



MODERN SLAVERY ACT STATEMENT FINANCIAL YEAR 2021/22

14 December 2022

Qantas Superannuation Limited ABN 47 003 806 960 AFSL 288330 (the 'Trustee', 'we', 'us' or 'our') as trustee of the Qantas Superannuation Plan ABN 41 272 198 829 ('Qantas Super' or the 'Plan')

Purpose

Qantas Superannuation Limited (the Trustee) is the trustee of the Qantas Superannuation Plan (the Plan or Qantas Super). This Modern Slavery Statement (MSS) sits under the *Australian Modern Slavery Act 2018 (Cth)* (MSA) and covers the activities of the Trustee and Qantas Super to identify and address modern slavery risks for the year ending 30 June 2022 (FY21/22).

Our approach and progress

Modern slavery involves the most serious forms of exploitation and includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

The Trustee acknowledges its responsibility under the MSA and understands that, as a procurer of many goods and services and as an institutional investor, modern slavery may occur in our supply chain and investment portfolio. We're committed to taking the actions necessary to reduce the risk of modern slavery in our operations and supply chain, including our investment activities.

Our approach to addressing modern slavery risks in FY21/22 has focused on undertaking a risk assessment, and engagement with suppliers and investment managers.

Key areas of action in FY21/22

We took the following key actions in FY21/22:

- continuing to increase our understanding of modern slavery risks across our operations, investments and first tier suppliers;
- continuing to embed considerations of modern slavery risks in our processes; and
- continuing to engage with high risk suppliers and investment managers.

Our whistleblowing arrangements allow employees and third parties to report any concerns regarding unethical or illegal conduct, including in relation to modern slavery. Employees can report concerns to their manager or, if they wish to remain anonymous, employees and third parties are able to report through our independently operated whistleblower system via phone, email, or an online portal.

In addition, we're an Associate Member of the Australian Council of Superannuation Investors (ACSI), which undertakes a year-round program of research, engagement, advocacy, and voting advice in relation to companies in the S&P ASX300. ACSI seeks to influence companies through constructive engagement with their boards about material ESG issues, with the aim of promoting long-term shareholder value and minimising risk. ACSI encourages listed companies to consider their practices as they relate to human rights, including actively engaging with employees, customers, supply chains, and other relevant stakeholders to understand and assess human-rights impacts. ACSI's engagement program includes human rights in supply chains and sustainability reporting disclosure.

About us, our operations, and supply chain

Qantas Super is one of Australia's largest corporate superannuation funds. It exists just for people who are working, or have worked for the Qantas Group, and their spouses. We have been working for members since 1939 and have around 27,000 members and over \$8 billion in assets under management. We do not profit from our members. We offer super, insurance, and pension products through our open Gateway division, which features our MySuper-approved product, and a number of legacy accumulation and defined benefit divisions.

We also provide access to a range of financial advice services with licensed financial advisers who are authorised to provide financial product advice and online tools to help members understand how much income they may need in retirement.

The Trustee is a not-for-profit company responsible for ensuring that Qantas Super is operated as a regulated superannuation fund in accordance with the requirements of the Superannuation Industry (Supervision) Act 1993. We are also responsible for ensuring that Qantas Super is operated in accordance with the Plan's Trust Deed and Rules and all relevant laws and regulations. The Trustee Board consists of five directors who are nominated and elected by members, and five directors who are appointed by Qantas Airways Limited (QAL).

The day-to-day management of the fund is delegated to the CEO and the other employees of the Trustee. The core functions of the Trustee's employees are administration and oversight of investments, member account administration, communications and marketing, risk management and compliance, and the management of outsourced service providers.

The Trustee (and the Plan) is domiciled in Australia and our headquarters are in Sydney. The Trustee employs around 35 permanent and contract staff across a variety of professional roles all of whom are based in Australia.

The Trustee Board is accountable for the modern slavery program and the MSS.

This statement covers the Trustee, Qantas Super and their controlled entities (see note 20(e) in the Plan's Financial Statement for FY21/22). These controlled entities do not employ employees and are used solely to facilitate our investment with external investment managers (our investments with external investment managers are discussed below). These entities are under the sole operation and governance of the Trustee. Consultation with the controlled entities occurs as part of the approval and adoption process for the MSS.

Our supply chain

Our key suppliers include our administrator, custodian, investment managers, and shared services. Shared services such as cleaning services, technology support, and payroll services are maintained by QAL. QAL has a comprehensive Modern Slavery Statement which details its management of modern slavery risk in its operations and supply chains.

Most of our other suppliers and contractors (other than investment managers) with whom we have a direct relationship are either located in Australia or are global businesses, with significant operations in Australia. Investment managers are geographically diverse and are located all around the world.

Our investments

We believe that environmental, social and governance (ESG) factors can impact investment risks, returns and reputation and contribute to Qantas Super's ability to deliver sustainable growth for the benefit of members. We consider modern slavery, labour related issues, and human rights more broadly to be part of the 'social' considerations of ESG.

Our investment portfolio includes investments in equities, alternatives, fixed interest and cash. We partner with more than 30 investment managers to manage investments via unit trusts and discrete mandates. Each investment manager is allocated a portion of the Plan's assets to manage based on its specialist skills and the Trustee regularly monitors each manager's activities.

Through these investment managers, we invest in more than 40 countries, and into all key sectors of the global economy; for example, we invest in professional and financial services, energy, food, beverage and agriculture, materials, infrastructure, and more. Further information on our investments is set out in our Product Disclosure Statement and our Investment Guide, both of which are available on our website. Information about the allocation of assets to each investment manager is provided in our Annual Report each year.

Our risk assessment process

We take the risk of modern slavery seriously and do not want to be complicit in perpetuating modern slavery practices. Unfortunately, forced labour and modern slavery practices potentially exist in the operations or supply chains of many businesses, in every region of the world.

Our risk assessment approach focused predominantly on the potential risks to people of modern slavery rather than risks to Qantas Super or the Trustee, and considered the potential risks that may possibly cause, contribute to, or be directly linked to modern slavery practices.

The risk assessment identified the inherent risk of modern slavery across our operations, supply chain, and investment activities. The nature of the risk assessments was as follows:

Operations

The assessment identified the business operations of the Qantas Super executive office as low risk given the nature of our work and being located in Australia.

Supply Chain

We mapped our supply chain of direct suppliers to establish a baseline for identifying risk. We have 70 suppliers (including investment managers) across multiple countries.

Our initial assessment of our direct suppliers (excluding investment managers, who were assessed separately; please see *Investments* below) indicated that most of our suppliers operate in Australia and other low risk countries, and mostly in high-skilled and professional industries with low labour-related risks. However, several suppliers have outsourced operations located in higher risk countries.

Most of our suppliers, particularly the major ones, have lodged their own MSA statement on the Australian Government's online register, or have a Modern Slavery Policy. Where these were available, we have relied upon them. For our other suppliers we have separately sought to gain an understanding of the controls they have in place to address the risk of modern slavery and requested an attestation that they do not participate in modern slavery. These measures will continue as part of our modern slavery program in future years.

Investments

Our initial assessment indicated greater risk in our investment activities. So, they have been the focus of our modern slavery program. We mapped our investment portfolio by asset class and investment manager to establish a baseline for identifying risk.

Overall, we have over \$8 billion in assets under management. This is being invested by more than 30 investment managers, who are investing in four major asset classes across 40 countries.

Each of our investment managers completed a self-assessment questionnaire, providing information about the actions they've taken to identify and address modern slavery risks. We evaluated their responses using ACSI guidelines and assigned a rating of high, medium, or low to each manager. We engaged with high risk investment managers to gain a better understanding of their practices to manage those risks, and plan to continue this engagement going forward to ensure those risk management practices are effective.

We took a number of steps to assess the risk of modern slavery in our investments, including:

- Seeking manager compliance:
 - We sought confirmation from all investment managers for compliance with the MSA and whether they have a Modern Slavery Statement or a Modern Slavery Policy.
- Seeking manager attestations
 - We sought and received attestations from all investment managers about any actual instances of modern slavery in the investments they manage on the Plan's behalf. While all managers attested that they were not aware of any instances of modern

slavery, some managers acknowledged that they were in the process of updating their processes to better identify and address modern slavery risks generally.

- Assessing exposure to modern slavery allegations or controversies
 - We commissioned additional risk analytics to screen our listed equities for entities that were associated with modern slavery-related allegations or controversy flags.
 - This allowed us to understand where our highest risk exposures. We are working closely with the Plan's equity investment managers to formalise ongoing MSA monitoring within these relevant markets.

Measuring effectiveness

While there's extensive work being undertaken at a global level to understand and value respect for human rights, there are currently no fundamental units of measurement or international standards for measuring human rights impact. This is a complex issue that presents a challenge for all organisations in terms of providing credible measurements as to their effectiveness in addressing modern slavery risk.

Our progress for FY21/22 is set out below:

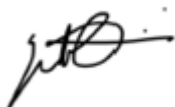
Goals	Activities
Continued engagement	<p>Our operational due diligence provider continued to obtain a modern slavery attestation from our direct and model investment managers.</p> <p>Continued in a due diligence, self-assessment exercise with all of our direct investment managers in regard to their MSA approach and compliance to the Act. This has been added to our Modern Slavery database, with managers rated in regard to their compliance status.</p> <p>Had further engagement with those investment managers considered higher risk based on questionnaire responses and risk exposure in the portfolio.</p> <p>Continued engagement with the Plan's other service providers in regard to their MSA approach and compliance to the MSA. This has been added to our Modern Slavery database, with these parties rated in regard to their compliance status.</p> <p>Continued active share ownership initiatives, including company engagement and proxy voting via ACSI for Australian Equities and via Hermes EOS and Institutional Shareholder Services for Global Equities. This ensures proxy votes are lodged for equity holdings in a manner that is consistent with a responsible active owner.</p> <p>We have benefited from modern slavery-related engagement and activities undertaken by ACSI as an Associate Member.</p>
Continued embedding modern slavery risk in processes	Modern Slavery is considered as part of the due diligence process before any new contract is signed.

Our next steps

To continually improve our approach, we are planning to undertake the following actions in FY22/23:

- Provide training to staff and the Trustee Board.
- Undertake a formal annual risk assessment.
- Continue to engage with investment managers identified as high risk based on their questionnaire responses or exposure to high-risk industries, countries, or controversy-flagged holdings.
- Continue investigating enhancements to the exclusion and engagement framework for listed equity holdings that potentially addresses Modern Slavery risk and its components including Human Rights, Child Labour and Human Trafficking.
- Our Modern Slavery working group to meet periodically to:
 - i) Review new suppliers and their Modern Slavery policies;
 - ii) Review any listed equities that have been flagged with Modern Slavery risks; and
 - iii) Assess new initiatives to further enhance and broaden our Modern Slavery screening processes.
- Look to develop a formal standalone Modern Slavery Policy.

This statement has been endorsed by the Board of Qantas Superannuation Limited.



John Atkin
Chair of the Board



Michael Clancy
Chief Executive Officer