



Modern Slavery Statement

DECEMBER 2021

CoINVEST Ltd as Trustee of the Construction Industry Long Service Leave Fund for financial year ending 30 June 2021

First reporting period under the Modern Slavery Act 2018 (Cth)

Contents

| | |
|---|----|
| A word from our Chair and CEO | 1 |
| Identifying the reporting entity | 3 |
| Our structure, operations and supply chains | 4 |
| Describe the risks of modern slavery practices in CoINVEST's operations and supply chains | 7 |
| Actions taken by CoINVEST to assess and address these risks | 9 |
| The effectiveness of our actions | 12 |
| Consultation | 13 |
| Looking ahead | 14 |
| Approval & signing | 15 |

A word from our Chair and CEO

At CoINVEST our mission is to administer long service leave benefits to the construction and allied industries. We do this by providing security, accuracy and responsiveness to our members on a cost-effective basis.

Sound governance, our corporate values of pride, respect, community and adaptability and ethical and evidence-based decision-making underpin everything that we do. The Board has undertaken to maintain the highest standards of corporate governance in its administration of the Fund and the long service leave Scheme.

As Trustee of the Fund, CoINVEST has pleasure in submitting this first Statement under the Modern Slavery Act for the reporting period ending 30 June 2021.

Tackling modern slavery remains a complex, global and widespread challenge and we welcome the recent introduction of the Modern Slavery Act by the Australian Government and the transparency it requires from reporting entities.

We also acknowledge the United Nations Guiding Principles on Business and Human Rights and understand the role we can play to address risks of modern slavery.

While this is our first Statement under the Modern Slavery Act, the consideration of the broader ethical impacts to society of our investment decisions is not new to the Fund, and our modern slavery compliance program aims to build on the policies, procedures and processes we already have in place.

For some time now, CoINVEST has adopted the Principles for Responsible Investment in its Investment Policy - a set of principles developed by an international group of institutional investors and overseen by the United Nations Secretary-General, reflecting the increasing relevance of environmental, social, and corporate governance issues to investment practices.

Under our environmental, social, and governance criteria contained in our Investment Policy, CoINVEST will only invest in an entity whose business is consistent with CoINVEST's core values, including in the areas of human rights and labour standards.

Via our asset consultant, investment managers and custodian, we also have systems and process in place to monitor our investments.

Acknowledging the complexity and global nature of modern slavery and human trafficking we intend to continue to work with key stakeholders (such as our asset consultant, investment managers and custodian) when it comes to identifying and addressing modern slavery across our operations and investments.

We have also taken steps this reporting period, as outlined in this Statement, in relation to identifying and addressing modern slavery risks in our supply chain.

We believe this first Statement provides a helpful benchmark to document the steps we are taking when it comes to the complex issue of modern slavery, where we are heading, and for us to measure the effectiveness of our actions and our impact. We look forward to reporting on our progress in future statements.

For Principal Governing Body Approval and Signature of Responsible Member in accordance with Section 13 of the Modern Slavery Act, please see the attached MODERN SLAVERY ACT 2018 (CTH) - STATEMENT ANNEXURE



Identifying the reporting entity

The Construction Industry Long Service Leave Fund (which is a Trust) is a single reporting entity under the Commonwealth Modern Slavery Act 2018 (Cth) (Modern Slavery Act) and this modern slavery statement (Statement) is made by CoINVEST Limited (ACN 078 004 985) (referred to as we, us, CoINVEST in this statement) in its capacity as Trustee for the Fund.

CoINVEST is submitting this Statement on behalf of the Fund in CoINVEST's capacity as Trustee of the Fund (but not in CoINVEST Limited's own corporate capacity as it does not itself reach the reporting threshold requirement).

This Statement is submitted and published by CoINVEST for the financial year ending 30 June 2021, in accordance with section 13 of the Modern Slavery Act.

This Statement covers all of the seven mandatory criteria for the reporting period as set out in section 16 of the Modern Slavery Act.



Our structure, operations and supply chains

Our Structure

The Construction Industry Long Service Leave Fund is the portable long service leave fund for the construction industry in Victoria (the Fund). The Fund is a Trust created under the CoINVEST Trust Deed of 1 April 1997 (Trust Deed).

The purpose of the Fund is to provide long service leave benefits to employees in the construction and allied industries where short-term, project-based employment is prevalent.

CoINVEST is a public company limited by guarantee established in 1997. CoINVEST acts primarily in its capacity as Trustee for the Fund.

CoINVEST administers the Fund in accordance with the terms and conditions of the Trust Deed and all the legislation applicable to the Trust Deed, including the Construction Industry Long Service Leave Act 1997 (Vic).

CoINVEST is governed by its Memorandum of Association, Articles of Association and Rules (which are available on our website) which guide our obligations and responsibilities as Trustee.

The Board comprises eleven Directors, eight of whom are elected by the industry in accordance with our Memorandum and Articles of Association. Four are elected by workers in the industry (two representing building trades workers and one each representing electrical workers and metal trades workers) and four are elected by employers (two representing building trades employers and one each representing electrical employers and metal trades employers).

The other three Board members are independent 'specialist' Directors appointed by the 'Industry' Directors in accordance with the Memorandum and Articles of Association.

The Fund does not 'own' or 'control' any other entities for the purpose of the Modern Slavery Act.

Our Operations

The principal activities of the Fund are to provide for long service benefits to eligible workers in the Victorian construction industry. The Fund will generally invest in equities, managed investments schemes, property, cash and interest-bearing securities selected in accordance with the overall investment policy.

The registered office and principal place of business is 478 Albert Street, East Melbourne, Victoria 3002, Australia.

The Fund itself did not have any employees during the reporting period.

CoINVEST acts proudly as a Trustee to administer the portable Long Service Leave Scheme and associated Fund for the construction industry in Victoria, Australia.

CoINVEST had 83 staff at 30 June 2021 based out of the Melbourne office.

In managing the Scheme and associated Fund, CoINVEST's key operations include:

- Finance and Investment;
- Corporate Strategy & Systems; and
- Membership Services.

Finance and Investment

CoINVEST's key role as Trustee is to manage the Fund's \$1.9 billion investment portfolio. Our portfolio is diversified across equities, real assets, alternatives, fixed income and cash investments.

Largely the Fund's investment decisions are made by external investment managers with a small domestic portion of the Fund managed internally. The Fund's custodian is J. P. Morgan. The Fund's Asset Consultant is Willis Towers Watson.

As at 30 June 2021, the Fund engaged 20 external managers across equity, real asset, alternative and fixed income asset classes. Cash and direct property (domestic) are the only assets managed internally under delegation from the Board.

The Board of CoINVEST sets the investment strategy and asset allocation after considering independent expert advice.

What is the Scheme?

The portable Construction Industry Long Service Leave Scheme has now been operating for over 43 years in Victoria. The Scheme operates by maintaining a database of employers and workers to track workers in the industry, including how many days they have worked, throughout their career.

The Scheme is funded on a contributions model, whereby the employers in the industry are required to subsidise the Fund with a quarterly contribution fee proportionate to the size of their payroll - currently this is 2.7% of the total gross wages of all their workers. Once workers have worked a qualifying period, they are entitled to be paid a defined long service leave benefit out of the Fund so that they can enjoy a period of leave.

All members of the construction industry in Victoria, Australia, including employers, workers, and working subcontractors are legally required to be registered with CoINVEST.

Membership services

CoINVEST's operations also includes the workers it employs to administer and manage the Scheme.

Primarily, this includes staff who assist with membership registration, employer contributions and workers claims. Our corporate employees also play a key role in the finance, human resourcing and technology operations of CoINVEST.

All employees, other than the senior executive, are engaged pursuant to a Fair Work Commission approved Enterprise Bargaining Agreement.

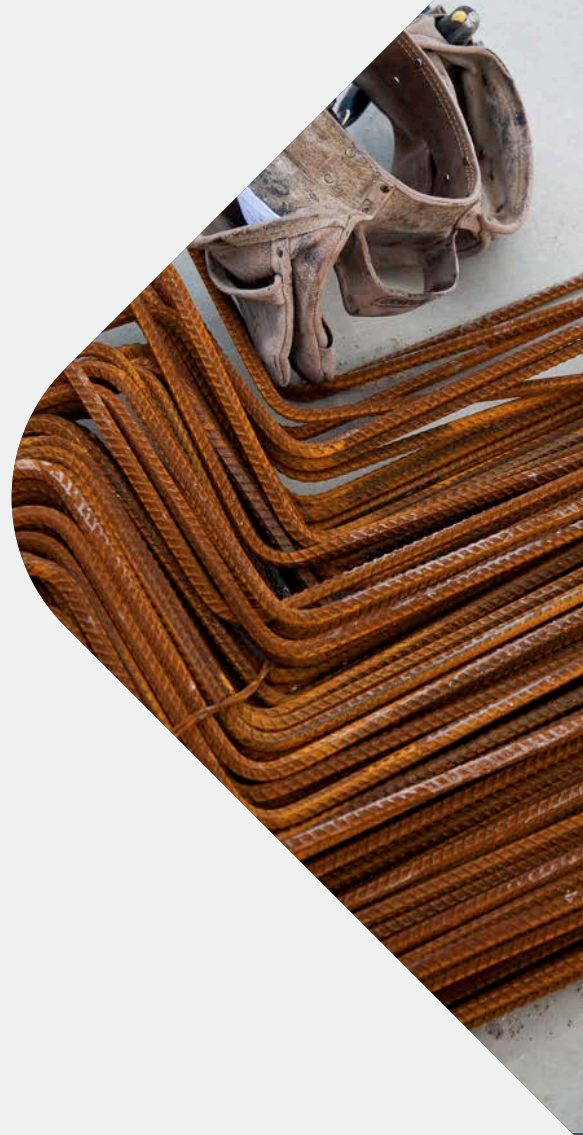
Our Supply Chains

The Fund itself, does not have a 'supply chain'. However, CoINVEST procures goods and services in the following categories in its capacity as Trustee for the Fund and to operate the Scheme:

Finance and investment including asset management services;

- Information technology;
- Professional services;
- Premises and facilities;
- Marketing; and
- Recruitment.

As CoINVEST is an Australian company, the majority of goods and services we procure are from Australian based suppliers.



Describe the risks of modern slavery practices in CoINVEST's operations and supply chains

Introduction

In this section we identify the 'risks of modern slavery practices', meaning the potential for the Fund (and CoINVEST as Trustee for the Fund) to cause, contribute to, or be directly linked to modern slavery through our operations and supply chains.

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, the worst forms of child labour and deceptive recruiting for labour or services.

During this reporting period we have not identified any specific instances of modern slavery occurring in our operations and supply chains. However, in accordance with Australian Government guidance, we have taken steps to identify potential modern slavery risks in our operations (including the investments made by the Fund) and supply chains using known modern slavery indicators such as:

- geographic risk;
- sector and industry risk; and
- product and service risk.

We relied on relevant data and insights provided by our investment managers, asset consultant and custodian as part of monitoring and reporting which is guided by our Investment Policy in order to identify potential modern slavery risks. We have also analysed our top suppliers.

These steps and the oversight measures we have in place to identify potential modern slavery risks are set out in more detail in Section 4 of this Statement.

In accordance with Australian Government guidance, we have taken a prioritised risk-based approach to identifying potential modern slavery risks.

Risks in our operations

Investments are made in accordance with our Investment Policy. In accordance with our Investment Policy, CoINVEST expects that all Asset Managers consider, amongst other ESG criteria, the following core values, which includes modern slavery concerns.

a) Human Rights

- *Businesses should support and respect the protection of internationally proclaimed human rights.*
- *Make sure that they are not complicit in human rights abuses.*

b) Labour Standards

- *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*
- *The elimination of all forms of forced and compulsory labour.*
- *The effective abolition of child labour.*
- *The elimination of discrimination in respect of employment and occupation.*

See further details of relevant provisions of our Investment Policy in Section 4 below.

During the 2021 financial year in excess of 50% of the Fund was invested in Australia and the remaining Funds are invested overseas.

Risks in our supply chains

CoINVEST, as Trustee for the Fund, is responsible for acquiring goods and services in relation to administering the Scheme (including member services) and Funds.

We consider the engagement of professionals to assist with management of the Fund such as engagement of our investment managers, asset consultant, Fund custodian and other professional advisors, to be low-risk given they are largely Australian based, the nature of their services and the fact that they tend to have robust governance and oversight measures in place.

After undertaking a high-level mapping exercise, we have identified the following potential modern slavery risks in our supply chain. CoINVEST intends to roll-out more detailed supplier surveys to suppliers it has identified as higher risk and where it is likely to have more leverage (such as the supplier of promotional clothing and cleaning services).

However, in line with our priorities, the focus of our modern slavery compliance activities will initially be on our operations, in particular, investments made in connection with the Fund.

| Geographic Risks | Sector & Industry Risks | Product and Services Risks |
|---|--|--|
| <p>Increased risk of modern slavery exists in certain geographical locations and sectors. Some countries may have higher risks of modern slavery. The Global Slavery Index 2018 of the Minderoo Foundation ranks countries based on the government response to modern slavery. We identified our top 43 suppliers by value in this reporting period. Through this exercise, CoINVEST confirmed that none of the material suppliers are located in locations that were identified in the Global Slavery Index 2018 as having the highest prevalence of modern slavery. We intend to conduct a more detailed country risk assessment in future reporting periods.</p> | <p>Electronics and textiles are recognised as high risk industries globally. CoINVEST procures IT equipment and software including phones, and also promotional clothing (which is given as gifts to members).</p> | <p>Paper and cleaning services are recognised as high-risk services. CoINVEST procures stationery and cleaning services.</p> |

Actions taken by CoINVEST to assess and address these risks

Over this reporting period, CoINVEST has focussed on:

1. conducting human rights due diligence to identify key modern slavery risks in our operations, in particular, in relation to our investment portfolio;
2. assessing risks of modern slavery in our investment portfolio; and
3. assessing and identifying gaps in the policies, systems and controls we already have in place.

Set out below in this section is an overview of the steps we have taken during this reporting period to assess and address the risks in our operations and supply chains. We have also outlined the existing policies and processes we have in place that we have used and plan to build upon in the future to facilitate further risk assessment, prevention and mitigation of modern slavery issues in our operations and supply chain.

In our first reporting year, in accordance with Australian Government guidance, we have taken a prioritised risk-based approach and focused largely on the investment activities in connection with the Fund.

Internal assessment of country exposure

As part of our modern slavery due diligence, we have mapped out the geographic areas of our investments for the Fund to determine underlying country exposure. We recognise that modern slavery risks are more likely to exist where human rights principles are not respected.

External investment manager survey

We developed and conducted an ESG survey across our fund managers and key investment suppliers (including J. P. Morgan and Willis Towers Watson) to

gain a deeper understanding on a range of ESG issues including human rights risks. The aim of the survey was to understand and assess our external managers' positions on a range of ESG issues, including their processes of assessing underlying risks of modern slavery in portfolios. We continue to work with our external fund managers to assess the nature of our investments and ensure that these managers consider modern slavery risks when managing our investments.

Pleasingly, this ESG survey highlighted that all of our external investment managers were aware of the Modern Slavery Act, have ESG policies and apply their own processes to assess the underlying risks of modern slavery in their investment portfolios.

More recently, our asset consultant developed a sustainability scorecard including sustainability ratings for the fund managers, where most were scored as adhering to or exceeding best practice standard. The responses will be used to inform our anti-modern-slavery program moving forward.

Investment Policy

CoINVEST invests pursuant to our Investment Policy which includes our ESG Statement. This ESG Statement expressly includes modern slavery considerations. The ESG Statement, its Principles and the core values contained within, aim to help identify, assess and mitigate potential modern slavery risks in the Fund's investments.

CoINVEST has adopted the Principles for Responsible Investment in its Investment Policy - a set of principles developed by an international group of institutional investors and overseen by the United Nations Secretary-General reflecting the increasing relevance of environmental, social, and corporate governance issues to investment practices.

Those Principles for Responsible Investment include:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

CoINVEST will view favourably any manager who adopts these Principles.

Under our environmental, social, and governance criteria contained within our Investment Policy, CoINVEST will only invest in an entity whose business is consistent with CoINVEST's core values, including in the areas of human rights and labour standards (see Section 3.1 for specific criteria relating to modern slavery contained in our Investment Policy).

In 2015, the CoINVEST Board resolved to instruct investment managers, where a segregated mandate is in place, to exclude any direct investment in tobacco manufacturing (a higher risk sector for modern slavery).

The Board has an objective to create a standalone focused investment ESG Policy by 30 June 2022 (see Section 7 Looking Ahead).

Draft Modern Slavery Policy

We have also taken action in reviewing and updating our governance policies, including working on finalising an internal standalone Modern Slavery Policy. This Policy informs staff of our expectations, describes what modern slavery is, and outlines our commitment to the issue.

We intend to support this policy and our modern slavery compliance program with further staff education and training in future reporting periods.

Monitoring by Fund Custodian

In accordance with our Investment Policy, our custodian, J. P. Morgan, provides regular compliance and ESG reports to identify our potential links and ties to potentially problematic investments. This includes monitoring geographic areas known for having a poor record when it comes to modern slavery (Myanmar, Iran, Cuba, North Korea, Sudan and Syria) as well as industries and sectors with a higher prevalence of modern slavery risks, including tobacco manufacturing and adult entertainment.

We use these reports to identify potential human rights and modern slavery risks and engage with our investment managers.

New sustainability scorecard

This reporting period our asset consultant, Willis Towers Watson, developed a sustainability scorecard which aims to measure the Fund's portfolio against a number of social metrics, in accordance with our ESG Statement and core values contained in our Investment Policy. These social metrics include a number of issues relevant to modern slavery including:

- Social risk exposure score which calculated the degree of exposure to social risks, trends and shocks;
- UNGC failures which assessed exposure to companies non-compliant with UNGC;
- Human rights red flags;
- Child labour; and
- Global labour law compliance.

In future, this sustainability scorecard can be used on an ongoing basis to understand how the Fund compares to a reference portfolio.



The effectiveness of our actions

We are monitoring the effectiveness of the processes and procedures to address the modern slavery risks that the Fund causes, contributes to, or is directly linked to, in line with the UN Guiding Principles.

We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks, including by tracking our actions and outcomes - for example:

- Regularly assessing the sustainability scorecard with our asset consultant and investment managers;
- Reporting the number of modern slavery issues identified by the Fund custodian and our asset consultant as part of regular compliance monitoring (noting there were no modern slavery issues identified within this reporting period); and
- Raising awareness through education and training initiatives.

CoINVEST intends to continue monitoring the effectiveness of our approach. As our program develops, in future reporting periods we will be in a position to introduce appropriate and specific measures of its effectiveness (such as KPIs as recommended by the Australian Border Force).



Consultation

Consultation does not apply to us. This is a single statement, and no other entities are 'owned' or 'controlled' for the purpose of the Modern Slavery Act.



Looking ahead

CoINVEST is committed to continuously improving our modern slavery compliance program.

Our priorities in the next reporting period are set out in the following table.

| Initiative | Description |
|-----------------------------------|--|
| Policies & governance | Finalising a new Modern Slavery Policy and ESG Policy by 30 June 2022 to enhance CoINVEST's current policies and Investment Policy. |
| Stakeholder engagement mechanisms | <p>Consider appropriate stakeholder engagement mechanisms to allow anyone who may be impacted to raise issues concerning modern slavery.</p> <p>There is an opportunity to look to whether new processes are required or whether existing policies and processes can be amended.</p> |
| Training & development | We will commence the roll-out of training to more staff to educate on modern slavery risks and the steps we are taking. |
| Modern slavery scorecard | We will introduce specific KPIs to ensure appropriate monitoring of investments and operations in our supply chains. |

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

CoINVEST Ltd

as defined by the *Modern Slavery Act 2018* (Cth)¹ (“the Act”) on 12/09/2021

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

CoINVEST Ltd

as defined by the Act²:



Jennifer Acton

Chair

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

| Mandatory criteria | Page number/s |
|--|----------------------|
| a) Identify the reporting entity. | 3 |
| b) Describe the reporting entity’s structure, operations and supply chains. | 4 |
| c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls. | 7-8 |
| d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes. | 9-11 |
| e) Describe how the reporting entity assesses the effectiveness of these actions. | 12 |
| f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).* | 13 |
| g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.** | N/A |

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.



CoINVEST Limited (ABN 35 078 004 985)

(as Trustee for the Construction Industry
Long Service Leave Fund)

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