18

[Next steps in our journey](#)

→ Page 20

About this statement

This is our second Modern Slavery Statement (Statement) pursuant to section 16 of the Australian *Modern Slavery Act 2018* (the Act).

The Statement is provided by Dexus and covers its wholly owned subsidiaries and those joint ventures and funds that Dexus manages. The entities that are covered within the Dexus group include:

- 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 Dexus Healthcare Property Fund

The Statement covers Dexus's operations as they relate to assets owned and managed by the group, which comprise 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 2020 through 30 June 2021 (FY21) to prevent modern slavery in our business and supply chain.

This Statement includes reference to actions undertaken prior to the FY21 reporting period to provide historical context for our current position in understanding and managing modern slavery risks.

Mandatory criteria for modern slavery statements

Criterion 1	Identify the reporting entity	→ Page 1
Criterion 2	Describe its structure, operations and supply chains	→ Page 4–5
Criterion 3	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	→ Page 10–11
Criterion 4	Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	→ Page 12–17
Criterion 5	Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risks	→ Page 18–19
Criterion 6	Describe the process of consultation with any entities that the reporting entity owns or controls and, for joint statements, the entity giving the statement	→ Page 1–2
Criterion 7	Include any other information that the reporting entity considers relevant.	→ Page 20–21

Overview

We recognise that every person has the right to live a life that is free from fear, harassment and discrimination, and believe that everyone is entitled to a universal set of human rights.

As one of Australia's leading real estate and funds management groups, we understand our commitment to our investors and our stakeholders to be taking steps to prevent and address modern slavery in our business and throughout our supply chain. As a signatory to the United Nations Global Compact, we are publicly committed to respecting and supporting human rights in line with international standards.

In August 2020 we published our first Modern Slavery Statement as required by the Modern Slavery Act 2018.

Our 2021 statement builds on that document and provides an overview of our approach to modern slavery and the progress made towards identifying and addressing modern slavery risks within our operations and supply chain during the reporting period as well as key areas of focus for the year ahead.

Our Anti-Modern Slavery Working Group (AMSWG) comprises representatives from across our business and was established in 2019 to understand and assess the risks of modern slavery and evolve our approach to address them. We undertake a collaborative approach, working alongside the Property Council of Australia, industry peers, business partners, suppliers, investors and our communities. Along with the engagement undertaken with these external stakeholders, the AMSWG met eight times during the reporting period.

During the 2021 financial year, we built on our progress on combatting modern slavery.

At the start of the year, we undertook to do an extensive risk mapping exercise across our supplier base. This helped us to identify the key suppliers that presented the highest risk by industry across our supply chain, providing valuable information to help inform future work on how to mitigate risks and advance our approach.

Benchmarking our progress is important and during the year we engaged with independent organisations, in addition to the Australian Human Rights Commission, to further understand how we could address gaps in our approach. We also worked alongside key suppliers on construction sites and used our shared perspectives to enhance our program, including identifying further areas where we could collaborate in the future.

To ensure we have a framework in place to address suspected instances of modern slavery within our supply chain, we developed an Anti-Modern Slavery Grievance Procedure that is available to all employees. We enhanced training for suppliers through the rollout of a modern slavery induction module implemented at our asset and development sites.

We also enhanced the awareness of modern slavery and who to contact in the event of a grievance. This was achieved through the installation of refreshed posters with QR codes enabling the information to be interpreted in different languages by workers in our cleaning, security and construction contractor workforces at our properties, and continues to be provided to workers in high-risk industries via multilanguage awareness training.

Looking beyond our Tier 1 suppliers, we initiated a process requiring our direct service providers to provide information on their supply chain on a continuous basis which will facilitate future risk assessments of our Tier 2 suppliers.

To ensure our actions are adhering to best practice standards, and to identify the areas that need improvement to meet those standards, we appointed an independent investigator to undertake an assurance program. This an ongoing program and is initially focused on investigating high-risk contractor industries.

Despite the ongoing challenges presented by the COVID-19 pandemic, we are proud of the achievements and progress made during the year on this important area of focus. However, we recognise there is more we can do and have set new goals for the coming year.

In the year ahead, we aim to extend our supply chain mapping to other geographies beyond Australia. We will continue to roll out enhanced training for procurement staff, and further refine our processes, including looking to incorporating modern slavery considerations in our investment process.

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 was approved by the Dexus Board on 16 August 2021.



W Richard Sheppard
Chair, Dexus Funds Management Limited



Darren Steinberg
Dexus CEO and Executive Director

17 August 2021

Dexus Funds Management Limited
ACN 060 920 783

Dexus Wholesale Property Limited
ACN 006 036 442

Dexus Wholesale Funds Limited
ACN 603 970 029

FY21 highlights

1,731

suppliers involved in risk mapping exercise

14

suppliers identified as participating in high-risk industries across Dexus's supply chain

Multi-lingual posters installed across

70 properties and

7 development sites

Commenced assurance process investigating

2

key suppliers from high-risk industries in Dexus's supply chain



Overview

Our operations and activities

Corporate governance

Modern slavery management framework

Modern slavery risks & assessment process

Address and manage modern slavery risks

Assessing effectiveness

Next steps in our journey

Our operations and activities



In FY21, Dexus partnered with 1,948 suppliers¹ with a total spend of \$1.2 billion to deliver its activities in Australia.

About Dexus

Dexus is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$42.5 billion.

We invest only in Australia, and directly own \$17.5 billion of office, industrial and healthcare properties. We manage a further \$25 billion of Australian office, retail, industrial and healthcare properties in our funds management business for third party clients. The group's \$14.6 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns.

With over 35 years of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management, and delivering superior risk-adjusted returns for investors. We consider sustainability to be an integral part of our business with the objectives of Leading Cities, Future Enabled Customers, Strong Communities, Thriving People and an Enriched Environment supporting our overarching goal of Sustained Value.

Our direct workforce comprises 559 employees, including 252 male and 307 female employees. This number does not include 59 external consultants, agency temps and interns. Our employees work across functions including leasing, property management, development management, and corporate functions. All employees are paid in line or 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's operations comprise four key business activities of investing, managing, developing, transacting and trading high-quality properties located in Australia's major cities – each of which seeks to maximise cash flow and unlock value over the investment lifecycle.

Our supply chain

In FY21, Dexus's total supplier spend was \$1.2 billion, Dexus partnered with 1,948 suppliers¹ across building operations, development and corporate operations, with some suppliers engaged across multiple areas of the supply chain. This included:

- **Building operations** – 1,276 suppliers including cleaning and waste management, security, building services, energy, water, electrical, mechanical, plumbing, lifts, capital works, fire protection, and landscaping
- **Development** – 821 suppliers including development management, construction, façade materials, and building materials
- **Corporate operations** – 383 suppliers including information technology equipment, merchandise, marketing, events, and conferences

As Dexus operates only in Australia, the majority of our procurement spend (by value) with suppliers with which we have a contractual relationship (Tier 1 suppliers) were Australian. We recognise that these suppliers may procure materials and services from outside of Australia and therefore some companies in our supply chain are domiciled internationally, especially Tier 2 suppliers (i.e. suppliers of the Tier 1 suppliers) and further tiers.

1. Represents total number of suppliers.

Dexus group

About Dexus

\$42.5bn
Total funds under management

182
Properties

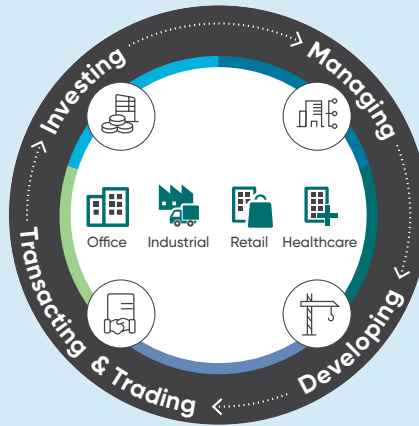
5.8m
Square metres across the group

559
Employees

>4,800
Customers

>30,000
Investors

Dexus's business activities



Funds under management

\$17.5bn Dexus	\$16.0bn Dexus Wholesale Property Fund
\$2.6bn Dexus Office Partner	\$0.7bn Dexus Healthcare Property Fund
\$0.3bn Mercatus Dexus Australia Partner	\$2.7bn¹ APN Property Group
\$0.2bn Dexus Industrial Partner	\$0.6bn Dexus Australian Commercial Trust
\$0.5bn Australian Industrial Partner	\$1.4bn Dexus Australian Logistics Partner
	New fund Dexus Real Estate Partnership 1

Dexus's supply chain²

1,313
Office suppliers

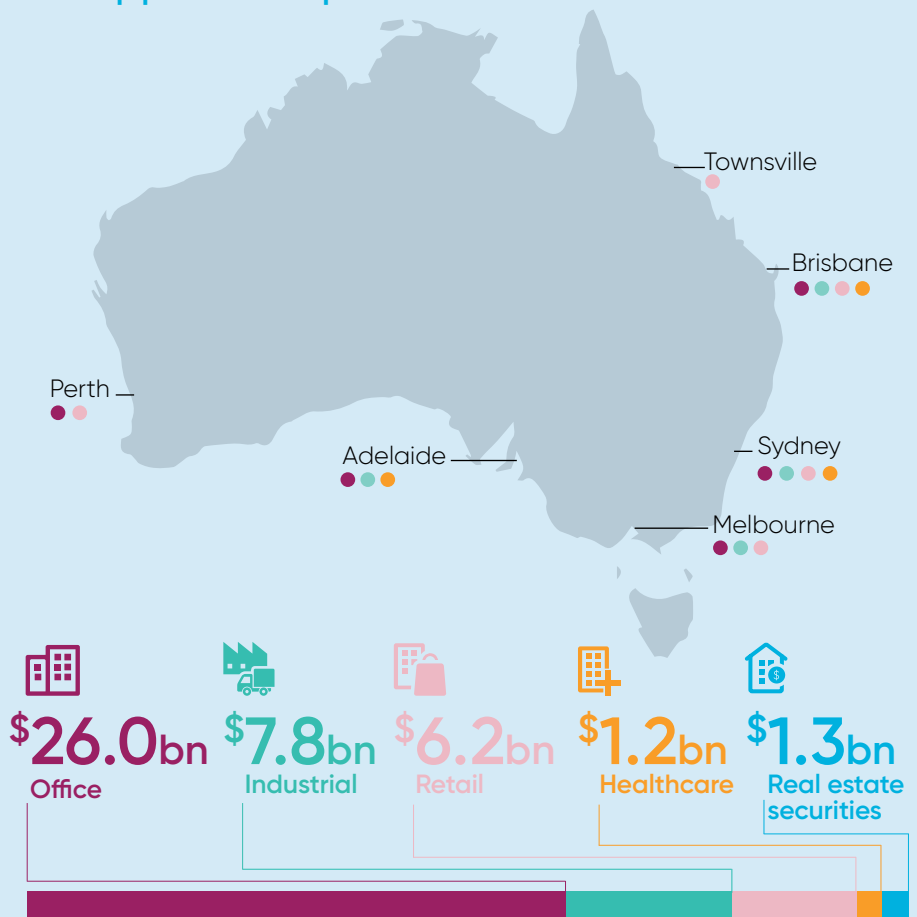
517
Industrial suppliers

623
Retail suppliers

56
Healthcare suppliers

106
Corporate suppliers

Group portfolio composition



1 Representing external funds under management at 31 December 2020.
2 Some suppliers are engaged across multiple sectors and operations.

Corporate governance



Our assessment and management of modern slavery risk is a component of Dexus's overarching approach to upholding human rights in our operations and supply chain.

Dexus has several policies that include an expectation that its direct operations and supply chain are free from modern slavery and assist in the identification of cases of modern slavery.

Dexus's Employee Code of Conduct sets out policies and guidelines to assist employees in ensuring that their conduct meets the highest ethical and professional standards, and applies to our contractors and service providers (where applicable). Dexus employees are required to provide annual attestations that they have read and acknowledged the policy.

Dexus's purpose, "We create spaces where people thrive" directs us to think about what our stakeholders need to "thrive", when we go about managing our portfolio and our workspace.

Our values of **openness and trust, empowerment, and integrity** confirm the traits we look for to embed ethics and responsibility across our organisation. Our policies and procedures apply to all entities within the group. Dexus has several policies that include an expectation that our direct operations and supply chain are free from modern slavery and assist in the identification of cases of modern slavery.

These policies which are available on our website include:

- Human Rights Policy
- Sustainable Procurement Policy and Supplier Code of Conduct
- Employee Code of Conduct
- Whistleblower Policy

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 Working Group, convened by the Property Council of Australia, to collaborate with our industry peers to reduce modern slavery risk across the property industry. The Modern Slavery Working Group is an opportunity for members to share and gather information with the aim of minimising modern slavery risk in the property industry.

We report to the Board ESG Committee on a quarterly basis summarising progress made against the key areas of our modern slavery management framework. This enables feedback to be received on our approach and areas for improvement.



The governance framework applied to modern slavery is summarised in the table below.

Dexus anti-modern slavery governance framework	
Dexus Board (Board)	
Ultimate responsibility for the safety of Dexus's people, customers and communities, with 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	
Corporate Executive Committee	
Oversight of the implementation of activities relating to modern slavery risk in Dexus's operations and supply chain	
Dexus operations	Dexus supply chain
People and Culture team	Anti-Modern Slavery Working Group
<ul style="list-style-type: none"> – Responsible for developing and implementing Dexus's approach for identifying and managing modern slavery risk in our own workforce – The Head of People and Culture reports to the Group Management Committee and the Board People and Remuneration Committee 	<ul style="list-style-type: none"> – Responsible for developing and implementing Dexus's approach for identifying and managing modern slavery risk in our supply chain – Chaired by the Head of Governance, and includes senior representatives from Asset Management, Development, Risk, Governance, , People & Culture, Sustainability, Investor Relations 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 under the Dexus Whistleblower Policy). The Head of Governance reports to the General Counsel and separately to the Dexus Board. The Head of Governance also attends board delegated committee meetings.	

Modern slavery management framework



The AMSWG continued to drive progress across its key areas of focus to ensure an ongoing modern slavery management framework is embedded across the business.

Modern slavery management framework

The key areas of focus of our modern slavery management framework include:

- Leadership & culture
- Legal & compliance
- Supply chain engagement
- Knowledge & capability
- Collaboration & stakeholder engagement
- Incident management
- Monitoring & reporting

Key activities consistent with this management framework are covered in the Actions taken to address and manage modern slavery risks section on page 12.



Leadership & culture

We have an active cross-functional anti-modern slavery working group responsible for overseeing our approach to combatting modern slavery. The group meets on a regular basis to design and track progress on operational initiatives across our building operations, developments and corporate operations.



Legal & compliance

We apply the highest standard of governance to address modern slavery across our operations and supply chain. This involves ensuring expectations and standards are understood by employees and suppliers and embedded into policies, procedures, and supplier contracts.



Supply chain engagement

We are focused on ensuring modern slavery risk is assessed prior to entering into operational and development procurement contracts through engaging with our supply chain. This engagement includes spot checks, interviews, audits, and other continuous improvement strategies to monitor and mitigate risk over the contract term.



Knowledge & capability

We ensure that the people responsible for implementing our policies and standards that address modern slavery are appropriately trained to effectively identify and implement relevant actions. Training for supplier workforces is also embedded in our practices to ensure they adhere to the same standards as our business.



Collaboration & stakeholder engagement

We adopt a collaborative approach, working alongside industry groups, industry peers, business partners, suppliers, investors and communities to combat modern slavery. We actively engage with policy makers, workers' rights organisations, and local non-profit organisations to enhance the effectiveness of our actions.



Incident management

We ensure people who report a concern can do so without being subject to detrimental treatment through our Whistleblower Policy and have a remediation process for any grievances. We provide an independent third party mechanism to encourage, protect and support the reporting of incidents, which is available to our employees and Tier 1 supplier workforces.



Monitoring & reporting

We report on the steps we take to prevent modern slavery in our business and supply chains on an annual basis. We have a reporting framework and evaluation methods in place to provide oversight, accountability, and the ability to measure the effectiveness of our governance approach to modern slavery.

Modern slavery risks and risk assessment process



Dexus's modern slavery risks exist primarily in its direct operations and supply chain.

Identifying and managing modern slavery risk in Dexus's direct operations

The material human rights risks present in our direct operations are different to those in our supply chain. We recognise there is a risk that we may still be involved in modern slavery in our direct operations, however the risk of this is considered low and is mitigated through a number of controls. 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.

We have updated our 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. 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 in line or 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 our operations and supply chain, it is important that our employees have a strong understanding of modern slavery including how to raise concerns about modern slavery risk. We require all our employees to successfully complete training on modern slavery risk and provide them with resources regarding how to recognise and report modern slavery concerns. This is a two-year program where Year 1 involves all staff awareness training (completed in 2020) and Year 2 involves annual targeted training for staff who procure services and the ASMWG (completed in 2021).

All staff training is designed to help Dexus's employees to understand modern slavery, who is affected, how to recognise the signs, and what to do if they suspect modern slavery is present in our direct operations or supply chain. Targeted training is undertaken by specific roles and management to ensure they understand the risks, their impact on the organisation, mitigation strategies, and escalation protocols relating to risks within our direct operations and supply chains. The ASMWG receives further training through the Supply Chain Sustainability School's 'Human Rights and Modern Slavery advanced e-learning module'.

Modern slavery training information has also been integrated into our employee induction program which is mandatory for new starters.



Identifying and managing modern slavery risk in Dexu's supply chain

In 2020, we conducted an assessment of modern slavery risks in our supply chain, initially focusing on Tier 1 suppliers over a particular spend threshold. 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 Dexu 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 risk assessment suggested the following categories as focus areas: cleaning and waste management services, landscaping, 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, Dexu's AMSWG has developed a staged approach to addressing the risk of modern slavery in our supply chain. Our initial focus has been on Tier 1 suppliers, which are those suppliers with which Dexu has a direct contractual agreement. The intention is that in FY22, we will extend the scope of our assessment to include the Tier 2 suppliers (i.e. entities who are suppliers to our Tier 1 suppliers) that provide services involving subcontracting or labour hire, or products sourced from locations or industries that have been identified as high risk.

We will assess contributing factors including purchasing practices such as contract length, tight time frames and savings targets as part of our business activities.

Modern slavery risks in Dexu's supply chain

Co-existing risks from our business activities and operations



Asset operations

Facility management services engaging in a highly competitive market through outsourced agreements with contractors using low skilled and casual labour for cleaning, landscaping, fit-outs/de-fits, waste management and security



Development

Construction suppliers engaging sub-contractors using low skilled, migrant workers or labour hire providers.



Materials

Lack of visibility in manufacturing supply chains for construction materials (plumbing, electrical, mechanical components, masonry/tiles, sanitary ware, raw materials, IT hardware) and office consumables (marketing merchandising, PPE, uniforms, stationery, catering)



Business operations

Offshore operational services, IT support or design services which is sub-contracted by an approved contractor to countries with low labour costs and limited worker rights

Actions taken to address and manage modern slavery risks



Through the AMSWG Dexus undertook key activities in FY21 across each dimension of its modern slavery management framework.



Leadership & culture

The cross-functional AMSWG is responsible for promoting a culture of best practice and continuous improvement as well as the development and oversight of strategy and operational initiatives that will lead to the identification and elimination of modern slavery in Dexus's operations and supply chains. The AMSWG met eight times during FY21.

Management and the Board considered and included statements explicitly addressing Modern Slavery and Human Rights risk into Dexus's Risk Appetite Statement to reflect our belief that everyone is entitled to a universal set of human rights.



Legal & compliance

During FY21, the Dexus Recruitment Policy and the Dexus Tendering Policy were updated to include reference to modern slavery and human rights, and this is now available for all employees to view on the company intranet. Compliance continues to work with other policy owners to assist with updating policies to include reference to Modern Slavery and Human Rights.

With engagement across our development supply chain being a key focus, development and construction contracts are under review to ensure modern slavery clauses reflect Dexus's requirements. Tender response forms include a requirement for vendors to acknowledge their information has been provided and/or updated in Informed365, the Property Council of Australia's Modern Slavery Due Diligence Tool, in the past 12 months. The Development team has identified a list of top contractors that Dexus is considering engaging with for development works across the office, industrial and retail sectors over the next 12 months. These contractors will be subject to a modern slavery risk assessment.

Case study

Partnering with our suppliers to combat modern slavery

We believe that collaborating with our suppliers will achieve the best outcomes in combatting modern slavery.

Dexus partnered with Roberts Co, a builder contractor engaged in the development of the North Shore Health Hub in St Leonards, on an approach to prevent modern slavery on construction sites. During the year, Dexus and Roberts Co held workshops to share knowledge on each organisation's approach to combatting modern slavery.

Approaches to address modern slavery risks

There were common features in each organisation's approaches including:

- Mechanisms in place to identify modern slavery
- Assessment of supply chain risks
- Alternative means of communicating effectively across a diverse workforce and supplier base

The following differences in approach were identified.

Dexus	Roberts Co
Dexus uses the Property Council of Australia's Informed365 Modern Slavery due diligence tool to assess its top tier suppliers, with some of these suppliers also being required to report under the <i>Modern Slavery Act 2018</i>	Roberts Co adopts a risk management-based approach as most sub-contractors are too small to be required to report under the Act, to assess their subcontractor workforces during the procurement stage, with subcontractors being required to demonstrate that they have addressed the risks
Dexus is focused on its Tier 1 suppliers, in particular the labour forces of its cleaning, security and construction supplier companies	Roberts Co identified two streams to address – its labour supply chain and its procurement supply chain
Dexus has a modern slavery grievance procedure which outlines the framework and process to be undertaken on the receipt of a grievance relating to modern slavery within its supply chain	Roberts Co has a simplified grievance procedure which deals with grievances on a case-by-case basis



Collaboration initiatives

Through the identification of key differences in approaches, both Dexus and Roberts Co shared knowledge to enhance each other's anti-modern slavery procedures.

Site induction procedures were enhanced to include regular compulsory modern slavery induction training on contractor sign-in. Dexus's grievance procedure was shared with Roberts Co along with posters to raise awareness on who to contact if workers were a victim, or they suspect someone is a victim, of modern slavery. This included expanding the availability of Dexus's whistle blower service to its contractors' workforces.

In the procurement stream, Roberts Co has delineated the steps in their supply chain and are in the process of identifying the areas of greatest risk. Dexus has identified stone suppliers as a high-risk procurement category and is working with Roberts Co to gain a deeper understanding of this risk.

Next steps

Through this exercise, Dexus and Roberts Co found that there was an opportunity to identify modern slavery risks in the procurement supply chain during the architectural design process. We will require design consultants to consider modern slavery in the supply chain of the materials and products they specify to be used in development projects. This new approach will be advocated by both parties within the property industry.

Actions taken to address and manage modern slavery risks (continued)

Case study

Supplier risk assessment verified through independent processes

Dexus undertook weighted risk assessments across its Tier 1 supply chain to identify high-risk suppliers. Consideration was given to three factors: companies operating in high-risk industries; companies with a spend threshold deemed significant; and number of worker hours that represented the equivalent of two full time equivalent employees. From this analysis, Dexus identified 14 suppliers.

Further risk analysis was undertaken on these 14 suppliers through the application of weighted scoring using a core set of questions from the Property Council of Australia's supplier risk weighting tool, Informed 365. Following this weighting exercise, one supplier was identified high risk.

Discussions undertaken with the high-risk supplier revealed that despite it being unlikely that modern slavery exists in their operations, the supplier had little desire to embed robust processes required to prevent future occurrences of modern slavery.

In an independent tender evaluation exercise, this same supplier did not progress to appointment. Dexus's tender evaluation is based on a scoring mechanism that considers both the financial and non-financial attributes of the supplier's proposal, including alignment with Dexus's Environmental, Social and Governance (ESG) aspirations and commitments.

Dexus's application of two independent processes concluded the same supplier was deemed high risk and was not aligned with Dexus's ESG aspirations including the elimination of environments or activities that were conducive to modern slavery.



Supply chain engagement

A collaborative effort across the property industry will ensure that the data that we collect from our suppliers is accurate and will enhance efficiencies in the identification of modern slavery risks.

During the year, we undertook an extensive risk mapping exercise across our supplier base which identified 14 key suppliers that presented the highest risks by industry. The identified suppliers are involved in the cleaning, security, building services, waste services, and landscaping industries.

We subsequently undertook a weighted risk assessment, using a targeted set of questions developed by the Property Council of Australia's Modern Slavery Working Group.

The assessment categorised these suppliers as follows:

- High risk: 1 supplier
- Medium risk: 10 suppliers
- Low risk: 3 suppliers

Suppliers identified as high risk and medium risk are being contacted to seek clarification on their responses and their willingness to work with us on implementing corrective actions. The Property Council of Australia has also engaged an independent assessor to validate the accuracy of the responses across a selection of key suppliers.

All our supplier agreements or contracts have been updated to include a new modern slavery clause. The new clause allows us to audit suppliers and imposes requirements on them to sign up to the Property Council of Australia tool, complete an annual attestation, manage their subcontractors, and comply with reporting obligations.

An annual attestation process has been established and is managed through our Contractor Management System (CMS). Vendors are required to attest that they comply with our Supplier Code of Conduct and must report any deviations from the code. An incomplete attestation will deem the vendor non-compliant preventing them from being able to be issued purchase orders or be granted access to the site via the CMS until the issues are resolved.



Our suppliers are required to formally identify their subcontractors (our Tier 2 suppliers) via the CMS allowing us to extend the scope of our assessment to include key Tier 2 suppliers.

Our intention to include Tier 2 suppliers as part of our assessment in 2021 was limited due to our focus on conducting a weighted risk assessment across our Tier 1 suppliers. In FY22, we will conduct assessments on key Tier 2 services suppliers.

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 pandemic. Dexus has kept its portfolio operational throughout the lockdowns, 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.

Independent supply chain review

KPMG is currently conducting a modern slavery review of the operations of our two largest spend vendors in industries deemed to be high risk from a modern slavery perspective, cleaning and security.

We recognise that while independent supplier reviews are beneficial, they may only represent a snapshot at a given point in time and there is a risk that documents provided to independent reviewers can be falsified. Our independent review has been designed to ensure the voice of the worker is heard and that past actions are addressed as part of the review.

The onsite component includes onsite document and system verification and interviews with management and workers who represent a cross-section of the workforce.

We recognise that it is critical that interviews are conducted in line with ethical social research principles and with specialist assistance to ensure worker safety. The independent investigator comprises business and human rights professionals who conduct testing and site visits on the basis of a rigorous social research methodology. Employees from different shifts are selected to ensure a broad range of participants and circumstances are covered. Interviews are conducted in a safe space and directly with the individual, with no other parties present. This encourages employees to provide candid feedback.

We have made explicit our requirement for suppliers and contractors to encourage and respect open and honest communication with business and human rights specialists on site and commit to there being no repercussions for workers who participate in the process.

The site visit process is designed to include:

- An opening meeting with executives and managers to explain the purpose of the site visits and the document and system review, provide an overview of the testing process, and answer questions about intended outcomes
- Interviews with key personnel responsible for supervision and labour related issues
- A site tour and confidential interviews with workers across all levels of the organisation to collect views of worker experiences

The worker interviews cover the following key themes:

- Governance
- Fair treatment
- Employment contracts and termination
- Right to work
- Remuneration
- Working hours
- Freedom of association
- Grievance and remediation
- Use of sub-contracting
- A feedback session for follow up and cross checking

Actions taken to address and manage modern slavery risks (continued)



Knowledge & capability

Throughout FY21, to effectively implement Dexus policies and the standards expected of our employees, we provided training programs to educate decision-makers across the business.

The AMSWG agreed on amending the employee training program to be a two-year program. Year 1 covered all staff awareness training (completed in 2020), to be delivered every two years and for all new starters within their compliance induction program. Year 2 targeted staff who procure services and the AMSWG with specialised training that will be delivered on an annual basis. To benchmark our training program, we refer to the guidance provided by United Nations Global Compact (UNGC).

Acknowledging that English is not the first language of many of our key supplier workforces, we launched a trial of a multi-language awareness training course within our Contractor Management System (CMS) for 77 on-site cleaning and security workers at one of our busier locations in Melbourne. This training was provided in seven languages and covers Dexus's position on modern slavery and human rights, including Fair Work Australia's role, the basic rights of employees, information on how to spot the signs of modern slavery, and how to report modern slavery grievances or seek advice through our confidential whistleblower service.

The trial identified that some questions within the course will need to be re-phrased to ensure greater engagement, however 100% of participants who completed the training found the language options and the training useful. The trial has now been extended to all suppliers in Queensland and will be rolled out at all Dexus managed properties across Australia before the end of the 2021 calendar year.



Collaboration & stakeholder engagement

Collaboration and stakeholder engagement is focused on active participation with policy makers, worker rights organisations, local non-profit organisations, and industry initiatives to increase the effectiveness of actions.

During the year, representatives from various organisations presented to the AMSWG. These included:

- Australasian Centre for Corporate Responsibility (ACCR)
- Catholic Archdiocese of Sydney's Anti-Slavery Taskforce
- Cleaning Accountability Framework
- The Australian Human Rights Commission

We are a member of the Global Compact Network Australia's Modern Slavery Community of Practice which provides a forum for Australian businesses to navigate new developments and share learnings in relation to modern slavery. We also participate in the Property Council of Australia's Modern Slavery Working Group to collaborate with our industry peers to reduce modern slavery risk across the property industry and encourage greater transparency in supply chain management.



Incident management

Incident Management is focused on ensuring an independent third-party mechanism is available to our people, supply chain and relevant stakeholders, and that there is a remediation process in place and cases are appropriately disclosed.

The modern slavery posters rolled out across our portfolio in early 2020 were refreshed and installed in common rooms for cleaners and security guards, development sites for contractors, and for the general public in our managed shopping centres. These posters provide information on how to spot the signs of modern slavery and who to contact to report any grievances.

This year we enhanced these posters with a QR code that gave individuals access to the information translated into the top seven most common first languages spoken across the cleaning, security and contractor industries, which included Portuguese, Tamil, Nepalese, Thai, Spanish, and Sinhala. For the three months that the posters were displayed at our properties and construction sites there were 24 unique views on the landing page of the QR code website, with one unique view of the Portuguese poster page.

During the year, an employee of one of our largest spend vendors reported a grievance in relation to pay conditions. On investigation it was determined that while not deemed to be modern slavery, the grievance prompted an investigation which was resolved. The employee was satisfied with the resolution and engagement by Dexus, without any retribution from his employer. The incident informed a subsequent independent review of this vendor as outlined on page 15.

We enhanced modern slavery posters with a QR code that gave individuals access to the information translated into the most common first languages spoken across the cleaning, security and contractor industries.

To ensure we have a framework in place to address suspected instances of modern slavery within our supply chain, we developed an Anti-Modern Slavery Grievance Procedure, which includes escalation protocols. An internal communication campaign was rolled out to ensure Dexus employees are aware of who to contact to report suspected incidents of modern slavery. This framework was shared with Roberts Co, the development contractor with which we collaborated on approaches to preventing and addressing modern slavery (refer to case study on page 17.)

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.

We are working towards implementing remediation procedures that are driven by the complainant and ensures the safety of the worker. This may not always involve escalating to the authorities in every circumstance, acknowledging, for example, that migrant workers are often fearful of the prospect that they may get deported if their matter is raised with the authorities.

A ESCRAVIDÃO EM TEMPOS MODERNOS ACONTECE NA AUSTRÁLIA

Qualquer pessoa pode ser vítima da escravidão moderna. Pode acontecer com você ou alguém que você conhece. Todos os trabalhadores na Austrália têm direitos protegidos por lei.

Aprenda a identificar os sinais

exibidos por vítimas da escravidão moderna:

- ser forçado a trabalhar com pouco ou nenhum pagamento
- não ter passaporte ou visto, ou mencionar que outra pessoa está com o passaporte
- trabalhar horas excessivas, ter pouco ou nenhum intervalo ou não ter contrato de trabalho
- ser impedido por outros de viajar para o trabalho por seus próprios meios.

Para quem você pode contar?

Se você acha que você ou alguém que você conhece está sendo ou pode ser vítima da escravidão moderna, informe-nos entrando em contato com nosso serviço de denúncias confidenciais, você tem uma Escolha.

Contato: 1300 790 228 **Visite:** yourcall.com.au

dexus



Assessing effectiveness

Dexus is committed to collaboration and stakeholder engagement as critical components of its approach to eliminating modern slavery.

Through our involvement in the Property Council of Australia's 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 on page 19.

We have developed a framework to evaluate our effectiveness in identifying, assessing, and mitigating modern slavery risk in our operations and supply chain.

For each identified activity, we have developed immediate, intermediate and long-term outcomes, and how we measure success against these outcomes. We have also identified the impact these activities have for Dexus and the community.



Category	How we assess effectiveness
<p>Governance</p>	<p>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 Anti-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.</p>
<p>Risk assessment and management</p>	<p>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:</p> <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 Property Council of Australia supplier due diligence questionnaire platform – Completion of supplier risk assessments – Completion of supplier audits or spot checks
<p>Incident reporting and remediation</p>	<p>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:</p> <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 have 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>

Next steps in our journey

FY22 intentions and actions



The AMSWG has set the following priorities for FY22.



Leadership & culture

- Integrate the APN Property Group portfolio and employees onto the Dexus platform across processes and in line with our policies
- Continue the two-year program for employee modern slavery training. Roles having a medium-high involvement in procurement activities are required to complete training relating to modern slavery and Dexus's Human Rights Policy
- Facilitate an education program for Dexus's Board and executive



Legal & compliance

- Consider incorporating modern slavery considerations in our investment process



Supply chain engagement

- Progress supply chain mapping to other geographies beyond Australia
- Expand the scope of Dexus's supplier worker survey enabling a greater number of workers in high-risk industries to provide confidential feedback
- Commence weighted risk assessment on the next tranche of suppliers
- Commence assessments on key Tier 2 services suppliers



We are committed to the continuous improvement of our response to modern slavery risks and will ensure that new properties are brought in line with our approach.



Knowledge & capability

- Continue to roll out enhanced training for procurement staff
- Induct new employees from the APN Property transaction on our approach to addressing modern slavery
- All workers of services suppliers attending Dexus sites to be provided multi-language modern slavery awareness training
- Incorporate modern slavery, behavioural observations into contractor spot checks



Collaboration & stakeholder engagement

- Continue collaboration with suppliers on identifying modern slavery risks in our supply chain
- Require design consultants to consider modern slavery in the supply chain when specifying materials and products used in development projects, and advocate for industry change by encouraging peers to adopt the same approach
- Include modern slavery risk assessment as part of existing safety in design reviews
- Continue engagement with our third party capital partners on the identification and management of modern slavery risk in our joint portfolios



Incident management

- Ensure that any incident reported is investigated and addressed in a timely manner and reported to the Board ESG Committee



Monitoring & reporting

- Continue the KPMG modern slavery operational review program with results reported to the Board ESG Committee, Board Audit Committee and Board Risk Committee

Overview

Our operations and activities

Corporate governance

Modern slavery management framework

Modern slavery risks & assessment process

Address and manage modern slavery risks

Assessing effectiveness

Next steps in our journey

Directory

Dexus Property Trust

ARSN 648 526 470

Dexus Diversified Trust

ARSN 089 324 541

Dexus Industrial Trust

ARSN 090 879 137

Dexus Office Trust

ARSN 090 768 531

Dexus Operations Trust

ARSN 110 521 223

Responsible Entity

Dexus Funds Management Limited

ABN 24 060 920 783

AFSL 238163

Directors of the Responsible Entity

W Richard Sheppard, Chair

Patrick Allaway

Penny Bingham-Hall

Tonianne Dwyer

Mark H Ford

Warwick Negus

The Hon. Nicola Roxon

Darren J Steinberg, CEO

Secretaries of the Responsible Entity

Brett Cameron

Scott Mahony

Registered office of the Responsible Entity

Level 25, Australia Square
264 George Street
Sydney NSW 2000

PO Box R1822
Royal Exchange Sydney NSW 1225

Phone: +61 2 9017 1100

Fax: +61 2 9017 1101

Email: ir@dexus.com

www.dexus.com

Auditors

PricewaterhouseCoopers
Chartered Accountants

One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000

Investor Enquiries

Registry Infoline: +61 1800 819 675

Investor Relations: +61 2 9017 1330

Email: dexus@linkmarketservices.com.au

www.dexus.com

Security Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

Website: linkmarketservices.com.au

Open Monday to Friday between
8.30am and 5.30pm (Sydney time).

For enquiries regarding security
holdings, contact the security registry,
or access security holding details at
www.dexus.com/investor-centre

Australian Securities Exchange

ASX Code: DXS

Social media

Dexus engages with its followers via
LinkedIn and Facebook



