

Modern Slavery Statement

2022

1 July 2021 – 30 June 2022





Australian Retirement Trust Pty Ltd
(ABN 88 010 720 840) as trustee of Australian
Retirement Trust (ABN 60 905 115 063) (the Fund)
acknowledges the Traditional Owners of this land,
recognising their connection to land, waters and
community. We pay our respects to Australia's First
Peoples, and to their Elders past, present and future.

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About this statement

The *Commonwealth Modern Slavery Act 2018* (the Act) requires entities based or operating in Australia, which have an annual consolidated revenue of more than \$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and their actions to address those risks.

This Statement is made to meet the requirements of section 14 of the Act on behalf of the following reporting entities:

- Australian Retirement Trust Pty Ltd (ABN 88 010 720 840) (formerly Sunsuper Pty Ltd) as trustee of Australian Retirement Trust (ABN 60 905 115 063) (formerly QSuper), and as an employer;
- QSuper Limited (ABN 50 125 248 286) as a provider of procurement and investment services;
- Precision Administration Services Pty Ltd (ABN 47 098 977 667) as a provider of superannuation administration services, and as an employer;
- QInsure Limited (ABN 79 607 345 853) as a life insurer;
- One QSuper Pty Ltd (ABN 90 601 938 774) as an employer;
- QSuper Global Assets Pty Ltd (ACN 607 685 441) as an asset holding company;
- QSuper Investment Holdings Pty Ltd (ACN 153 817 120) as an asset holding company.

The Statement outlines the actions taken by the Australian Retirement Trust Group¹ to identify, assess and address modern slavery risks in our operations and supply chain during the financial reporting year 1 July 2021 to 30 June 2022. Appendix 1 includes a reference table summarising where we have addressed each mandatory reporting criteria in this Statement.

Australian Retirement Trust is the superannuation fund formed through the merger of Sunsuper and QSuper which took place on 28 February 2022. Previous statements have been made prior to the merger under the legacy Sunsuper and QSuper brands. Actions taken prior to 28 February 2022 undertaken by one of the heritage organisations are specified throughout the report.

This Statement was approved on 15 December 2022 by the board of directors of Australian Retirement Trust Pty Ltd (the Australian Retirement Trust Board) and is signed by the Chief Executive Officer and the Chair of Australian Retirement Trust Pty Ltd.

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine their freedom. This Statement uses the Australian definition of modern slavery which includes slavery, servitude, forced labour, debt bondage, forced marriage, trafficking in persons, deceptive recruiting for labour or services and the worst forms of child labour. Australian Retirement Trust acknowledges that modern slavery exists on the most severe end of a continuum of exploitative working conditions. In some sections reference to broader human rights is included, as broader human rights protection helps to prevent forms of modern slavery.

We welcome feedback from our members and broader stakeholders at australianretirementtrust.com.au/contact-us/email-us

○ Australian Retirement Trust opposes slavery in all its forms. Our Modern Slavery Statement allows us for the first time to share our efforts to identify, assess and address modern slavery in our own operations and supply chain. ○

Andrew Fraser, Chair and Bern Reilly, Chief Executive Officer

¹Unless the context indicates otherwise, when we say “we”, “us”, “our”, “Australian Retirement Trust”, “ART” or the “Australian Retirement Trust Group” we are referring to Australian Retirement Trust Pty Ltd (ABN 88 010 720 840) (formerly Sunsuper Pty Ltd) as trustee of Australian Retirement Trust (ABN 60 905 115 063) (formerly QSuper) (the Fund) and the entities which are ultimately owned or controlled by Australian Retirement Trust Pty Ltd as trustee for the Fund which include: QSuper Limited (ABN 50 125 248 286); Precision Administration Services Pty Ltd (ABN 47 098 977 667); Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818); and any related body corporate (as defined in the Corporations Act 2001 (Cth)), subsidiary, affiliate or joint venture partner of any of the above entities.



Message from the Chair and CEO



Australian Retirement Trust Group (ART) opposes slavery in all its forms. Our Modern Slavery Statement allows us for the first time to share our efforts to identify, assess and address modern slavery in our own operations and supply chain.

An exciting benefit brought about by ART's size and scale is the opportunity to be a respected voice in our industry and community.

One of our first actions as ART was to become members of the Investors Against Slavery and Trafficking Initiative Asia Pacific (IAST APAC) coalition in March 2022. This action demonstrates our commitment to address modern slavery, not only within our own operations and procurement activities, but also within our investments.

Within our supply chain we continue to refine our risk assessments, to recognise risk can be influenced by factors such as the type of product, service, sector and industry, as well as geographical location and within specific entities.

In FY 2023, we look forward to working with our Union partners and employee representatives to develop an Enterprise Agreement that ensures we can continue delivering the best experience to our members and customers, achieve our strategic ambitions and supports us in making ART an amazing place to work.

The Board acknowledges that the United Nations Guiding Principles of Business and Human Rights (UNGPs) are the recognised global standard for preventing and addressing business-related human rights impacts. In alignment with the UNGPs, we will continue to improve our approach to identifying

and addressing human rights related impacts and prioritise our focus on the most severe impacts including modern slavery.

We trust that you find our Statement helpful to better understand our approach to identifying and addressing modern slavery. This Statement includes information on our efforts to identify and address modern slavery risk during the financial reporting year between 1 July 2021 to 30 June 2022. We endeavour to improve our Modern Slavery Statements, and our actions to identify and address modern slavery year on year.

We acknowledge that our Modern Slavery Statement may be read by a wide range of audiences, including the Australian Government, customers, business partners, investors, suppliers, competitors, civil society, and academics. We encourage feedback on our Statement from our members and broader stakeholders.

Andrew Fraser Chair

Bern Reilly Chief Executive Officer

○ In alignment with the UNGPs, we will continue to improve our approach to identifying and addressing human rights related impacts and prioritise our focus on the most severe impacts including modern slavery. ○

Andrew Fraser, Chair, and Bern Reilly, Chief Executive Officer



Our structure and operations

Australian Retirement Trust is the super fund formed through the merger of Sunsuper and QSuper. We're one of Australia's largest super funds and proud to take care of over \$200 billion² in retirement savings for more than two million members. As a fund that works for members, not shareholders, we work in members' best interests, and are committed to returning profits to them through lower fees and better services.

Following the merger, all Sunsuper and QSuper members are now a part of Australian Retirement Trust and membership of the Fund is open to all Australians of working or retirement age.

We are committed to ensuring that we identify and address modern slavery risks that may be present in our own operations and supply chain, including within our investment portfolios.

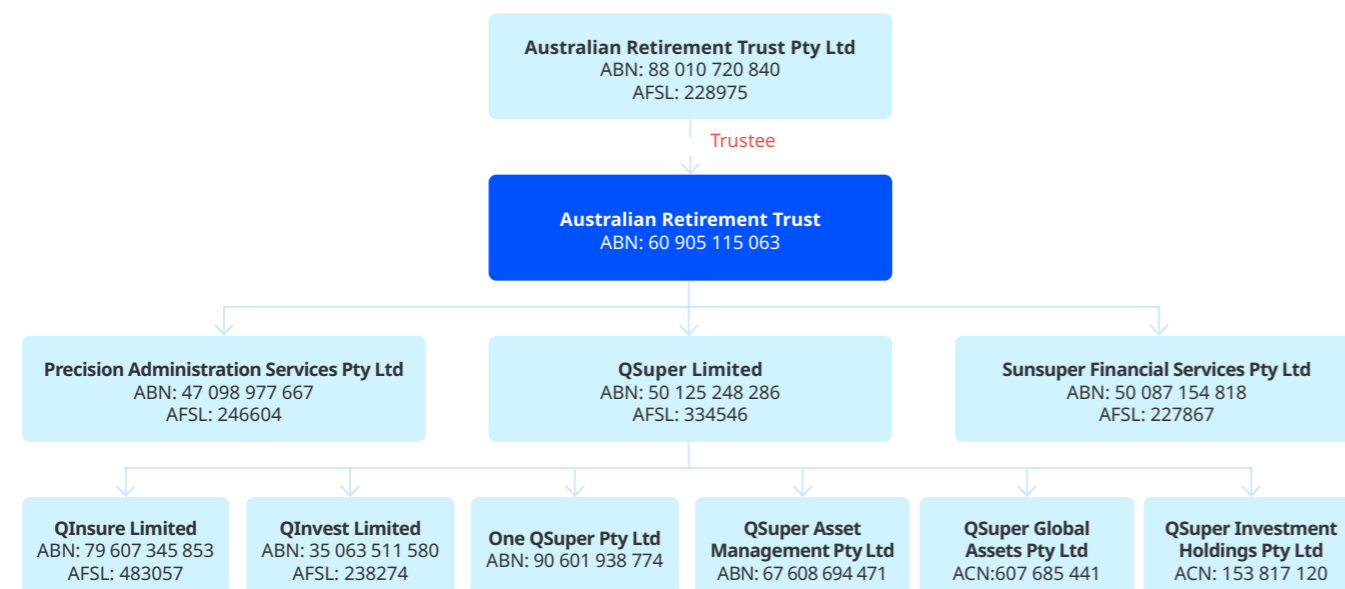


Figure 1: The Australian Retirement Trust Group corporate structure.

NOTE: The above diagram depicts the direct holdings of (i) Australian Retirement Trust Pty Ltd as trustee of the Fund and (ii) QSuper Limited as provider of procurement and investment services to the Australian Retirement Trust Group. It excludes certain investment holdings held by Australian Retirement Trust Pty Ltd as trustee of the Fund and investment holdings of QSuper Limited.

²Funds under management as at February 2022.

Our operations

Australian Retirement Trust Pty Ltd is the current trustee of the Fund and is responsible for administering the Fund. Australian Retirement Trust Pty Ltd is licensed by the Australian Prudential Regulation Authority under a Registrable Superannuation Entity (RSE) and holds an Australian Financial Services Licence (AFSL) from the Australian Securities and Investments Commission.³

The Australian Retirement Trust Group corporate structure is illustrated in the previous image. The Australian Retirement Trust Group has put in place intragroup arrangements to ensure the services required to administer the Fund are provided to Australian Retirement Trust Pty Ltd as trustee of the Fund.

○ ART is committed to assessing the effectiveness of our actions, to ensure year-on-year improvement to our approach to identifying and addressing modern slavery.○

Australian Retirement Trust offers *Super Savings* and *QSuper* superannuation products.

The *Super Savings* products are available to all Australians of working or retirement age and offer a wide range of investment options to suit different risk profiles and retirement goals. *Super Savings* members can choose one or more option from the following list:

- The *Super Savings* MySuper default option – the *Super Savings* Lifecycle Investment Strategy (which is available for *Super Savings* Accumulation accounts only)
- Ready-made diversified options
- Single asset class options which can be combined with other options to build an investment strategy that suits member needs and risk appetite.

³Australian Retirement Trust Pty Ltd's RSE Licence number is L0000291 and AFSL Licence number is 228975.

⁴Australian Retirement Trust provides advice to Australian Retirement Trust *Super Savings* members through representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS). QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) representatives provide financial advice to QSuper members. SFS and QInvest are wholly owned by Australian Retirement Trust Pty Ltd as trustee of the Fund but are separate legal entities responsible for the financial services they provide.

Download the *Super Savings Product Disclosure Statements* and associated guides to learn more about our *Super Savings* products and investment options.

The *QSuper* products are available to Queensland Government employees and families of existing QSuper members and also offer a wide range of investment choices.

QSuper members can choose one or more options from the following list:

- The *QSuper* default option – the *QSuper Lifetime option* (which is available for QSuper Accumulation accounts only)
- Ready-made diversified options
- Single asset class options which can be combined with other options to build an investment strategy that suits member needs and risk appetite.
- The Self-Invest option which provides direct access to a wide range of shares, term deposits, and exchange-traded funds (ETFs).

Download the *QSuper Product Disclosure Statements* and associated guides to learn more about *QSuper* products and investment options.

Australian Retirement Trust also provides financial advice, where requested, to members on their Australian Retirement Trust superannuation account.⁴

We also support more than 171,989 businesses across Australia manage their employees' retirement savings through a range of products and services designed to make managing superannuation efficient.



Australian Retirement Trust Group investments span a range of countries and regions, in both developed and emerging markets. ART's investment philosophy aims to achieve strong long-term returns for members through maintaining a substantial allocation to alternative assets, particularly unlisted assets such as infrastructure, property and private equity. We adjust our portfolios dynamically as conditions change.

Australian Retirement Trust Group has offices in Melbourne, Sydney and Brisbane. Our members can also visit us at our member centres.

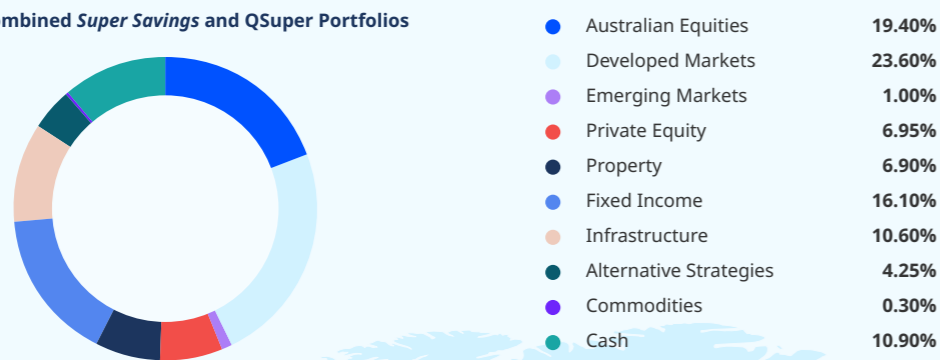
As of 30 June 2022, Australian Retirement Trust Group employs 3125 people across Australia. Of these employees 2409 are permanent staff members, 161 are on a fixed term contract and 555 are contractors/contingent workers.

62% of the Australian Retirement Trust Group permanent and fixed term contract workers are on an Enterprise Agreement.

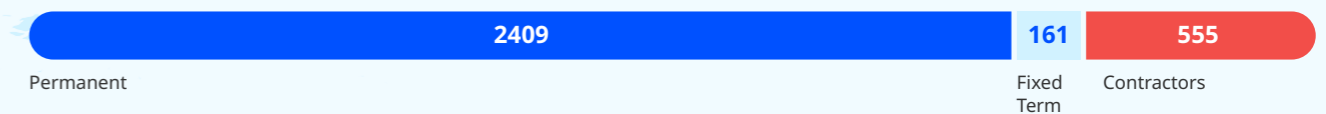
In FY 2023, Australian Retirement Trust Group will go through a collaborative process of negotiating a new Enterprise Agreement. Deep listening workshops have been planned as a part of this process, and Australian Retirement Trust Group will meet with employee representatives including the Finance Sector Union to discuss the terms of the new agreement. All those covered by the Enterprise Agreement will be able to vote on the terms provided in the new agreement. The new Enterprise Agreement will cover all Australian Retirement Trust Group employees below senior management.

Investments by Asset Type (30 June 2022)

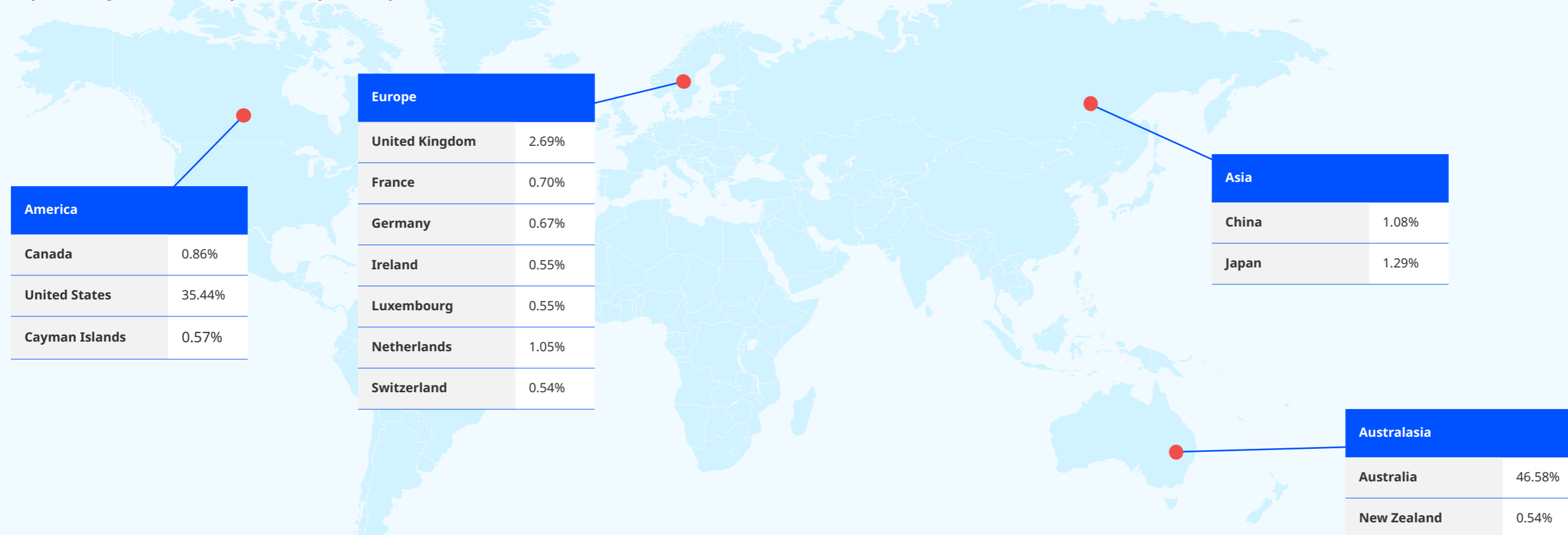
Actual % asset allocation at 30 June 2022 for combined Super Savings and QSuper Portfolios



Employees by Contract Type



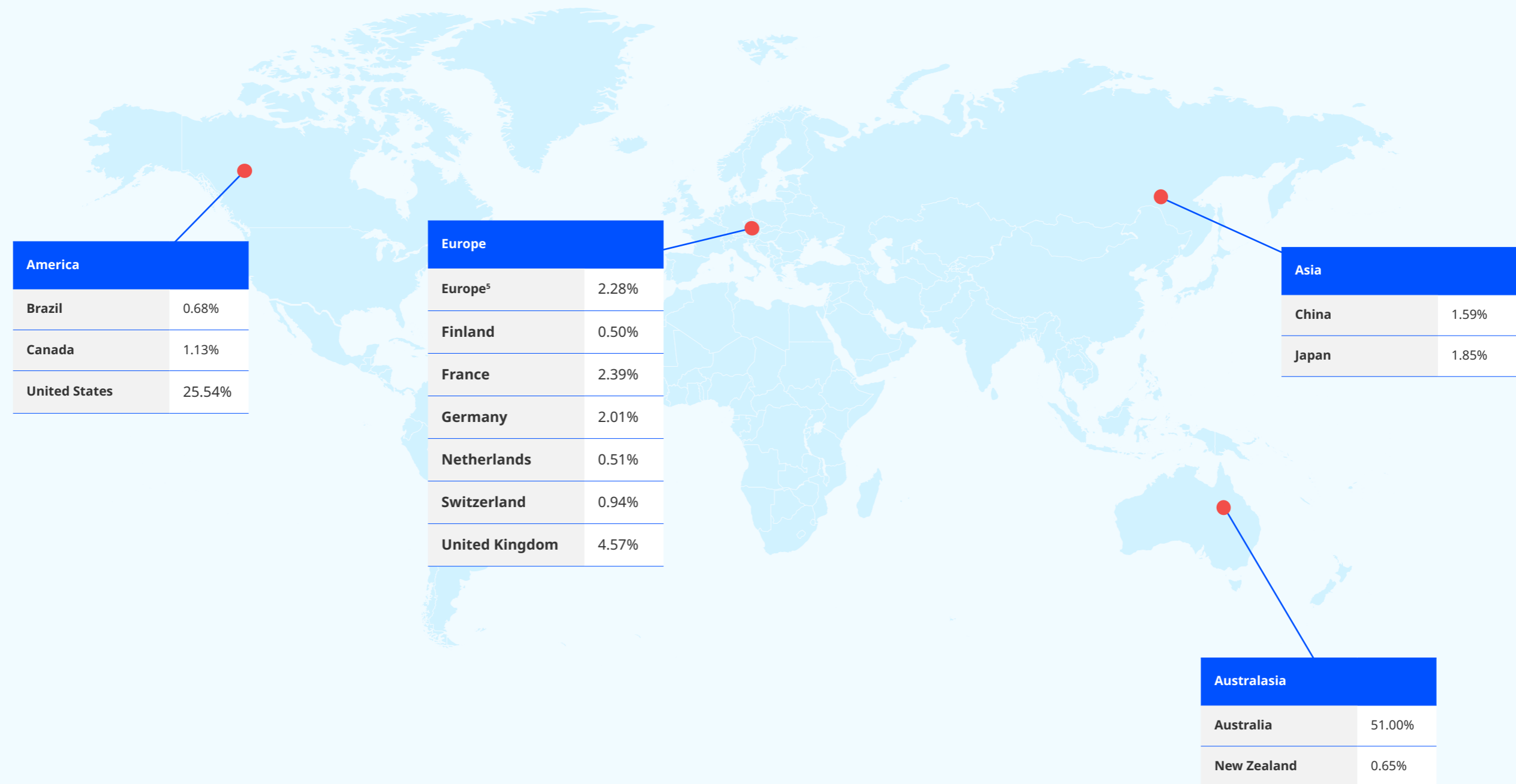
Super Savings investment portfolio by country, as at 30 June 2022*



*Investments with a NAV below 0.05 are not included.



QSuper investment portfolio by country, as at 30 June 2022*



*Investments with a NAV below 0.05 are not included.

⁵No access to country weightings for iTraxx CDS and EuroStoxx Futures.



Our structure and operations (cont)

During the Reporting Period, Australian Retirement Trust Group had 991 unique suppliers. These suppliers were located across Australia, Canada, China, Czech Republic, Denmark, Germany, Hong Kong, India, Ireland, Luxemburg, Netherlands, New Zealand, Norway, Singapore, Switzerland, Taiwan, United Kingdom, and United States.

Our supply chain

Our supply chain includes:

- Corporate and operational procurement: such as consulting & professional services, marketing, IT and other office equipment, insurance services, customer relationship management software, property and building services and office food and beverages.
- Procurement services catering to superannuation business activities: including ESG and investment research, proxy voting services and research providers, custodian services, managed fund and superannuation administrative services and third-party professional investment managers.

The Australian Modern Slavery Act Guidance Document recommends that the operations of superannuation funds and fund managers include internally managed investment portfolios and assets, and externally managed portfolios, such as those managed by another fund manager, may be more appropriately considered part of the reporting entity's supply chains.

The majority of the Australian Retirement Trust Group's investments are directly managed by external investment managers. Australian Retirement Trust Group works together with our investment managers to identify, manage and address modern slavery risks within our investment portfolios.

○ Australian Retirement Trust works together with our investment managers to identify, manage and address modern slavery risks within our investment portfolios. ○

Our modern slavery risk profile

The 'risks of modern slavery practices' mean the potential for Australian Retirement Trust to cause, contribute to, or be directly linked to modern slavery through our operations or supply chains.

Australian Retirement Trust Group acknowledges the concept of risk in this context means risk to people rather than risk to Australian Retirement Trust. However, often these risks to people have the potential to intersect with risks to Australian Retirement Trust. For example, potential forced labour in a processing factory poses clear risks to the human rights of the workers but may also lead to reputational damage and legal liability for the entities that we invest in, and potentially to Australian Retirement Trust.

Australian Retirement Trust have implemented a risk-based approach to assess modern slavery risk across our business operations, supply chain and investment portfolio. Australian Retirement Trust has engaged third party service providers to support the identification and quantification of modern slavery risks across our procurement, insurance, and investment activities. This process is described in further detail in Our Actions to Assess and Address Modern Slavery Risk.

Outside of this process, where modern slavery or broader human rights related incidents have occurred Australian Retirement Trust considers the following factors:

- The severity of the incident
- The ability for Australian Retirement Trust to utilise leverage to ensure affected persons are safe, restorative remedy is provided, and preventative measures are put in place to prevent re-occurrence.

Modern slavery and human rights issues are highly complex, and often interlinked. We acknowledge that no organisation is immune to being directly linked to modern slavery. We also understand that modern slavery is often hidden, and rarely are cases prosecuted. This makes it difficult to effectively identify and address instances of modern slavery. ART is committed to assessing the effectiveness of our actions, to ensure year-on-year improvement to our approach to identifying and addressing modern slavery.

The following table illustrates characteristics of entities that are considered of higher risk of modern slavery practices, in both corporate activities, our procurement supply chain and investment portfolio.

Factors considered higher risk of modern slavery practices	Elements considered	Example
Entities with operations or supply chains in high risk geographies	Considering weak rule of law, corruption, displacement, conflict.	Examples of high risk geographies include: Cambodia, Central African Republic, Democratic People's Republic of Korea, Eritrea, South Sudan, Somalia, Pakistan, Iran, Afghanistan.
Entities with complex supply chains	Considering length, visibility, and geographic spread of supply chain, use of brokers.	Examples of products with complex supply chains include: Technology hardware, coffee, cocoa/ chocolate, apparel, building supplies.
Entities with high-risk business models	Considering reliance on third-party labour arrangements, uneven supply-demand, reliance on short term or temporary labour.	Examples of industries with high-risk business models include: Information technology, retail, hospitality & entertainment, labour hire service providers, construction.
Entities that rely on vulnerable populations for labour	Considering reliance on migrant workers, base skill workers, younger workers.	Examples of industries that rely on vulnerable populations for labour include: The horticultural industry (in particular seasonal produce), manufacturing, retail, construction, cleaning and security industries.

Table 1: Characteristics of entities considered at higher risk of modern slavery practices.



Our actions to assess and address modern slavery risk

Australian Retirement Trust has conducted a wide range of actions in the reporting period to assess and address modern slavery risk. We have grouped these actions into the categories of Policy; Capability; Identifying and Addressing Modern Slavery; and Remediation.

Policy

ART Anti-Money Laundering and Counter-Terrorism Financing Program

Our Anti-Money Laundering and Counter-Terrorism Financing Program ensures that risk-based systems and controls are put in place to identify, manage and mitigate money laundering or terrorism financing risks. The policy sets out ART's commitment to work collaboratively with AUSTRAC and law enforcement authorities to identify, manage and mitigate money laundering or terrorism financing. Australian Retirement Trust seeks to minimise the potential that its designated services are used to facilitate money laundering or terrorism financing. Australian Retirement Trust understands that there is an intersection between money laundering, terrorism financing and modern slavery.

ART Code of Conduct

Our Code of Conduct applies to all employees, officers, directors and contractors of the Australian Retirement Trust Group, as well as any other person notified that our code applies to them. The Code of Conduct is underpinned by three guiding principles: We conduct ourselves lawfully, ethically, and fairly; We respect others, and make sure our workplaces are safe and inclusive; We protect Group and member information and property.

ART Modern Slavery Framework

The Modern Slavery Statement is owned by the Chief Financial Officer. The purpose of this Framework is to document how the Australian Retirement Trust Group meets regulatory requirements in relation to *The Commonwealth Modern Slavery Act 2018*.

ART Procurement Policy

The ART Procurement Policy states that at minimum due diligence must cover consideration of products or services being purchased and the risk of modern slavery implications in line with the requirements of the Modern Slavery Framework.

ART Sustainable Investments Policy

The Sustainable Investments Policy includes a commitment that Australian Retirement Trust will seek to identify those entities within its portfolio that have been found to have practices identified within modern slavery legislation and will minimise its exposure to these entities and report on its activities in accordance with the Act.

ART Whistleblower Policy

The Whistleblower Policy outlines ART's approach to whistleblower matters. Modern slavery is included in the Whistleblower Policy as an example of a type of reportable illegal conduct. The Whistleblower Policy outlines the different ways to make a disclosure. This policy covers eligible whistleblowers including suppliers, internal investment personnel and external investment managers.

Capability

Modern Slavery Working Group

A cross-divisional and multi-disciplinary Modern Slavery Working Group:

- Drives the creation and implementation of activities to identify, manage, and address modern slavery risk within Australian Retirement Trust's own operations and supply chain.
- Assesses the effectiveness of these activities.
- Ensures Australian Retirement Trust's compliance with the requirements of the *Commonwealth Modern Slavery Act 2018*.

The Modern Slavery Working Group meets six times a year. Each business unit provides an update on activities to the Modern Slavery Working Group each meeting. Between the merger date, of 28 February 2022, and 30 June 2022 there were four ART Modern Slavery Working Group meetings.

Training & Capability

In February 2022, investment employees were provided modern slavery training. Training content covered background to Modern Slavery and *The Commonwealth Modern Slavery Act 2018* and examples of identifying and addressing modern slavery risks across different asset classes.

In March 2022, procurement staff were provided with modern slavery training, which included procurement-specific content on identifying and addressing modern slavery risk across the supply chain.

In June 2022, the legal staff attended a training session on modern slavery, provided by an external legal services provider.

ART developed an internal training program in the Reporting Period, to be implemented in 2022-2023.

External Investment Manager Commitments & Capabilities

In the reporting period, ART reviewed a number of our external investment managers to ensure they have appropriate expertise, capabilities and training on environmental, social and governance (ESG) and more specifically modern slavery and human rights.

Our investment manager agreements are being amended to include modern slavery related clauses for the managers to work collaboratively with ART to identify and monitor modern slavery risks; to actively assess and address modern slavery risks in investment decision making; to actively exercise its rights in relation to portfolio assets to seek to ensure the maintenance of policies and procedures to avoid engaging in modern slavery. At 30 June 2022, 16 managers executed deeds of variation incorporating modern slavery and climate change clauses.



Our actions to assess and address modern slavery risk (cont)

Identifying and addressing modern slavery

Procurement

All vendors are treated with fairness and equity throughout the procurement lifecycle; and Australian Retirement Trust will seek to achieve value for money outcomes, including ensuring all sourcing activities are conducted efficiently, ethically and fairly.

Our standard contract template includes modern slavery related clauses. During the financial year, we have been working to include variations for existing contracts that did not have modern slavery related clauses.

Prior to merger, QSuper Specialist and Strategic Vendors were required to complete an Annual Modern Slavery Attestation. Post merger, this was changed to suppliers being assessed by third-party vendor FairSupply.

ART engaged FairSupply to conduct a risk assessment across Australian Retirement Trust suppliers. ART also issued self-assessment questionnaires to suppliers that were identified as having high theoretical risk of modern slavery. The self-assessment questionnaires included questions to provide further clarity on the potential exposure to activities that are considered of higher risk of modern slavery, and on the entities systems and processes to identify and address modern slavery risk. Further information on this process, and the FairSupply methodology is provided in the Risk Assessment section.

Investments

As a profit-for-members fund, we exist solely to benefit our members to and through retirement. In delivering these outcomes, this means we seek to maximise investment returns while being cognisant of risks. To do this, we consider the risks

and opportunities of investments in a holistic way, which means including the financial implications of ESG issues alongside other traditional financial matters, because we believe this helps us make better long-term decisions for our members' retirement outcomes.

To identify and address the risks of modern slavery and to broader human rights within the portfolio, ART developed a "respect and remedy" framework, shown in Figure 2: Our respect and remedy framework for identifying and addressing the risks of modern slavery and to broader human rights, based on the UN Guiding Principles of Business and Human Rights (the UNGPs).

Consideration of human rights in the modern slavery context refers to whether people are provided decent work, which prevents them from being trapped in slavery-like systems. Work systems should also respect general human rights, including but not limited to the freedom of association, collective bargaining, non-discrimination, freedom of movement, women's rights and indigenous rights. Examples of our work in this area include our participation on the RIAA's Human Rights Working Group, which helps members develop collective policy positions and progress their stewardship programs, and our engagement of ASX-listed mining companies in relation to the issue of sexual harassment and discrimination.

We have incorporated modern slavery questions into our Manager ESG Rating and private asset due diligence process, and we have begun including requirements in our investment management agreements.

○ Consideration of human rights in the modern slavery context refers to whether people are provided decent work, which prevents them from being trapped in slavery-like systems. ○

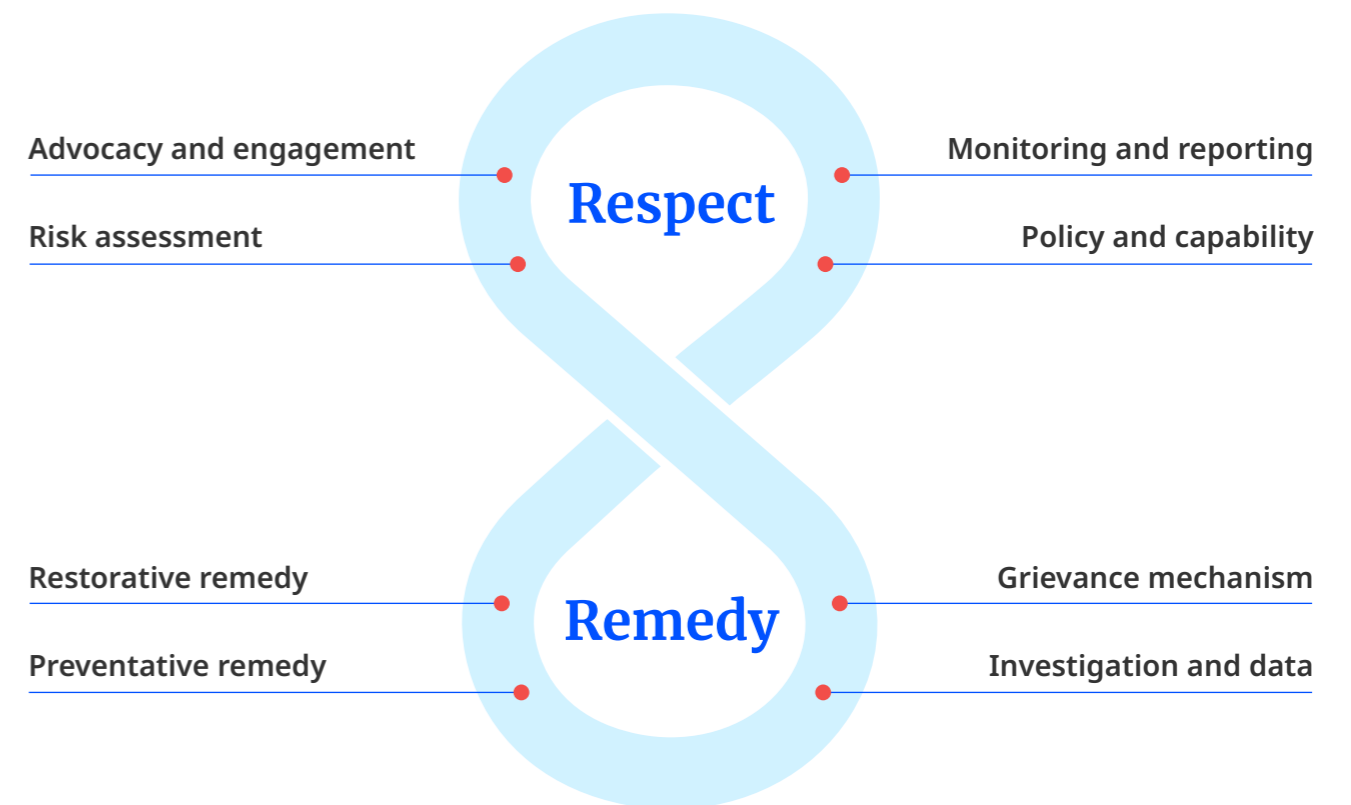


Figure 2: Our respect and remedy framework for identifying and addressing the risks of modern slavery and to broader human rights.



Case study

PZENA

We are testing different ways to engage our investment managers on modern slavery in order to ensure we effectively identify, assess and address modern slavery risks in the portfolio. We began trialling a modern slavery quarterly update with Pzena Investment Management, one of our investment managers of listed shares. Based in New York, Pzena engages company management on ESG topics, including modern slavery and human rights, throughout the due diligence process and after investment to ensure risks are remediated. Pzena and ART meet quarterly to discuss the risks of modern slavery identified in the portfolio and efforts to remediate them. This approach is helpful for the shares asset class to assist ART to engage issuers.

Case study

RIAA Human Rights Working Group & Modern Slavery Policy & Advocacy Subgroup

Australian Retirement Trust is a member of the Responsible Investment Association of Australasia (RIAA), a network of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand.

Australian Retirement Trust participates in the RIAA Human Rights Working Group, a collaborative initiative to support RIAA members in their stewardship responsibilities respecting human rights in their business operations and their portfolio of companies. The Human Rights Working Group is a way for RIAA members to come together in the interests of building stronger stewardship capabilities through more deeply understanding human rights, being able to identify and comment on due diligence processes and understand investor and company roles in remedying human rights abuses and violations.

Australian Retirement Trust also participates in the RIAA Modern Slavery Policy and Advocacy Subgroup, which was created to facilitate collaboration between members who want to participate in the review of the *The Commonwealth Modern Slavery Act 2018*. On 31 March 2022 the review of the Act was launched, which is required to occur under section 24 of the Act. The review will consider the operation of the Act over its first three years and whether further measures to improve the Act and compliance are necessary. This could include considering penalties, the adjustment of the mandatory reporting revenue threshold, and other complementary measures. An Issues Paper for public consultation will be developed and released by the Australian Government Department of Home Affairs. The RIAA Modern Slavery Policy and Advocacy Subgroup brings together members from the finance sector, investment sector and research sector to discuss and collaborate as they prepare their submissions for the review.

Case study

IAST APAC

In March 2022, Australian Retirement Trust joined the coalition Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC).

IAST is an investor-led project and signatories include asset owners and asset managers who engage collaboratively with companies in the Asia Pacific region to promote effective action against modern slavery. The IAST APAC approach is based on the "Find It, Fix It, Prevent It" project being run by CCLA Investment Management in the UK. This approach focuses on answering the question "what modern slavery risks have you addressed?" through the three tiers of:

- Find It – proactively search the particularly risky parts of their supply chain.
- Fix It – work towards effective remedy for those affected.
- Prevent It – work to ensure the situation doesn't continue.

ART actively participates in the two core IAST workstreams:

- Information sharing and policy advocacy - ART has attended knowledge sharing events hosted by IAST APAC, including an event held in May 2022 on Asian civil society organisations, perspectives on the electronics industry and modern slavery. ART has also actively participated in discussions on the review into the effectiveness of the Act.
- Collaborative engagement with APAC companies - During the reporting period IAST APAC Signatories have 22 identified companies targeted: 15 Australian and 7 Asian companies. Investors can be involved as a lead investor or support investor. ART has signed up and participated as a support investor for one Australian, and one Asian company. Engagement is framed using the "Find it, Fix it, Prevent it" approach described above. Information is then shared by investors about the progression of engagement outcomes across all companies.



Our actions to assess and address modern slavery risk (cont)

Risk assessment

We utilise a variety of approaches to identify and assess alleged cases of modern slavery across our investments and supply chain. Australian Retirement Trust identifies modern slavery related incidents through public media sources, through external grievance channels and our own internal grievance channels. Australian Retirement Trust also utilises different third-party services providers, in addition to public media sources to assess the modern slavery risk exposure of assets and entities within the investment portfolio and suppliers. These activities are demonstrated in the following table.

Allegations of modern slavery within the reporting period have been reported publicly in recent months, including in connection with supply chains impacting a listed company in which Australian Retirement Trust holds a minority interest. - Ansell.⁶

The Sustainable Investments team undertakes reviews of any such cases and monitors the progress of independent investigations being conducted by relevant authorities in the jurisdictions in which the alleged events have occurred. Where appropriate, Australian Retirement Trust may also engage with the relevant external investment managers who hold the shares in listed companies on behalf of Australian Retirement Trust in line with our general approach set out below.

Following allegations of modern slavery Australian Retirement Trust ensures that the appropriate preventative and restorative remedy is provided. Divestment is considered a last-resort, which is only applied if it is deemed that appropriate preventative and restorative remedies are not provided, and where ART does not have the leverage to promote change. The Sustainable Investments team will continue to enhance ART's processes to identify, assess, remedy and escalate cases of modern slavery in the investment portfolio.

Service provider	Type of risk identification	Investments coverage	Procurement coverage	Description of activity
MSCI	Alleged cases of modern slavery and broader human rights abuses.	Yes	Not applicable	The <i>MSCI ESG Controversies – Equities</i> product identifies companies involved in significant environmental, social or governance controversies and violations of global ESG-related norms and conventions, such as the United Nations Global Compact. This includes child and forced labour, and broader human rights related controversies.
	Entities policies and management systems to protect human rights.	Yes	Not applicable	The <i>MSCI ESG Ratings – Equities</i> product provides industry specific ESG company ratings, company profiles and thematic research. Covered listed equities in MSCI ESG Ratings reports are evaluated on their management of local community relations, policies on conflict, and broader human rights.
CGI Glass Lewis	Alleged cases of modern slavery and broader human rights abuses.	Yes	Not applicable	CGI Glass Lewis issue ESG-related Controversy Alerts for listed equities covered via the platform. These have on occasion included human rights/modern slavery related risks.
Australian Council of Superannuation Investors (ACSI)	Entities policies and management systems to protect human rights.	Yes	Not applicable	ART is a member of ACSI, which engages with listed companies on environmental, social and governance issues. Modern slavery is a priority issue for ACSI, and monitors company reporting against The Act and encourages implementation of practices to identify and respond to modern slavery risks.
FairSupply	Inherent modern slavery risk exposure of entities.	Yes	Yes	ART utilises external provider's Fair Supply Analytics risk assessment technology solution, to conduct modern slavery risk assessments across ART investments and key suppliers. The risk assessment mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources: <ul style="list-style-type: none"> • The United Nations' (UN) System of National Accounts; • UN COMTRADE databases; • Eurostat databases; • The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and • Numerous National Agencies including the Australian Bureau of Statistics.

(continued on next page)

⁶US bans imports of disposable gloves from Ansell supplier in Malaysia over allegations of forced labour', (Tue 1 Feb 2022), *The Guardian*. [theguardian.com/global-development/2022/feb/01/us-bans-imports-of-disposable-gloves-from-ansell-supplier-in-malaysia-over-allegations-of-forced-labour](https://www.theguardian.com/global-development/2022/feb/01/us-bans-imports-of-disposable-gloves-from-ansell-supplier-in-malaysia-over-allegations-of-forced-labour)



Our actions to assess and address modern slavery risk (cont)

Service provider	Type of risk identification	Investments coverage	Procurement coverage	Description of activity
FairSupply	Inherent modern slavery risk exposure of entities.	Yes	Yes	<p><i>(continued from prior page)</i></p> <p>The MRIO is then examined against the following international standards:</p> <ul style="list-style-type: none"> • The UN Guiding Principles on Business and Human Rights; • The Global Slavery Index; • International Labour Organisation (ILO) Global Estimates of Modern Slavery; and • The United States' Reports on International Child Labour and Forced Labour. <p>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 of the supply chain of entities assessed.</p>
	Alleged cases of modern slavery and broader human rights abuses/ entities policies and management systems to protect human rights.	Yes	Not applicable	ART engaged FairSupply to conduct deep dives on international entities that were identified as high theoretical risk of modern slavery and had limited publicly available information in the investment portfolio. Information garnered from these deep dives and further research by the Sustainable Investments team has been used for engagement with Investment Managers and assets. During the reporting period four Modern Slavery Deep Dive Desktop Audits were conducted, with one of the reports resulting in further consultations with the Investment Managers on identified areas of concern. These reports search for actual identified cases of modern slavery and broader human rights related abuses.
	Entities policies and management systems to protect human rights.	Not applicable	Yes	ART engaged FairSupply to issue Self-Assessment Questionnaires to suppliers that were identified as having high theoretical risk of modern slavery. The Self Assessment Questionnaires included questions to provide further clarity on the potential exposure to activities that are considered of higher risk of modern slavery, and on the entities systems and processes to identify and address modern slavery risk.

Table 2: Service providers assessing modern slavery risk exposure in ART's investment portfolio and supply chain.

Criteria	Definition
Accessible	Being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access.
Legitimate	Enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes.
Transparent	Keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake.
Rights-compatible	Ensuring that outcomes and remedies accord with internationally recognised human rights.
Promote continuous learning	Drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.
Are based on engagement and dialogue	Consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.

Table 3: Effectiveness criteria for non-judicial grievance mechanisms

Remediation

Where we identify we may have caused or contributed to an identified case of modern slavery, Australian Retirement Trust is committed to providing for, or participating in, remediation. Australian Retirement Trust may choose to follow up to ensure remediation has been provided for cases of modern slavery we may be seen to be directly linked to.

Taking into account all circumstances of a matter, it may be appropriate for leverage to be utilised when ART identifies adverse human rights impacts we may be directly linked to or are caused by an investee company we have a business relationship (even if it is not responsible).

Types of leverage include bilateral leverage (e.g. traditional commercial leverage, or business leverage), collaborative leverage (e.g. working with the investment manager, to exercise leverage on the investee company), system-level leverage (e.g. IAST APAC co-operation, platform leverage).

ART is committed to utilising our leverage to work with the entity that caused the harm to prevent or mitigate its recurrence when ART has caused or contributed to a modern slavery related impact. ART should consider, and encourage our investment managers, and investments, how to address underlying structural factors (or root-causes) that contribute to exploitation.

The United Nations Guiding Principles on Business and Human Rights includes effectiveness criteria for non-judicial grievance mechanisms, as illustrated in table 3.

Australian Retirement Trust is committed to a culture of compliance, ethical behaviour and good corporate governance. We encourage readers/stakeholders to use one of these mechanisms to make any human rights, or modern slavery related grievances as they pertain to Australian Retirement Trust activities or investments.

Human rights or modern slavery related complaints and other broader concerns of suspected or actual misconduct regarding ART's activities, investments or suppliers can be raised through the following mechanisms:

Grievance process

Grievances can be made directly to an eligible recipient under ART's Whistleblower Policy which includes directors, executives, auditors, actuaries, the company secretary or the Whistleblower Protection Officer of Australian Retirement Trust Pty Ltd.



Our actions to assess and address modern slavery risk (cont)

Whistleblower Hotline

EthicsLine is Australian Retirement Trust’s whistleblower service. EthicsLine is independently operated by Deloitte and is available 24 hours a day seven days a week. Human rights or modern slavery related complaints regarding ART’s activities, investments or suppliers can be made in EthicsLine. Whistleblowers can be anonymous, and the service is available to internal and external stakeholders. We work to ensure that stakeholders feel comfortable raising grievances to Australian Retirement Trust. All reports made through EthicsLine are treated with the upmost confidentiality and all disclosures are acted upon impartially, fairly and reasonably. Whistleblowers are kept informed on the progression of their grievances and the processes for escalation. If you choose to provide contact information this may be used by Deloitte to contact you about the progress of an investigation and/or obtain more information about the disclosure. If you permit your contact information to be passed on to Australian Retirement Trust, then you may be contacted directly by the Investigating Officer. The EthicsLine will provide a report to a dedicated representative at Australian Retirement Trust within one business day of your call. Australian Retirement Trust understands that a grievance mechanism can only serve its purpose if the people it is intended to serve know about it, trust it and are able to use it. Information on how to make a complaint via the EthicsLine is provided below:

Phone: **1800 945 100**

Email: australianretirementtrustethicsline@deloitte.com.au

Website: australianretirementtrustethicsline.deloitte.com.au

Post: Australian Retirement Trust EthicsLine
Reply paid 12628
A’Beckett Street
VIC 8006

To a Third Party

If a grievance has not been made via an Australian Retirement Trust internal channel, disclosures can be made to external channels including Non-Judicial Mechanisms such as the Australian National Contact Point, or the Fair Work Ombudsman.

Process for investigating and escalating

In accordance with ART’s Risk Management Framework, modern slavery related risks and controls have been recorded into our internal risk management platform. Business unit risks are reviewed at least every 6 months, and control owners regularly conduct self-assessments of their controls considering incidents, action plans, findings and design and operating effectiveness. Risks outside the Australian Retirement Trust Board appetite and ineffective or partially effective controls require timebound remediation to be in place. The Australian Retirement Trust Board’s Audit, Finance & Risk Committee receive a quarterly risk report where risk management exceptions are escalated. In addition to risks and controls, modern slavery incidents are recorded in our internal risk management platform, and significant incidents are escalated to the Operational Risk Committee and/or the Audit, Finance & Risk Committee. Proactive action plans can also be placed into our internal risk management platform if identifiers are removed.

Assessing the effectiveness of our actions

Australian Retirement Trust assesses the effectiveness of our actions through the following systems:

System	Description of activities to assess effectiveness
Governance structures	The following governance bodies discuss modern slavery on an annual basis and assess the effectiveness of our current actions: <ul style="list-style-type: none"> • The Australian Retirement Trust Board • The Investment Committee of the Australian Retirement Trust Board • The Audit, Finance and Risk Committee of the Australian Retirement Trust Board.
Internal risk management portal	Australian Retirement Trust’s, risk and governance system portal includes measures that support the assessment of the effectiveness of our actions. Australian Retirement Trust utilises a Governance, Risk Management and Compliance Software system to manage risks and controls, incidents and breaches, and action plans arising from audit and regulatory reviews. Risks, controls and issues managed in the system form inputs into risk reporting, and the annual Risk Management Declaration (RMD) process.
Process and policy reviews	Australian Retirement Trust policies are reviewed on an annual basis, to ensure their ongoing applicability and effectiveness. Australian Retirement Trust processes, such as processes to identify and address modern slavery risks are regularly reviewed and improved by internal teams.
The Modern Slavery Working Group	The cross-divisional and multi-disciplinary Modern Slavery Working Group is tasked with driving the creation and implementation of activities to identify, manage, and address modern slavery risk within ART’s own operations and supply chain and assessing the effectiveness of these activities. The Modern Slavery Working Group meets at a minimum six times a year.

Table 4: Systems to assess the effectiveness of our actions



Process of consultation

Australian Retirement Trust take a collaborative approach to addressing modern slavery risk. Consistent with this approach, we undertook an internal consultation process to develop this Statement which included the following:

- The Australian Retirement Trust Modern Slavery Working Group was presented with the draft of the Modern Slavery Statement. The Modern Slavery Working Group has cross-business representation across Legal, Investments, Procurement, Human Resources, Strategic Communications, Policy & Governance, Group Compliance, Risk functions. Different business functions provided data and actions relevant to include in the Statement and reviewed a draft form.
- Different business units were provided the opportunity to review the draft Statement and attend an information briefing session on the Statement, external trends, due diligence process, and forward commitments for 2022-2023.
- The external entities mentioned in case studies were consulted in preparation of the Statement.
- This Statement went through a Due Diligence Committee, which is responsible for reviewing and approving Australian Retirement Trust public documents. During this process, the accuracy of the information provided in the Modern Slavery Statement is factually verified and evidenced for each statement contained in the Modern Slavery Statement. Verification involves the cross referencing of all material statements, information and data in the Modern Slavery Statement to an independent source.
- The Legal & Governance Committee reviewed and discussed the Statement on 14 December 2022.
- The Australian Retirement Trust Board discussed and approved the Statement on 15 December 2022.

No external assurance has been provided over the Statement.

Looking ahead

ART aims to continuously improve our approach to identifying, assessing and addressing modern slavery risk. We understand that our approach to modern slavery is ongoing and requires collaboration and the regular assessment of the effectiveness of our actions to ensure that ultimately, outcomes are better for people. To continue to evolve our approach, in 2022-2023 we will focus on the following activities shown in Table 5.

Business Unit	Activities
Business wide	Create KPIs during the reporting year, to track the effectiveness of our actions.
	Make a submission into the Commonwealth Modern Slavery Act Review.
	Implement training program in internal training platform.
Investments	Assessment of Modern Slavery Risk for ART Investments.
	Review further 16 Deep Dive Desktop Audits.
	Finalise process to assess, remedy and escalate cases of modern slavery when they have been identified in the portfolio.
	Training for investment managers on modern slavery.
	Create targeted engagement and improvement plans for investments that regularly have human rights/modern slavery related issues.
Procurement	Assess issued Modern Slavery Self-Assessment Questionnaires and take follow up action where required.
Risk	Consider ART's Material Risk set at the annual Board Risk Workshop, encompassing ESG risks, procurement, people and investment governance risks.

Table 5: Looking ahead activities.



Appendix 1: Reporting Criteria Index

Reference in this statement	Australian modern slavery act reporting criterion	
13.2.c	The Statement is approved by the principal governing body of the entity.	p4
13.2.d	The Statement is signed by a responsible member of the entity.	p6
13.2.e	The Statement is given to the Minister within 6 months after the end of the reporting period for the entity, in a manner approved by the Minister.	p6
16.1.a	Identify the reporting entity.	p4
16.1.b	Describe the structure, operations and supply chains of the reporting entity.	p8-14
16.1.c	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	p15
16.1.d	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	p16-26
16.1.e	Describe how the reporting entity assesses the effectiveness of such action.	p27
16.1.f	Describe the process of consultation with: any entities that the reporting entity owns or controls; and in the case of a reporting entity covered by a statement under section 14—the entity giving the statement.	p28
16.1.g	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	p29



Australian Retirement Trust

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Australian Retirement Trust is a member of The Association of Superannuation Funds of Australia Limited (ASFA).

Important information

This document has been prepared on 31 December 2022 and issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840) (AFSL 228975), the trustee of Australian Retirement Trust (ABN 60 905 115 063) (the Fund). While it has been prepared with all reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatement however caused. For *Super Savings* products the PDS and Target Market Determinations are available at australianretirementtrust.com.au/pds or by contacting us on **13 11 84**. For QSuper products the PDS and Target Market Determinations are available at qsuper.qld.gov.au/docs. We are committed to respecting your privacy. Our privacy policy sets out how we do this, visit australianretirementtrust.com.au/privacy

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