

# Modern Slavery Statement

For Financial Year ending 30 June 2023

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### Acknowledgement of Country

Perpetual Group<sup>1</sup> acknowledges Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the Traditional Custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors, Elders, past and present. Perpetual Group is committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

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### Reporting suite

Perpetual Group presents its 2023 Annual Reporting suite for the year ended 30 June 2023.

Our reporting suite is available online: [www.perpetual.com.au/shareholders/reports-and-presentations/](http://www.perpetual.com.au/shareholders/reports-and-presentations/)

Annual Report



Corporate Governance Statement



Sustainability Report



1. Perpetual Limited and its controlled entities.

## A message from our Chief Executive Officer and our Chief Risk and Sustainability Officer



Since our beginnings as a trustee company in 1886, Perpetual Group has supported our clients and our communities over generations to manage, grow and protect their wealth.

Our sustainability strategy, *Perpetual's Prosperity Plan*, launched in September 2022, sets out our commitment to continuing to develop and improve our approach on sustainability, and to play our part to help create a more equitable and sustainable world. This includes continuously improving our approach to addressing and mitigating modern slavery risks, particularly as we continue to grow globally as a Group.

This is Perpetual's fourth Modern Slavery Statement, which sets out the actions we are taking to address modern slavery risks across our business. It covers our reporting responsibilities under both the *Australian Modern Slavery Act 2018* (Cth) and the *UK Modern Slavery Act (2015)*.<sup>1</sup>

This has been a significant year for the Perpetual Group, following the acquisition of Pandal Group, which completed in January 2023, and has been followed by a period of integration as we bring our businesses together. This has included integrating our new businesses into our approach to the assessment and management of modern slavery risks in our operations and supply chains.

Modern slavery represents some of the most severe forms of human rights abuses, including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour. Many of these harms are hidden in plain sight and can be connected to us through our daily use and consumption of goods and services sourced from around the globe.

In 2023, the updated Global Slavery Index (GSI) published by Walk Free<sup>2</sup>, drawing on research by the International Labour Organisation, Walk Free and the International Organisation for Migration, found that there are now 50 million people globally living in conditions of modern slavery. The GSI draws attention to 'the widescale deterioration of civil and political rights in the face of multiple crises' which 'increases risks for those already vulnerable to modern slavery. The most vulnerable – women, children, and migrants – remain disproportionately affected. Over half of all people in modern slavery are female. A quarter are children.' Given this context, it is important that both the corporate and investment sectors focus on addressing modern slavery and take action to minimise the risk of harm to people.

During FY23, Perpetual Group worked to implement our updated modern slavery due diligence process which we put in place in 2022. We continued to improve that process by automating our analysis of external data sources, and we engaged with companies in our investment portfolios and supply chain where we identified controversies relating to modern slavery where there was no evidence of meaningful action having been taken to address the issue. We have also refreshed our Modern Slavery Statement reporting for the trusts where our Corporate Trust division acts as trustee, to better align with the requirements of the Australian Modern Slavery Act.

As we seek to continually improve our approach to managing modern slavery risk across our Group, we will continue to work with each of our businesses in the year ahead on their processes on modern slavery due diligence and engagement. We know there is more work to do and we are committed to taking action to address and mitigate this important issue across our business.

**Rob Adams**  
Chief Executive Officer  
and Managing Director

**Sam Mosse**  
Chief Risk and  
Sustainability Officer

1. The acquisition of Pandal's subsidiary J O Hambro Capital Management Limited, means we are now also subject to the UK Modern Slavery Act (2015).

2. Walk Free 2023, The Global Slavery Index 2023, Minderoo Foundation. Available from: [www.walkfree.org/global-slavery-index/](http://www.walkfree.org/global-slavery-index/).

## FY23 at a glance: Key achievements



Began our **ongoing engagement program** with multiple investment companies on modern slavery issues that were flagged through our risk assessment and due diligence processes.



Developed a cross-business **investor and supplier engagement register**.



Implemented a **modern slavery clause deviation register** to track amendments to our modern slavery standard clauses.



Launched a **six-monthly video** from the Sustainability and Modern Slavery Manager on our intranet site, which was also shared with Corporate Trust clients to update them on human rights and modern slavery trends.



Expanded our **Modern Slavery Working Group**.



Updated our **modern slavery online training module** for the global Perpetual Group.



Reviewed, and sought to improve, the **modern slavery statements for trusts** where our Corporate Trust division acts as trustee.

## Reporting entities

This statement is submitted as a joint statement under section 14 of the Australian Modern Slavery Act, made on behalf of the following reporting entities:

Reporting entity	Australian Company Number	Registered address
<b>Perpetual Limited</b>	000 431 827	Angel Place, Level 18, 123 Pitt Street, Sydney NSW 2000
<b>Perpetual Investment Management Limited (PIML)</b>	000 866 535	Angel Place, Level 18, 123 Pitt Street, Sydney NSW 2000
<b>Perpetual Trustee Company Limited (PTCo)</b>	000 001 007	Angel Place, Level 18, 123 Pitt Street, Sydney NSW 2000

The term 'Perpetual' and 'Perpetual Group' as used in this statement, refers collectively to Perpetual Limited and its controlled entities<sup>1</sup>, which includes PIML and PTCo.

The Statement covers all Perpetual Group entities as of 30 June 2023. Following our acquisition of Pandal Group, we now own J O Hambro Capital Management Limited (JOHCML), which is based in the UK and is subject to the reporting requirements under the UK Modern Slavery Act. As such, the statement has been written as a joint statement and also considers the requirements of the UK Modern Slavery Act for JOHCML.

## Consultation

During FY23, we consulted across each of the reporting entities, which met the requirements for reporting under the Australian Modern Slavery Act. This statement was developed in consultation with the Perpetual Limited Executive Committee and the Audit, Risk & Compliance Committee.

Engagement also took place through Perpetual Group's Modern Slavery Working Group (Working Group), which gathered information from the Perpetual Group to assist with preparing this statement. The Working Group consisted of members from the following divisions within Perpetual Group: Asset Management; Wealth Management; Corporate Trust; Legal, Audit, Risk, Compliance, Company Secretariat and Sustainability; Operations and Technology; Finance, Strategy and Corporate Affairs; and People and Culture.

In FY24, we will review our Modern Slavery Framework as part of our regular review and improvement processes and to ensure it is appropriate for our combined businesses within the Perpetual Group.

Over the past year, our dedicated Sustainability and Modern Slavery Manager has worked with the Wholesale Trust and Responsible Entity businesses within our Corporate Trust division. This ongoing collaboration between teams has sought to improve our modern slavery statements for trusts where we act as trustee in line with the principles of the Australian Modern Slavery Act (2018). More information on this collaboration is included on [page 17](#) of this Statement.

In addition to the Working Group, a range of stakeholders across relevant divisions were consulted on a regular basis and provided input for this Statement. This included Legal, Procurement, Risk, Corporate Trust and investment teams within our Asset Management and Wealth Management divisions.

The Board of Directors of each Reporting Entity have also reviewed and approved this statement.

1. Refer to Appendix 1 for full list of controlled entities.



## Our structure, operations and supply chain

### Our structure

#### About Perpetual Group

Perpetual Limited is an ASX-listed company (ASX:PPT) headquartered in Sydney, Australia, providing asset management, wealth management and trustee services to local and international clients.

Perpetual Limited is the ultimate holding company within the Perpetual Group, conducting its business through its various controlled entities<sup>1</sup>, which includes PIML and PTCO.

Perpetual Group consists of 11 brands across three distinct businesses: Asset Management, Wealth Management and Corporate Trust. Through these businesses, we aim to protect and grow our clients' wealth, knowing that by doing so we can make a difference in their lives. Our clients include Australian and international institutions, not-for-profit organisations, private businesses, financial advisers, individuals and families.

Perpetual Group services its client base from offices in Australia, as well as its international offices in the United States, United Kingdom, the Republic of Ireland, the Netherlands, Germany, France, Singapore and Hong Kong.

### Our people and locations

The registered office of each reporting entity is Level 18, 123 Pitt Street, Sydney 2000. Perpetual has additional offices in Brisbane, Canberra, Melbourne, Adelaide, Perth, Singapore, Chicago, Amsterdam and Hong Kong. Trillium Asset Management (Trillium) has offices in Boston, San Francisco and Edinburgh. Barrow Hanley Global Investors (Barrow Hanley) is located in Dallas. J O Hambro Capital Management (J O Hambro) has offices in London, Dublin, Paris, Munich, Amsterdam, Boston, New York, Philadelphia and Singapore. Thompson, Siegel & Walmsley (TSW) is located in Richmond. Pandal has offices in Sydney and Melbourne. At the end of the reporting period, in FY23, Perpetual had 1,870 full time equivalent employees.

For more information on our business see our Annual Report at [perpetual.com.au/shareholders/reports-and-presentations](https://perpetual.com.au/shareholders/reports-and-presentations).

1. Refer to Appendix 1 for full list of controlled entities.

### Our purpose

To create enduring prosperity

### Our values

Excellence, Integrity, Partnership

### Our sustainability focus

At Perpetual Group, creating enduring prosperity has been at the heart of what we do for over 135 years. This means seeking to help our clients navigate the low carbon transition, building an inclusive, high-performance culture, strengthening local communities, and working to uphold good governance, accountability and integrity in all we do.

## Our structure, operations and supply chain continued

### Our operations<sup>1</sup>

#### The services we provide

Perpetual Group provides a diverse range of financial products and services including asset management, wealth management and trustee services through three distinct businesses, supported by Group Support Services.

For more information on our business divisions, see our Annual Report at [perpetual.com.au/shareholders/reports-and-presentations](https://perpetual.com.au/shareholders/reports-and-presentations).



#### Asset Management

A global multi-boutique asset management business offering an extensive range of specialist investment capabilities through seven boutique brands in key regions globally.



A trusted, dynamic, active manager, offering an extensive range of specialist investment capabilities designed to meet the needs of our clients across the globe.



A US-based diversified investment management firm offering value-focused investment strategies spanning global equities and fixed income.



A responsible investment brand, which provides advice and insights on important environmental, social, and governance (ESG) issues, and also manages thematic and impact-driven global investment strategies.



A US-based value-oriented investment firm, with a 50-year history of delivering to clients across US equities, international equities, fixed income and multi-asset strategies.

#### PENDAL

A highly respected investment manager with leading Australian equities, global equities, cash, fixed income and sustainable investing capabilities.



An equities specialist asset manager with investment capabilities across US, UK, European, Asian, emerging markets and global equities.



US-headquartered Trillium has been at the forefront of ESG investing for nearly 40 years. One of the first investment firms to align values with investment objectives.



#### Wealth Management

The Wealth Management business consists of Perpetual Private and three other distinct specialist businesses (Fordham, Priority Life and Jacaranda), offering a unique mix of wealth management, advice and trustee services.



#### Corporate Trust

Our Corporate Trust business is a leading provider of fiduciary and digital solutions to the banking and financial services industry in Australia and Singapore.



#### Group Support Services

The business divisions are supported by Group Support Services comprising Legal, Audit, Risk, Compliance, Company Secretariat and Sustainability; Operations and Technology; Finance, Strategy and Corporate Affairs; and People and Culture.

1. The term 'operations' is used to refer to the activities undertaken to pursue our business objectives and strategy, as per the description of activities provided by the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities. This section also covers the criteria set out in s 54(5)(a) of the UK Modern Slavery Act (2015) concerning our 'business'.

## Our structure, operations and supply chain continued

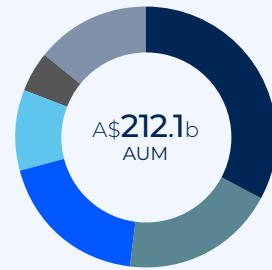
### Modern slavery governance structure

Governance Group	Role
<b>Perpetual Limited Board</b>	Responsible for oversight of the modern slavery program of work and for approval of the Modern Slavery Statement.
<b>Executive Committee</b>	Provides leadership and oversight of the modern slavery program of work and reviews the Modern Slavery Statement.
<b>Chief Risk and Sustainability Officer</b>	Sponsors Perpetual Group's modern slavery program, accountable for the Modern Slavery Framework and delivery of the Modern Slavery Statement.
<b>Modern Slavery Working Group</b>	Key subject matter experts across divisions relevant for modern slavery risks meet on a bi-annual basis (or more frequently, if required) to ensure ongoing compliance with the Australian Modern Slavery Act and UK Modern Slavery Act.
<b>Global Head of Corporate Affairs and Sustainability</b>	Oversees the Sustainability Team and is responsible for the oversight of statements to the market, including the Modern Slavery Statement.
<b>Sustainability Team, including Sustainability and Modern Slavery Manager</b>	The Sustainability Team has a dedicated Sustainability and Modern Slavery Manager responsible for the overall modern slavery program of work and delivery of the Modern Slavery Statement.

### Our investments

Our total assets under management (AUM) within our Asset Management division were a total of A\$212.1 billion across multiple asset classes, channels and regions, as at 30 June 2023.<sup>1</sup>

#### AUM by Asset Management boutique<sup>2</sup> (%)



**33%**  
Barrow  
Hanley

**19%**  
J O  
Hambro

**19%**  
Pendal

**10%**  
Perpetual

**5%**  
Trillium

**14%**  
TSW

1. Includes AUM for Asset Management division excluding funds under administration from our Corporate Trust division and funds under advice for our Wealth Management division.

2. Regnan is distributed as a brand across both J O Hambro and Pendal boutiques.



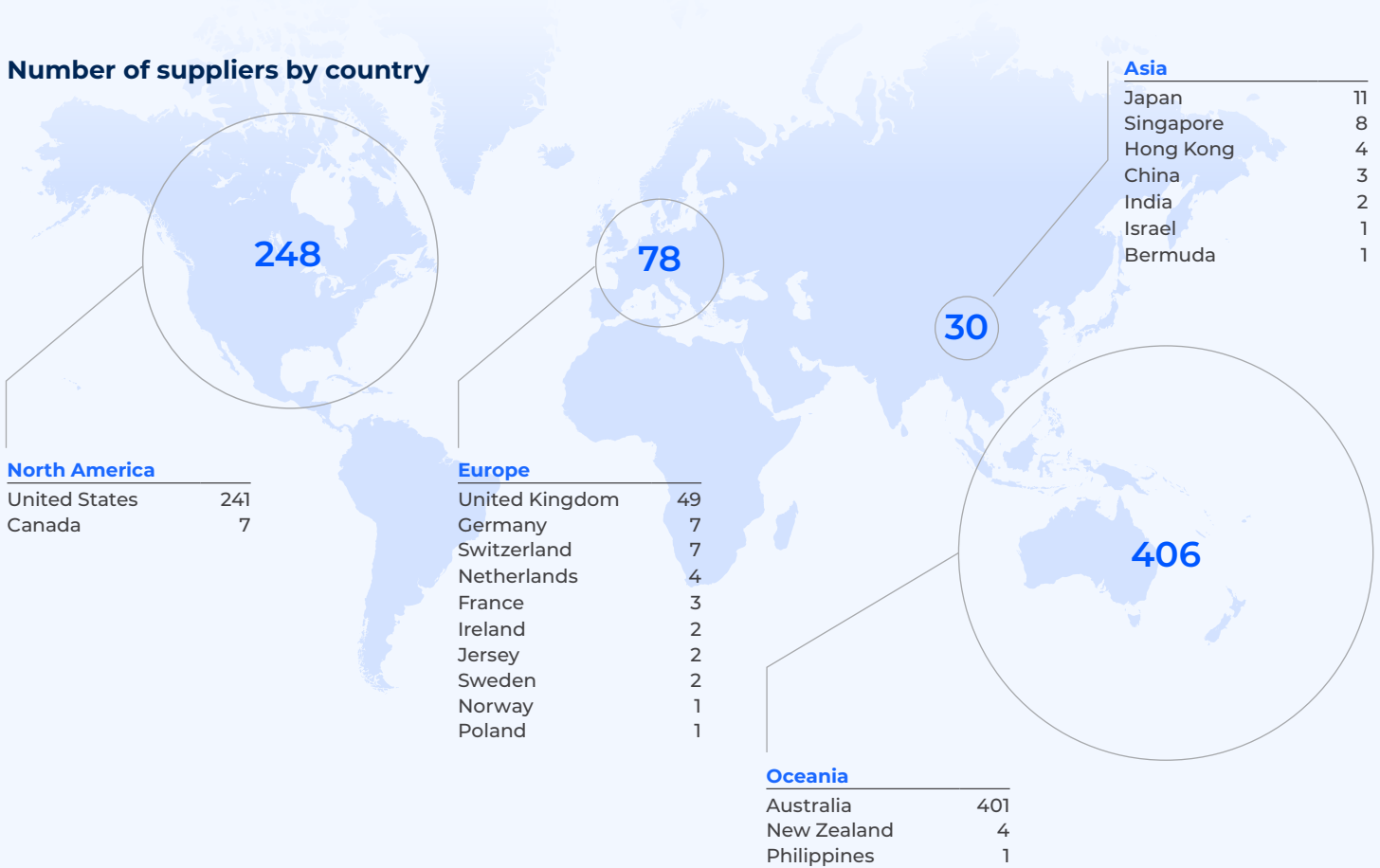
## Our structure, operations and supply chain continued

### Our supply chain<sup>1</sup>

Over half of Perpetual's suppliers with spend over \$10,000 were based in Australia in FY23. The United States, which is home to our asset management businesses, Trillium, Barrow Hanley and TSW, is where 32% of our suppliers were located. Six per cent of our suppliers were based in the UK, although J O Hambro suppliers were not included in the risk assessment due to data unavailability at the time of the assessment, so this is likely to be higher.

Although most of our products and services are procured from regions close to our office locations, we recognise that many of our suppliers have global supply chains. This informs our approach to our modern slavery risk assessment, which captures location and supply chain risk.

### Number of suppliers by country



### Our major procurement categories of goods and services



#### Financial services

Such as external investment managers, custody banks, brokerage and research houses, registry services



#### Professional services

Such as consultants, lawyers, accountants and auditors



#### Real estate management

Such as landlords, property managers and banks



#### Technology and technology support

Such as outsourced services, data and data processing, storage, hardware and software



#### Human resources and employment services



#### Hotels, restaurants and business events



#### Communications, advertising and media



#### Facilities management

Such as commercial cleaning

1. A materiality spend threshold of \$10,000 applies to our suppliers. J O Hambro suppliers were not included in the risk assessment due to data unavailability at the time of the assessment.

## Our modern slavery risks

Perpetual Group is a diversified financial services Group that provides asset management, wealth management and corporate trustee services to local and international clients. There are multiple areas of modern slavery risk across our operations and supply chain. We have assessed our modern slavery risk against the financial services we provide and with consideration to the United Nations Guiding Principles on Business and Human Rights (UNGPs):



### Financial management and investing

As an investor, adviser and trustee, specifically through our Asset Management, Wealth Management and Corporate Trust divisions, there is potential for us to be linked to modern slavery via the companies and assets we invest in or via the relationships with partners or customers who use our products or services.



### Procurement

As a purchaser of goods and services, there is potential for us to contribute or be directly linked to modern slavery via our relationships with suppliers who are involved in modern slavery through their operations and supply chains.



### Employment

As an employer, there is potential to cause modern slavery if our own activity directly results in labour exploitation or other modern slavery impacts.



### Communities

As a supporter of communities, there is potential to contribute to, or be directly linked to, organisations involved in modern slavery via our donations or strategic partnerships.

Our risk assessment underwent significant improvement in FY22, as reported in our previous Modern Slavery Statement. This year we sought to embed and improve our approach including by automating the risk assessment process. This has improved the efficiency of the risk assessment, using the data outputs of our third-party provider (and particularly their assessment of whether organisations have taken meaningful action to remediate any issues identified). This will mean our approach is more scalable as our business becomes more global and will make it easier to replicate the assessment for other parts of our organisation. Our Sustainability and Modern Slavery Manager undertook a review of the controversy information, and the ratings they are given by our third-party data provider, to ensure they are consistent with the criteria in our Modern Slavery Framework and due diligence process.

Our definition of modern slavery risk includes explicit links between modern slavery and labour rights violations that are significant and systemic. We continue to investigate the suppliers and investee companies that we have a direct relationship with (first tier). The risk assessment offers more granular insights within lower tier supply chains by detailing high risk countries of operations and links to at-risk products. These insights mean that we can better identify which suppliers and investee companies are exposed to modern slavery risks through specific geographic locations and through inputs or raw materials within their supply chains. These supply chain tiers are where modern slavery is more likely to exist.

As detailed in the Global Slavery Index report, a series of compounding crises over the last five years has increased the prevalence of modern slavery. Factors that have contributed to the rise in modern slavery include increasing and more complex armed conflicts, widespread environmental degradation, assaults on democracy in many countries, a global rollback of women's rights, and the economic and social impact of the COVID-19 pandemic. These factors have impacted employment and education, which has increased poverty and unsafe migration that together have raised the risk of modern slavery.<sup>1</sup>

This highlights the urgent need to tackle an issue that is often hard to detect, buried deep in supply chains and operations. In response to this increase in risk and need for further supply chain analysis, we have continued to build on our risk assessment methodology.

1. Walk Free, [The Global Slavery Index 2023, p24](#).

## Our modern slavery risks continued

### Defining modern slavery risk<sup>1</sup>

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>2</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>3</sup>

Modern slavery risk means the potential for Perpetual Group to cause, contribute to, or be directly linked to modern slavery through our operations or supply chains.

Research by the Ethical Trade Initiative and Anti-Slavery International has shown that certain labour conditions and practices can escalate or are indicative of an environment where modern slavery exists.

Examples of these labour practices include non-payment of wages, excessive working hours, lack of freedom of association, discrimination, threat and abuse. Modern slavery risk increases when multiple labour rights violations are present, violations are systemic and severe.<sup>4</sup>

### Our risk assessment methodology

For our FY23 risk assessment, we collected information on our supply chain and about our investee relationships across the Perpetual Group. This included investments in listed equity holdings and some corporate bonds<sup>5</sup> and suppliers who met our threshold for assessment of a spend of \$10,000 or more during the year.<sup>6</sup> Suppliers and investee companies were then assessed for inherent modern slavery risks using the risk assessment scorecard of a third-party data provider.

## Inherent modern slavery risk



### Location risk

Countries vulnerable to modern slavery considering key social and governance risk indicators, including basic labour rights and working conditions, inequality, political stability, corruption, safeguarding of civil and political rights, discrimination, and gender equality.



### Supply chain risk

Industry-specific supply chain exposure to modern slavery, based on geographic distribution of supply chains, the degree of outsourcing, dependence on high-risk raw materials, and sourcing of products with established links to forced labour. Includes links to at-risk products.



### Controversies exposure

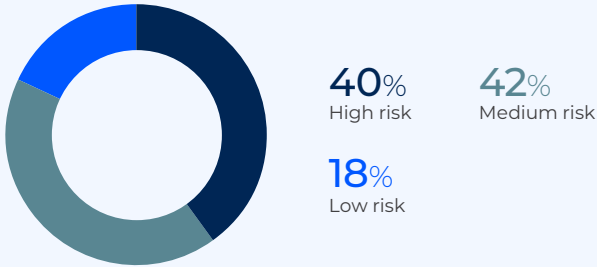
Industry-specific exposure to modern slavery controversies, based on the proportion of alleged or verified corporate failures to respect international norms on modern slavery by industry.

## Inherent modern slavery risk

1. We use the Australian modern slavery legislation and reputable research to guide our approach to defining modern slavery.
2. International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), 2022. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, 13.
3. As defined in the Australian Modern Slavery Act 2018 (Cth).
4. Ethical Trade Initiative and Anti-Slavery International, 2022. Base Code Guidance: Modern Slavery.
5. Investment holdings covered in the risk assessment included listed equity holdings and some corporate bonds in our Asset Management and Wealth Management divisions, where we have investment discretion and where our ESG data provider has coverage for the investment holding. Pental corporate bonds were not included due to data unavailability at the time of the assessment.
6. Suppliers across the Group with a spend of \$10,000 or more in FY23 were included from all boutiques apart from J O Hambro suppliers who were not included in the risk assessment due to data unavailability at the time of the assessment.

## Our modern slavery risks continued

### Investments inherent risk of modern slavery



Location risk includes exposure within operations to countries that are vulnerable to modern slavery including Afghanistan, Algeria, Azerbaijan, Belarus, China, Colombia, Democratic Republic of Congo, Egypt, El Salvador, Eritrea, Guinea, Haiti, India, Indonesia, Iran, Iraq, Ivory Coast, Kenya, Kuwait, Kyrgyzstan, Libya, Malaysia, Mali, Mauritania, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Papua New Guinea, Saudi Arabia, South Sudan, Sri Lanka, Syria, Tanzania, Thailand, Turkiye, Uganda, Ukraine, United Arab Emirates, Venezuela, Vietnam, Yemen and Zimbabwe.

These investment holdings are linked to industry-specific exposure to modern slavery through the agriculture, food and beverage industries, aerospace and defence, automotive, building products, energy, semiconductors, technology and electronics industries, hotels, hospitality and catering services, construction machinery and materials, healthcare manufacturing industries, metals and mining, merchandise, apparel, accessories, footwear and allied industries and the tobacco industry. Companies in these industries are connected to at-risk products that have a high risk of forced labour within their supply chains. This could include the extracting of raw materials and production processes.

The table below summarises the industries that our investments categorised as high inherent risk are part of, the types of risk of modern slavery they are exposed to and their connection to at-risk products.

### Risk assessment results – investments

Our FY23 risk assessment identified 935 investment companies with high inherent risk of modern slavery. This is an increase from 641 holdings in FY22 with high inherent risk. This increase can be mainly attributed to our acquisition of Pental Group in January 2023, which has grown our investment portfolio.

These investment holdings have been identified as high inherent risk due to their location risk, supply chain risks (including industries and links to at-risk products), and their industry's exposure to modern slavery controversies.

Industries	Inherent risk profile	At-risk products
<b>Agriculture, food and beverage industries</b>	Modern slavery risk is high in agriculture industries and food related industries due to the use of migrant workers on temporary visas (or with no rights to work), low wages and multi-tiered global supply chains that source from countries which have high levels of poverty, poor labour laws and conditions. Specifically, forced labour and child labour is high, including exposure to hazardous working conditions. The COVID-19 pandemic has also resulted in pressure to increase production and has caused the restructure of supply chains.	Bananas, cashews, citrus fruits, cocoa, coffee, cottonseed, cucumbers, eggplants, electronics, fish, flowers, hazelnuts, palm oil, pepper, rice, shrimp, tea, tomato products, vanilla, rubber gloves.
<b>Aerospace, defence, automotive, building products, energy, semiconductors, technology and electronics industries</b>	There is a high-risk of modern slavery in the technology and electronics industries due to high levels of labour exploitation in their production processes and the sourcing of raw materials which is connected to the mining industry. Conflict minerals are present in the manufacturing of electronics and technology products.	Electronics, cobalt ore, fluor spar (mineral), mica, sandstone, tin ore, zinc.
<b>Hotels, hospitality and catering services</b>	Casual employment, the use of migrant workers on temporary visas, and the prevalence of outsourcing elevates the risk of modern slavery in these industries. Casinos and hotels are particularly prone to the risk of sexual exploitation, including sex trafficking.	Bananas, cashews, citrus fruits, cocoa, coffee, cucumbers, eggplants, fish, hazelnuts, palm oil, pepper, rice, shrimp, tea, tomato products, vanilla, garments, textiles, thread/yarn rubber, gloves, cotton, Christmas decorations, carpets, electronics.

## Our modern slavery risks continued

Industries	Inherent risk profile	At-risk products
<b>Construction machinery and materials</b>	Modern slavery risk is heightened due to high demand for low-skilled labour, limited visibility of complex global supply chains that operate in high-risk geographies and the sourcing of at-risk raw materials.	Bricks, cobalt ore, electronics, fluorspar (mineral), mica, sandstone, tin ore, zinc.
<b>Healthcare manufacturing industries</b>	The sudden surge in demand for medical protective wear due to the COVID-19 pandemic has heightened the occurrence of labour violations in supply chains. Links to at-risk products are widespread in these industries.	Cotton, electronics, garments, palm oil, rubber gloves, textiles, thread/yarn, cobalt ore, fluorspar (mineral), mica, tin ore, zinc.
<b>Metals and mining</b>	Forced labour, child labour and conflict minerals have been connected to the mining of metals and minerals in high-risk locations. Hazardous conditions are widely prevalent in the mining industry.	Coal, cobalt ore, electronics, fluorspar (mineral), mica, rubies, tin ore, zinc.
<b>Merchandise, apparel, accessories, footwear and allied industries</b>	Labour exploitation is common in these industries, which rely on multi-tiered global supply chains that often intersect with countries that have a higher risk of modern slavery. These industries have been linked to state-sponsored forced labour in Asia and the Middle East.	Artificial flowers, carpets, Christmas decorations, cotton, electronics, fireworks, footwear, garments, gloves, jute, matches, rubber gloves, textiles, thread/yarn, toys.
<b>Tobacco industry</b>	Tobacco products are often sourced from countries with a high risk of modern slavery. These products are linked to hazardous working conditions including the exposure to nicotine, handling of toxic chemicals, use of sharp tools, lifting heavy loads, and working in extreme heat. Child labour is connected to the tobacco industry.	Electronics, tobacco.

Our investments are then assessed through our strengthened due diligence process including a controversies screening and risk indicator analysis. This helps to better target our engagement with investee companies, where we have leverage to influence change and where there are indicators that suggest modern slavery is more likely to be occurring.

The controversies screening process screens investee companies we hold to look at specific allegations of modern slavery and labour violations connected with those companies identified in media reports and research by NGOs. Labour violations were included, recognising that modern slavery risk increases when multiple labour rights violations are present, or violations are systemic and significant. For the FY23 risk assessment, there were 188 investee companies with controversies.

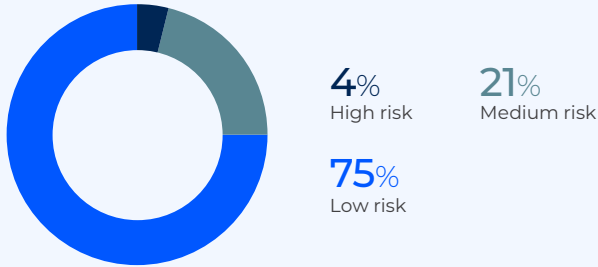
The next stage in our risk assessment and due diligence process is our modern slavery risk indicator analysis, where we analyse the controversies identified through the screening process to determine which investee companies have high residual risk of modern slavery. Each controversy is assessed on its severity, whether it is recent, if the company was taking meaningful actions to address and remediate the controversy and if the issue was isolated or systemic. This process is automated using data from our third-party ESG data provider, which is then reviewed by our Modern Slavery and Sustainability Manager to ensure the ratings are consistent with our criteria for assessment.

Through this analysis we identified 37 holdings as having high residual risk of modern slavery. These investments are then prioritised for engagement as set out in our engagement decision tree (see [page 19](#) for further details on our engagement).

Controversies relating to investee companies assessed as having high residual risk of modern slavery included those with allegations relating to forced labour of migrant workers, child labour in raw material sourcing, wage theft and denial of severance pay during COVID-19. Some companies were also alleged to have pressured suppliers to operate with minimal margins, undermining their ability to pay workers a living wage, thereby leaving them without a safety net to withstand crises, particularly in the garment industry in Pakistan. Labour rights issues identified included failing to respect union rights and discriminating against union members. There were also allegations of state-sponsored forced labour being used in supply chains, notably in the Xinjiang Uyghur Autonomous Region, China, or emanating from that region through product supply chains.

## Our modern slavery risks continued

### Suppliers inherent risk of modern slavery



We also have a higher proportion of suppliers with low inherent risk of modern slavery than the prior year. This is because Australia as a country location was re-rated to have low inherent risk of modern slavery by our ESG data provider, whereas in FY22 it had been rated medium risk.

The suppliers have been identified as having high inherent risk due to their location risk, supply chain risks (including industries and links to at-risk products), and exposure to modern slavery controversies in their sector. Location risk includes exposure within operations to countries that are vulnerable to modern slavery including Azerbaijan, Angola, Bangladesh, Bahrain, Cambodia, China, Colombia, Egypt, El Salvador, Guatemala, India, Indonesia, Iran, Jordan, Kenya, Kuwait, Lebanon, Malaysia, Morocco, Myanmar, Nigeria, Pakistan, Philippines, Qatar, Saudi Arabia, Sri Lanka, Thailand, Turkiye, Tunisia, United Arab Emirates, Uganda, Ukraine, Venezuela and Vietnam.

These suppliers are linked to industry-specific exposure to modern slavery, through the construction and engineering, electrical components and equipment, electronic manufacturing services, food retail, hotels, specialty retail and technology hardware and storage industries. Suppliers in these industries are connected to at-risk products that have a high risk of forced labour within their supply chains. This could include the extracting of raw materials and production processes.

The table below summarises the industries that our suppliers categorised as high inherent risk are part of, the types of risk of modern slavery they are exposed to and their connection to at-risk products.



### Risk assessment results – supply chain

Our FY23 risk assessment identified 29 suppliers with high inherent risk of modern slavery, down from 34 in FY22. The reduction is mainly due to having less suppliers in the consumer discretionary sector relative to the prior year, which is an industry category with higher risk. Suppliers across the Group with a spend of \$10,000 or more in FY23 were included from all boutiques apart from J O Hambro suppliers, who were not included in the risk assessment due to data unavailability at the time of the assessment.

Industries	Inherent risk profile	At-risk products
<b>Food retail</b>	Modern slavery risk is high in agriculture industries and food related industries due to the use of migrant workers on temporary visas (or with no rights to work), low wages and multi-tiered global supply chains that source from countries which have high levels of poverty, poor labour laws and conditions. Specifically forced labour and child labour is high, including exposure to hazardous working conditions. The COVID-19 pandemic has also resulted in pressure to increase production and has caused the restructure of supply chains.	Bananas, cashews, citrus fruits, cocoa, coffee, cucumbers, eggplants, electronics, fish, hazelnuts, pepper, rice, shrimp, tea, tobacco, tomato products, vanilla.
<b>Consumer discretionary distribution and retail</b>	Labour exploitation is common in these industries, which rely on multi-tiered global supply chains that often intersect with countries that have a higher risk of modern slavery. These industries have been linked to state-sponsored forced labour in Asia and the Middle East.	Artificial flowers, carpets, christmas decorations, electronics, footwear, garments, gloves, rubber gloves, toys.
<b>Hotels</b>	Casual employment, the use of migrant workers on temporary visas, and the prevalence of outsourcing elevates the risk of modern slavery in this industry. Hotels are particularly prone to the risk of sexual exploitation, including sex trafficking.	Bananas, cashews, citrus fruits, cocoa, coffee, cucumbers, eggplants, electronics, fish, garments, hazelnuts, pepper, rice, rubber gloves, shrimp, tea, tomato products, vanilla.



## Our modern slavery risks continued

Industries	Inherent risk profile	At-risk products
 <b>Construction and engineering, electrical components and equipment, electronic manufacturing services and technology hardware</b>	There is a high risk of modern slavery in these industries due to high levels of labour exploitation in their production processes and the sourcing of raw materials which is connected to the mining industry. Conflict minerals are present in the manufacturing of electronics and technology products.	Bricks, sandstone, electronics, cobalt ore (heterogenite), fluorspar (mineral), mica, tin ore (cassiterite), zinc.
 <b>Building services – cleaning, security and maintenance</b>	These services rely heavily on migrant workers and employment arrangements are often casual, involve sub-contracting or the use of labour hire firms. These characteristics increase the risk of modern slavery.	Linked to chemical, construction and multi-line retail and manufacturing industries and at-risk products.

Our controversies screening and risk indicator analysis enables us to better target our engagement with suppliers, where we have leverage to influence change and where there are indicators that suggest modern slavery is more likely to be occurring.

We found that 32 of our suppliers had controversies related to modern slavery or other labour rights related issues based on our data from our third-party ESG data provider.<sup>1</sup> We then assessed each controversy based on its severity, whether it is recent, if the company was taking meaningful actions to address and remediate the controversy and if the issue was isolated or systemic. Through this analysis we identified four suppliers as having high residual risk of modern slavery. These suppliers are then prioritised for engagement (see [page 19](#)).

Some of the suppliers considered as having high residual risk have experienced either industry specific or company level controversy exposure. Examples include allegations of enabling the financing of sex trafficking and failure to respect children's rights, forced labour of migrant workers, workers exposed to poor and unsafe working conditions during COVID-19, including excessive overtime, poverty wages and lack of access to grievance mechanisms and worker representation, withholding wages and conducting mass dismissals to avoid adherence to labour laws.

1. Based on suppliers where our ESG data provider has coverage in their controversy norms-based research.

## Our actions to address modern slavery risks

In FY23, we took actions to improve our due diligence process by seeking to automate the process to make it more scalable while also maintaining robust oversight and review of the data. We also undertook engagement with investment holdings and suppliers identified as having high inherent risk of modern slavery through our FY22 risk assessment and due diligence process.

We continue to draw on the operational principles, as outlined by the UN Guiding Principles, to inform how we address the risk of modern slavery through our commitments and policies, due diligence and remediation.

### Our commitments and policies

To address modern slavery risks across Perpetual Group, several policies, frameworks and strategies are implemented across our business. These are listed in the table below.

Commitments and policies	Description
<b>Perpetual's Prosperity Plan</b>  <a href="https://perpetual.com.au/sustainability">perpetual.com.au/sustainability</a>	<p>Our sustainability strategy, <i>Perpetual's Prosperity Plan</i>, is our plan to create enduring prosperity, not only for our clients and shareholders, but also for communities and the environment on which we all depend.</p> <p>In the strategy, we have identified protecting human rights as a priority issue for our business. We have set specific commitments, including:</p> <ul style="list-style-type: none"> <li>– Continuously improve our approach to addressing and mitigating modern slavery risks</li> <li>– Launch a Global Human Rights Framework by FY25</li> </ul>
<b>Modern Slavery Framework</b>	<p>This framework sets out the programs, processes and tools we have in place to ensure compliance with the Australian Modern Slavery Act. It also provides a consistent framework to effectively manage our ongoing modern slavery risks and enhances our management team's awareness and understanding of modern slavery risks.</p> <p>In FY23, we completed our annual review of our Modern Slavery Framework to assess the effectiveness of our approach and make improvements where appropriate. Updates were made to the Framework to reflect improvements made to our modern slavery risk assessment and due diligence processes. The updated Framework was approved by our Executive Committee in December 2022.</p>
<b>Whistleblower Policy</b>	<p>Our Whistleblower Policy formally recognises that modern slavery breaches form part of misconduct that can be reportable under this policy.</p>
<b>Supplier Code of Conduct</b>	<p>Our Supplier Code of Conduct sets out minimum standards on human rights and modern slavery that we expect suppliers to comply with.</p>
<b>Responsible Investment Policies</b>	<p>Our Asset Management businesses and Wealth Management division have dedicated policies that set out how ESG issues are considered as part of our investment analysis and decision-making process, including consideration of social issues such as modern slavery.</p> <p>For more information on our boutiques' approaches to responsible investment, see our latest Sustainability Report here: <a href="https://perpetual.com.au/sustainability">perpetual.com.au/sustainability</a>.</p>

## Our actions to address modern slavery risks continued

### How modern slavery is managed across our business

As a diversified multi-boutique and global business, each of our asset managers have their own investment philosophies and approaches to managing risks relating to modern slavery and human rights for our clients. Our investment teams exercise independence in determining their investment strategies. As active managers, they do this through integrating ESG considerations, such as modern slavery, within investment processes, where appropriate, and through active engagement with the boards and management teams of the companies they hold, when suitable to do so.

Our Asset Management businesses may explicitly include modern slavery and other human rights related issues as criteria for assessment as part of their consideration of a wider set of ESG related issues or may rely on our Group-wide modern slavery risk assessment, which screens investments and suppliers across the Group each year. The Sustainability Team flags investments or suppliers that are identified with a high residual risk of modern slavery with the respective investment teams and discusses whether, and how, it would be appropriate to conduct engagement. Examples of how our different businesses approach modern slavery are described below.

#### Case study

##### Perpetual Equities top-down and bottom-up approach to modern slavery risk assessment

Our Perpetual Equities investment team take a top-down and bottom-up approach to risk assessment on modern slavery. Modern slavery risks vary region to region, sector to sector, product to product and these top-down factors are considered as part of the risk assessment process. The Perpetual Equities investment team considers the geographic location of a holding, using external reference data such as the Global Slavery Index. Companies do not provide uniform disclosure on their sourcing by region, but the team's analysts can seek to confirm the locations of a company's operations and on some occasions have visited company sites and factories in different global locations.

The investment team view the following sectors to have higher risk associated with modern slavery: Solar panels and equipment; technology and electronics; chemicals; construction; apparel; healthcare; shipping; agriculture; cleaning; and labour hire operations. Similarly, examples of the types of products that prompt greater scrutiny on modern slavery from the investment team include palm oil, rubber, cotton, bricks and construction materials, minerals, cocoa and tea.

As investors, the Perpetual Equities investment team are guided by materiality, risk potential and stock valuation. Proprietary research, shared across team members, helps to support their understanding of sectors and stocks and the ESG workbook, a tool developed in-house for use by Perpetual Equities investment managers and analysts, draws on this internal research and around a dozen external data sources to highlight, bottom up, a specific company's ESG risks and issues including those relating to modern slavery.

#### Case study

##### Corporate Trust disclosure on modern slavery for trusts

Our Corporate Trust division provides a broad range of fiduciary, agency and digital products to the debt capital markets and managed funds industries both domestically and internationally. The Corporate Trust team acts as trustee for multiple trusts on behalf of clients, some of which have an annual consolidated revenue in excess of \$100 million, meeting the reporting threshold for the Australian Modern Slavery Act. During the FY23 period, 19 modern slavery statements were lodged by our Corporate Trust division for trusts where we act as trustee.

We continue to refine our modern slavery process and reporting for trusts. In FY23, we conducted a review of our modern slavery statements for trusts to ensure we were compliant with the Modern Slavery Act and to continually improve our disclosure. We created a register to capture trusts that have met, or may meet, the reporting threshold reviewed on a quarterly basis, and we conducted engagement with investment managers for the trusts earlier in the process to ensure they are aware of the modern slavery reporting obligations and to provide their input to the modern slavery statements related to the trusts that they manage. Our Sustainability and Modern Slavery Manager conducts a training session with Trust Managers at least annually.

## Our actions to address modern slavery risks continued

### Due diligence and training

#### Inherent risk assessment

Our annual risk assessment process assesses the inherent modern slavery risks in our supply chain and investment holdings. Inherent risk is the level of risk before actions are taken to alter the risk's impact or likelihood. Using information supplied by a third-party ESG data provider, we assess the level of modern slavery risk associated with a supplier or investment holding's country location, supply chain, use of at-risk products and controversies reported in the media related their industry that can be indicators of modern slavery such as labour rights violations.<sup>1</sup>

#### Controversies screening

The next stage in our due diligence process is our controversies screening for suppliers and investee companies.<sup>2</sup> The inherent risk assessment incorporates industry-level controversies, however the controversies screening process goes a step further to look at specific controversies connected to companies that are our suppliers or that we invest in.

This screening identified modern slavery and labour violations controversies connected to these suppliers and investment holdings identified in media reports and research by NGOs. Labour violations were included, recognising that modern slavery risk increases when multiple labour rights violations are present, or violations are systemic and significant.

#### Modern slavery risk indicator analysis

We then analyse the controversies identified through the screening process to determine the severity of the issue, whether it was historic, current or ongoing, if the company was taking meaningful actions to address and remediate the controversy and if the issue was isolated or systemic.

When we consider whether an issue is systemic, we look at how widespread labour violations are, if there are multiple issues and how significant these issues are. If a company has many recent significant labour violations, it begins to demonstrate an environment where the risk of modern slavery is heightened. The table to the right sets out the indicator categories in our risk indicator analysis.

In FY23, we have sought to further automate the analysis at this stage of our due diligence process using the ratings from our third-party ESG data provider on remediation of the controversies, rather than conducting those assessments manually through desktop research. Our Sustainability and Modern Slavery Manager completed a review of the ratings assigned to each controversy to ensure they are consistent with our own assessment criteria.

This process identified the investment holdings and suppliers with high residual risk of modern slavery. Conducting this analysis provides greater visibility into the operations and supply chains of these suppliers and investment holdings and allowed us to decide the most appropriate and meaningful actions to take next.

Indicator	Severity category
<b>Modern slavery</b>	
Forced labour	<b>Severe</b>
Child labour	
Deceptive recruitment	
Debt bondage	
Servitude	
Trafficking	
<b>Labour violations</b>	
Wage theft	<b>Significant</b>
Dangerous working conditions	
Lack of access to basic amenities	
Termination of union members	
Discrimination	
Illegal overtime	<b>Moderate</b>
Verbal, physical or sexual assault	
Union busting and intimidation	
Excessive overtime	<b>Minor</b>
Poor working conditions	
Low wages	
Industrial relations issues	
Minor safety issues	

1. Suppliers with a spend of \$10,000 or more in FY23 were included except for J O Hambro suppliers who were not included in the risk assessment due to data unavailability at the time of the assessment. Investment holdings covered in the risk assessment included listed equity holdings and some corporate bonds in our Asset Management and Wealth Management divisions, where we have investment discretion and where our ESG data provider has coverage for the investment holding. Pandal corporate bonds were not included due to data unavailability at the time of the assessment.

2. The controversies screening for supplier and investment holdings who have inherent risk was assessed by our third-party ESG data provider based on where coverage is available.

## Our actions to address modern slavery risks continued

### Engagement

Based on the outcomes of the due diligence process, suppliers and investment holdings with high residual risk of modern slavery are flagged to be escalated for targeted engagement. Once they have been flagged, our engagement decision tree sets out several options for engagement, which starts with discussing the risk profile with the vendor management team or investment team.

Once this discussion takes place, the appropriate level of engagement is determined based on our ability to influence change. For a supplier, this could include requesting information on the issue, conducting meetings or no longer using the supplier. For an investment holding, it could mean engaging with an investee company to address the risk of modern slavery.

Investment teams who have investments in companies flagged as having high residual risk of modern slavery are provided with the information on the relevant controversy and with materials to support their engagement. Our investment teams exercise independence in determining their investment strategies and, as such, the decision of whether to engage with an investment holding, and what form that engagement will take, rests with the investment team.

Where we have greater influence through larger equity holdings in a company, the investment team was more likely to engage directly, whereas when our holding is small, particularly through diversified portfolios with small positions in companies, we were more likely to engage via letters. In some cases, the investment teams elected not to engage with the investee company if they deem the controversy not to be material based on their investment process. This is recorded in Perpetual's modern slavery engagement tracking tool, for elevation to our CRSO and Board, if deemed material.

Our engagement with investee companies conducted in FY23 focused on 40 investment holdings identified as having high residual risk of modern slavery from our FY22 risk assessment, which were still held in our portfolios. Out of those companies, 11 were held on behalf of clients where we did not have investment discretion. For nine holdings, the controversy identified did not meet the investment team's criteria for escalating to engagement, and for one, we were unable to find contact details. We did not engage in these instances. We contacted 19 of the holdings where we had investment discretion, either through writing letters or through direct meetings. Many of our engagements will be ongoing with periodic monitoring required, as modern slavery is often hidden and deep rooted with complex social and political drivers.

There was also one supplier identified in our FY22 risk assessment as having high residual risk of modern slavery. This was a hotel chain with operations based in Qatar, where allegations were identified of forced labour of migrant workers, payment of recruitment fees and fears of retaliation and deportation should they seek to complain about these issues.

While the services we had used related to their Australian operations only, our Sustainability and Modern Slavery Manager conducted an initial engagement with the company's Director of Corporate Social Responsibility to seek further information on the allegation. We will continue to engage with this supplier to seek a suitable response on the issue.

For examples of some of our engagements conducted during FY23 see the case studies below.

### Case study

#### Our Wealth Management multi-manager team engaging external managers on modern slavery

As a multi-manager, a significant portion of the Wealth Management team's investments are managed on behalf of clients by external investment managers. As part of our Group-wide risk assessment, we identified controversies relating to modern slavery for investment holdings in the multi-manager portfolios. Where the issues were recent and those stocks continued to be held, the multi-manager team contacted external managers to understand how they were managing the issues and promote further engagement, where appropriate.

Initially, we sent letters to our external managers documenting the allegations and our expectations around the management of modern slavery risks, asking whether the controversy had been investigated and if any actions had been taken to remediate any issues identified. Of the external managers contacted, one had raised the allegations at two previous shareholder meetings of an e-commerce business and committed to raise it at the next meeting with management. Another provided information on their previous engagements with a discount retailer and a rail transport company about allegations of forced labour and the steps the businesses had taken to address the issues raised. These actions included additional onsite auditing of their suppliers and participation in industry supply chain initiatives.

In another case, an external manager contacted the investment holding, a multinational fast-food company, regarding an allegation of modern slavery in their supply chain. They received an update from the company that they had stopped trading with the supplier in question and had enhanced their policies and procedures to include third-party verification of core suppliers and updated their contractual terms.

This satisfied the Wealth Management multi-manager team that the external managers were addressing these issues with the investment holdings and are managing the risk of modern slavery on behalf of our clients.

## Our actions to address modern slavery risks continued

### Case study

#### Raising awareness on labour conditions

Examining labour conditions within supply chains can assist with identifying potential cases of modern slavery. Through training and building relationships, we are seeking to improve our ability to identify modern slavery indicators.

During FY23, a Trust Manager from our Wealth Management division sought guidance from our Sustainability and Modern Slavery Manager on a potential labour issue experienced in the day-to-day management of their client's Trust. The Trust Manager acts as Trustee for a client with health concerns and noticed an irregular payment request relating to their care. The request related to payment for a health services worker, but some of the required documentation could not be provided when requested.

The manager realised that the person employed to provide care to the client may not have been recruited via the proper channels. The manager recognised this as a potential labour risk and sought clarification if it could also be an indicator of modern slavery, as there were no documents that demonstrated an official record of employment relationship. This matter was escalated to the appropriate teams within Perpetual Group. An engagement then took place with the client to make them aware of the requirements on payment and documentation. The proper arrangements have now been put in place for the hire and payment of carers for this client.

### Case study

#### Trillium advocating for stronger practices

The Trillium team consider it core to their mission and fiduciary responsibility to engage with the companies held on behalf of clients to press for positive change on ESG topics or opportunities that they believe will help improve ESG policies, performance or impact. The Perpetual Group-wide risk assessment on modern slavery identified a number of investment holdings held by Trillium with controversies relating to allegations of forced labour. Following discussions with the Trillium investment and advocacy teams, a set of actions were agreed to engage with those companies. In some cases, engagement on the issues had already been raised with the investment holdings while, for others, Trillium made contact to ask for further information and request meetings.

Direct meetings were undertaken with two global retailers, three global garment manufacturers, and a multinational food and drink processing company. A number of these meetings were conducted alongside other investors as part of broader investor engagement initiatives. Some of the actions discussed included preventing the use of recruitment fees for employees, supply chain auditing and using scientific testing to validate the origin of higher risk products such as cotton. The Trillium team will continue to monitor this topic as part of its engagement program.

### Case study

#### Tracking engagements across our business

To coordinate our engagement efforts across our business, we developed an engagement register which documents the investment holdings identified as high residual risk and records the engagement and correspondence we conduct. This is an important tool to help us stay coordinated because, as a diversified multi-boutique, investment holdings identified as having high residual risk of modern slavery through our due diligence process are often held by more than one of our asset management boutiques. During our initial internal engagement sessions, we discovered that our boutiques already had engagements underway relating to modern slavery concerns with some of the investment holdings that we identified. Where multiple boutiques within our Group held the same company, the boutique who was best placed to take a lead conducted the engagement, especially where they had a bigger position in the company or if they take a more active ownership approach as part of their investment process. In FY24, we will continue to build on this register to ensure we can monitor engagements on an ongoing basis.

### Complaints mechanism

Modern slavery is a form of reportable misconduct under Perpetual Group's Whistleblower Policy. Through this mechanism, employees or workers within our supply chain can report any concerns to a Whistleblower Protection Officer within Perpetual Group, or anonymously through our third-party whistleblower hotline. Training on how to access and report through this mechanism is provided as part of our employee-wide modern slavery training program. Information on our Whistleblower Policy is also available on our website.

### Training

Recognising the critical role that awareness and training has in addressing modern slavery, Perpetual Group has developed and implemented a tailored modern slavery online learning module. The objectives of the training are to develop an understanding of modern slavery, the potential risks for our business and how to raise any concerns of modern slavery occurring in relation to our company. This online learning module is mandatory for all new starter employees at Perpetual Group in Australia. In FY23, the training was reviewed to ensure it is appropriate for our global business and was launched for employees in our newly-acquired Perpetual Group businesses where they have been transferred onto our Workday people management system.

Our Sustainability and Modern Slavery Manager also facilitates in-depth targeted training sessions on modern slavery with key teams across our organisation. In FY23, this included sessions with Group Risk, Group Legal, Corporate Trust Managed Funds Services and one of our asset management businesses.



## Our actions to address modern slavery risks continued

### Supply chain due diligence<sup>1</sup>

Within the vendor onboarding process, new suppliers are required to complete questions on their approach and management of modern slavery. At our discretion, we may request further information during this process. New vendors are expected to adhere to our Supplier Code of Conduct and where possible all our vendors are expected to accept our modern slavery clauses. Our Sustainability and Modern Slavery Manager is consulted if any concerns are raised to provide support and guidance.

### Annual monitoring review of material suppliers

Our material suppliers are subject to an annual review, which may include a review of the modern slavery provisions in the contract if the supplier has been identified as high risk.

### Contract clauses

We include contractual provisions focused on modern slavery 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 in collaboration between our Sustainability and Legal teams. The register is shared centrally and records any deviation or omission from our standard modern slavery clause.

### Supplier Code of Conduct

All new suppliers are required to accept our Supplier Code of Conduct as part of their contractual obligations. The Supplier Code of Conduct sets out our expectations of suppliers that we do not tolerate any form of exploitation through slavery, servitude, any type of forced or compulsory labour or human trafficking and sets out our requirements around grievance mechanisms, reporting and remediation.

### Remediation

The purpose of remediation is to ensure the 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.

Our 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 any 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.

### Engagement and collaboration

In addition to the engagements we undertake with suppliers and investment holdings (see [page 19](#)), we also collaborate with our peers and other stakeholders to seek to influence positive change through industry initiatives.

Initiatives	What they stand for	Activities
 <p><b>Responsible Investment Association of Australasia (RIAA) Human Rights Working Group</b></p>	<p>RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand. RIAA is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy.</p>	<p>As part of our membership, we are involved in the RIAA Human Rights Working Group.</p>
 <p><b>Principles for Responsible Investment (PRI)</b></p>	<p>The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of ESG factors, including human rights. PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact.</p>	<p>Five of our asset management boutiques – Barrow Hanley, J O Hambro, Pental, Perpetual and Trillium – and our Wealth Management division are signatories to the PRI. PRI acknowledges that, as a company and an industry, we must continue to improve our understanding of how ESG factors, including social factors such as modern slavery, impact investment returns for individual assets and across the economy.</p>

1. This due diligence applies to suppliers that are onboarded centrally by Perpetual Limited's Procurement team.

## Measuring the effectiveness of our actions

In FY23, our main focus was on implementing our updated risk assessment and due diligence approach and incorporating our new businesses into our Group-wide modern slavery processes. Here, we share our key actions and outline our progress on actions and objectives for FY23. We also set out a series of actions for FY24 to drive our agenda forward so we can continue to measure our progress on addressing modern slavery.

### Key actions

<div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">1</div> <p><b>Implementation of our updated due diligence processes</b></p> <p><b>Undertook</b> our updated due diligence processes with additional analysis of controversies concerning modern slavery or other labour rights related issues to identify the investments and suppliers with high residual risk of modern slavery.</p>	<div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">2</div> <p><b>Investor and supplier engagement register</b></p> <p><b>Began</b> our ongoing engagement program with investee companies and suppliers on modern slavery issues tracked through an engagement register to ensure a coordinated approach across our business.</p>	<div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">3</div> <p><b>Internal engagement program on modern slavery</b></p> <p><b>Initiated</b> a six-monthly video from our Sustainability and Modern Slavery Manager on our intranet site and shared with Corporate Trust clients to update them on trends in human rights and modern slavery.</p>	<div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">4</div> <p><b>Modern slavery clause deviation register</b></p> <p><b>Developed</b> a deviation register with the Legal team to track amendments to our modern slavery standard clauses.</p>	<div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">5</div> <p><b>Modern slavery statements for trusts</b></p> <p><b>Refined</b> our modern slavery process and reporting for trusts where we act as trustee to ensure we are compliant and continually improving our approach to disclosure for our trusts.</p>
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### Progress on actions for FY23

Focus area	➤ Action	⊕ Effectiveness measures	✔ FY23 progress on actions
<b>Strategy development</b>	<ul style="list-style-type: none"> <li>Deliver our commitments related to modern slavery and human rights in our Sustainability Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Number of planned actions taken to deliver on our modern slavery and human rights related commitments in our Sustainability Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Completed new modern slavery due diligence processes and engaged with investee companies during FY23.</li> </ul>
<b>Capability building</b>	<ul style="list-style-type: none"> <li>Continue tailored training of key internal teams.</li> </ul>	<ul style="list-style-type: none"> <li>Tailored training delivered to three key internal teams.</li> </ul>	<ul style="list-style-type: none"> <li>Conducted three training sessions with Group Legal and the Corporate Trust and Asset Management divisions.</li> </ul>
<b>Employee awareness</b>	<ul style="list-style-type: none"> <li>Develop modern slavery related employee communications as part of our Sustainability Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate modern slavery and human rights related content into sustainability communications plan in FY23.</li> </ul>	<ul style="list-style-type: none"> <li>Launched a video series on human rights and modern slavery to build awareness amongst our employees.</li> </ul>
<b>Global engagement</b>	<ul style="list-style-type: none"> <li>Conduct engagement and training with global asset management businesses as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Tailored training delivered to global asset management businesses as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Conducted a training session for a boutique in our Asset Management division.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>Document key learnings from our new due diligence processes and share these with the Modern Slavery Working Group.</li> </ul>	<ul style="list-style-type: none"> <li>Presentation of data and due diligence case studies.</li> </ul>	<ul style="list-style-type: none"> <li>Presented analysis and insights from risk assessment and due diligence process to the Modern Slavery Working Group.</li> </ul>

## Measuring the effectiveness of our actions continued

Focus area	➤ Action	⊕ Effectiveness measures	✓ FY23 progress on actions
<b>Investments</b>	<ul style="list-style-type: none"> <li>Implement engagement decision tree to drive targeted, strategic engagement of higher risk investee companies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of engagements with investee companies that are identified as higher risk through engagement decision tree.</li> </ul>	<ul style="list-style-type: none"> <li>Contacted investee companies through letter writing or direct meetings that were identified as having high residual risk of modern slavery and where we have investment discretion, agreement from investment teams to engage and could find contact details for the holding.</li> </ul>
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>Review and update supplier onboarding processes.</li> </ul>	<ul style="list-style-type: none"> <li>Supplier onboarding processes reviewed and updated.</li> </ul>	<ul style="list-style-type: none"> <li>We reviewed and updated modern slavery clauses to be included in our contracts with suppliers.</li> </ul>

### Actions for FY24

Our key focus areas and objectives are similar for FY24, as they are long-term areas of focus. We aim to expand the actions we are undertaking to improve our approach to addressing modern slavery.

Focus area	➤ Action	⊕ Effectiveness measures
<b>Strategy development</b>	<ul style="list-style-type: none"> <li>Deliver our commitments related to modern slavery and human rights in our Sustainability Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Number of planned actions taken to deliver on our modern slavery and human rights related commitments in our Sustainability Strategy.</li> </ul>
<b>Capability building</b>	<ul style="list-style-type: none"> <li>Continue tailored training of key internal teams.</li> </ul>	<ul style="list-style-type: none"> <li>Tailored training delivered to three key internal teams.</li> </ul>
<b>Employee awareness</b>	<ul style="list-style-type: none"> <li>Develop modern slavery related employee communications as part of our Sustainability Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate modern slavery and human rights related content into sustainability communications plan in FY23.</li> </ul>
<b>Global engagement</b>	<ul style="list-style-type: none"> <li>Conduct engagement and training with global asset management businesses as needed.</li> <li>Review Modern Slavery Working Group membership to reflect our more global Asset Management division.</li> </ul>	<ul style="list-style-type: none"> <li>Tailored training delivered to global Asset Management businesses as needed.</li> <li>Work with newly acquired Asset Management boutiques on engagement with holdings with high residual risk of modern slavery.</li> <li>Additional representation from Asset Management division on Modern Slavery Working Group.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>Document key learnings from our due diligence processes and share these with the Modern Slavery Working Group.</li> </ul>	<ul style="list-style-type: none"> <li>Presentation of data and due diligence case studies.</li> </ul>
<b>Investments</b>	<ul style="list-style-type: none"> <li>Implement engagement decision tree to drive targeted, strategic engagement of higher risk investee companies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of engagements with investee companies that are identified as higher risk through engagement decision tree.</li> </ul>
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>Conduct annual review of modern slavery clauses and their effectiveness.</li> <li>Report six monthly on modern slavery clause deviation register to the Chief Risk and Sustainability Officer (CRSO) to drive transparency.</li> </ul>	<ul style="list-style-type: none"> <li>Modern slavery clauses reviewed annually.</li> <li>Six monthly reporting on clause deviation register to CRSO.</li> </ul>
<b>Trust statements</b>	<ul style="list-style-type: none"> <li>Conduct annual review of trust statement reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Review completed annually on trust statements.</li> </ul>

## Appendix 1: Controlled entities

### Controlled entities

The following entities are controlled by Perpetual Limited and are covered in this statement.

- Australian Trustees Limited
- Barrow Hanley Concentrated Emerging Markets Fund
- Barrow Hanley Concentrated Global Equity
- Barrow Hanley Emerging Markets Ex China Value Equity
- Barrow Hanley Emerging Markets Value Fund
- Barrow Hanley Holding GP, LLC
- Barrow Hanley Mewhinney & Strauss, LLC
- Barrow Hanley US ESG Value
- Barrow Hanley US ESG Value Opportunities Fund
- BH Credit Holdings GP, LLC
- BH Credit Management, LLC
- BHMS All Country World Ex-U.S. Value
- BHMS Concentrated U.S. Opportunities
- BHMS Credit
- BHMS Diversified Small Cap Value Strategy
- BHMS Investment GP, LLC
- BHMS US Opportunistic Value DLCV, SCV
- Commonwealth Trustees Pty. Ltd.
- Easterly Asset Management Pty Ltd
- Fintuition Institute Pty Limited
- Fintuition Pty Limited
- Fordham Business Advisors Pty Ltd
- J O Hambro Capital Management Limited<sup>1</sup>
- Jacaranda Financial Planning Ltd
- JOHCM (Singapore) PTE. Limited<sup>1</sup>
- JOHCM (USA) Inc.<sup>1</sup>
- JOHCM Funds (Ireland) Limited<sup>1</sup>
- JOHCM Funds (UK) Limited<sup>1</sup>
- Laminar Advisory Pty Ltd
- Laminar Capital Pty Ltd
- P.T. Limited
- Pental Fund Services Limited<sup>1</sup>
- Pental Group Limited<sup>1</sup>
- Pental Institutional Limited<sup>1</sup>
- Pental USA Inc.<sup>1</sup>
- Perpetrust Nominees Proprietary Limited
- Perpetual (Asia Holdings) Pte. Ltd.
- Perpetual (Asia) Limited
- Perpetual Acquisition Company Limited
- Perpetual Asia – Hong Kong Limited
- Perpetual Asset Management UK Limited
- Perpetual Assets Pty. Ltd.
- Perpetual Australia Pty Limited
- Perpetual Corporate Trust Limited
- Perpetual Custodians Ltd
- Perpetual Digital Holdings Pty Limited
- Perpetual Digital Pty Ltd
- Perpetual Europe Holding Company B.V.
- Perpetual Exact Market Cash Fund
- Perpetual Finance UK Ltd
- Perpetual Investment Management Limited
- Perpetual Legal Services Pty Ltd<sup>2</sup>
- Perpetual Limited
- Perpetual Mortgage Services Pty Limited
- Perpetual Nertherlands B.V
- Perpetual Nominees Limited
- Perpetual Roundtables Pty Limited
- Perpetual Services Pty Limited
- Perpetual Superannuation Limited
- Perpetual Tax and Accounting Pty Ltd
- Perpetual Trust Services Limited
- Perpetual Trustee Company (Canberra) Limited
- Perpetual Trustee Company Limited<sup>3</sup>
- Perpetual Trustees Consolidated Limited
- Perpetual Trustees Queensland Limited
- Perpetual Trustees Victoria Limited
- Perpetual Trustees W.A. Ltd
- Perpetual US Holding Company, Inc
- Perpetual US Services, LLC
- Perpetual US TDC, LLC
- Perpetual Wealth Management PTE. Limited<sup>4</sup>
- Perpetual Wholesale Fiduciary Services Pty Ltd
- Queensland Trustees Pty. Ltd.
- Skinner Macarounas Pty Limited
- The Trust Company (Australia) Limited
- The Trust Company (Nominees) Limited
- The Trust Company (PTAL) Limited
- The Trust Company (RE Services) Limited
- The Trust Company (Sydney Airport) Limited
- The Trust Company (UTCCL) Limited
- The Trust Company Limited
- Thompson, Siegel & Walmsley LLC<sup>1</sup>
- Trillium Asset Management Group, LLC
- Trillium Asset Management UK Limited
- Trillium Asset Management, LLC
- Trillium ESG Global Conviction Fund
- Trillium ESG Global Equity Fund
- Trillium ESG Global High Conviction Equity Fund
- Trillium ESG International Conviction
- Trillium Impact GP, LLC
- WPS Capital Management, LLC<sup>1</sup>

1. Pental Group and its related entities were acquired on 11 January 2023.

2. Indirectly owned through PLS Charitable Trust Fund.

3. Perpetual Trustee Company Limited has a branch operation in New Zealand known as Perpetual Trustee Company Limited (New Zealand branch).

4. Perpetual Wealth Management PTE. Limited was incorporated on 5 August 2022.

## Appendix 2: Modern slavery legislation reporting criteria

The following table describes the location of each mandatory reporting criteria for the Australian Modern Slavery Act and the UK Modern Slavery Act within the FY23 Modern Slavery Statement.

UK Modern Slavery Act recommended reporting criteria	Australian Modern Slavery Act mandatory reporting criteria	Location in Modern Slavery Statement
	Identify the reporting entity.	Reporting entities <a href="#">Page 5</a>
Organisation's structure, its business and its supply chains.	Describe the reporting entity's structure, operations and supply chains.	Our structure, operations and supply chain <a href="#">Page 6–9</a>
Parts of the organisation's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Our modern slavery risks <a href="#">Page 10–15</a>
<p>Organisation's policies in relation to slavery and human trafficking;</p> <p>Organisation's due diligence processes in relation to slavery and human trafficking in its business and supply chains;</p> <p>The training about slavery and human trafficking available to the organisation's staff.</p>	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Our actions to address modern slavery risks <a href="#">Page 16–21</a>
Organisation's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	Measuring the effectiveness of our actions <a href="#">Page 22–23</a>
	<p>Describe the process of consultation with</p> <p>(i) any entities the reporting entity owns or controls;</p> <p>(ii) and for a reporting entity covered by a joint statement, the entity giving the statement.</p>	Consultation <a href="#">Page 5</a>
	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Appendices <a href="#">Page 24–25</a>



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More information about our performance can be found online at: [perpetual.com.au/about/shareholders](https://perpetual.com.au/about/shareholders)