

# FY23 Modern Slavery Statement

For Financial Year ending 30 June 2023

## Reporting Entity

This statement is submitted under section 13 of the *Modern Slavery Act 2018* (Cth) for the Pension Plan Forestry Investment Trust (“**PPFIT**” or “**Trust**”) ABN 68 423 571 945. This Statement has been prepared by the Trustee, The Trust Company (Australia) Limited ACN 000 000 993 (“**Trustee**”) and approved by the board of directors of the Trustee on 22<sup>nd</sup> December 2023. The Trustee 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).

## Consultation

There are no subsidiaries or entities owned or controlled by PPFIT which the Trustee is required to consult with to prepare this Statement.

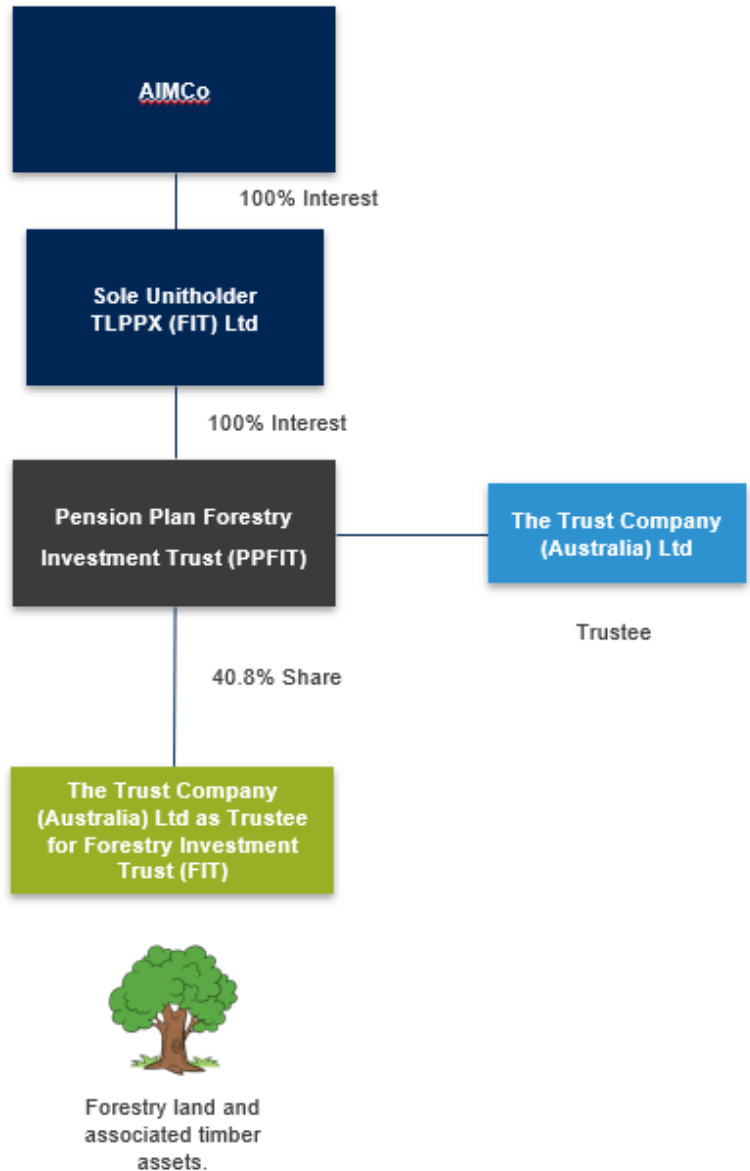
This statement was developed in consultation with the Advisory Board to the Trust and the Trust’s ultimate unitholder, Alberta Investment Management Corporation (“**AIMCo**”). AIMCo is one of Canada’s largest and most diversified institutional investment managers and it is responsible for the investments of pension, endowment and government funds in Alberta, managing investments for 17 pension, endowment, insurance and government fund clients. Their assets under management are \$158 billion.

## Structure, operations and supply chain

### Structure

PPFIT is domiciled in Australia and has been in operation since 2010. The Trust invests in the Forestry Investment Trust (“**Sub-Trust**”). PPFIT owns no real property and has no employees.

Set out below is a diagram showing the governance structure of the Trust and the Sub-Trust.



## Operations

### Trust

The primary operation of the Trust is the investment in the Sub-Trust, which is a unit trust with a portfolio of forestry land & associated timber in Australia. Perpetual Limited’s subsidiary, The Trust Company (Australia) Limited is the trustee for the Trust. In accordance with the terms of the Trust’s constitution, there is an Advisory Board in place for the Trust, comprised of representatives of the unitholders of the Trust, whose role it is to advise and provide counsel to the Trustee in the exercise of its powers.

### Sub-Trust

As set out in the diagram above, The Trust Company (Australia) Limited is the trustee for the Sub-Trust and New Forests Asset Management Pty Ltd (“**New Forests**”) is the Investment Manager for the Sub-Trust. New Forests is a global investment manager of nature-based real assets and natural capital strategies, with \$11 billion in assets under management across 1.3 million hectares (3.2 million acres) of investments. The Sub-Trust is covered under a joint modern slavery statement to be submitted by New Forests for FY23. The underlying investments of the Sub-Trust are held in Australia.

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## Perpetual Corporate Trust (PCT)

Perpetual Corporate Trust Ltd is an entity that is controlled by Perpetual Limited and covered in Perpetual'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 Pension Plan Forestry Investment Trust owns units in Sub-Trust, Forestry Investment Trust. They own a 40.8% share of Forestry Investment Trust. The investment domicile was concentrated in Australia.

## Supply chain

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

### Procurement categories for service providers/suppliers are:

- Tax and audit advisory services
- Legal advisory services

## Modern slavery risks

The Trustee understands that modern slavery risk can occur in operations and supply chains. The Trustee considers risk assessment a critical process to identifying the inherent risk of modern slavery across the Trust. As Trustee, we conduct an annual risk assessment on the supply chain of all Trusts that meet the Act's reporting threshold. The risk assessment is done separately to Perpetual Group's corporate modern slavery supply chain risk assessment and is in addition to routine due diligence activities undertaken for management of the Trust. New Forests are subject to their own modern slavery risk assessment and processes as manager of the Sub Trust. The Trustee has reviewed the draft 2023 Modern Slavery statement prepared by New Forests.

### Defining modern slavery risks

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

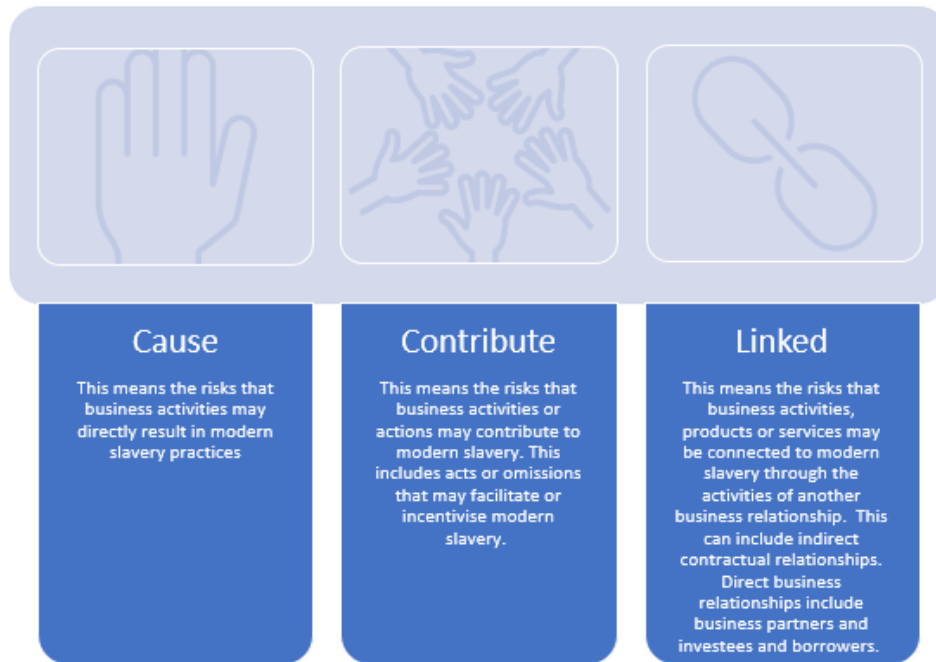
Modern slavery risk means the potential for the Trust to cause, contribute to, or be directly linked to modern slavery through their operation or supply chain. This means looking at risks to people rather than risk to the company (such as reputational or financial damage), although often these risks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

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

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

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



### Risk assessment methodology

It is possible that Perpetual, as Trustee, may be linked to modern slavery via the investments and suppliers within the Trust. 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.

### Risk Assessment Results

#### Investments

The Trust's investment footprint is concentrated as all their assets are held in the Sub-Trust. The FY23 risk assessment conducted by the Trustee revealed that this investment sector is considered to have higher inherent risk, as it is a part of the forestry and land management industries. The below information summarises the risks in this industry. The approach to due diligence and assessment is informed by this risk profile.

#### Investment Sector

Forestry and land management

#### Inherent Risk Profile

The forestry and land management industries have a higher risk of modern slavery due to the use of low-skilled labour, rural and unsociable working conditions, high reliance on migrant labour, sub-contracting and short-term labour hire arrangements and exposure to Indigenous populations<sup>4</sup>. Additionally, these industries can be concentrated in conflict-affected regions or countries where rule of law and governance processes are weak or lacking, which increases the risks of labour exploitation and modern slavery, including the worst forms of child labour.

<sup>4</sup> KPMG and Australian Human Rights Commission, 2021. Resources, Energy and Modern Slavery: Practical responses for managing risk to people, 10 and Know the Chain, *Investor Snapshot* "Forced Labor in Forestry (incl. Paper & Forest Products)", 13 November 2019.

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## Supply Chain

The Trustee's FY23 risk assessment did not identify any high-risk service providers. 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 who operate in Australia, which is identified as a low-risk country location by the Perpetual Group's ESG data provider or have low risk exposure where they operate internationally as well.

## 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 underlying investment in forestry, land and associated timber assets.

The Trust's approach to addressing modern slavery risks is as follows. Perpetual has a process for all trusts to follow for modern slavery reporting. This process includes:

- Engaging with unitholders to ensure they are aware of the modern slavery reporting obligations and seeking their input to Modern Slavery Statements;
- Training for the Trust's Client Managers conducted by our 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.

## Investments

The Trust's ultimate asset is an investment in the Sub-Trust. The Investment Manager for the Sub-Trust is New Forests Asset Management Pty Ltd which manages a diversified portfolio of sustainable timber plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure assets. New Forests assesses and manages modern slavery risk and is required to report under the Modern Slavery Act 2018 (Cth) ("**Modern Slavery Act**"). Therefore, they are obligated to identify and address modern slavery risks in their operations and supply chains.

## Supply Chain

As the Trustee for the Trust, The Trust Company (Australia) Limited owns the relationships with the direct service providers which are engaged 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 the Perpetual Group's Modern Slavery Framework which sets out the programs, processes, and tools in place to ensure compliance with the Modern Slavery Act.

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

New and existing employees of the Trustee take part in our online modern slavery training module and employees have access to Perpetual Group's grievance mechanism.

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## Remediation

As a Trustee, 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 Trustee 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 unitholder and Advisory Board 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 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 Trustee can report any concerns to a Whistleblower Protection Officer within Perpetual Group 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.

## Measuring the Effectiveness of Actions

Outlined below is the key progress made by the Trustee on behalf of the Trust in FY23 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 an 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 our current approach to managing modern slavery risks.

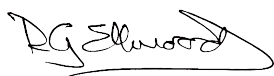
### Actions for FY24

- 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 trust 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.

This Statement 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.

This Statement was approved and signed by Rod Ellwood as the Director for The Trust Company (Australia) Limited.



Rod Ellwood

Director

The Trust Company (Australia) Limited

## 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	1
Describe the reporting entity's structure, operations, and supply chains	Structure, Operations and Supply Chain, Page 1-2
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 3-5
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Actions to Address Modern Slavery Risks, Page 5-6
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 6-7