

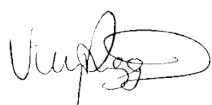
FY23 Modern Slavery Statement

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 KKR Senior Floating Rate Income Fund (ARSN 620 816 195) (the “**Fund**”). The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the Responsible Entity of the Fund (“**Responsible Entity**” or “**RE**”). This Statement has been prepared by the RE and approved by the board of directors of the RE (the ‘principal governing body’ under the Act) on 15 December 2023. The Responsible Entity 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 that are owned or controlled by the Fund which the RE is required to consult with to prepare this Statement. This Statement was developed in consultation with KKR Australia Investment Management Pty Ltd (the “**Investment Manager**”) the investment manager for the Fund.

Structure, operations and supply chain

Structure

The Fund is an Australian managed investment scheme that is registered with the Australian Securities and Investments Commission (“**ASIC**”) and is governed by its Constitution and the Corporations Act 2001 (Cth). The Fund was constituted on 10 August 2017 and commenced operations on 17 October 2017. It owns no real property and has no employees.

Operations

The primary operation of the Fund is the investment in a diversified portfolio of senior secured leveraged loans and other senior secured floating rate debt obligations. Investors’ money is pooled with investments from other investors and used to buy assets for the Fund, which are managed on behalf of all investors. Perpetual Limited’s subsidiary, The Trust Company (RE Services) Limited is the Responsible Entity for the Fund. The investment manager of the Fund is KKR Australia Investment Management Pty Limited. KKR Australia Investment Management Pty Limited is a wholly owned Australian subsidiary of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “**KKR**”) and an affiliate of KKR Credit Advisors (US) LLC (“**KKR Credit**”). The duty of the manager is to promote the Fund and invest and manage the Portfolio.

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 Fund investment objective is to generate income and to maintain a stable level of capital with some appreciation by investing substantially all of the Fund's assets in a diversified portfolio of senior secured leveraged loans and other senior secured floating rate debt obligations ("**Senior Loans**"). In addition to Senior Loans, the Fund may also invest in collateralized debt loan obligations, credit default swap indices (CDX IG and CDX HY), total return swaps, exchange traded funds (ETFs), cash and cash equivalents, and other related financial instruments (the above collectively referred to as "**Financial Instruments**"). During the period, the Fund's assets under management were a total of \$1.23 billion AUD.

Supply chain

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

Procurement categories for service providers are:

- Auditor
- Tax agent
- Administrator
- Custodian
- Registry provider
- Legal compliance

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 Fund. 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 any routine due diligence activities undertaken for management of the Trust by, or on behalf of, the Investment Manager.

Defining modern slavery risks

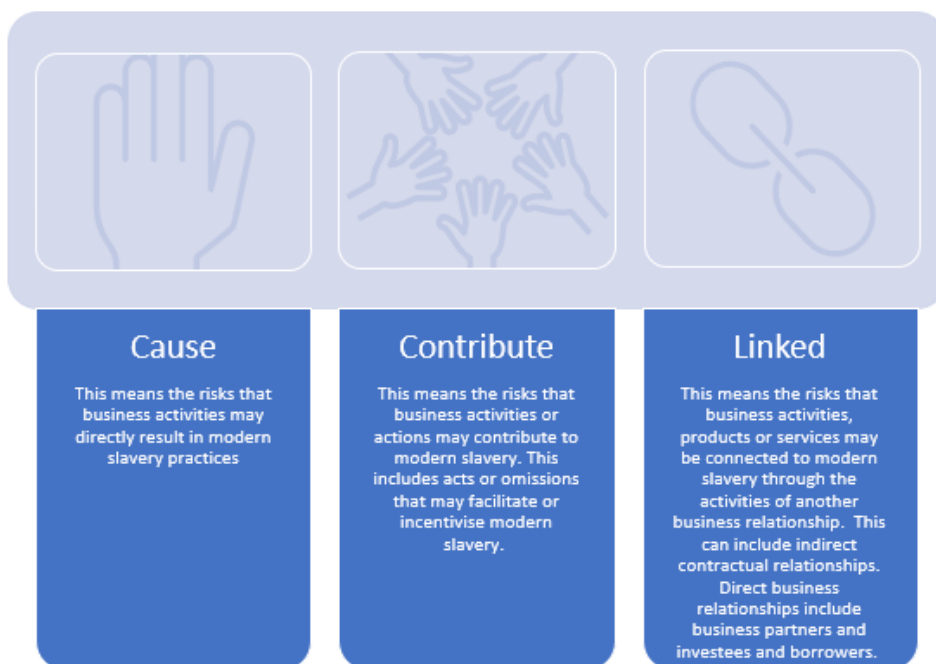
Modern slavery is serious exploitation that undermines a person's freedom. In a situation where modern slavery occurs, a person cannot refuse or leave due to threats, violence, coercion, abuse of power, or deception¹. Modern slavery occurs in a variety of forms, there are eight types including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour².

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

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

² As defined in the Australian Modern Slavery Act 2018 (Cth)

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 situations³.



Risk assessment methodology

In FY23, the RE collected information on the Fund's supply chain to include in a modern slavery risk assessment. Specifically, the RE investigated the service providers that we have a direct relationship with. The 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 on investments by the Investment Manager (as described below).

Risk assessment results

Investments

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

The Fund's investment footprint is concentrated as all their assets are held in a diversified portfolio of senior secured leveraged loans and other senior secured floating rate debt obligations. While KKR does not have a formal investing restriction or exclusions list, KKR has developed a "gating issues" list that notes business lines and industries that require early, additional scrutiny.

Gating issues include businesses for which there are likely to be particular concerns regarding value creation or preservation, business areas for which early scrutiny is required before significant commercial due diligence (such as a consumer base with a potentially vulnerable population (e.g. children or the elderly)), and additional situations that merit enhanced early diligence (such as companies operating under sanctions regimes or with impacts on critical habitats or indigenous peoples). Modern slavery risks are considered as part of the gating issues at the asset level.

The Fund will conduct a qualitative assessment concerning modern slavery if material to the company based on the Investment Manager's ESG Scorecard. Under KKR's Social Management criteria, if human rights risks in the supply chain are material, a review for modern slavery exposure is conducted, including labour exploitation and child labour within the supply chain or general operations.

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

In some cases, these issues can be managed by additional enhanced early due diligence and the investment can proceed. In other instances, KKR may decide not to invest. KKR will carry out additional diligence on company specific material issues during the commercial due diligence stage. Material issues are tracked and managed over time as part of the portfolio management process.

Supply chain

The RE's FY23 risk assessment did not identify any high-risk service providers. All service providers are categorised as low to medium risk. This is because, the service providers are all professional organisations who operate in Australia, which is identified as a low-risk country location by the Perpetual Group's ESG data provider. The entity with a medium risk level had some exposure to high-risk countries for modern slavery through international operations as part of its multinational structures.

Sector/product	Inherent risk profile
Professional Services and Diversified Financial Services	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.
Financial Services – Asset Management and Custody Banks	There is a medium level of risk associated with financial services delivered by global asset management and custody banking services, due to the exposure to heightened risks of modern slavery in certain geographic locations associated with issues such as the exploitation of migrant workers, including debt bondage.

Actions to address modern slavery risks

As a Fund, 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 Fund itself has limited operations and supply chains and can have influence, but not direct control, over its investments.

The Fund is subject to KKR's broader ESG policies and industry collaboration described below.

Due Diligence

Risk assessment

The RE's annual risk assessment was conducted to assess the Fund's inherent modern slavery risks in its supply chain. Additional due diligence is conducted on investments by the Investment Manager as described below).

Investments (based on the Investment Manager's approach)

KKR assesses and manages modern slavery risk in its investment operations by incorporating modern slavery considerations into its Responsible Investment Policy and broader ESG due diligence process. KKR's Responsible Investment Policy is publicly available [here](#).

In a field that is constantly evolving, KKR believes that external engagement helps the firm to learn and apply best practices. It allows the firm to tap into the knowledge of experts who can help the firm and its portfolio companies understand and address ESG issues and emerging trends. Since 2008, KKR has sought to incorporate certain leading global frameworks and standards into their reporting, disclosure, and processes, as well as supported certain industry groups and cross-sector initiatives.

Examples of KKR's history of working with external organizations include:

- In 2008, created the Green Portfolio Program in collaboration with the Environmental Defense Fund.
- In 2009, became a signatory to the Principles for Responsible Investment (PRI).

- In 2009, worked with other Australian Investment Council (AIC) members to develop the Guidelines for Responsible Investing for the private equity industry.
- In 2010, became a member of Business for Social Responsibility (BSR).
- In 2013, joined the Global Impact Investing Network (GIIN) and Ceres' Investor Network on Climate Risk.
- In 2018, became a Sustainability Accounting Standard Board (SASB) Alliance member.
- In 2019, became founding signatory of the Operating Principles for Impact Management.
- In 2021, joined the G7 Impact Taskforce and the Sustainable Markets Initiative's Private Equity Task Force; also became a member of PRI's Initiative Climate International (iCI) and a supporter of the Task Force for Climate-related Financial Disclosures (TCFD).
- In 2022, KKR provided feedback to the ESG Integrated Disclosure Project (ESG IDP) data collection template and currently sits on the Executive Committee of the ESG IDP. The ESG IDP is an industry initiative bringing together leading lenders in the private credit and syndicated loan markets to improve transparency and accountability.

In 2022, KKR participated in, hosted, or supported over 100 responsible investment-oriented and ESG-related industry speaking engagements, events, and sponsorships, including CNBC's ESG Impact, the Global Impact Investing Network (GIIN)'s Impact Forum, the WSJ Pro Sustainable Business Forum, and the AVCJ ESG Forum.

KKR's resources and philosophy have applied to its credit activities for many years. In addition to the above initiatives, KKR Credit, an affiliate of the Investment Manager, also participates in the following Credit Specific Initiatives / Engagements:

- LSTA – Loan Syndications and Trading Association
- ACC – Alternative Credit Council
- FIIN – Fixed Income Investor Network
- ELFA – European Leveraged Finance Association
- ESG IDP – ESG Integrated Disclosure Project

KKR assesses and manages modern slavery risk in its investment operations by incorporating modern slavery considerations into its Responsible Investment Policy and broader ESG due diligence process. For example, modern slavery considerations are incorporated into pre-screening processes which assess any "gating issues" that will influence whether KKR decides that an investment will be made in a company, or whether it will conduct enhanced early due diligence.

KKR takes a materiality-driven approach to assessing ESG factors and recognize that no two companies are the same. Thus, they take a company-specific approach to facilitating its understanding of the relevant ESG risks and opportunities for long-term value creation. Where there are material issues, including issues related to modern slavery, identified during the diligence process, they include the management of these issues in its management plans post-close, or it monitors ongoing progress on ESG issues, as applicable.

Supply chain

As the Responsible Entity for the Fund, The Trust Company (RE Services) Limited owns the relationships with the direct service providers which are used by the Fund. As part of the Perpetual Group, The Trust Company (RE Services) 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 within contractual terms with new suppliers for the Responsible Entity 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 Responsible Entity take part in the Perpetual Group's online modern slavery training module and employees have access to Perpetual Group's grievance mechanism.

Remediation

As an RE, Perpetual Group may be directly linked to modern slavery through our business relationships with other entities via their own investments and supply chains, however, it is unlikely that the RE will directly cause or contribute to modern slavery.

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
- 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, 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.

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 RE, 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 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 Fund in FY23 and the actions for FY24.

FY23 progress:

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

Actions for FY24

- Monitor emerging global trends in modern slavery and include anything relevant for the FY24 risk assessment.
- Review trust statement reporting process annually.
- Conduct modern slavery training for trust managers including for the RE.

Appendix

Appendix 1: Australian Modern Slavery Act – Mandatory Reporting Criteria

The following table describes the location of each mandatory reporting criteria within the FY22 Modern Slavery Statement.

Mandatory Reporting Criteria	Location in Statement
Identify the reporting entity	Reporting Entity, Page 1
Describe the reporting entity's structure, operations, and supply chains	Structure, Operations and Supply Chain, Page 2
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 4
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 6
Describe the process of consultation and any entities the reporting entity owns or controls	Consultation, Page 6