

# FY23 Modern Slavery Statement

For Financial Year ended 30 June 2023

## Reporting entities

This joint statement (“**Statement**”) is submitted under section 14 of the Modern Slavery Act 2018 (Cth) (“**the Act**”) for two reporting entities, CPPIB Real Estate Trust (ABN 42 536 236 084) (the “**Trust**”) and CPPIB DOTA Trust (ABN 13 582 454 856) (the “**Sub-Trust**”). As set out in the structure diagram below, all of the units in the Sub-Trust are wholly and directly owned by the Trust.

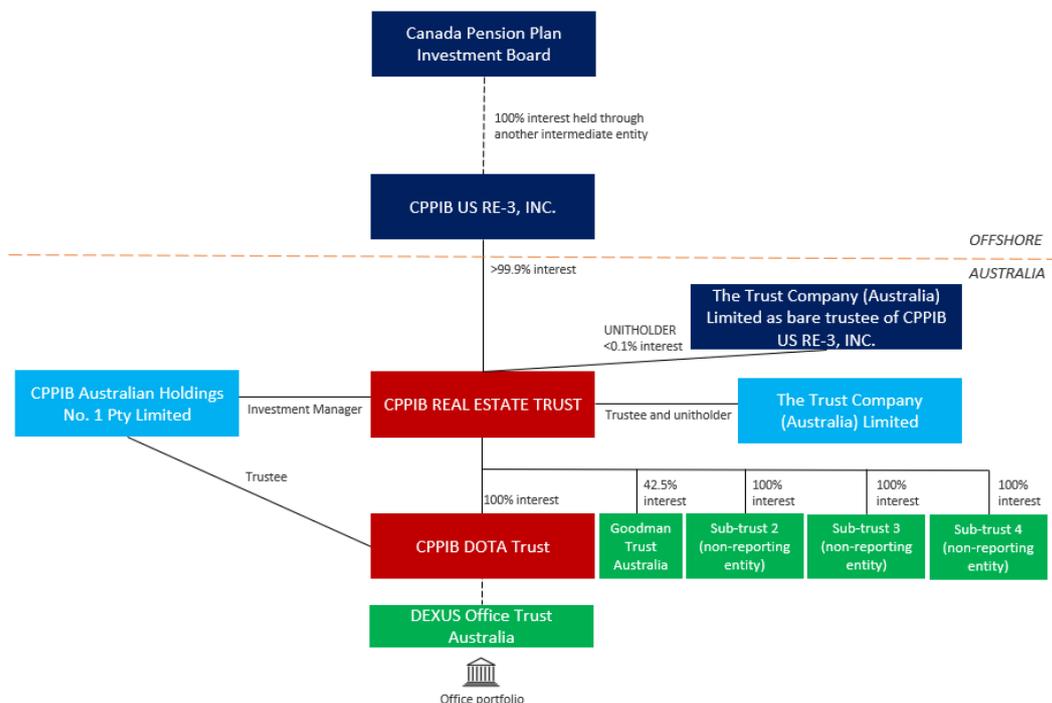
## Structure, operations and supply chain

### Structure

The Trust is domiciled in Australia and has been in operation since 2011. The Trust invests in units in Australian Real Estate Investment Trusts (“**A-REITs**”). The Trust owns no direct interest in real property and has no employees.

The Sub-Trust is also domiciled in Australia and has been in operation since 2013. The Sub-Trust invests in units in Dexus Office Trust Australia (“**Dexus Trust**”). Similar to the Trust, the Sub-Trust does not own any direct interest in real property and has no employees.

Set out below is a diagram showing the governance structure of the Trust and the Sub-Trust (being the only sub-trust of the Trust that meets the Act’s reporting threshold for the preparation of a modern slavery statement this financial year).



*Note: the structure above sets out the relationship between the Trust and the Sub-Trust (as the reporting entities of this Statement), and clearly identifies their respective trustees and direct unit holders. For the avoidance of doubt, distributions from Goodman Trust Australia and the other sub-trusts (being non-reporting entities of this Statement) to the Trust also contribute to the total revenue of the Trust.*

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## Operations

The primary operation of the Trust is the investment in A-REITs, which in turn are property funds that have invested in high-quality commercial office and industrial properties in Australian major cities. The Trust Company (Australia) Limited is the trustee for the Trust (the “Trustee”) and 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 Trustee). Perpetual Limited is an ASX-listed company headquartered in Sydney, Australia. The investment manager of the Trust is CPPIB Australian Holdings No. 1 Pty Limited (“CAHPL”). CAHPL is an Australian corporation and is the investment manager for all of CPPIB’s Australian real assets portfolio that are held through the Trust.

With respect to the Sub-Trust, it is an intermediate investment holding trust, wholly owned by the Trust, with no operation other than holding the units in Dexus Trust. CAHPL is the trustee for the Sub-Trust.

### *Perpetual Corporate Trust (PCT)*

The Trustee sits within Perpetual Corporate Trust Ltd, an entity that is controlled by Perpetual Limited and covered in the Perpetual Group’s modern slavery statement. 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 Trustee).

### *Investments*

The Trust’s underlying assets are investments in A-REITs with assets primarily in the commercial office and industrial sectors. All assets held in the Trust are located in Australia.

With respect to the Sub-Trust, its investment only consists of investments in Dexus Trust. Dexus Trust is separately and independently managed by a third party manager (i.e., Dexus Funds Management Limited).

## Supply chain

The Trust’s supply chain consists of three direct service providers in the procurement categories listed below. These service providers are located in Australia and some of them are also part of multinational corporate groups that have offices in many other countries worldwide.

### *Procurement categories for service providers directly engaged include:*

- Tax advisory services
- Legal advisory services
- Consulting services in the real estate sector

With respect to the Sub-Trust, it does not directly engage any service providers.

## Modern slavery risks

The Trustee, as trustee for the Trust, and CAHPL as trustee for the Sub-Trust, understand that modern slavery risks can arise in the operations and supply chains of each reporting entity. Risk assessments are considered to be a critical part of the process to identify the inherent risks of modern slavery across the Trust and the Sub-Trust.

### *The Trust*

As Trustee, we conduct an annual risk assessment on all relevant trusts that meet the Act’s reporting threshold. The risk assessment conducted by the Trustee relates to the Trust only and is done separately to Perpetual Group’s corporate modern slavery risk assessment and is in addition to routine due diligence activities undertaken for management of the Trust by the Investment Manager.

### *The Sub-Trust*

In preparing this Statement, CAHPL, the trustee for the Sub-Trust, consulted with Dexus Funds Management Limited (“Dexus Manager”, being the manager of the Dexus Trust) to enquire and assess any material issues or risks identified in the Dexus Trust’s operations and/or supply chains.

## 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, and means conduct that would constitute trafficking in persons, 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 risks 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 and other external factors could exacerbate modern slavery risks for people in vulnerable situations<sup>3</sup>.

| Cause  | Contribute  | Directly Linked  |
|--|---|--|
| This means the risks that business activities may directly result in modern slavery practices. | This means the risks that business activities or actions may contribute to modern slavery. This includes acts or omissions that may facilitate or incentivise modern slavery. | This means the risks that are directly linked to our operations, products or services through a business relationship, even if we have not caused or contributed to those impacts. |

## Risk assessment methodology

It is possible the Trust may be directly linked to modern slavery via its investments and suppliers. In FY23, the Trustee collected information on the Trust's supply chain and operations to include in a modern slavery risk assessment. Specifically, the Trustee 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.

Although the Sub-Trust does not engage any service providers, it also consulted with the Trustee (being the trustee of the Trust) and Dexu Manager on any inherent modern slavery risks considered by the Trustee and Dexu Manager in connection with the Sub-Trust's investment in Dexu Trust.

## Risk assessment results

### Investments

Although the investment sectors of the underlying investment portfolio companies invested by the Trust and the Sub-Trust are generally considered to have higher than average inherent risk (see inherent risk profile set out below for each of these investment sectors), it should be emphasised that neither the Trust nor the Sub-Trust manages any of these portfolio companies which directly invest in these sectors as these portfolio companies are managed separately by independent third party professionals.

<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

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It is noted that a passive investment entity with a large investment portfolio may, at times, have limited ability to engage directly with specific investees and limited leverage to change their behaviour.<sup>4</sup>

Notwithstanding the above, the Trustee was informed by CAHPL (as investment manager of the Trust and trustee of the Sub-Trust) that it has consulted with Dexus Manager for the purpose of preparing this Statement and that Dexus Trust has considered the inherent modern slavery risks with respect to its underlying investments and will prepare a modern slavery statement for this financial year.

| <b>Investment sector</b> | <b>Inherent risk profile</b>  |
|--------------------------|---|
| Commercial Offices       | The property and construction industries have a higher risk of modern slavery due to the high demand for low-skilled labour, limited visibility of long and complex supply chains and low-tier suppliers that operate in high-risk geographies <sup>5</sup> .   |
| Logistics                | The logistics industry has a higher risk of modern slavery due to the high demand for labour and use of temporary workers which heightens the risk of poor recruitment practices. Limited visibility of long and complex supply chains that operate in high-risk geographies adds to the risk of modern slavery in this industry. |

### *Supply chain*

The Trustee's FY23 risk assessment did not identify any high-risk service providers for the Trust. The Trustee's FY23 risk assessment of direct suppliers identified that all components of the Trust's direct supply chain are low risk. This is because the service providers are all professional services organisations which operate in Australia, and Australia 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. Additionally, the suppliers are themselves reporting entities under the Act, with policies and processes in place to assess and address the risks of modern slavery within their own operations and supply chains.

As noted above, the Sub-Trust does not directly engage any service providers, thus this aspect of supply chain risk assessment is not applicable.

### **Actions to address modern slavery risks**

As a trust, addressing modern slavery risks is necessarily different to the approach that can be undertaken by a company which has direct oversight and control of its own operations and supply chains. That is because the Trust itself has limited operations and supply chains and can have influence, but not direct control, over its investments. For example, the Trust does not make management decisions with respect to the property businesses in its investment portfolio.

PCT has a process for all trusts to follow for modern slavery reporting. This process includes:

- Engaging with investment managers to ensure they are aware of the modern slavery reporting obligations pertaining to the trust's assets that they manage and seeking their input to modern slavery statements to be submitted under the Act;
- Training for the Trust's Client Managers conducted by Perpetual Group's Sustainability and Modern Slavery Manager; and
- Utilising a risk assessment tool to conduct a fit-for-purpose risk assessment of service providers that the Trust directly engages with.

### **Due Diligence**

#### **Risk assessment**

The Trustee's annual risk assessment was conducted to assess the Trust's inherent modern slavery risks. The results of the risk assessment are used to engage with the investment manager of the Trust and the respective sub-trusts (including

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<sup>4</sup> Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities (page 50)

<sup>5</sup> KPMG and Australian Human Rights Commission, 2020. [Property, Construction & Modern Slavery: Practical responses for managing risk to people](#), 9.

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the Sub-Trust) concerning our overall management of the inherent risk profile of the industries that the assets of the different sub-trusts are invested in.

### *Investments*

For completeness, the Trustee notes that the A-REITs in which the Trust holds assets are required to report under the Modern Slavery Act 2018 (Cth) Act. They include Dexu Funds Management Limited as Responsible Entity for DOTA, Goodman Industrial Funds Management as Trustee for Goodman Trust Australia and Lendlease International Tower Sydney Trust.

Therefore, these entities are required to report annually on their modern slavery risks and the actions they are taking to address such risks. As they are reporting entities, the A-REITs are expected to have modern slavery due diligence processes in place.

### *Supply chain*

Although the FY23 risk assessment did not identify any high-risk service providers, all of the Trust's direct service providers are required to report under the Modern Slavery Act 2018 (Cth). Therefore, they are obliged to identify and address modern slavery risks in their operations and supply chains. As a result, they should have modern slavery due diligence processes in place. We use contractual controls such as modern slavery clauses as a mechanism to gain comfort over the modern slavery risks of the Trust's direct service providers.

As the Trustee for the Trust, the Trust Company (Australia) Limited owns the relationships with the direct service providers which are used by the Trust. As part of the Perpetual Group, the Trustee is subject to the same policies, due diligence, and remediation process to address modern slavery as the Perpetual Group.

This includes adherence to our Modern Slavery Framework which sets out the programs, processes, and tools in place to ensure compliance with the Modern Slavery Act.

As set out above, there are procurement processes in place to assess and address the modern slavery risks of direct suppliers, including provisions focused on modern slavery within contractual terms with new suppliers for the Trustee 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 PCT take part in online modern slavery training and employees have access to Perpetual Group's grievance mechanism.

### **Remediation**

A group-wide approach is adopted for remediation and both the Trust and the Sub-Trust are captured by Perpetual Group's remediation processes.

Perpetual Group's remediation approach is outlined in our Modern Slavery Framework. Should an incident of modern slavery occur in a Trust 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
- Aim to align 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, or 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.

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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 Trustee can report any concerns to a Whistleblower Protection Officer within Perpetual or anonymously through our third-party whistle-blower hotline. Training on how to access and report through this mechanism are provided in our employee-wide modern slavery training program.

With respect to the Sub-Trust's actions to address modern slavery risks, CAHPL (as trustee of the Sub-Trust) is committed to continue engaging with the Dexus Manager and the Trustee with respect to any inherent modern slavery risks identified in the operations and supply chains relating to its investment in the Dexus Trust. If there are any risks identified in the process, CAHPL shall consult with the Trustee and together with the Trustee, engage with the Dexus Manager on how those risks are being managed.

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

Outlined below are the key steps taken by the Trustee on behalf of the Trust to measure the effectiveness of our actions, and the actions for FY24.

#### **FY23 progress:**

- We mapped the Trust's supply chain to identify the different sectors our service providers are from.
- We conducted annual risk assessment to determine inherent modern slavery risks.
- We reviewed and updated the Perpetual Group process for assessing and reporting on modern slavery in trusts. We used this process to consult with relevant stakeholders and determine if there were any key gaps in the Trust and the Sub-Trust's current approach to managing modern slavery risks effectively.

#### **Actions for FY24**

- We will monitor emerging global trends in modern slavery and include anything relevant for the FY24 risk assessment. We will track the outcomes of these monitoring processes to assist us in identifying gaps in our approach to managing modern slavery risks, to enhance the overall effectiveness of our actions.
- We will review our modern slavery statement reporting process to determine opportunities for improvement, including how we can better identify modern slavery risks in each reporting entity.
- We will conduct modern slavery training for trust managers including for the Trustee.

The trustee of the Sub-Trust is committed to continue engaging with the Trustee and Dexus Manager to understand their processes for assessing and addressing modern slavery risks. The trustee of the Sub-Trust will critically evaluate the information it receives to assess the effectiveness of the engagement. We will also leverage on the actions suggested to be taken by the Trustee and continuously review our modern slavery statement reporting process.

### **Consultation**

There are no subsidiaries or entities owned or controlled by the Trust, which the Trustee is required to consult for preparing this Statement. The Sub-Trust also confirms that there are no other subsidiaries or entities owned or controlled by the Sub-Trust for the purpose of preparing a modern slavery statement for this financial year.

This statement was developed through a process of consultation between the investment manager for the Trust (i.e., CPPIB Australian Holdings No. 1 Pty Limited), the trustee for the Sub-Trust (i.e., CPPIB Australian Holdings No. 1 Pty Limited), and the Trustee as the entity giving the statement. This involved active and ongoing engagement between the reporting entities and the Trustee to discuss the reporting requirements set out in the Act and the actions intended to take to address the requirements.

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This Statement (to the extent relating to the Trust) has been prepared by The Trust Company (Australia) Limited (ACN 000 000 993) (as the Trustee of the Trust) and approved by the board of directors of the Trustee (the 'principal governing body' under the Act) on December 22, 2023.



Rod Ellwood

Director

The Trust Company (Australia) Limited (as trustee of the Trust)

With respect to the sections relating to the Sub-Trust, it has been approved and signed by the authorised signatory of CPPIB Australian Holdings No. 1 Pty Limited (as the trustee of the Sub-Trust) on December 21, 2023.



Grace Yuen

Authorised Signatory

CPPIB Australian Holdings No. 1 Pty Limited (as trustee of the Sub-Trust)