

A photograph of a dense forest with tall, slender trees and a thick carpet of green ferns. A paved road curves through the forest. The image is partially obscured by a white banner at the top and an orange graphic element at the bottom right.

Modern Slavery Statement

For the year ended 30 June 2024



About this statement

This joint Modern Slavery Statement has been prepared and issued by the following reporting entities: AustralianSuper Pty Ltd ABN 94 006 457 987 AFSL 233788, the Trustee of AustralianSuper ABN 65 714 394 898, AS Infrastructure No. 1 (Holding) Pty Ltd as trustee for AS Infrastructure No. 1 (Holding) Trust ABN 97 829 937 789, AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 2 ABN 52 933 108 120, AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 ABN 27 817 108 058, AS Infra PP Pty Ltd as trustee for AS Infra PP Trust ABN 81 416 260 166, AS Infra Tower Pty Ltd as trustee for AS Infra Tower Trust ABN 25 300 336 732, AS Airports Pty Ltd as trustee for AS Airports Trust ABN 75 985 343 190, AS International PE Pty Ltd as trustee for AS International PE Trust ABN 87 445 005 748 and AS Co-Underwrite (NM) Pty Ltd as trustee for AS Co-Underwrite (NM) Trust ABN 40 522 191 587.

AustralianSuper holds a majority ownership stake in Indara Corporation Pty Ltd (Indara), in which it has governance rights through AustralianSuper-nominated board members. AustralianSuper holds Indara through one of its separate legal entity (SLE) reporting entities referred to in this Modern Slavery Statement (AS Infra Tower Pty Ltd as trustee for AS Infra Tower Trust ABN 25 300 336 732). For the purposes of the *Modern Slavery Act 2018* (Cth) ('the Modern Slavery Act'), Indara is a reporting entity in its own right and publishes a joint modern slavery statement for the reporting entities in its corporate group. Indara's modern slavery risks are those set out in Indara's modern slavery statement. As a large, direct owner of Indara, AustralianSuper assesses and addresses modern slavery risks for this asset through the ESG and Stewardship program activities described in this Statement.

When we use the terms 'AustralianSuper', 'the Fund', 'the Trustee', 'we', 'us', or 'our', we mean AustralianSuper Pty Ltd (in its capacity as the Trustee of AustralianSuper) and the entities listed in the first paragraph above.

AustralianSuper is pleased to publish this Modern Slavery Statement ('the Statement') in accordance with section 14 of the Modern Slavery Act for the reporting period 1 July 2023 to 30 June 2024 ('Reporting Period'). All Fund and investment data is current as at 30 June 2024, unless otherwise stated. All care is taken to ensure this information is correct at the date of publication.

Any errors or misprints identified will be corrected by AustralianSuper in future statements.

This Statement may include general financial advice which doesn't take into account your personal objectives, financial situation or needs. Before making a decision, consider if the information is right for you and read the relevant Product Disclosure Statement, available at australiansuper.com/pds or by calling **1300 300 273**. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd

Australian Modern Slavery Act reporting criteria

Criterion	Page
Criterion 1 and 2 Identify the reporting entity and describe its structure, operations and supply chains	2; 6-9
Criterion 3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	10-14
Criterion 4 Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	15-22
Criterion 5 Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risk	23
Criterion 6 Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	7
Criterion 7 Any other relevant information	4-5



Introduction from the Chair and Chief Executive

As a large global investor, AustralianSuper recognises that modern slavery presents risks across our operations and investment portfolio and that often these risks can be hidden within the supply chain.

In 2021, there were an estimated 49.6 million people worldwide living in modern slavery, with that number rising over the previous five years¹. Modern slavery is prevalent in our region, with almost 60% of victims living in Asia Pacific countries¹.

Managing over \$341 billion² of members' assets, AustralianSuper has a diversified portfolio of assets across a range of industries, geographical locations, ownership structures and investment strategies. Given the diversity and complexity of investment supply chains, it's important that we analyse our portfolio to identify potential areas of modern slavery risk.

We've been conducting modern slavery risk assessments by external service provider Fair Supply of our investment portfolio since 2019 and the Fund's direct operations supply chain since 2022. In FY24, our analysis covered new and existing suppliers in our operations, and investments in the Australian shares asset class, international shares asset class, internally managed portfolios in the unlisted infrastructure and unlisted property asset classes, and co-underwrites in the private equity asset class.

We seek to manage modern slavery risks in our operations and investments through our Enterprise Risk Management Framework, ESG and Stewardship program, and third-party management and outsourcing policies, tools and processes as outlined in this Statement.

We also support certain initiatives that help peers, businesses and society identify and mitigate modern slavery risks. AustralianSuper is a founding member and steering committee member of Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) and co-chairs the Company Engagement Workstream. AustralianSuper co-founded the Cleaning Accountability Framework (CAF) more than ten years ago in 2012. CAF operates a certification framework for commercial real estate assets that addresses modern slavery risk by working with entities at the top of the supply chain to undertake due diligence in the procurement, management, and delivery of cleaning services.

AustralianSuper supports the Australian Federal Government's efforts to strengthen Australia's modern slavery legislation and reporting through the 2023 independent review of the Modern Slavery Act³. We welcome the establishment of the Australian Anti-Slavery Commissioner and look forward to seeing the implementation of further modern slavery reforms.

We strive for continuous improvement in our processes and actions to address modern slavery risks in our investments and operations. Our progress during FY24 and future planned activities are highlighted overleaf and throughout this Statement.

This Statement was approved by the Board of Directors of AustralianSuper Pty Ltd pursuant to section 14(2)(d)(ii) of the Modern Slavery Act on 29 October 2024.



Dr Don Russell
Chair,
AustralianSuper Pty Ltd



Paul Schroder
Chief Executive,
AustralianSuper Pty Ltd

¹ Walk Free 2023, The Global Slavery Index 2023, Minderoo Foundation. Available at walkfree.org/global-slavery-index

² As at 30 June 2024.

³ Report of the statutory review of the Modern Slavery Act 2018 (Cth) The first three years ([ag.gov.au/sites/default/files/2023-05/Report - Statutory Review of the Modern Slavery Act 2018.pdf](http://ag.gov.au/sites/default/files/2023-05/Report_-_Statutory_Review_of_the_Modern_Slavery_Act_2018.pdf))



Criterion 7

Our progress

The following table shows our progress on key modern slavery initiatives during FY24 and proposed activities for FY25.

Area	Activity	FY24 Status	FY24 Update	FY25 Plan
Policies and risk management framework	Update AustralianSuper Third-Party Management (TPM) Framework, TPM Policy, TPM Standard, Outsourcing Policy and Outsourcing Procedure documents.	In progress	Updated Outsourcing Policy implemented July 2023. TPM documents currently in review.	Review and implement updated TPM Framework documents.
	Undertake annual assurance program to test for compliance with the TPM Framework.	Complete for FY24	Completed FY24 control testing program, including compliance with TPM Framework.	Complete FY25 control testing program.
	Develop tailored grievance mechanism to address modern slavery concerns.	In progress	Explored processes to address modern slavery concerns via grievance mechanism.	Develop and implement a standalone reporting mechanism for the reporting of modern slavery grievances.
	Develop AustralianSuper Supplier Code of Conduct which formalises our principles for supplier standards of behaviour in relation to modern slavery and forced labour.	In progress	Drafted Supplier Code of Conduct.	Provide guidance on modern slavery governance expectations to suppliers providing goods and services via implementation of the Supplier Code of Conduct.
	Expand AustralianSuper Modern Slavery Working Group to include a representative from each of our London and New York offices.	In progress	Chair of Working Group now located in New York office.	Include a representative from our London office in Working Group.
Fund operations	Embed updates to AustralianSuper TPM Framework and Outsourcing Policies and Standards into AustralianSuper business processes.	Complete	Framework, policies and standards now embedded in business processes.	-
	Consideration of potential further refinements to tools, systems, processes, guidance and training on third-party risk management and support of AustralianSuper's business.	In progress	Continual review and uplift of tools associated with third-party risk management was undertaken.	Continuous improvement and uplift of tools (such as the Third-Party Inherent Risk Profile Tool and due diligence questionnaire), systems, processes, guidance and training on third-party risk management and support of AustralianSuper's business.
	Conduct annual forced labour assessment of existing suppliers from AustralianSuper's own goods and services supply chain by external provider, Fair Supply.	Complete for FY24	Fair Supply forced labour risk assessment of existing suppliers conducted for FY24.	Conduct FY25 forced labour risk assessment of existing suppliers.
	Continued undertaking of due diligence on new suppliers and existing suppliers where required.	Complete for FY24	Due diligence conducted where required.	Continue to conduct due diligence on new suppliers where required.
	Broaden modern slavery staff training across AustralianSuper colleagues.	Not started	-	Design and commence implementation of modern slavery training program for Fund colleagues.
Investments	Continued engagement with investee companies on modern slavery risk mitigation and disclosure transparency.	Ongoing	<ul style="list-style-type: none"> Held 17 direct engagements with ASX 300 companies in which we raised modern slavery as a risk. Undertook ten engagements with assets, managers or our nominee directors in our unlisted infrastructure and unlisted property investments where we discussed modern slavery risks. 	<ul style="list-style-type: none"> Continue to engage with companies and assets which we have identified as having an elevated risk of modern slavery. Continue to advocate for disclosure transparency including reporting suspected modern slavery practices.
	Continued integration of findings of Fair Supply forced labour risk assessments into ownership plans and stewardship strategies for high-risk industries.	In progress	<ul style="list-style-type: none"> Completed for FY23 assessment. Fair Supply analysis informed our engagement with three companies in the retail trade sector. See page 20 for further details. 	Integrate FY24 Fair Supply forced risk assessments into ownership plans and stewardship strategies.



Our progress cont.

Area	Activity	FY24 Status	FY24 Update	FY25 Plan
Investments cont.	Conduct annual forced labour assessment and mapping of investment portfolio by external provider, Fair Supply.	Complete for FY24	Conducted Fair Supply forced labour risk assessment of Australian shares asset class, international shares asset class, internally managed portfolios in the unlisted property and unlisted infrastructure asset classes and private equity co-underwrites.	Conduct FY25 forced labour risk assessment of certain asset classes in the investment portfolio.
	Continued sharing of knowledge and raising awareness of modern slavery risk assessment and mitigation practices with investee companies.	Ongoing	<ul style="list-style-type: none"> Continued global training program, which includes ESG and modern slavery, to AustralianSuper-appointed non-executive directors on the boards of portfolio companies where we have the right to nominate one or more directors. Hosted a peer forum for ESG leads from certain directly held infrastructure assets focusing on modern slavery and work health and safety. 	<ul style="list-style-type: none"> Continue training program with non-executive directors. Explore opportunities to expand knowledge sharing forums with assets.
	Continued monitoring of performance on modern slavery issues of new and existing investment managers.	Ongoing	<ul style="list-style-type: none"> Sent ESG questionnaires to all external investment managers in the Australian and international shares asset classes, which included specific questions on modern slavery. Monitored performance on modern slavery issues of new and existing external managers through our appointment and annual operational due diligence processes via an annual questionnaire. 	Continue to monitor performance on modern slavery issues of new and existing investment managers through our appointment and annual operational due diligence processes.
	Research modern slavery risks in renewable energy supply chains and develop business resource to support risk management.	In progress	Developed a draft resource to support due diligence and engagement activities with investee companies to manage modern slavery risks in renewable energy supply chains.	<ul style="list-style-type: none"> Finalise and implement resource. Undertake training with investment team on how to implement resource in due diligence and engagement activities.
Investor networks & advocacy	Continued working with other investors to provide AustralianSuper with better insights and to advocate for enhanced modern slavery approaches at investee companies.	Ongoing	<ul style="list-style-type: none"> Continued IAST APAC Steering Committee member and co-chair of Company Engagement Workstream. Continued Australian Council of Superannuation Investors (ACSI) membership and participated in Social Factors Working Group. Continued Responsible Investment Association Australasia (RIAA) membership and involvement in Human Rights Working Group. 	Continue participation in investor networks.
	Continued contributions to and support of initiatives that help peers, businesses and society better identify and mitigate modern slavery risks.	Ongoing	Continued involvement in and board membership of Cleaning Accountability Framework (CAF) which seeks to improve labour practices for workers in the high-risk cleaning industry.	Continue involvement in CAF.
	Continued participation in and presentation at external industry and stakeholder events on modern slavery risks and approaches in investing.	Ongoing	<ul style="list-style-type: none"> Attended ACSI seminar, Unmasking Modern Slavery Practices, which discussed steps that investors and companies can take to make progress in managing the human risks and investment risks that modern slavery presents. Participated in a panel discussion at an event hosted by Fair Supply in November 2023 on the future of modern slavery reporting. 	Continue to participate in and seek opportunities to present at relevant events on modern slavery risks.



Criterion 1, 2 and 6

About us

AustralianSuper is the fund for all Australians.

AustralianSuper is Australia's largest superannuation fund and one of the top 20 pension funds globally⁴. As at 30 June 2024, AustralianSuper manages over \$341 billion on behalf of over 3.4 million members⁵. One in seven working Australians is a member of AustralianSuper⁶. With members at the centre of everything we do, our purpose is to help members achieve their best financial position in retirement.

We use our size, capability and global reach to help us access the best investment opportunities for the benefit of members. With offices in London, New York and Beijing, AustralianSuper has local teams on the ground to better understand local markets, be more agile in our investment decisions and build upon the networks and strategic relationships needed to identify and act on attractive investment opportunities. We're focused on delivering strong long-term investment performance and lower fees for members.

We offer superannuation and pension accounts as well as transition to retirement (TTR) accounts. Members can choose from 11 different investment options.

More information about who we are and how we're working to deliver for members is available in our **2024 Annual Report**.

Fund structure

AustralianSuper Pty Ltd is the trustee of AustralianSuper, a public offer superannuation fund, and manages the Fund's operations and investment activity on behalf of members. The Trustee holds an RSE Licence from the Australian Prudential Regulation Authority (APRA), which authorises it to act as the trustee of AustralianSuper.

In addition, AustralianSuper Pty Ltd has established a number of wholly owned and controlled investment vehicles, also known as separate legal entities (SLEs), usually in the form of unit trusts with proprietary limited trustee companies. These SLEs have been established for the purpose of holding specific investments in the investment portfolio.

These SLEs do not employ any staff and operate under AustralianSuper Pty Ltd's policies and procedures.

SLEs' reporting entities

For the purposes of the Modern Slavery Act, a number of these entities were classified as legal reporting entities for the 2023-2024 financial year.

FY24 reporting SLEs	ABN
AS Infrastructure No. 1 (Holding) Pty Ltd as trustee for AS Infrastructure No. 1 (Holding) Trust	97 829 937 789
AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 2	52 933 108 120
AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 ⁷	27 817 108 058
AS Infra PP Pty Ltd as trustee for AS Infra PP Trust	81 416 260 166
AS Infra Tower Pty Ltd as trustee for AS Infra Tower Trust	25 300 336 732
AS Airports Pty Ltd as trustee for AS Airports Trust	75 985 343 190
AS International PE Pty Ltd as trustee for AS International PE Trust ⁸	87 445 005 748
AS Co-Underwrite (NM) Pty Ltd as trustee for AS Co-Underwrite (NM) Trust	40 522 191 587

⁴ Thinking Ahead Institute, Global top 300 pension funds, September 2024.

⁵ APRA Quarterly superannuation fund level statistics, March 2024, Released 20 June 2024.

⁶ Australian Bureau of Statistics (Labour force) and AustralianSuper Member Data, June 2024.

⁷ AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 owns or controls several investment vehicles. These investment vehicles do not have their own operations or supply chains. AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 does not own or control any other entities that have operations or supply chains of their own.

⁸ AS International PE Pty Ltd as trustee for AS International PE Trust owns or controls several investment vehicles. These investment vehicles do not have their own operations or supply chains. AS International PE Pty Ltd as trustee for AS International PE Trust does not own or control any other entities that have operations or supply chains of their own.



About us cont.

Consultation process

AustralianSuper has a cross-functional Modern Slavery Working Group comprising representatives from Group Risk, Legal, Investments, Procurement, Third-Party Risk, Finance, Operational Due Diligence, Corporate Affairs and Investment Relations. The Working Group is involved in preparing the Fund's Modern Slavery Statement and coordinating its review by members of the Fund's senior leadership team. This Statement is endorsed by the Investment Committee (which assists the Board in carrying out its responsibilities in relation to investment policy and strategy, achievement of investment objectives and oversight of the investment program) before being formally approved by the Board. Throughout the year, the Working Group members share their insights and learnings with each other and consult with other teams across the Fund to drive improvements in our approach to managing modern slavery risks in our operations, supply chain and investments.

We consulted with the SLEs, primarily through the Company Secretary of these SLEs, in the preparation of this Statement. Entities that are wholly owned or controlled by the reporting entities were also consulted in preparing this Statement.

As the SLEs are wholly owned entities, they operate under AustralianSuper Pty Ltd's policies and procedures. All content in this Statement should be read as applying to these SLEs.

Fund operations and supply chain

AustralianSuper directly employed 1,908 colleagues as at 30 June 2024⁹. AustralianSuper recruits and employs the majority of its colleagues directly rather than through external agencies or labour-hire arrangements.

Headquartered in Melbourne, Australia, the Fund also has offices in Adelaide, Brisbane, Hobart, Perth, Sydney, Newcastle, Beijing, London and New York.

Workforce by location as at 30 June 2024

Country	Location	Staff
Australia	Melbourne, Sydney, Brisbane, Perth, Adelaide, Hobart, Newcastle	1,744
China	Beijing	2
UK	London	121
USA	New York	41
Total		1,908

The Fund's main focus is the day-to-day running of the investment portfolio and member-related functions. We procure a range of goods and services from external providers to undertake our operations.

The Fund has undertaken a high-level supply chain risk assessment, considering supplier location and supplier sector category risk, plus business model structure risk and business relationship risk. This assessment is conducted by external service provider Fair Supply. We have provided an overview of assessment results for FY24 on page 12.

In FY24, we worked with more than 760 suppliers from 27 countries across our operational activities. Our top ten suppliers made up 50% of our spend.

By country, approximately 78% of our spend was with suppliers based in Australia, approximately 9% based in the United Kingdom, and just over 8% based in the

United States. In total, 95% of our supplier spend involved first-tier suppliers operating in these three jurisdictions, which are considered lower-risk locations by the Global Slavery Index.

By category of supplier spend, as shown in the table below, administration and custodian services in Australia represented approximately 29% of our total spend, technology and data services represented approximately 22%, people, professional and consulting services represented approximately 21%, marketing, brand and communications approximately 9% and property and facilities approximately 8%. The table also shows the supplier's country location.

Supplier category spend by country as at 30 June 2024

Category	Australia %	UK %	US %	Other %	Total spend %
Administration and custodian services	29	0	0	0	29
Technology and data services	14	2	5	1	22
People, professional and consulting services	18	1	1	1	21
Marketing, brand and communications	8	0	0	1	9
Property and facilities	6	1	1	0	8
Other	3	5	1	2	11
Total (%)	78	9	8	4	100

Note: figures in the above table are rounded to the nearest percentage.

⁹ This figure includes 146 day-rate contractors, all of whom were engaged by the Fund as at 30 June 2024.



About us cont.

Our investment capability

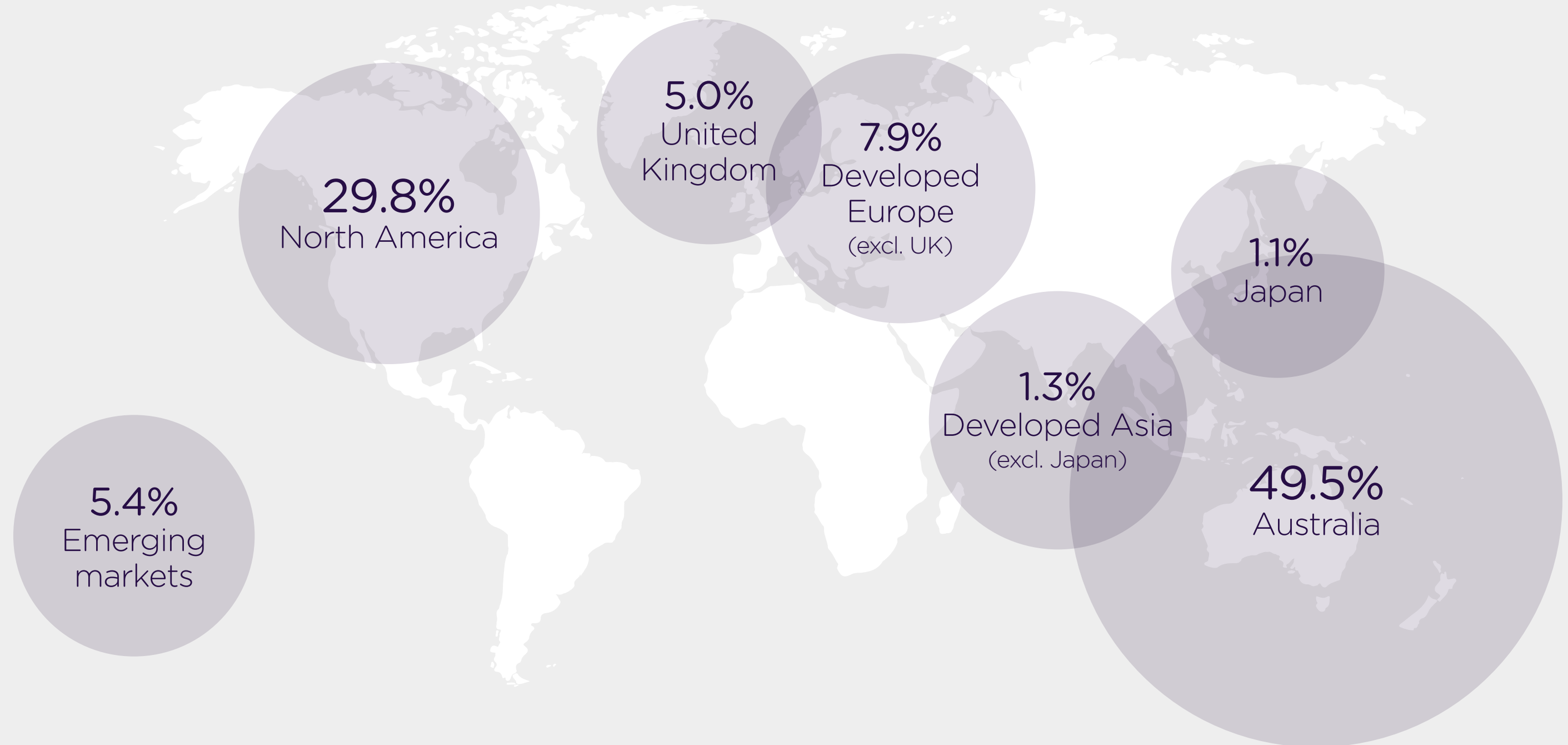
AustralianSuper invests across a variety of asset classes, sectors and geographies. We invest both internally through our in-house investment team and externally through investment managers who manage discrete portfolios on behalf of AustralianSuper or pooled investment vehicles. We offer a choice of investment options, with around 90% of members investing in our default Balanced option.

The following diagrams provide a breakdown of the investment portfolio by geographic location.



The graphs on the following page show a breakdown of the investment portfolio by asset class.

Total member assets by geographic region as at 30 June 2024



Regional breakdown by location

North America: Bermuda, Canada, Cayman Islands, United States.

Emerging Markets: Argentina, Azerbaijan, Bahrain, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Gibraltar, Greece, Guatemala, Hungary, India, Indonesia, Israel, Liberia, Lithuania, Malaysia, Marshall Islands, Mauritius, Mexico, Morocco, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Qatar, Romania, Slovenia, South Africa, South Korea, Taiwan, Thailand, Tunisia, Turkey, UAE, Vietnam.

United Kingdom: Guernsey, Isle of Man, Jersey, United Kingdom.

Developed Europe ex-UK: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland.

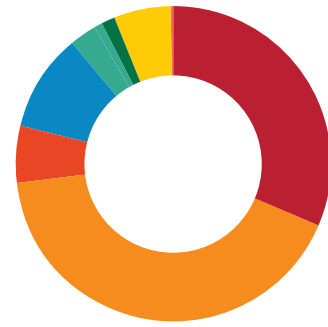
Developed Asia ex-Japan: Hong Kong, Macao SAR China, New Zealand, Singapore.



About us cont.

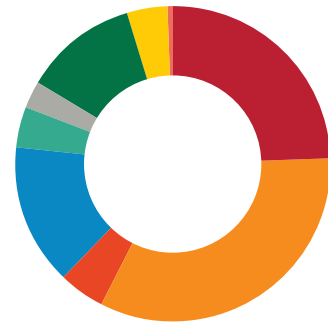
Asset allocation of AustralianSuper investment options (accumulation)
as at 30 June 2024

High Growth



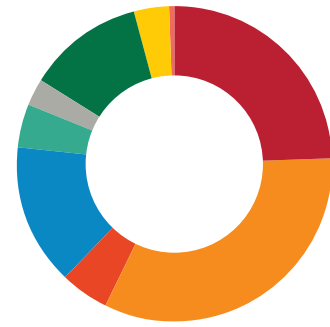
- Australian shares 31.4%
- International shares 41.9%
- Private equity 5.6%
- Infrastructure 10.2%
- Property 2.6%
- Credit 0.9%
- Fixed interest 1.5%
- Cash 5.7%
- Other assets 0.2%

Balanced



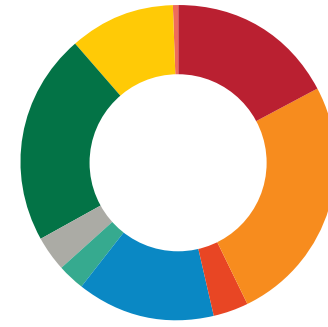
- Australian shares 24.5%
- International shares 33.0%
- Private equity 4.9%
- Infrastructure 14.3%
- Property 4.2%
- Credit 2.8%
- Fixed interest 11.8%
- Cash 4.2%
- Other assets 0.3%

Socially Aware



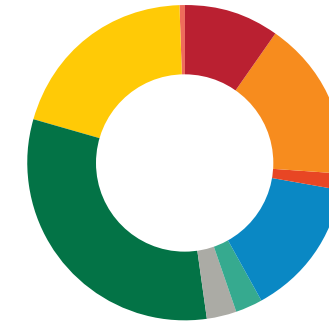
- Australian shares 24.5%
- International shares 33.0%
- Private equity 4.9%
- Infrastructure 14.5%
- Property 4.3%
- Credit 2.9%
- Fixed interest 11.9%
- Cash 3.6%
- Other assets 0.4%

Conservative Balanced



- Australian shares 17.4%
- International shares 25.5%
- Private equity 3.5%
- Infrastructure 14.3%
- Property 2.8%
- Credit 3.5%
- Fixed interest 21.7%
- Cash 11.0%
- Other assets 0.3%

Stable



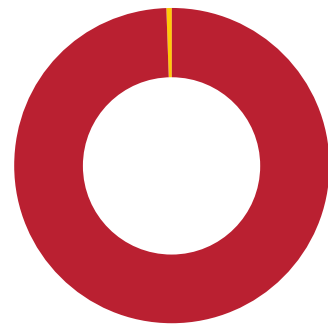
- Australian shares 9.9%
- International shares 16.3%
- Private equity 1.8%
- Infrastructure 14.0%
- Property 2.8%
- Credit 3.2%
- Fixed interest 31.4%
- Cash 20.2%
- Other assets 0.3%

Indexed Diversified



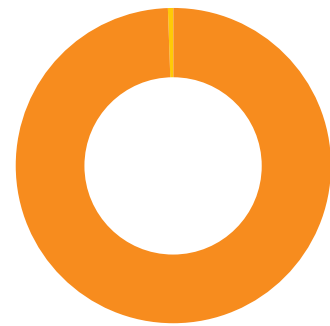
- Australian shares 31.4%
- International shares 38.4%
- Fixed interest 25.1%
- Cash 5.1%

Australian Shares



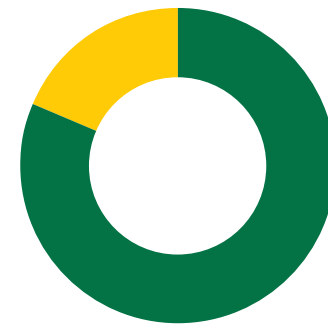
- Australian shares 99.7%
- Cash 0.3%

International Shares



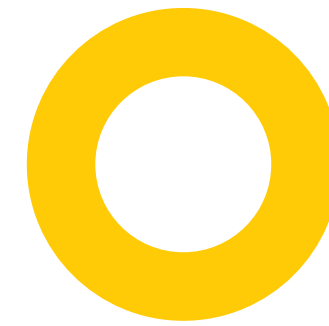
- International shares 99.5%
- Cash 0.5%

Diversified Fixed Interest



- Fixed Interest 81.5%
- Cash 18.5%

Cash



- Cash 100%

AustralianSuper publishes a list of the holdings in each investment option twice a year on our [website](#).
Our **2024 Annual Report** contains a list of our external investment managers as at 30 June 2024.
Percentages may not total 100% due to rounding.



Criterion 3

Identifying modern slavery risks

What is modern slavery risk?

The term modern slavery describes situations where coercion, threats or deception are used to severely exploit victims and undermine their freedom¹⁰. While modern slavery manifests in different ways, the Modern Slavery Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour¹⁰. The worst forms of child labour are defined as situations where children are subjected to slavery or similar practices or engaged in hazardous work¹¹.

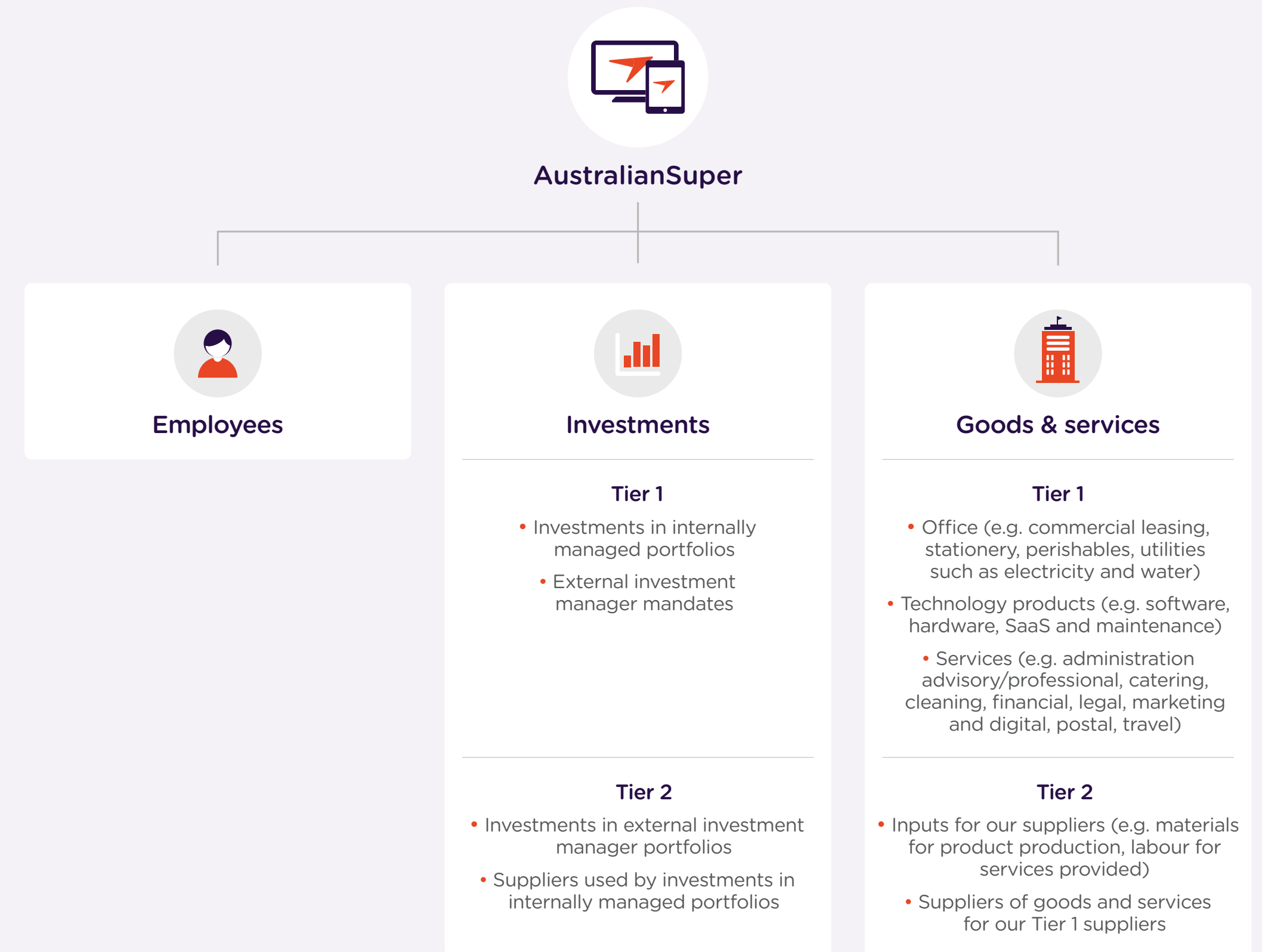
Taking a 'risk to people' approach

When looking to assess modern slavery risk, we consider a range of indicators, including high-risk business models, high-risk industry sectors, high-risk geographic locations and 'risk to people'. This means that we're looking at the severity of modern slavery practices, the likelihood of them occurring, and the extent of the risk in terms of people affected.

Modern slavery reporting guidance defines the concept of risk in a modern slavery context as 'risk to people' rather than 'risk to entity'¹⁰. Therefore, our forced labour analysis does not necessarily focus on the most material parts of our business or the risk to AustralianSuper's business. Rather, it focuses on areas of the business, supply chain and investments where the risk is highest for individuals to be subjected to modern slavery practices, even if they are small in terms of spend or impact on the business.

To the right is an example of the key components of AustralianSuper's supply chain. This diagram is intended to be indicative in nature and may not capture all elements included in the Fund's Tier 1 and 2 supply chain.

Example of the key components of AustralianSuper's supply chain



¹⁰ Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities, May 2023 modernslaveryregister.gov.au/resources/Commonwealth_Modern_Slavery_Act_Guidance_for_Reporting_Entities.pdf

¹¹ As defined in Article 3 of the ILO Convention (No. 182) concerning Prohibition and immediate Action for the Elimination of the Worst Forms of Child Labour, adopted at Geneva on 17 June 2019.

Identifying modern slavery risks cont.

How we identify modern slavery risks

Policy framework

AustralianSuper's Enterprise Risk management framework (ERmf) is the totality of systems, structures, policies, processes and people within the business operations that identify, assess, manage, mitigate and monitor all internal and external sources of inherent risk that could have a material impact on AustralianSuper's business operations or purpose. Embedded within the ERmf is a suite of policies that enable the management of modern slavery risks in our operations and investment portfolio. The Fund's Code of Conduct, TPM Framework, Outsourcing Policy and ESG and Stewardship Policy set out mechanisms designed to ensure that safe and compliant labour practices occur in the organisation and are assessed in our investment decision-making. We're also in the process of developing a Supplier Code of Conduct, which will formalise our principles for supplier standards of behaviour in relation to modern slavery.

In addition, the Fund's Whistleblower Policy provides mechanisms to allow 'improper conduct', which includes breaches of the law, breaches of AustralianSuper's policies and/or any other misconduct or improper state of affairs, to be escalated and addressed through the proper governance mechanisms at the Fund.

While the various policies which are referred to in this section relate to a broad range of matters and risks (and are not specific to modern slavery), they assist the Fund in identifying potential modern slavery risks, as explained further in this Statement.

Procurement supply chain

The Fund's TPM Framework was implemented in FY22 and is periodically reviewed. It was updated in FY23 and will be reviewed and updated in FY25. It defines the policies, standards, systems, processes and people required for a holistic approach to supplier risk management, including modern slavery risks.

Dedicated Third Party Risk Oversight & Due Diligence and Operational Due Diligence teams undertake the due diligence process as part of a broader first-line risk and compliance team reporting to the Chief Operating Officer.

The TPM Standard sets out the minimum rules and requirements that all colleagues must follow when engaging and/or dealing with suppliers to ensure that there are effective and efficient risk identification, management and monitoring processes in place over the entire end-to-end third-party lifecycle. The requirements under the TPM Standard apply to all existing and new supplier engagements.

The TPM Framework supporting process includes a Third-Party Inherent Risk Profile Tool (IRP Tool) to help business functions identify inherent modern slavery risks associated with their supplier arrangements. A view of inherent risk is required for new goods and services that AustralianSuper procures before any contract is entered into.

The IRP Tool leverages the following indicators to help identify if poor labour practices, human rights abuses and modern slavery are inherent risks in a supplier arrangement:

- **High-risk business models:** Business models that rely on unskilled, temporary or seasonal workers or any offshore workers.
- **High-risk industry sectors:** Products and services regarded as having more significant inherent modern slavery risk - including industries that rely heavily on low-skilled labour and/or involve dangerous work.
- **High-risk countries:** Countries which are known to have higher human rights (and modern slavery) risks.

Based on the indicators, the IRP Tool informs the level of due diligence and assessment required as part of the supplier selection and engagement process. The inherent risk assessment questions the country of origin of the supplier and the industry. It then calculates a slavery index score, which triggers the need to ask further questions of the supplier to assess any modern slavery risk.





Identifying modern slavery risks cont.

Existing supplier modern slavery assessment

In FY24, we again engaged the external provider Fair Supply to complete the forced labour risk assessment program for our existing suppliers within the Fund's own supply chain. The risk assessment provides indicative levels of modern slavery risk in our supply base, reported by geography, industry and the depth of the risk within our supply chain. This information allows us to validate the indicators we have set to identify modern slavery risks and better target our due diligence activities. It's important to note that this assessment does not confirm the actual existence or non-existence of slavery in AustralianSuper's supply chains, operations or investments. For further details of the Fair Supply methodology, see Appendix 1.

In FY24, we continued to analyse all suppliers. The Fair Supply assessment indicated:

- forced labour risk exists in Tiers 1 and 2 of our supply chain
- the majority (around 87%) of our suppliers have a low-risk rating, approximately 12% have a moderate low-risk rating, and less than 1% of companies have a moderate high-risk rating.
- a generally low-risk rating. The risk rating is based on the estimated intensity of forced labour in company supply chains. This is largely due to the continued predominance of our suppliers being based in Australia, the United States and the United Kingdom and being in the financial, professional and technology consulting services industries.

The following table shows the top modern slavery risks within the Fund's goods and services supply chain:

Top modern slavery risks

Fund goods and services supply chain	
By sector ¹²	<ul style="list-style-type: none"> • Australia, United Kingdom, India: Other business services such as accounting, legal advice, outsourced labour, market research, cleaning, waste management, advertising and consulting services. • Australia: Financial intermediation services, except insurance and pension funding services. • Australia: Retail trade services: companies involved in the retail trade sector and repair and maintenance services of household goods, with the exception of motor vehicles and motorcycles.
By country	<ul style="list-style-type: none"> • Australia • India • United Kingdom • United States
By tier	<ul style="list-style-type: none"> • 1 and 2

Sources: Fair Supply Forced Labour Risk Analysis. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in AustralianSuper's supply chains, operations or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

Investment portfolio

In the investment portfolio, we seek to identify modern slavery risks by integrating consideration of ESG issues in investment processes where we believe these issues can impact members' returns.

This is implemented through our ESG and Stewardship program. This varies based on the characteristics of our investment, including whether we're investing directly or through external investment managers or whether our investment is actively or passively held. Bespoke or reduced integration and stewardship activities may be undertaken in some instances, given the nature of investments and the application of AustralianSuper's materiality assessment.

We conduct modern slavery and workforce due diligence prior to investing in assets where we deem modern slavery risk as material. Our assessments are guided by our internally developed labour indicators and take into consideration the geographic location of the investment and its supply chain, industry exposure and the nature of the business' workforce to identify potential risks. Our assessment of modern slavery has been informed by guiding frameworks such as the Global Slavery Index, and the UN Guiding Principles on Business and Human Rights.

Where investments are made by external investment managers, ESG integration activities are undertaken by the external manager using their ESG approach. However, AustralianSuper asks our new and existing investment managers for disclosure on how they seek to identify and mitigate modern slavery risk through our manager operational due diligence processes.

Modern slavery risk assessment

In FY24, AustralianSuper conducted a forced labour risk assessment of the Australian shares asset class, international shares asset class and internally managed portfolios in the unlisted infrastructure and unlisted property asset classes, and co-underwrites in the private equity asset class (Analysed Portfolio) using external service provider Fair Supply. We have disaggregated our analysis of the Australian shares and international shares asset classes in FY24 to provide us with more meaningful insights to inform our integration and stewardship activities.

The Analysed Portfolio represented almost 60% of total assets under management as at 31 December 2023 (the portfolio data date). A breakdown of assets covered in the Analysed Portfolio is shown below:

Analysed Portfolio breakdown of assets

Asset class/portfolio	Number of companies/assets
Australian shares	253
International shares	2,754
Internally managed portfolios in unlisted property and unlisted infrastructure and co-underwrites in private equity	36
Total	3,043

¹² This row refers to the industry/country combinations (i.e. sectors) that represent the highest theoretical forced labour risk within the Fund's goods and services supply chain, based on the geographical location and industry category of the suppliers.



Identifying modern slavery risks cont.

This approach helps us to identify the Analysed Portfolio's modern slavery risks and determine the actions required to mitigate risks through our ESG and Stewardship program.

Our FY24 risk assessment analysed forced labour risk from Tier 1 (direct supplier) to Tier 10 of the supply chain, in the Analysed Portfolio (excluding property assets under development). Hypothetically, AustralianSuper's exposure to modern slavery risks could sit within one or more of the UN Guiding Principles' continuum of conduct categories (cause, contribution and direct linkage) described in further detail below¹³:

- cause risks of modern slavery if its activities directly result in modern slavery, for example, if AustralianSuper itself uses forced labour
- contribute to risks of modern slavery if AustralianSuper's activities in its operations and/or supply chains facilitate or incentivise modern slavery, for example, if AustralianSuper seeks the cheapest possible labour for a project and turns a blind eye to evidence that the workers are being exploited, or if AustralianSuper sets an unrealistic cost target or delivery timeframe for a supplier that can only be met in practice by using modern slavery, and
- be directly linked to risks of modern slavery if AustralianSuper has not caused or contributed to modern slavery but its operations, products or services are still connected to modern slavery through a business relationship with a third party (including relationships with suppliers at all tiers

of the supply chain, regardless of whether the entity itself has a direct contractual relationship with them). For example, this may arise if AustralianSuper invests in a company's infrastructure project and, without its knowledge and contrary to its policies and contractual terms, a subcontractor uses forced labour.

Fair Supply's assessment indicates the theoretical risk of modern slavery occurring in each asset class, enabling us to identify the top modern slavery risks by geography, industry and company in the Analysed Portfolio. The analysis highlights where risks could potentially emerge from within a company's supply chain, indicating the estimated number of theoretical people in forced labour within the supply chain rather than the actual prevalence of modern slavery practices in these companies. It also does not consider the mitigation strategies each asset and company have in place to manage modern slavery risks.

Fair Supply applies a 'slavery intensity' metric to identify modern slavery risk across portfolios. The slavery intensity metric quantifies the number of full-time equivalent (FTE) workers estimated to be in slavery across the portfolio's supply chain per million dollars invested. This metric is used to identify risk across the Analysed Portfolio as we understand that while we may have more proportionate influence over those investments where a higher amount is invested, the risk to people of modern slavery can also occur in our smaller value investments. For further details of the Fair Supply methodology, please see Appendix 1.

The table on the following page shows the top modern slavery risks within the Analysed Portfolio.

The analysis indicates:

- The majority of companies in the Australian shares asset class (around 96%) and international shares asset class (around 83%) have a low or moderate low forced labour risk rating. The international shares asset class has a higher exposure to forced labour risk, with 11% of companies with a moderate rating and 6% with a moderate high or high rating, while the Australian shares asset class has no companies with a moderate high or high rating.
- The retail trade sector has a high risk of modern slavery in the Analysed Portfolios, including within Australian companies, given the nature of their global supply chains and exposure to higher risk industries including horticulture and apparel supply chains.
- The international shares asset class continues to be exposed to elevated modern slavery risks through its exposure to India and higher-risk industries such as those involved in retail sales and manufacturing.
- Around 92% of assets in our aggregate portfolio of unlisted infrastructure and unlisted property asset classes (internally managed only) and co-underwrites in the private equity asset class have a low and moderate low risk rating, with the remainder having a moderate rating.

¹³ Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities, May 2023 modernslaveryregister.gov.au/resources/Commonwealth_Modern_Slavery_Act_Guidance_for_Reporting_Entities.pdf



Identifying modern slavery risks cont.

Top modern slavery risks

	Australian shares asset classes	International shares asset classes	Internally managed portfolios in unlisted infrastructure and unlisted property asset classes ¹⁵ and co-underwrites in the private equity asset class
By sector ¹⁴	<ul style="list-style-type: none"> • Australia: Retail trade services: companies involved in the retail trade sector and repair and maintenance of personal and household goods, with the exception of motor vehicles and motorcycles. • Australia: Wholesale trade and commission trade services, with the exception of motor vehicles and motorcycles. • Australia: Precious metal ores and concentrates. Raw precious metal materials extracted during mining operations. 	<ul style="list-style-type: none"> • India, Brazil, China, Venezuela, United Kingdom: Retail trade services: companies involved in the retail trade sector and repair and maintenance of personal and household goods, with the exception of motor vehicles and motorcycles. • United States: Hotel and restaurant services. 	<ul style="list-style-type: none"> • United States, Australia: Supporting and auxiliary transport services including those involved in freight brokerage, packing and crating, inspection and receiving; and travel agencies. • United States: Hotel and restaurant services. • India: Services auxiliary to financial intermediation and insurance, such as brokers and agents.
By country	<ul style="list-style-type: none"> • Australia • India • Indonesia • China 	<ul style="list-style-type: none"> • India • United States • China • Brazil 	<ul style="list-style-type: none"> • United States • Australia • India
By tier	<ul style="list-style-type: none"> • 1 and 2 	<ul style="list-style-type: none"> • 1 and 2 	<ul style="list-style-type: none"> • 1 and 2

Sources: Fair Supply Forced Labour Risk Analysis. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in AustralianSuper's supply chains, operations or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level. Portfolio data as at 31 December 2023.

¹⁴ This row refers to the industry/country combinations (i.e. sectors) that represent the highest theoretical forced labour risk within this asset class, based on the geographical location and industry category of the companies in the portfolio.

¹⁵ External managers in the unlisted infrastructure and unlisted property asset classes are excluded from this analysis.



Criterion 4

Assessing and addressing modern slavery risks

Direct operations

We assess the risk of our direct company operations directly causing or contributing to modern slavery to be low. This assessment is based on an understanding of the nature of our workforce and geographic footprint.

AustralianSuper's offices are predominantly located in developed markets – Australia, the UK and the US – with largely professional, office-based, permanent staff. There are two staff located in China. All full-time or part-time permanent employees and maximum term contract staff in Australia, plus Australian secondees to our international offices, are covered by an enterprise agreement that sets out labour entitlements that further mitigate the risk of modern slavery occurring in our operations. Local staff in international offices have tailored contracts in place. The policies we have in place, as outlined in this Statement, also reduce our modern slavery risk profile.

Supply chain

In addition, as described in the previous section, we have conducted an independent assessment of our investment and third-party supplier supply chains through Fair Supply. This assessment indicated that the modern slavery risk in our procurement supply chain was generally low. It identified key risks associated with some components of the investment portfolio. These components may be exposed to higher-risk industries, suppliers from high-risk countries or through parts of their supply chains. We have provided an overview of the results of this assessment for both our existing suppliers and our Analysed Portfolios in this Statement on pages 12–14.

Responsible procurement

The procurement function has implemented a standardised and risk-weighted approach to supply chain risk assessment and management. The approach, which is defined in our TPM Framework and Standard, involves the segmentation of our suppliers based on inherent risks. This then informs our business functions on how to assess, manage and monitor those risks. Where labour practices, human rights abuses and modern slavery are identified as an inherent risk to a supplier arrangement through the IRP Tool, our Fund colleagues are required to:

- conduct additional due diligence to ensure suppliers have suitable management systems in place to manage labour, human rights and modern slavery risks associated with their operations. The due diligence process requires the supplier to complete a due diligence questionnaire that includes questions relating to the supplier's:
 - modern slavery policies and procedures
 - site/facility locations
 - supply chain management practices
 - known modern slavery risk, and
 - other risk factors

- ensure supplier contracts include appropriate terms and conditions that set out obligations relating to the management of labour practices, human rights and modern slavery risks. These obligations include requirements to implement policies and procedures to ensure compliance with modern slavery laws, report identified modern slavery risks or events to AustralianSuper, keep records in relation to the supplier's modern slavery practices and provide AustralianSuper with that information, and
- monitor and manage labour practices, human rights and modern slavery risk over the life of the contract.

Supplier arrangements with identified inherent risks are required to have contract and supplier monitoring plans in place and complete an annual review.

Supplier responses to the due diligence questionnaire are assessed by the Third-Party Risk, Oversight & Due Diligence (TPRO) team to identify potential modern slavery issues in the supplier's operations that would require further investigation or escalation.

Where any modern slavery risks are identified, these are assessed and recorded in our risk system for management, monitoring and reporting.

The TPRO team is responsible for the design and ongoing implementation of the due diligence program, residual risk assessments and assignment of controls for third-party risk management.

Investments

AustralianSuper assesses and addresses modern slavery risks in the investment portfolio through its ESG and Stewardship program. Activities in this program are primarily conducted across two pillars:

- Integration: refers to the way we integrate ESG considerations in deciding which assets and companies to invest in and in assessing their investment value.
- Stewardship: exercising our rights and responsibilities as an asset owner to seek positive management of ESG issues that we believe can impact members' investment returns.

The table on the following pages provides a summary of the integration and stewardship activities we may undertake to assess and address modern slavery risks in the investment portfolio. It demonstrates how our approach varies based on the asset class and characteristics of our investment. As the table shows, we undertake more in-depth integration and stewardship activities in the companies and assets we invest in directly.

Direct ownership provides us with greater oversight over assets, including on ESG issues. AustralianSuper often has large ownership stakes in companies and assets, which may afford us governance rights, including the appointment of AustralianSuper-nominated board directors on certain unlisted assets and opportunities to engage with the board and other key decision-makers in listed ASX companies.



Assessing and addressing modern slavery risks cont.

Investment activities to assess and address modern slavery risks

Asset class	Portfolio/strategy	Integration activities	Stewardship activities
Australian shares	Internal fundamental	<ul style="list-style-type: none"> Review of modern slavery risks and mitigation strategies prior to investing guided by proprietary labour indicators. Assessment of publicly available information, including company modern slavery statements, annual reports, and sustainability reporting. Review of research from brokers or investment specialists. Assessment of modern slavery risks included as part of ESG due diligence review. 	<ul style="list-style-type: none"> Development and annual review of ownership plans. Engagement with companies may include modern slavery risks and mitigation strategies directly and through ACSI. Consideration of workforce and labour shareholder proposals (on occasion).
	Quantitative and index	<ul style="list-style-type: none"> Not undertaken in relation to security selection. For external investment managers only, inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> AustralianSuper is a member of ACSI which has engaged with certain companies on modern slavery. Consideration of workforce and labour shareholder proposals (on occasion). For external investment managers only, inclusion of modern slavery questions in manager operational due diligence processes.
International shares	Internal fundamental	<ul style="list-style-type: none"> Review of modern slavery risks as part of ESG due diligence prior to investment. Assessment of publicly available information, including company modern slavery statements, annual reports, and sustainability reporting. 	<ul style="list-style-type: none"> Equity Ownership Services (EOS) at Federated Hermes, on behalf of clients including AustralianSuper, may engage with certain companies on modern slavery. Ad hoc direct engagement with certain companies on modern slavery matters. Consideration of workforce and labour shareholder proposals (on occasion).
	Quantitative and index	<ul style="list-style-type: none"> Not undertaken in relation to security selection. For external investment managers only, inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> EOS at Federated Hermes, on behalf of clients including AustralianSuper, may engage with certain companies on modern slavery. Consideration of workforce and labour shareholder proposals (on occasion). For external investment managers only, inclusion of modern slavery questions in manager operational due diligence processes.
	External active	<ul style="list-style-type: none"> Inclusion of modern slavery questions in manager appointment process. Integration activities may be undertaken by external investment managers in relation to security selection. 	<ul style="list-style-type: none"> On behalf of clients including AustralianSuper, EOS at Federated Hermes and/or external investment managers, may engage with certain companies on modern slavery. Consideration of workforce and labour shareholder proposals (on occasion). Inclusion of modern slavery questions in manager operational due diligence processes.
Unlisted property	Internal	<ul style="list-style-type: none"> Review of modern slavery and labour risks guided by proprietary labour indicators in due diligence. Assessment of relevant transaction parties and documents, including modern slavery statements, policy and procedure documents, and workforce data (where available). Assessment of modern slavery risks included as part of ESG due diligence review. 	<ul style="list-style-type: none"> Development and annual review of ownership plans. Modern slavery may be included as part of direct engagement activities with certain assets. Findings from modern slavery assessments and engagement outcomes may be included in ESG updates for asset class team.
	External	<ul style="list-style-type: none"> External investment managers may assess modern slavery in their due diligence processes. 	<ul style="list-style-type: none"> Engagement with certain external investment managers to understand their modern slavery risk assessment and mitigation processes. External investment managers may engage with certain assets on modern slavery. Inclusion of modern slavery questions in manager operational due diligence processes.

What are fundamental portfolios?

Our fundamental portfolios are actively managed by our in-house investment team. Our team uses research and insights, and applies their expertise and judgment to assess the quality and value of individual companies on a range of factors. These can include company financial information, management quality, market and industry outlooks and ESG considerations.

What are ownership plans?

AustralianSuper develops ownership plans for certain assets as indicated in the table opposite and continued on page 17. The plans seek to identify material issues which may impact valuation, including key ESG themes such as modern slavery; assess company disclosure and management of material issues; identify key stakeholders; and identify stewardship actions to be undertaken by AustralianSuper. The plans incorporate our internal assessment of companies' management of, and disclosure related to, material ESG issues.



Assessing and addressing modern slavery risks cont.

Asset class	Portfolio/strategy	Integration activities	Stewardship activities
Unlisted infrastructure	Internal	<ul style="list-style-type: none"> Review of modern slavery and labour risks guided by proprietary labour indicators in due diligence. Assessment of relevant transaction parties and documents, including modern slavery statements, policy and procedure documents, and workforce data (where available). Assessment of modern slavery risks included as part of ESG due diligence review. 	<ul style="list-style-type: none"> Development and annual review of ownership plans. Modern slavery may be included as part of direct engagement activities with certain assets. Findings from modern slavery assessments and engagement outcomes may be included in ESG updates for asset class team.
	External	<ul style="list-style-type: none"> External investment managers may assess modern slavery in their due diligence processes. 	<ul style="list-style-type: none"> Engagement with certain external investment managers to understand their modern slavery risk assessment and mitigation processes. External investment managers may engage with assets on modern slavery. Inclusion of modern slavery questions in manager operational due diligence processes.
Listed property		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. Inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> Consideration of workforce and labour shareholder proposals (on occasion). Inclusion of modern slavery questions in manager operational due diligence processes.
Listed infrastructure		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. Inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> Consideration of workforce and labour shareholder proposals (on occasion). Inclusion of modern slavery questions in manager operational due diligence processes.
Private equity	Co-investment and co-underwrites	<ul style="list-style-type: none"> For transactions where modern slavery risks are considered elevated, assessments may be undertaken. 	<ul style="list-style-type: none"> For co-underwrites where risks are considered elevated, they may be included in ownership plans.
	Funds	<ul style="list-style-type: none"> Inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> Inclusion of modern slavery questions in manager operational due diligence processes.
Credit		<ul style="list-style-type: none"> Where modern slavery risks are considered elevated, assessments may be undertaken. 	<ul style="list-style-type: none"> Not currently undertaken.
Fixed interest		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. 	<ul style="list-style-type: none"> For external investment managers only, inclusion of modern slavery questions in operational due diligence processes.
Cash		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. 	<ul style="list-style-type: none"> For external investment managers only, inclusion of modern slavery questions in operational due diligence processes.



Assessing and addressing modern slavery risks cont.

Examples of our integration and stewardship activities within various asset classes and investment strategies are provided below.

Unlisted property and unlisted infrastructure asset classes – internal

Our ESG due diligence process seeks to identify modern slavery risks when undertaking transactions for directly held assets in the unlisted property and unlisted infrastructure asset classes. We seek to manage these risks in ownership through our ongoing stewardship practices.

AustralianSuper engages with the boards and management of certain unlisted property and unlisted infrastructure assets. In these meetings, we may seek to understand their approach to addressing modern slavery risks in their operations and supply chains. This may involve conducting a review of the assets' modern slavery statements, the availability and robustness of controls such as grievance mechanisms, codes of conduct and training, contractor oversight, and procurement processes. We held ten engagements with investments in the unlisted property and unlisted infrastructure asset classes, where we discussed modern slavery over the course of FY24.

In May 2024, we hosted a peer forum for ESG leads from some of our directly held unlisted infrastructure assets, which focused on modern slavery and work, health and safety.

Non-executive director training program

During FY22, AustralianSuper commenced a global training program, which includes ESG topics, for AustralianSuper-appointed non-executive directors (NEDs) on the boards of portfolio companies where we have the right to nominate one or more directors. During FY24, a session on modern slavery and supply chains was delivered to our global NEDs at our London and Melbourne offices. The session included an overview of modern slavery, global regulations and practical tips on how to identify and mitigate potential modern slavery risks.

Australian and international shares asset classes

We expect companies to effectively identify and manage modern slavery risks across their supply chains. For Australian listed companies in our internally managed fundamental portfolios, we have a direct engagement program where we discuss material ESG issues, which may include modern slavery and labour standards, with company boards and/or management.

As part of our stewardship program, we assess which companies are at heightened risk of modern slavery and prioritise modern slavery discussions in engagements with those companies. Our company engagements may be informed by the findings of our initial social factor assessments, industry and country forced labour risks identified by the Fair Supply analysis and other information we have ascertained from the company's disclosure or previous engagement activities. Our total direct engagements on modern slavery with ASX 300 companies were 16 in FY22, 18 in FY23 and 17 in FY24.

Our ongoing engagement with these companies seeks improvement in the performance of the priority areas we've identified with regard to modern slavery. These priorities may include modern slavery statement disclosure, deepening relationships with suppliers to effectively enhance auditing practices, including moving beyond Tier 1, conducting training and dedicating resources across key operational business units and building processes and procedures around remediation when issues are found.

For Australian listed companies not held in our internally managed fundamental portfolios, we conduct our engagements through ACSI. Our subscription to EOS at Federated Hermes grants us access to insights and opportunities regarding engagements with a subset of companies in our international shares asset class annually. EOS at Federated Hermes provides engagement services for AustralianSuper and its other clients for international companies.

AustralianSuper votes on company and shareholder resolutions for Australian and international listed companies. AustralianSuper retains voting rights for shares held by the Fund, including shares held by external investment managers on behalf of the Fund. Stocks within the voting coverage universe will be voted by the ESG and Stewardship team and may be voted directly or according to the voting approach for different holding types, as noted in our **share voting approach** document published on our website.

In FY24, we have continued to assess proposals tabled by shareholders on labour and modern slavery issues. Our full voting record, including votes on different modern slavery-related company resolutions, can be found on our **website**.

Assessing and addressing modern slavery risks cont.

External investment managers

AustralianSuper invests a proportion of members' assets through external investment managers. While AustralianSuper is not making the individual investment decisions in these circumstances, it's important that the Fund's external investment managers consider modern slavery, supply chain and labour aspects in their investment processes.

In the appointment and annual operational due diligence processes, we ask external investment managers about their approach to ESG considerations, including modern slavery.

In addition, AustralianSuper conducts ESG reviews on its external investment managers in the Australian shares and international shares asset classes via annual questionnaires. As part of these reviews, we seek to understand how the manager considers ESG issues in the investment process. We have a modern slavery-specific section to this process, which includes questions on how managers consider modern slavery in their investment decision-making. In FY24, we sent these questionnaires to all external investment managers in the Australian shares and international shares asset classes.

Index and quantitative investment strategies

As part of the Fund's overall investment strategy, we include index and quantitative portfolios to deliver the investment risk and return characteristics needed to deliver the Fund's overall investment objective.

Our indexed investment mandates are all managed by external investment managers. The purpose of these investment mandates is to efficiently gain exposure to the share market by replicating a particular market index. For these portfolios, investments will typically be made for each company in the index in proportion to their weight in the relevant index. By doing this, we can achieve share market exposure consistent with an index return.

AustralianSuper also has internally managed quantitative portfolios in the Australian and international shares asset classes. These portfolios predominantly use a model-based, systematic approach to selecting companies based on historical relationships between stock characteristics and their ability to predict future returns.

We do not assess qualitative investment characteristics (including ESG and non-ESG issues) for our index and quantitative portfolios as an input, given the passive or quantitative nature of the investment approach.



Case study

Addressing modern slavery risks in renewable energy supply chains

In FY24, we examined the risk of modern slavery practices in renewable energy supply chains, including solar panels.

We undertook a research project to better understand how this risk arose in the context of both listed and unlisted companies within our investment supply chain in Australia within the Australian shares, unlisted infrastructure and unlisted property asset classes. We consulted with a subject matter expert on solar panel supply chains and engaged with modern slavery advisors, worker representatives, brokers, and some investee companies and managers to identify best practices and areas for improvement in managing modern slavery risks in renewable energy supply chains.

Insights from the research and engagement informed the development of a draft resource to assist with due diligence and engagement in addressing modern slavery risks in renewable energy supply chains.

Through research, consultation, and engagement, we deepened our understanding of the risks of modern slavery practices in renewable energy supply chains. We used these insights to draft a resource to identify best practice in tackling modern slavery risks in renewable energy supply chains.

In FY25, it's proposed we finalise the resource, provide training to staff on how to utilise the resource to assist with due diligence and engagement and continue engaging with investee companies on how they are managing risk in renewable energy supply chains.

Case study

Focusing on modern slavery practices in the retail trade sector

In FY24, we examined the potential exposure to and management of modern slavery risks of certain investee companies in the retail trade sector. This was informed by the FY23 external forced labour assessment by Fair Supply and engagement with worker representatives, which identified the retail trade sector as one of the top areas of risk for modern slavery practices in the Australian and international shares asset classes.

We engaged with three large investee companies within our fundamental portfolios in the Australian shares asset class that operate in the retail trade sector, which we identified as potentially having a higher exposure to modern slavery practices. Our analysis of the industry sectors the three investee companies operate in, as well as their geographic regions and business models, informed our engagement with them. The three investee companies all had large and complex operations and supply chains.

The companies showed commitment to continuous improvement and recognised the need for further work in preventing modern slavery. The companies had or were developing, various initiatives to help manage risk, including human rights policies, improving supply chain mapping, ethical sourcing, audits, traceability, and grievance mechanisms.

We will monitor the companies' progress and risk management approaches in addressing modern slavery risk.





Criterion 4

Working with other investors and industry groups

AustralianSuper understands the importance of contributing to and supporting initiatives that help peers, businesses and society better identify and mitigate modern slavery risk.

In FY24, AustralianSuper continued its work with the Cleaning Accountability Framework (CAF), Investors Against Slavery and Trafficking Asia Pacific (IAST APAC), the Australian Council of Superannuation Investors (ACSI) and the Responsible Investors Association of Australasia (RIAA) as outlined below. AustralianSuper is also a signatory to the Workforce Disclosure Initiative, a global initiative designed to improve corporate transparency and accountability on workforce issues and provide companies and investors with comprehensive and comparable data on workforce issues.

Australian Council of Superannuation Investors

Who they are

AustralianSuper, with other major Australian superannuation funds, is a member of ACSI. ACSI engages with companies and policymakers with the aim of progressing material ESG issues on behalf of its members. AustralianSuper participates in a range of ACSI working groups and may also consider ACSI's proxy voting advice.

AustralianSuper's role

AustralianSuper is a board member and member of the Member Advisory Council. We're also a member of the Social Factors Working Group.

What have they done

- After publishing its second benchmarking study of ASX 200 companies' modern slavery reporting in April 2023, ACSI contacted company boards to provide ratings and recommendations for improvements¹⁶.
- During FY24, ACSI held 74 engagements with 61 ASX 300 companies on modern slavery and broader workforce and supply chain management issues on behalf of its members, including AustralianSuper.
- During FY24, ACSI hosted a seminar, Unmasking Modern Slavery Practices, which discussed steps that investors and companies can take to make progress in managing the human risks and investment risks that modern slavery presents.

Cleaning Accountability Framework

Who they are

CAF was established in 2012 with the aim of improving labour practices for workers in the high-risk cleaning industry. CAF operates a certification framework for commercial real estate assets that addresses modern slavery risk by working with entities at the top of the supply chain to undertake due diligence in the procurement, management, and delivery of cleaning services while identifying and remediating labour rights violations.

AustralianSuper's role

AustralianSuper is a co-founder and board member of CAF.

What have they done

- CAF certifies commercial real estate assets via its Standard. This set of labour standards seeks to ensure that cleaning staff are compensated according to law and that appropriate labour practices are upheld.
- CAF's model is based on Worker-Driven Social Responsibility, which includes education and ongoing engagement with workers to identify early warning signs of modern-slavery like practices.
- Between 2019 and 2024, CAF identified and investigated 850 compliance issues across the cleaning services supply chains of 60 commercial buildings and retail precincts in Australia.
- In FY25, CAF will launch Portfolio Certification, which moves the CAF model from a building-by-building approach to larger-scale certification.

¹⁶ [acsi.org.au/wp-content/uploads/2024/05/ACSI-Public-Engagement-Report-FY-22-23-Final.pdf](https://www.acsi.org.au/wp-content/uploads/2024/05/ACSI-Public-Engagement-Report-FY-22-23-Final.pdf)



Assessing and addressing modern slavery risks cont.

Investors Against Slavery and Trafficking Asia-Pacific

Who they are

IAST APAC was launched in 2020 as an investor-led, multi-stakeholder initiative. The initiative seeks to engage with companies to promote effective action in finding, fixing and preventing modern slavery in their operations and supply chains.

AustralianSuper's role

AustralianSuper is a founding investor and steering committee member. AustralianSuper co-chairs the Company Engagement Workstream of the initiative, which enables investors to work collectively on engagements with 21 focus companies to address modern slavery risk across the Asia Pacific region.

What have they done

- During FY24, investor groups in the Company Engagement Workstream continued to engage with focus companies across consumer discretionary, consumer staples, technology and healthcare sectors.
- Through these engagements, investors observed a range of outcomes with some companies making significant progress, others advancing slowly and some making little to no progress. In most cases, external factors such as resource constraints, limited access to information and complexity of supply chains were key barriers to progress.
- Examples of demonstrated progress included companies which:
 - improved risk assessment within supply chain management, and auditing, training and disclosure
 - implemented internal staff training on modern slavery risk assessments using the International Labour Organisation's indicators for forced labour
 - developed a mature ethical sourcing program with dedicated teams addressing the risk, and from this experience, has determined to continue rolling this out across other divisions
 - established an internal audit and monitoring team that conducts more audits than the external auditors
 - improved supply chain management by implementing better auditing and disclosure practices, alongside increased engagement from senior executives on modern slavery issues.

Responsible Investors Association of Australasia

Who they are

RIAA is a network with over 500 members across Australia and New Zealand who manage more than US\$29 trillion in assets globally. RIAA's stated mission is "to promote, advocate for, and support approaches to responsible investment that align capital with achieving a healthy and sustainable society, environment and economy"¹⁷.

AustralianSuper's role

AustralianSuper is a member of RIAA and participates in its human rights and First Nations Peoples' Rights working groups. AustralianSuper also participates in RIAA research by providing information on its ESG and Stewardship program as detailed on page 23.

What have they done

- RIAA publishes a range of investor toolkits and resources to help investors engage with companies to encourage better practice and reduce human rights risks in supply chains.
- RIAA also hosts an annual conference which has included sessions on modern slavery risk and reporting.

¹⁷ Responsible Investment Association Australasia, responsibleinvestment.org/about-us



Criterion 5

Measuring the effectiveness of our actions

AustralianSuper has the following mechanisms in place to assess and monitor the effectiveness of our actions.

Policies and risk management

- Compliance with key AustralianSuper policies through annual auditing and assurance program processes.
- Using the internal Modern Slavery Working Group to share insights, learnings and drive improvements.

Investor networks and advocacy

- Monitoring the implementation of the Government's Review of the Modern Slavery Act and considering opportunities to engage on this issue.
- Continuing our collective engagement on modern slavery through our board membership and involvement with CAF, co-chairing the IAST APAC Company Engagement Workstream, and participating in the ACSI Social Factors Working Group and the Responsible Investment Association Australia Human Rights Working Group.

Procurement and third-party risk oversight and due diligence

- Periodic reviews of Fund policies, standards and procedures. For example, during the reporting period, we reviewed and/or updated risk and procurement documents such as the TPM Framework, TPM Policy, TPM Standard, Outsourcing Policy and Outsourcing Procedure.
- Monitoring the number of suppliers that are party to procurement contracts with the Fund on template contract terms, which require disclosure of suspected modern slavery practices and engagement with those suppliers.
- Undertaking due diligence on new suppliers and existing suppliers where required and assessing the level of disclosure garnered from suppliers on their modern slavery approaches.

Investments

- Engagement with companies in our internally managed fundamental portfolios in the Australian shares asset class that we have identified as having an elevated risk of modern slavery and assessing the impact of our stewardship activities, including how investee companies have evolved their approaches. This is tracked through our ownership plans.
- Global training program, including ESG and modern slavery topics, provided to non-executive directors on the boards of portfolio companies where we have the right to nominate one or more directors.
- Annual survey with external investment managers in the Australian and international shares asset classes on their approach to modern slavery and consideration of the number of managers addressing modern slavery risks in their investment approach.

Responsible investor ratings

External responsible investment surveys can assist in assessing the effectiveness of our ESG and Stewardship program, including our approach to modern slavery. In FY24, we participated in RIAA research and received our 2023 Principles for Responsible Investment (PRI) assessment as part of our membership of these organisations.

Responsible Super Fund Leader 2023

AustralianSuper was named a Responsible Super Fund Leader¹⁸ in RIAA's 2023 **Responsible Investment Super Study**. Leaders were recognised for their commitment to transparency, good governance and accountability, and implementation of responsible investment approaches through activities such as engagement, voting and ESG integration.



PRI 2023 Assessment

AustralianSuper received its 2023 PRI assessment for the year ended 31 December 2022 during FY24. Our assessment and transparency reports are published in the **ESG management and responsible investment** section of our website.

¹⁸ Responsible Super Fund Leaders refers to superannuation funds that have achieved a score of 70% or more on RIAA's Framework of Good Responsible Investment Governance. For more information visit responsibleinvestment.org/resources/super-study Awards are only one factor to be taken into account when choosing a super fund.



Appendix 1

Modern Slavery Forced Labour assessment methodology

1. As discussed in the How we identify modern slavery risks section of this Statement, we applied the Fair Supply forced labour assessment methodology to our existing suppliers from the Fund's own goods and services supply chain and investments in the Analysed Portfolio.
2. Incorporating company spend data throughout global markets, we have utilised external consultants, Fair Supply, who use proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of AustralianSuper's top suppliers by spend.
3. Fair Supply uses a balanced, global Multi-Regional Input-Output (MRIO) table to perform this supply chain mapping, which links supply chain data from 190 countries and relates to almost 16,000 industry sectors. This MRIO table is assembled using the following sources:
 - a. the United Nations' (UN) System of National Accounts
 - b. UN COMTRADE databases
 - c. Eurostat databases
 - d. the Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO), and
 - e. numerous national agencies, including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
 - a. the UN Guiding Principles on Business and Human Rights
 - b. the Global Slavery Index
 - c. International Labour Organisation (ILO) Global Estimates of Modern Slavery, and
 - d. The United States' Reports on International Child Labour and Forced Labour.
5. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier.
6. This analysis was performed for the purposes of risk identification under the Modern Slavery Act. It does not purport to confirm the actual existence (or non-existence) of slavery in AustralianSuper's supply chains and operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.
7. The multi-faceted approach to modern slavery risk assessment that we have undertaken includes examination and analysis of the following:
 - a. the individual suppliers and industries with the most elevated risk of modern slavery
 - b. supply chain plots to provide a visual representation of the supply chains for AustralianSuper's top three first-tier industries
 - c. plotting the relative slavery risk in the supply chain by tier, up to Tier 10
 - d. geographical depiction of the cumulative risk of modern slavery across the supply chain around the world
 - e. an overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk, and
 - f. suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.



Contact us

Member feedback is important to us. To get in touch, you can contact us in a number of ways.

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8am to 8pm AEST/AEDT weekdays

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Message

You can message us 24/7 through our AustralianSuper mobile app and Facebook Messenger. You can also chat with ASH (AustralianSuper Helper Bot) via our website and our contact centre agent staff.

Web messaging is also available on our website at australiansuper.com/contact-us between 8am and 8pm AEST/AEDT weekdays.

Translation services

A free over-the-phone translation service in just about any language is available. Our consultants can arrange for you or a family member to talk to someone about your super in the language you understand best. To be referred to the translation service, call **1300 300 273** 8am to 8pm AEST/AEDT weekdays.

Talk to an adviser

For tailored and comprehensive advice*, an accredited adviser can help if you'd like a detailed financial plan and have a number of financial matters to think about. Call **1300 300 273** to make an appointment with an adviser.

Seminars

To attend a free retirement and financial planning seminar, visit australiansuper.com/seminars

* Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Fees may apply.

AustralianSuper



It's Australian.
It's super.
And it's yours.