

TWU Nominees Pty Ltd
Modern Slavery Statement 2020

TWU Nominees Pty Ltd (ABN 67 002 835 412) is the trustee of the TWU Superannuation Fund (ABN 77 343 563 307) (TWUSUPER), an industry superannuation fund supporting the transport and logistics sector. Our Australian Financial Services Licence (AFSL) number is 239163 and our Registrable Superannuation Entity Licence number is L0000246

The secretariat office is located at 25/150 Lonsdale Street, Melbourne – however, we operate nationally within Australia and have offices in Brisbane, Melbourne and Sydney. As at 30 June 2020 TWU Nominees Pty Ltd had 38 employees, with 1 person in Brisbane, 5 in Sydney and 32 in the Melbourne office.

Also located in our Sydney and Melbourne offices are financial planning representatives employed by Industry Financial Services Limited (ABN 54 007 016 195), who provide limited and comprehensive face to face and phone based financial planning advice only to TWUSUPER members.

Founded in 1984 TWUSUPER believes that every person has the right to freedom and to be safe and respected in their everyday lives. This ethos starts with our own people and to this end we:

- ensure that we monitor and comply with legislation
- adopt best practise to treat, support and respect our people
- as best we can, ensure that they are trained and receive professional and personal development to deliver the best service and superannuation outcome to members.

Our focus is on supporting the retirement outcomes of our members through achieving our goals of strong and sustainable growth and services targeted to the particular needs of our membership. To deliver the optimum service cost effectively we outsource some business activities to professional suppliers and service providers. These are subject to due diligence as described below.

Structure

The structure of TWU Nominees Pty Ltd is:

Board and various subcommittees



CEO



Management Team



The functions of: Governance, Risk & Compliance, Operations (including member experience/communications, account management and Fund administration management), Finance, Trustee Services, Human Resources, Stakeholders and Marketing and Investments,

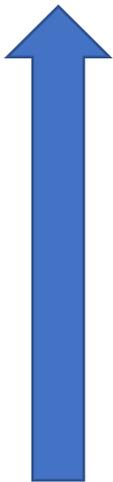
Governance

Our Modern Slavery implementation and governance structure is:

Board of Directors, who review and approve the Modern Slavery Statement.



Audit, Risk and Compliance Committee – the Board committee responsible for monitoring compliance and good governance, which receives quarterly reports on a range of risk and compliance matters.



Executive Management Team, who are primarily the relationship owners of all suppliers and service providers and each of which are consulted with on matters relating to their specific suppliers and service providers.



Modern Slavery Working Group, which is an interdisciplinary team assigned to manage the implementation of the Modern Slavery Act ('the Act') requirements, develop necessary processes, review supplier/service provider responses, raise awareness of modern slavery issues and train staff and stakeholders.

Due Diligence

TWUSUPER recognises that strong governance and proactive due diligence is key to successfully working toward eliminating modern slavery across all supply chains. To achieve this TWUSUPER has:

1. amended all forms of supplier and service provider contracts to include reference to modern slavery (and obtained confirmation from internal stakeholders that 1) we do not include in our contracts terms that might apply pressure on suppliers and service providers to deliver to TWUSUPER within unreasonable timeframes or at a cost that could inadvertently increase the risk of modern slavery within or supply chains and

that 2) we make sure that payments to suppliers and service providers are processed without undue delay, in order to avoid placing financial pressure upon our supply chain)

2. developed and published a Supplier Code of Conduct (<https://www.twusuper.com.au/about-us/modern-slavery/>)
3. identified all our suppliers and service providers and through a detailed risk assessment determined those of higher modern slavery risk
4. documented our risk-based assessment approach, as described below.

Risk based Assessment

TWUSUPER's approach to risk assessment is summarised as:

1. Identify TWUSUPER's broad operations and overall supply chains, categories and asset classes of investments.
2. Determine which of the sectors, types of products and services, categories of investments, countries and entities may involve high modern slavery risks. Focus on the most severe risks first (by impact, not so much by probability). A three-level rating scale is used: High, Medium, Low.
3. Investigate and assess supply chains through deploying a questionnaire (non-investments and investments) that gathers information about services provided to determine the industry sector; the countries that the supplier/service provider operates in; information about their third party suppliers/services providers and location; the supplier's/service provider's due diligence and risk assessment processes, and where available a copy of their Modern Slavery statements and other relevant material such as Supplier Codes of Conduct.
4. Engage with key suppliers through follow-up questions and conversations.
5. Work with other entities through leveraging work done by stakeholders, international organisations and industry-based advisors.
6. Use existing available assessments including reviews and audits conducted by Non-Government Organisations (NGOs), responsible investment policies and statements.
7. Consider and identify risk indicators, such as:
 - a. Sector and industry and product and services risks
 - b. Geographic risks – for example countries with poor governance, weak rule of law, conflict, migration flows, extensive poverty and which have not ratified international conventions relevant to Modern Slavery or have been reported by NGOs or international organisations to have high prevalence of MS or labour rights violations
 - c. Entity risks – for example, entities with poor governance structures or a track record of treating workers poorly or human rights violations as reported by NGOs as non-compliant with human rights or labour standards, or which have complex or opaque supply chains.
 - d. Other risk indicators that may arise from the risk assessments and reporting illustrated above. These might include failure of a supplier to provide information about their (or their suppliers') modern slavery risk.
8. Identify parts of operations, investments or supply chains we have little visibility over and consider if they involve modern slavery risk.

2019/2020 Supply Chain assessment

Under the modern slavery framework, the supply chain assessment is based on:

- identification of all service providers and suppliers and issuing of a Modern Slavery questionnaire to them that is specific to their size and service provided;
- assessment of responses to modern slavery questionnaires for modern slavery risk;
- escalation or follow-up with service providers and suppliers where clarification is required; and
- creation and maintenance of a risk matrix of suppliers.

Over the course of financial year 2019/2020, 143 non-Investment Manager suppliers/service providers have been identified.

Our suppliers and service providers are categorised as:

1. Material Services providers that are critical to our business operations. These include our outsourced administrator, asset custodian, investment consultant, financial advice provider, insurance providers.
2. Key specialised services such as auditors, payroll service providers, marketing and communications consultants and legal advisers.
3. Other service providers who are smaller operators – for example, those who provide materials for promotions and member related events or staff and Director training, as well as industry-based advisers.

Of those non-Investment Manager suppliers/service providers identified there are over 80 who are used on an “as and when required” basis – that is, they are ad hoc and there is no formal agreement in place for the ongoing use of their services. These suppliers/service providers tend to be small businesses which, based on our risk assessment, are likely to have lower Modern Slavery risks. It is intended to delve more deeply into these suppliers/service providers during financial year 2020/2021.

30 questionnaires have been sent to non-Investment Manager suppliers/service providers who we considered at higher risk of having modern slavery practices. This is largely due to the impact that the supplier/service provider has on our business or because they have operations outside of Australia in countries that may involve a higher risk. 83% of these suppliers/service providers have responded. If from the review of their response it was unclear if all risks have been identified, follow-up questions and/or meetings have been sought. To date we are satisfied that there is no evidence of Modern Slavery practices in our supply chain.

With respect to the 31 Investment Managers engaged by TWUSUPER to invest Fund assets across different asset classes, all of these have been sent a questionnaire and of these 84% have responded. To date we are satisfied that there is no evidence of Modern Slavery practices in our Investment supply chain.

Where a potential or real Modern Slavery incident has been identified TWUSUPER will work with the supplier/service provider to resolve the incident. Where satisfactory resolution cannot be achieved there is an escalation process requiring the Executive Management team and where necessary the Board to agree to a remediation strategy.

Internal stakeholders and employees of key service providers may also have the opportunity to raise issues of concern relating to modern slavery practices, where they are eligible to make a disclosure under TWUSUPER’s Whistle-blower Policy. (Link to whistle-blower process on web site).

Future Action

During the 2020/2021 financial year TWUSUPER will implement a digital solution to track and monitor suppliers and service providers we engage with, ensuring that an annual Modern Slavery questionnaire is sent out and all responses are assessed and appropriate actions taken where necessary.

We will also continue to embed our processes and contract terms along with the Supplier Code of Conduct which all suppliers and service providers will be provided with along with the contract or statement of work as part of our procurement and due diligence processes.

Along with issuing the annual questionnaire to those suppliers and service providers that we have already contacted, we will continue to fine tune our working definitions of supplier and service provider and ensure remaining supply chain links are contacted as far as possible and their supply chains understood.

All staff have received training in the Modern Slavery Act to gain an understanding of the definitions and consequences of modern slavery in our society. This will continue to be provided on a bi-annual basis.

It is also intended to adopt an audit process engaging with a third party to ensure that our modern slavery operational and due diligence processes are to the best possible standards and that they remain effective.

This Statement has met the requirement for approval as set out in the Act and has been approved by the Board of Directors of TWU Nominees Pty Ltd, the Principal Governing Body for TWUSUPER on 3 December 2020.

Signed by

A handwritten signature in blue ink, appearing to read 'David Galbally', is positioned above a horizontal line.

David Galbally AM QC

Chair of the Board