

# FY24 Modern Slavery Statement

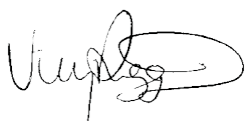
For Financial Year ending 30 June 2024

## Reporting entity

This statement ("**Statement**") is submitted under section 13 of the Modern Slavery Act 2018 (Cth) ("**the Act**") for the Willis Towers Watson Australia Global Equity Focus Fund ARSN 635 077 100 ("**Fund**").

This Statement has been prepared by the Responsible Entity for the Fund, The Trust Company (RE Services) Limited, ABN 45 003 278 831 ("**Responsible Entity**" or "**RE**") and approved by the Board of Directors of the Responsible Entity (the 'principal governing body' under the Act) on 9 December 2024.

This Statement was approved by a resolution of the Board of The Trust Company (RE Services) Limited 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 the investment manager for the Fund, Towers Watson Australia Pty Ltd ABN 45 002 415 349 ("**Investment Manager**") which is a wholly owned subsidiary of Willis Towers Watson, a global advisory, broking and solutions company that operates in over 140 countries and markets and has its origins dating back to 1828.

## Structure, operations and supply chain

### Structure

The Fund is a registered managed investment scheme, domiciled in Australia and was constituted on *24 July 2019*. The Fund has been operational since *7 August 2019*.

The Trust Company (RE Services) Limited, a subsidiary of Perpetual Limited, is the Responsible Entity (RE) for the Fund. The RE sits within Perpetual Corporate Trust (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

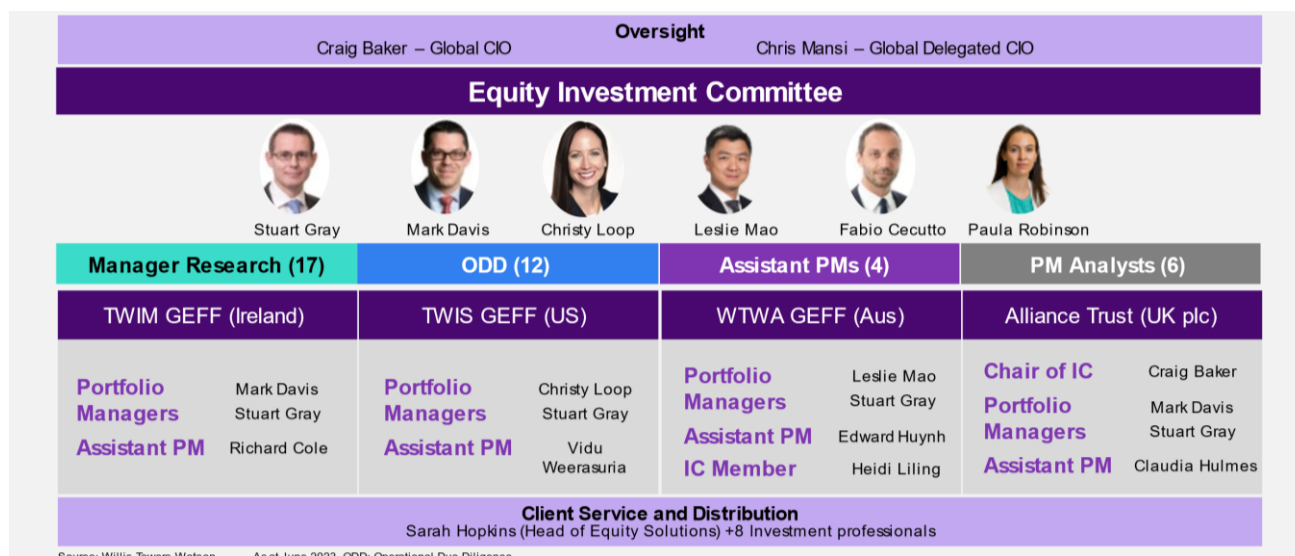
banking and financial services industry. Managed Funds Services provides services including independent responsible entity, wholesale trustee, custodian, investment management and accounting.

Towers Watson Australia Pty Ltd, a wholly owned subsidiary of Willis Towers Watson PLC (WTW), is the Investment Manager of the Fund. WTW is a global advisory, broking and solutions company that operates in over 140 countries.

The Fund invests in a diversified portfolio of global equities. It seeks to generate returns above the MSCI World Index (AUD) for unhedged class units or the MSCI World Index (AUD) Hedged for hedged class units, on a medium to long term basis. The Fund owns no real property and has no employees.

#### Investment Manager governance

To ensure good governance and oversight of decision-making concerning the Fund's global equity portfolios, the Investment Manager has established an Equity Investment Committee, as detailed in the diagram and description below.



The purpose of the Equity Investment Committee is to ensure high quality, efficient and consistent management of Equity portfolios for the Investment Manager's delegated clients, including the various Global Equity Focus Fund vehicles in different jurisdictions.

Local portfolio management teams for each vehicle, including the Fund, are responsible for implementing strategies and portfolio changes determined by the Equity Investment Committee for their respective Fund portfolio. These local teams are accountable for the Fund operations in each jurisdiction and portfolio decisions in local context. As part of their remit, they are also responsible for the oversight of modern slavery related issues in the portfolio.

The Equity Investment Committee has oversight from the Global CIOs as well as independent Risk and Compliance functions.

#### Operations

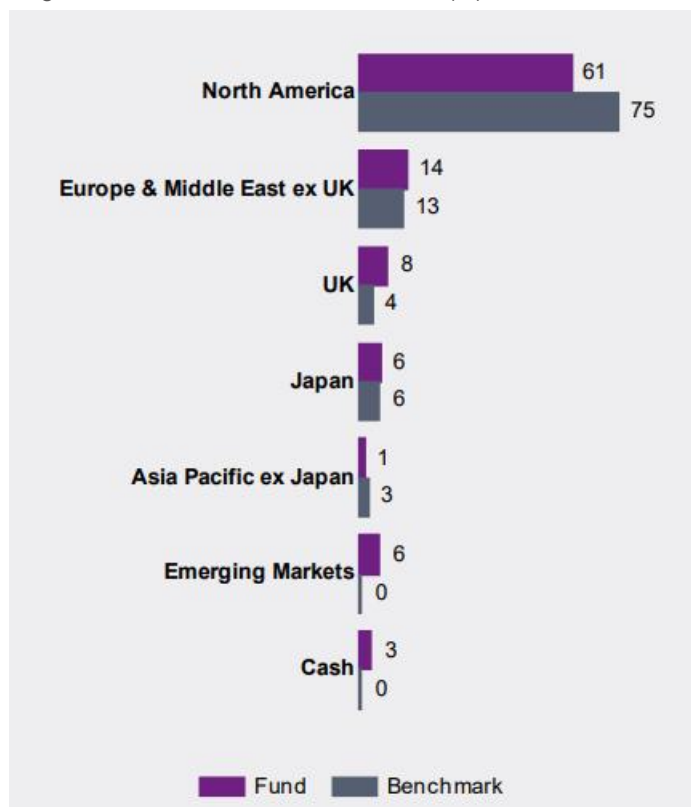
The primary operation of the Fund is the investment in a diversified portfolio of global equities (please see charts below for more information). To achieve this, the Investment Manager appoints a number of sub-investment managers that have delegated responsibility for selecting a portfolio of stocks. The Investment Manager is responsible for selecting and de-selecting the sub-investment managers

and allocating a share of the Fund's capital to each of the appointed sub-investment managers.

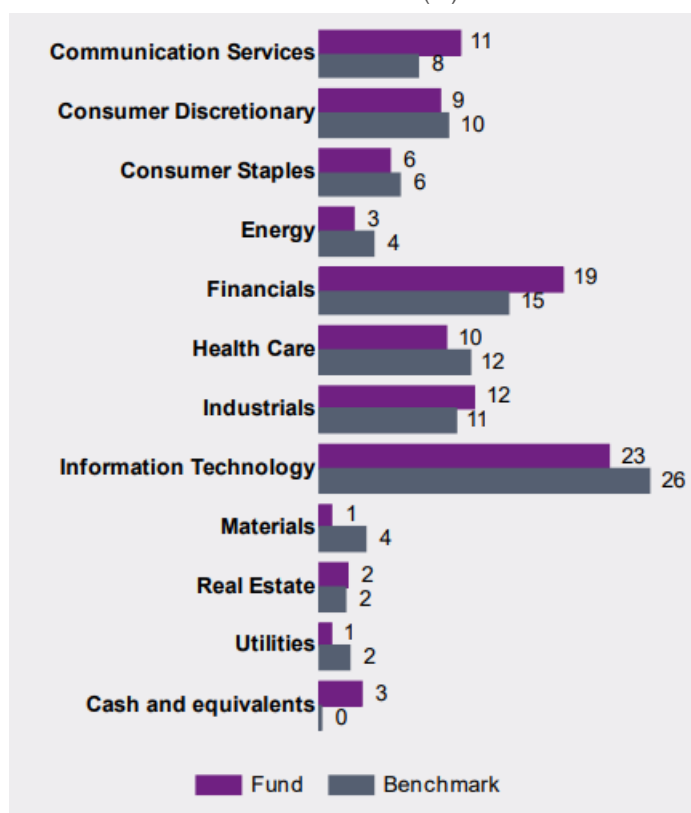
#### Investments

The Fund's assets under management were a total of \$1,287,826mil (AUD) as at 30 June 2024. The large majority of the assets of the Fund were invested in equities, across a large number of countries and sectors. The remainder of the portfolio was made up of cash and FX forward positions utilised for the purposes of hedging currency exposure for the hedged unit classes.

Regional breakdown as at 30 June 2024 (%)



Sector breakdown as at 30 June 2024 (%)



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## Supply chain

The Fund's supply chain consists of the direct service providers and indirect service providers in the procurement categories listed below.

*Procurement categories for direct suppliers are:*

- Responsible Entity
- Investment Manager and sub-investment managers
- Stewardship service provider
- Auditor
- Tax agent
- Administrator
- Custodian
- Registry provider
- Legal and compliance services

## Modern slavery risks

The RE understands that modern slavery risk can occur in operations and supply chains. As RE, we conduct an annual risk assessment on the direct supply chain of all Funds that meet the Act's reporting threshold. The risk assessment is done separately to Perpetual Group's corporate modern slavery supply chain risk assessment

### Defining modern slavery risks

Modern slavery is serious exploitation that undermines a person's freedom. In a situation where modern slavery occurs, a person cannot refuse or leave due to threats, violence, coercion, abuse of power, or deception<sup>1</sup>.

Modern slavery occurs in a variety of forms: there are eight types including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour<sup>2</sup>.

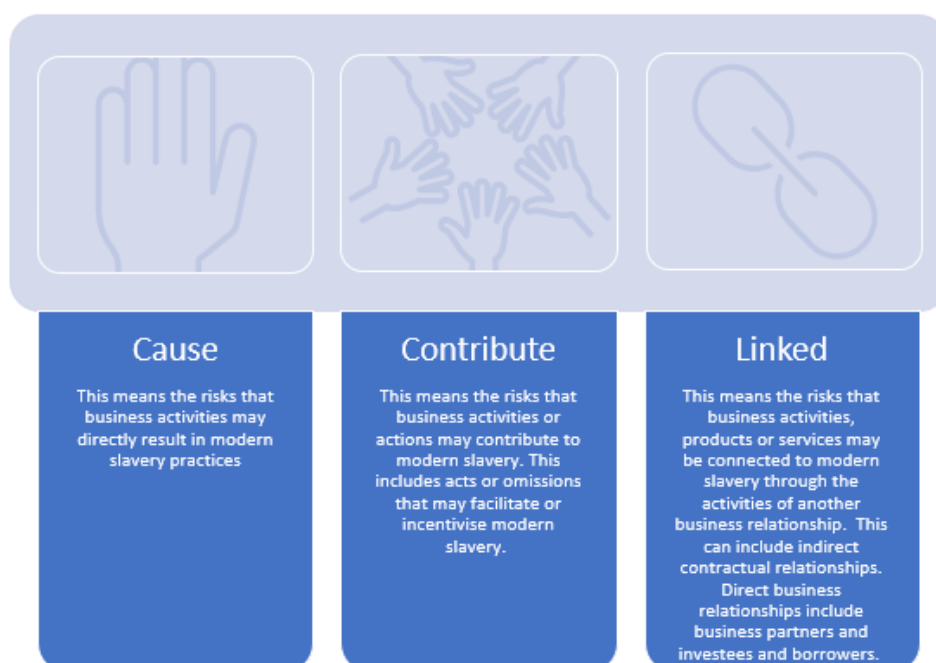
Modern slavery risk means the potential for the Fund to cause, contribute to, or be directly linked to modern slavery through its operations or supply chain. This means looking at risks to people rather than risk to the company (such as reputational or financial damage), although often these risks are connected. The Fund recognises that armed conflicts, widespread environmental degradation, assaults on democracy in many countries and a global rollback of women's rights, has exacerbated modern slavery risks for people in vulnerable situations<sup>3</sup>.

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

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

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



## Risk assessment methodology

In FY24, the RE collected information on the Fund's supply chain to include in a modern slavery risk assessment. Specifically, the RE investigated the Investment Manager and service providers that it has a direct relationship with. The Investment Manager 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.

Additionally, the Investment Manager conducted its due diligence and risk management processes which includes an assessment of modern slavery risk management by the sub-investment managers.

## Risk assessment results

### Supply chain

The RE's FY24 risk assessment did not identify any high-risk service providers and found that direct suppliers in the Fund's supply chain are either low or medium risk. This is because, the direct service providers are professional services and diversified financial service 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 their international operations as part of their 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.

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### *Investments*

The Investment Manager gathered and assessed information from the sub-investment managers on their approaches to modern slavery risk management in their investment process. As part of the assessment, the Investment Manager identifies issues, if any, that would be worthy of further engagement and improvement.

All of the sub-investment managers of the Fund assessed modern slavery risk as part of their investment process.

The portfolio has broad exposure across countries and industries around the world, as shown earlier in this report. In assessing the exposure of the portfolio to areas of high modern slavery risk, a number of high-risk countries are identified using data from our third party ESG data provider (and in turn, from the Global Slavery Index). The Fund's exposure, at 30 June 2024, to any companies listed in any country deemed to be a high risk country (estimated prevalence of modern slavery >0.5% of population) is as follows:

- Brazil – 0.8% (2 companies – Energy, Consumer Staples)
- Colombia – 0.3% (1 company – Financials)
- India – 0.5% (1 company – Financials)
- Indonesia – 0.2% (1 company – Financials)

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

The service providers of the Fund have a number of established processes to identify, manage and mitigate risk of modern slavery in its operations and supply chain. Nevertheless, 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 has limited operations and supply chains, and has limited control over the management of the companies in whose equity the Fund invests.

The Fund's approach to addressing modern slavery risks is set out below.

### **Due diligence**

#### *Risk assessment*

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

#### *Investments*

The investment of the Fund's assets is managed by the Investment Manager, which assesses and manages modern slavery risk.

The Investment Manager will primarily appoint third-party equity managers (sub-investment managers) to manage specific portfolios of the Fund. These sub-investment managers then, in turn, make investment decisions at the underlying asset level.

During the reporting period, the Investment Manager was subject to the following internal policies and processes:

- Investment Manager's Code of Conduct (applies to all employees, contractors, temporary workers, third parties, agents and suppliers);
- Investment Manager's Supplier Risk Management Framework;
- Investment Manager's Supplier Modern Slavery Risk Management Procedure;
- Investment Manager's Sustainable Investment Policy;
- Anti-Bribery and Corruption Policy and Procedures;
- Anti-Money Laundering and Counter-Terrorist Financing Policy and Procedures; and
- Investment Manager's Australia Whistleblowing Policy.

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The Investment Manager views modern slavery as a security or sector level environmental, social and governance (ESG) risk. For this reason, the Investment Manager expects each of the sub-investment managers to consider this risk as part of their ongoing ESG integration and engagement. As part of the detailed ongoing due diligence, monitoring and research of sub-investment managers, the Investment Manager conducts a specific Sustainable Investment assessment on every manager in the Fund once per annum and deems all the sub-investment managers to have reached a high enough standard that is sufficient to allocate investor capital.

As part of the initial and ongoing due diligence process, sub-investment managers are required to demonstrate how they assess material portfolio exposures to ESG risks and may provide a modern slavery statement (where applicable) to provide transparency around the actions they are taking to address modern slavery risk in their operations and supply chain. This helps the Investment Manager to appropriately assess the modern slavery risk of a potential sub-investment manager as part of general consideration of their appointment. The Investment Manager acknowledges that the sub-investment managers are domiciled across the globe under different regulatory jurisdictions and are at different stages of developing monitoring and reporting tools.

As of 31 December 2023, all of the sub-investment managers of the Fund assessed modern slavery risk as part of their investment process.

### *Supply chain*

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

Procurement processes include 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. New and existing RE employees take part in online modern slavery training 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 its Modern Slavery Framework. Should an incident of modern slavery occur in a Fund which it has 'caused or contributed' to, it would engage with the Investment Manager and act in accordance with its 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 its Executive Committee and has been captured in its Modern Slavery Framework. The process details specific steps that it will take if the Perpetual Group, or its controlled entities, has 'caused or contributed' to modern slavery.

Its approach to remediation is led by a set of guiding principles. These include ensuring that its 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 it 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 the Perpetual Group can take that may address the underlying structural factors that have contributed to the exploitation.

Perpetual Groups Modern Slavery Framework, including the remediation process, is available to its employees on its intranet.



## Investments

If modern slavery issues are identified in the Fund's portfolio of investments by the Investment Manager, sub-investment managers or stewardship service provider, the remediation approach is for the sub-investment manager or stewardship service provider to engage with company management on the issue and seek progress in a similar way as outlined above, and/or to seek improvement in management processes.

Similarly, if the Investment Manager believes that a sub-investment manager should improve its processes around modern slavery risk assessment or management, the Investment Manager will engage with the sub-investment manager on the issue.

## Grievance mechanism

Modern slavery is a form of reportable misconduct under the 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 RE on behalf of the Fund in FY24 and the actions for FY25.

### FY24 progress:

- Mapped the Fund's supply chain to identify the different sectors our service providers are from.
- Conducted annual risk assessment to determine inherent modern slavery risks.
- Reviewed and updated our process for assessing and reporting on modern slavery in Funds.
- Conducted internal training on modern slavery with fund managers to support modern slavery risk management and reporting for Funds.
- Monitored emerging global trends in modern slavery and legislative developments in Australia following the review of the Act.

### Actions for FY25

- Monitor emerging global trends in modern slavery and include anything relevant for the FY25 risk assessment.

## Appendix

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

The following table describes the location of each mandatory reporting criteria within the FY24 Modern Slavery Statement.

Mandatory Reporting Criteria	Location in Statement
Identify the reporting entity	Reporting Entity, Page 1
Describe the process of consultation and any entities the reporting entity owns or controls	Consultation, Page 1
Describe the reporting entity's structure, operations, and supply chains	Structure, Operations and Supply Chain, Page 1
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Modern Slavery Risks, Page 4
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 6
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 8