

Modern Slavery Statement

2022-23





Australian Retirement Trust acknowledges the Traditional Custodians of Country throughout Australia, and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



This Modern Slavery Statement has been prepared and issued by Australian Retirement Trust Pty Ltd ABN 88 010 720 840 as trustee of Australian Retirement Trust ABN 60 905 115 063 (the Fund).

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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 at least \$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 reporting entities listed below:

- Australian Retirement Trust Pty Ltd (ABN 88 010 720 840) as trustee for Australian Retirement Trust (ABN 60 905 115 063) and the Sunsuper Pooled Superannuation Trust (ABN 14 732 571 880), and as an employer;
- ART Group Services Limited (ABN 50 125 248 286) as a provider of procurement services;
- Precision Administration Services Pty Ltd (ABN 47 098 977 667) as a provider of superannuation administration services, and as an employer;
- ART People Services Pty Ltd (ABN 90 601 938 774) as an employer;
- QInsure Limited (ABN 79 607 345 853) as a life insurer;
- QSuper Global Assets Pty Ltd (ACN 607 685 441) as an asset holding company; and
- QSuper Investment Holdings Pty Ltd (ACN 153 817 120) as an asset holding company.

This 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 reporting period 1 July 2022 to 30 June 2023.

This Statement was approved on 14 December 2023 by the Board of Directors of Australian Retirement Trust Pty Ltd (the Australian Retirement Trust Board) and is signed by the Chair of the Australian Retirement Trust Board and the Chief Executive Officer of Australian Retirement Trust.

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.

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

○ Australian Retirement Trust opposes slavery in all its forms. As a large investor and employer, we recognise the role we can play in helping to combat modern slavery through our investments, operations and supply chain. ○

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

1. Unless 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 (ART) opposes slavery in all its forms. As a large investor and employer, we recognise the role we can play in helping to combat modern slavery through our investments, operations and supply chain.

Our Modern Slavery Statement allows us to share with our members and other stakeholders our efforts to identify, assess and address modern slavery. We recognise and support the importance of disclosure to managing risk and as part of wider global efforts to reduce and eliminate human rights violations, including for the estimated 50 million people worldwide living in modern slavery.¹

As one of Australia's largest superannuation funds, we have the opportunity and responsibility to be a respected voice in our industry and community. We reinforce our support of the United Nations Guiding Principles on Business and Human Rights (UNGPs) as recognised global standards for preventing and addressing business-related human rights impacts. In alignment with the UNGPs, over the FY2022-23 period we continued to evolve and improve our approach to identifying and addressing modern slavery and associated human rights impacts.

One of the key commitments of our first Modern Slavery Statement in FY2021-22 was to make a submission in response to the Australian Government's review of the effectiveness of the *Modern Slavery Act 2018* (Cth) (the Act). We completed that commitment in November 2022 and stated our ongoing support for the Act and for the establishment of a Federal Anti-Slavery Commissioner.

As the scale of our business and investments grows, the risk of modern slavery in our supply chain increases, and we continue to review and refine our risk assessments to improve their effectiveness in identifying and addressing modern slavery and associated human rights impacts. As a step to introducing further measures to drive improvements, this year we put controls in place across our business through our Modern Slavery Working Group.



In the past year, the ART Board approved a refreshed risk management framework and a set of material risks, which are those that could impact ART achieving its strategic objectives. A critical component of our risk management framework is continued education and awareness for all employees on risk management responsibilities. This includes how to make decisions in line with an acceptable level of risk exposure, particularly in our supply chain.

The risk of modern slavery is not limited to our operations. We assess alleged cases of modern slavery within our investment portfolio and review any concerns through engagement with external investment managers, external engagement service providers, or directly. We have also developed a process to assess, escalate and remedy cases of modern slavery should they be identified in our investment portfolio.

We are also proud to work as part of the investment community, participating in the Responsible Investment Association Australasia's (RIAA) Human Rights Working Group and as a member of the Investors Against Slavery and Trafficking (IAST) Asia Pacific Initiative.

We welcome feedback on our Statement from all stakeholders.

Andrew Fraser Chair

Bernard Reilly Chief Executive Officer

○ As the scale of our business and investments grows, the risk of modern slavery in our supply chain increases, and we continue to review and refine our risk assessments to improve their effectiveness in identifying and addressing modern slavery and associated human rights impacts. ○

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



Our structure and operations

ART is one of Australia’s largest super funds and we are proud to take care of over \$260 billion¹ in retirement savings for more than 2.3 million members.² We’re here to help our members retire well with confidence, focused on strong long-term investment returns, low fees, and the information and access to advice our members need to manage their super and retirement.

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. ART conducts its operations through various entities including the reporting entities below.

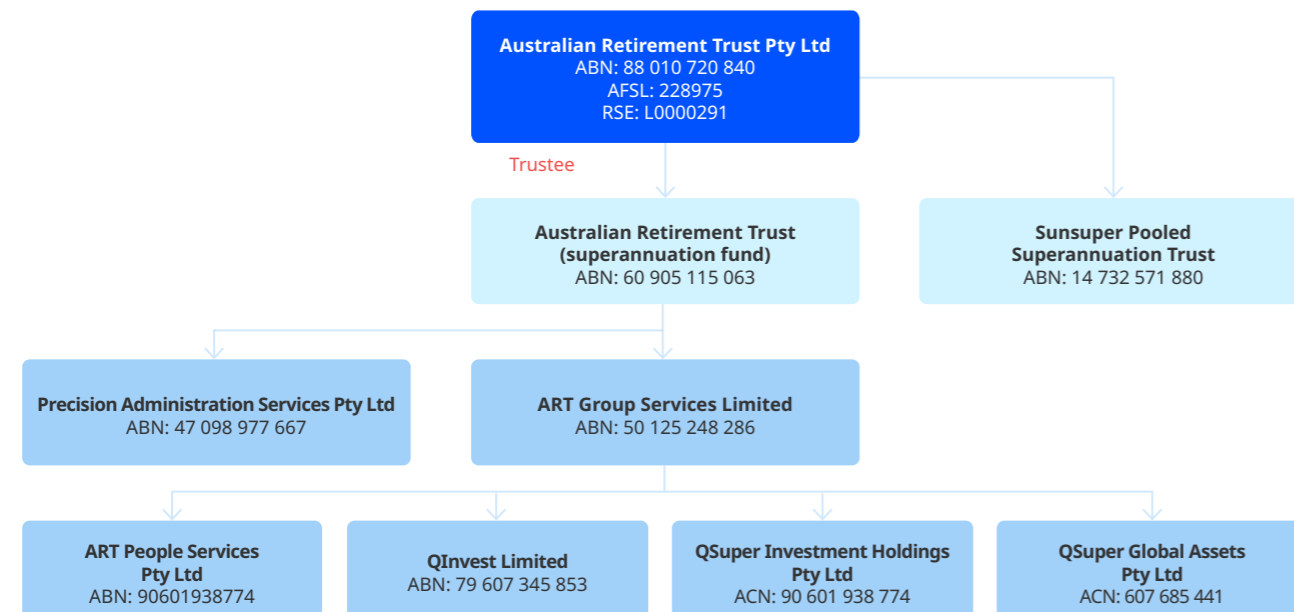


Figure 1: The Australian Retirement Trust Group (relevant reporting entity) corporate structure.

NOTE: The above diagram depicts the reporting entities in the Australian Retirement Trust Group. It does not include each group entity and excludes certain investment holdings held by Australian Retirement Trust Pty Ltd as trustee of the Fund and investment holdings of ART Group Services Limited.

Our operations

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

Australian Retirement Trust has put in place intragroup arrangements to ensure the services required to administer the Fund are provided to ART.

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 of the following options:

- 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.

ART’s Super Savings [Product Disclosure Statements and associated guides](#) are available on our website for information about our Super Savings products and investment options.

QSuper products are available to Queensland Government employees, existing QSuper account holders prior to the merger to form ART and the spouse or child (under 25 years old) of existing QSuper account holders.

QSuper members can choose one or more of the following options:

- 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.

ART’s QSuper [Product Disclosure Statements and associated guides](#) are available on our website for information about QSuper products and investment options.

ART also provides personal financial advice to members on their ART superannuation account.¹ This service is included as part of members’ administration fees and costs.

We also support more than 185,000 participating employers² across Australia to manage their employees’ retirement savings through a range of products and services designed to make managing superannuation efficient for them.

Supply chain

Over the reporting period ART engaged with more than 2,800 unique suppliers (including external investment managers that are paid directly by ART). These suppliers were located across Australia, Canada, China, Czech Republic, Hong Kong, India, Ireland, Luxemburg, Malta, Netherlands, New Zealand, Norway, Singapore, Switzerland, Taiwan, United Kingdom, and United States.

Our supply chain includes:

- Corporate and operational procurement: such as consulting and professional services, marketing, IT and other office equipment, insurance services, medical providers, customer relationship management software, property and building services and office food and beverages.
- Procurement services catering to superannuation business activities: including environmental, social and governance (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 majority of the Fund’s investments are directly managed by external investment managers. We work together with our external investment managers to identify, manage and address modern slavery risks within our investment portfolios.

1. Australian 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.

2. As at 30 June 2023.

1. Net Assets as at 31 August 2023.

2. Members as at 30 June 2023.

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



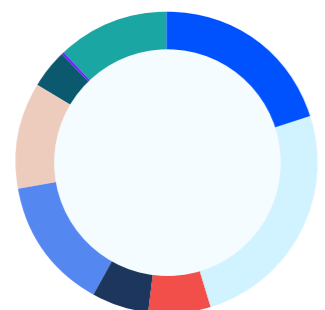
Investments

ART's investments span a range of industries, countries and regions, in both developed and emerging markets. Our investment philosophy aims to achieve strong long-term returns for members. Maintaining substantial allocations to alternative assets allows us to build diversified portfolios that deliver strong long-term real returns, while being less exposed (although certainly not immune) to the short-term volatility of global share markets.

We allocate to four classes of alternative assets: property, infrastructure, private equity and alternative strategies. Alternative strategies include allocations to mezzanine financing and alternative credit strategies, insurance-linked investments and other alternative strategies, which include exposures to both unlisted and publicly traded assets. We adjust our portfolios dynamically as conditions change.

Investments by asset type (30 June 2023)

Actual % asset allocation at 30 June 2023 for combined Super Savings and QSuper portfolios¹



● Australian Shares	20.2
● International shares	25.3
● Private Equity	6.6
● Property	6.0
● Fixed Income	14.2
● Infrastructure	11.5
● Alternative Strategies	4.1
● Commodities	0.3
● Cash	11.7

1. Figures may not add to 100% due to rounding.

QSuper investment portfolio by country, by % net asset value as at 30 June 2023*

Australia	46.2
Brazil	0.7
Canada	1.6
Cayman Islands	0.3
China	0.9
France	2.8
Germany	2.5
Guernsey	0.8
Hong Kong	0.3
India	0.6
Italy	0.3
Japan	2.0
Mexico	0.3
Netherlands	0.6
New Zealand	0.4
South Korea	0.6
Spain	0.3
Sweden	0.3
Switzerland	1.2
Taiwan	0.4
United Kingdom	5.1
United States	27.4

Super Savings investment portfolio by country, by % net asset value as at 30 June 2023*

Australia	64.6
Bermuda	0.3
Brazil	0.3
Canada	0.7
Cayman Islands	0.8
China	0.6
France	1.0
Germany	0.8
India	0.3
Ireland	0.5
Italy	0.3
Japan	1.5
Luxembourg	0.4
Mexico	0.4
Netherlands	0.6
New Zealand	0.7
Singapore	0.3
South Korea	0.3
Switzerland	0.5
Taiwan	0.3
United Kingdom	2.1
United States	18.3

Employees

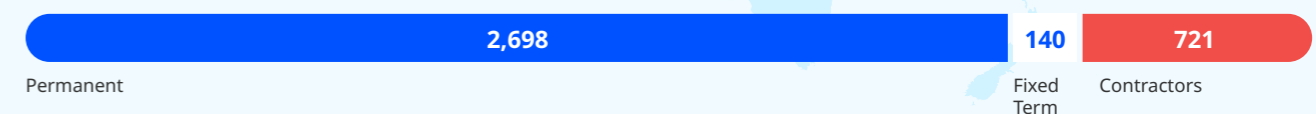
ART has offices in Brisbane, Melbourne and Sydney. Our members can also visit us at our member centre in Brisbane.

As of 30 June 2023, ART employed 3,559 people across Australia. Of these employees 2,698 were permanent staff members, 140 on a fixed term contract and 721 were contractors/contingent workers.

ART is currently bargaining our first Enterprise Agreement. All employees to be covered by the Enterprise Agreement will be able to vote and collectively agree on the foundational terms and conditions to help bring our teams together as one. The new Enterprise Agreement will cover all ART employees below senior management level.

ART has comprehensive recruitment and onboarding processes and procedures in place, including conducting eligibility checks to safeguard against human trafficking and forced labour. These checks apply to all employees, contractors and contingent workers engaged through our recruitment agency or vendor partners. ART uses reputable companies with whom we either have, or aim to build, long-standing arrangements.

Employees by contract type



*Investments with a net asset value below 0.3% are not included



Our modern slavery risk profile

ART acknowledges the concept of risk in relation to modern slavery means risk to people rather than risk to ART. However, often these risks to people have the potential to intersect with risks to ART. 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 ART.

ART has therefore implemented a risk-based approach to assess modern slavery risk across our business operations, supply chain and investment portfolio. We have 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 the section below on our actions to assess and address modern slavery risk.

Outside of this process, if modern slavery or associated human rights-related incidents occur ART considers the following factors:

- the severity of the incident; and
- the ability for ART to utilise its leverage to take steps to improve the safety of affected persons, provide a restorative remedy and implement preventative measures to prevent re-occurrence.

We have identified a number of alleged cases of modern slavery within our procurement, insurance and investment activities. We work on a case by case

basis to determine what action is required. A number of these cases are currently under investigation with the authorities to determine the most appropriate action.

Modern slavery and associated 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 cases are rarely 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 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, 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.

Our actions to assess and address modern slavery risk

Identifying and addressing modern slavery

Procurement

During the 2022-23 financial year, modern slavery-related clauses have been incorporated into new supplier contracts, and we have been progressing the update of existing contracts to include modern slavery clauses.

ART partners with FairSupply to conduct risk assessments across our suppliers. We also issue self-assessment questionnaires to suppliers that are identified as having high theoretical risk of modern slavery. The self-assessment questionnaires include questions to provide further clarity on the potential exposure to activities that are considered higher risk of modern slavery, and on the entities' systems and processes to identify and address modern slavery risk.

We work closely with the organisations that are presented as high theoretical risk to determine what the inherent risk is and any remedial action required. All suppliers that present a modern slavery risk are reviewed on a case-by-case basis with any remedial action agreed through the Modern Slavery Working Group.

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 associated 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 associated human rights, is based on the United Nations Guiding Principles on Business and Human Rights.

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 Responsible Investment Association Australasia's (RIAA) Human Rights Working Group, which helps members develop collective policy positions and progress their stewardship programs.

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

A number of alleged modern slavery related cases have been identified within the ART portfolio over the reporting period. These alleged cases are being reviewed by our Sustainable Investments team through either engagement with the investment managers or external service providers. The Sustainable Investments team has developed a process to assess and address cases of modern slavery if they have been identified in the portfolio.

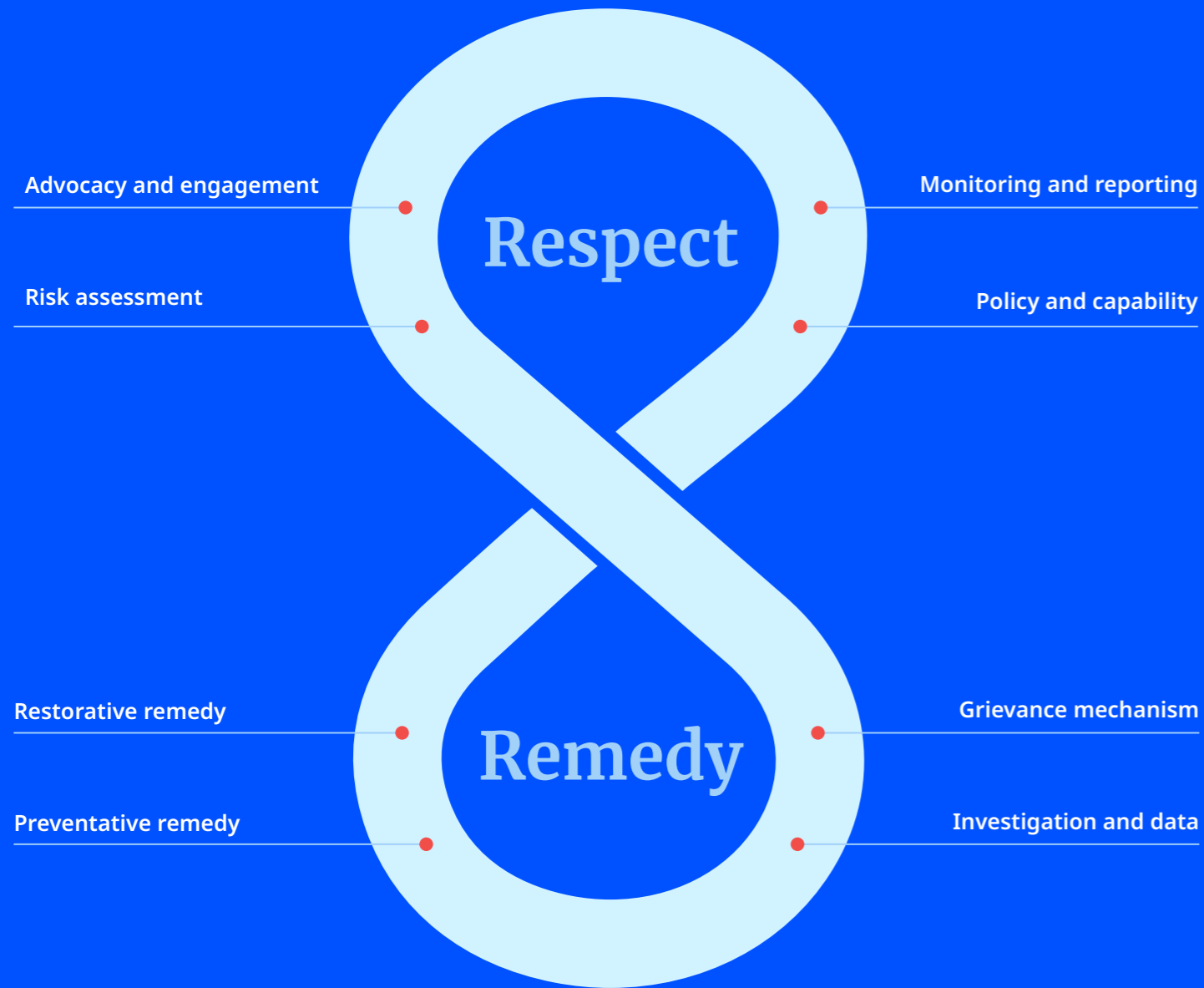


Figure 2: Our respect and remedy framework for identifying and addressing the risks of modern slavery and associated human rights.

Examples of alleged cases of modern slavery within our investment portfolio

The following table illustrates some examples of alleged modern slavery cases that we identified in the reporting year:

Alleged cases	Source	Actions taken to address risk
A Malaysian supplier of an Australian company held in our investment portfolio has faced multiple human rights related allegations. The most recent allegations claim that the Australian company profited from the use of forced labour at the supplier's manufacturing operations.	Public media sources, third-party research providers and company self-disclosure.	ART is actively monitoring the case. ART joined a third-party engagement to discuss the allegations with the company and remedy provided.
Two Brazilian suppliers of a European company held in our investment portfolio have faced allegations of forced labour, employment of minors, precarious working conditions and several human rights violations practices. A rescue operation was conducted by the relevant authorities who identified modern slavery practices at the supplier's operations.	External investment manager, government sources, public media sources.	ART is actively monitoring the case. ART is working with the relevant investment managers to engage with the company and to obtain updates on the case.
Multiple apparel suppliers in Myanmar, which are utilised by several companies held in our investment portfolio, have faced allegations of modern slavery. The allegations relate to the Myanmar supplier's use of mandatory overtime, wage theft and child labour within their garment factories.	Non-government organisation sources.	This is considered a more systemic issue and ART is monitoring the case. ART will continue to work together with collaborative organisations on systemic issues such as this and will assess the human rights impacts from a modern slavery perspective of exiting high-risk regions.
A Thai supplier of a company held in our investment portfolio is facing criminal charges in Thailand with regards to forced overtime and underpayment of migrant workers. The Thai supplier reportedly withheld workers' immigration documents and used their bank cards illegally. The company has faced legal action in the UK for alleged negligence and unjust enrichment by former employees of the Thai supplier.	External investment manager, government sources, public media sources.	ART is actively monitoring the case. ART is working with the relevant investment managers to engage with the company and to obtain updates on the case.



Alleged cases	Source	Actions taken to address risk
A US supplier of two US companies held in our investment portfolio was found guilty of violating slavery laws by the US Department of Justice. Restitution has been provided to the victims/survivors and penalties have been given to the offenders.	External investment manager, government sources.	This case is considered resolved. It is reported that victims/survivors of modern slavery received restitution. ART monitored improvements to the sourcing practices of the 2 identified companies.
An Australian company held in our investment portfolio self-disclosed that they identified foreign workers at a supplier site in Malaysia had paid excessive recruitment fees to a labour agent for their employment, which is an indicator of debt bondage. Site investigation by the company has taken place over an 18-month period. A remediation will take place over FY23-24, facilitated by a local non-government organisation.	Company self-disclosure.	ART will continue to engage directly and collaboratively with the company and other relevant stakeholders to ensure appropriate and effective remediation has been provided to the affected workers.

Our policies

Anti-Money Laundering and Counter-Terrorism Financing Program

ART seeks to minimise the potential that its designated services are used to facilitate money laundering or terrorism financing. ART understands that there is an intersection between money laundering, terrorism financing and modern slavery.

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 the Australian Transaction Reports and Analysis Centre (AUSTRAC) and law enforcement authorities to identify, manage and mitigate money laundering or terrorism financing.

Code of Conduct

Our Code of Conduct applies to all employees, officers, directors and contractors of ART, 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; and
- we protect ART and member information and property.

Modern Slavery Framework

The Modern Slavery Framework is owned by ART's Chief Financial Officer. The purpose of the Framework is to document how ART meets regulatory requirements in relation to the Act.

Procurement Policy

The 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.

Sustainable Investments Policy

The Sustainable Investments Policy indicates the framework which is used to identify and, where known, seek to address the risks of modern slavery, within the investment portfolio. It also notes that ART will report on its investment activities annually in accordance with the requirements of the Act.

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 can be used by internal or external parties to report misconduct.



Capability

Modern Slavery Working Group

ART has a cross-divisional and multi-disciplinary Modern Slavery Working Group that:

- drives the creation and implementation of activities to identify, manage, and address modern slavery risk within ART's own operations and supply chain;
- assesses the effectiveness of these activities; and
- ensures ART's compliance with the requirements of the Act.

The Modern Slavery Working Group meets at least 4 times a year. Each business unit provides an update on activities to the Modern Slavery Working Group each meeting. There were 5 Modern Slavery Working Group meetings held during the reporting period.

Training and capability

A training pack for ART's Modern Slavery Working Group members was issued at the start of 2023. This pack was reviewed by ART's Corporate and Investment Legal team. The pack contained an introduction to modern slavery, current modern slavery regulations in Australia, ART's approach to modern slavery and the expectations on Modern Slavery Working Group members.

ART's Risk and Compliance Team received modern slavery training in December 2022 with risk specific information and case studies.

External investment manager commitments and capabilities

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

Our investment management agreements are being amended to include modern slavery-related clauses where relevant for the external investment managers to:

- work collaboratively with ART to identify and monitor modern slavery risks;
- actively assess and address modern slavery risks in investment decision making; and
- seek the development and maintenance of policies and procedures relating to their modern slavery obligations.

Risk assessment

We use a variety of approaches to identify and assess alleged cases of modern slavery across our operations, investments and supply chain. ART identifies modern slavery-related incidents through public media sources, external grievance channels and our own internal grievance channels. ART 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.

We use several approaches to help identify and assess modern slavery risk in the investment portfolio. We engaged an external service provider to assess the inherent risk of modern slavery practices across our investment portfolio based on an input-output model of country, sector and financial exposure for investee companies.

We also assess alleged cases of modern slavery within the investment portfolio, using multiple information sources. We identified 11 investee entities for further assessment over the past year. These alleged cases continue to be reviewed through either engagement with the external investment managers, external engagement service providers, or direct engagement with investee entities. We continue to hold a quarterly modern slavery meeting with international shares manager Pzena, which we highlighted in our 2021-22 statement. Other managers have engaged us on an ad-hoc basis on modern slavery-related issues.

Further information on these activities is shown in the following table.

Service provider	Type of risk identification	Investments coverage	Procurement coverage	Description of activity
MSCI	Alleged cases of modern slavery and associated 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 associated human rights-related controversies.
	Entities Policies and Management Systems to Protect Human Rights.	Yes	Not applicable	The MSCI ESG Ratings – Equities product provides industry specific ESG company ratings, company profiles and thematic research for covered listed equities. A sub-pillar under MSCI ESG controversies - Social: Human Rights & Community Impact, covers ESG controversies related to the impact of a firm's operations on human rights. Topics covered under this indicator include issues such as complicity in killings, physical abuse, displacement or other rights violations, as well as complicity with such actions by governments or other parties.
CGI Glass Lewis	Alleged cases of modern slavery and associated 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 modern slavery and associated human rights-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 ESG 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.



Service provider	Type of risk identification	Investments coverage	Procurement coverage	Description of activity
FairSupply	Inherent Modern Slavery Risk Exposure of Entities.	Yes	Yes	<p>ART utilises external provider FairSupply's 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:</p> <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. <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.</p>

Service provider	Type of risk identification	Investments coverage	Procurement coverage	Description of activity
FairSupply	Alleged cases of modern slavery and associated human rights abuses/ entities policies and management systems to protect human rights.	Yes	Not applicable	<p>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 external investment managers and assets. These reports search for actual identified cases of modern slavery and associated human rights-related abuses in addition to providing information on geographic and industry-related risks.</p> <p>We have been working through detailed assessments on these companies, completing 6 in 2021-22 and assessing the remaining 14 in 2022-23. Information garnered from these deep dives has been used for engagement of investee companies and external investment managers.</p>
	Entities policies and management systems to protect human rights.	Not applicable	Yes	<p>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.</p>

Advocacy and engagement

Commonwealth Modern Slavery Act review

In August 2022 the Australian Government released an Issues Paper to initiate a 3-month public consultation period to review the effectiveness of the Act.

In November 2022, ART made a submission into the review. Our submission confirmed ongoing support for the Act and the establishment of a Federal Anti-Slavery Commissioner.

The statutory review of the Act was released in May 2023, including 30 recommendations to reform Australia's modern slavery reporting regime. During the reporting period for this Statement, the Australian Government is yet to formally respond to the review or legislate any of the recommended amendments. ART is pleased to note that the Federal Government committed an additional \$24.3 million in funding for the Support for Trafficked People Program and committed \$8 million over 4 years and \$2 million per year ongoing to establish an Anti-Slavery Commissioner in the 2023-24 Budget.

An action to review the Act recommendations was created in our internal risk management system in June 2023 and allocated to the appropriate owner to review any actions required. ART's Regulatory Affairs team are awaiting an update on the status of this review.

Collaborative initiatives

ART participates in the RIAA's Human Rights Working Group which, among other activities, aims to gain members' views and opinions to aid in the development of RIAA policy positions, advocacy and research work and to help members progress their engagement programs.

We are also a member of the Investors Against Slavery and Trafficking (IAST) Asia Pacific Initiative. IAST was established in 2020 to engage companies in the Asia Pacific region and promote effective action in finding, fixing and preventing modern slavery in operations and supply chains. IAST reports that during the reporting period, IAST APAC engaged 22 focus companies across the consumer discretionary, consumer staples, technology, and healthcare sectors listed on exchanges in Australia, Hong Kong, Japan, the Philippines, Singapore, South Korea, Taiwan and Vietnam.

ART is participating as a support investor for one Australian and one Asian company. We selected these companies because of the size of our holdings and because we believe there is an opportunity to improve their approach to assessing and addressing modern slavery risk. For more information on IAST APAC's activities in the reporting year, please see its [Annual Report FY22-23](#).

Case studies

Case study

ACSI reporting of modern slavery statements by ASX200 companies

In 2023 ACSI commissioned Pillar Two, a business and human rights advisory firm, to undertake a detailed analysis of the third year of reporting of modern slavery statements by ASX200 companies. The analysis assigned scores to company statements against 46 quality indicators over 6 assessment areas. The research shows an improvement in reporting from ASX200 companies, but there are still large gaps in disclosure. ACSI uses these research findings to improve company practices and encourage improvements in the Act.

Case study

Modern Slavery Conference

ART attended the Modern Slavery Conference organised by the Australian Government in June 2023. Many survivors of modern slavery attended the conference, with the key message being 'nothing about us, without us'. This message emphasised to ART how more could be done to integrate survivor voices into the approach for identifying, assessing, and addressing modern slavery. This is particularly critical to ensure that any approaches implemented do not have unintended adverse impacts on vulnerable persons.





Remediation

ART is committed to ensuring that an efficient, honest and fair approach to remediation is taken if any case of modern slavery is identified. If ART may be seen to have caused, or contributed to a modern slavery-related impact, it may be appropriate that ART utilises our leverage to work with the investee entity, or supplier, that caused the harm to ensure remedy is provided and to mitigate its recurrence. For modern slavery-related impacts ART is directly linked to, ART may choose to follow up to seek to ensure appropriate and proportionate remedy is provided.

The United Nations Guiding Principles on Business and Human Rights includes effectiveness criteria for non-judicial grievance mechanisms:

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.
Predictable	Providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation.
Equitable	Providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation
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.

Complaints

ART is committed to a culture of compliance, ethical behaviour and good corporate governance. We encourage readers and stakeholders to inform us of any modern slavery and associated human rights-related grievances that arise in relation to ART's activities or investments.

Modern slavery and associated human rights-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

Modern slavery and associated human rights conduct in which ART may be involved directly or inadvertently can be raised:

- through ART's externally managed whistleblower hotline service;
- directly to an eligible recipient which includes company directors, executives, auditors, actuaries, the company secretary or the Whistleblower Protection Officer who is ART's Chief Risk Officer;
- to ASIC or APRA, even if a disclosure was not previously made via ART's internal channels.

Whistleblower hotline

EthicsLine is ART's whistleblower service. EthicsLine is independently operated by Deloitte and is available 24 hours a day, 7 days a week. Modern slavery and associated human rights-related complaints regarding ART's activities, investments or suppliers can be made through 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 ART. All reports made through EthicsLine are treated with the utmost confidentiality and all disclosures are acted upon impartially, fairly and reasonably.

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



Assessing the effectiveness of our actions

ART assesses the effectiveness of our actions through the following systems:

To a third-party

If a disclosure has not been made via an ART internal channel, they 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, risks and controls relating to the impact of modern slavery on ART's operations have been recorded in our Governance Risk & Compliance (GRC) system. Business unit risks are reviewed periodically and control owners regularly conduct self-assessments of their controls considering incidents, action plans, findings and design and operating effectiveness.

In addition to risks and controls, if any modern slavery incidents or ongoing remediation actions are identified, these are recorded in ART's GRC system and significant incidents are escalated to the Modern Slavery Working Group for assessment and remediation. Incidents are captured in ART's GRC systems and managed in accordance with ART's Incident and Breach Reporting Policy. Action plans are also managed in our GRC system.

System	Description of activities to assess effectiveness
Governance Structures	The following governance bodies discuss modern slavery on, at least, an annual basis: <ul style="list-style-type: none"> • The Australian Retirement Trust Board; • The Investment Committee of the Australian Retirement Trust Board; and • The Legal and Governance Committee of the Australian Retirement Trust Board.
Internal Risk Management Portal	ART 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	ART policies and frameworks are reviewed on a regular basis, to ensure their ongoing applicability and effectiveness.
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 minimum 4 times a year.



What we committed to in our 2021-22 Modern Slavery Statement

Business Unit	Activities	Status
Business Wide	Create Key Performance Indicators (KPIs) during the reporting year, to track the effectiveness of our actions.	Controls have been put in place put in place across relevant business areas.
	Make a submission into the Act review.	Completed.
	Implement training program in internal training platform.	Training packs for ART's Modern Slavery Working Group members were issued at the start of 2023.
Investments	Assessment of modern slavery Risk for ART Investments.	Completed.
	Review further 16 Deep Dive Desktop Audits.	Completed.
	Finalise process to assess, remedy and escalate cases of modern slavery if they have been identified in the investments portfolio.	Completed.
	Training for selected investment managers on modern slavery.	Training pack drafted. We have communicated with selected investment managers to organise training in the 2023-24 financial year.
	Create targeted engagement and improvement plans for investments that regularly have modern slavery and associated human rights-related issues.	Under development.
Procurement	Assess Modern Slavery Self-Assessment Questionnaires completed by suppliers and take follow up action where required.	Completed.
Risk	Consider ART's Material Risk set at the annual Board Risk Workshop, encompassing ESG risks, procurement, people and investment governance risks.	Completed – ART has a comprehensive Risk Management Framework which includes the risks ART sees as material to the organisation. A refreshed Material Risk set was approved by the Board in June 2023, including people, service provider and investment risks. ART continues to consider risks that may present a risk of modern slavery as part of the annual Material Risk Workshop and regular business unit risk assessment processes.

Looking ahead

ART aims to continuously improve its approach to identifying, assessing and addressing modern slavery risk. We understand that our approach to modern slavery requires ongoing collaboration and the regular assessment of the effectiveness of our actions. To continue to evolve our approach, in the 2023-24 financial year we will focus on the following activities:

Business Unit	Activities
Business Wide	Develop KPIs and track the effectiveness of our actions.
	Roll out relevant business wide training using an internal training platform.
Investments	Continue to update our investment management agreements to include modern slavery-related clauses where relevant for the external investment managers to work collaboratively with ART to assess and address modern slavery risks within our investment portfolio.
	Provide training for investment managers on modern slavery.
	Create targeted engagement and improvement plans for investments that regularly have modern slavery and associated human rights-related issues.
	Create broader human rights approach for the Fund's investments, to include a focus on First Nations rights.
Procurement	Create and implement a Supplier Code of Conduct.
	Increase frequency of FairSupply Modern Slavery reporting.
Modern Slavery Working Group	Review and update Modern Slavery Framework.
Risk	Look to consider any new risks, specific tolerances and key risk indicators to incorporate into ART's risk profile, alongside the modern slavery and ESG working groups.

Process of consultation

- ART's Modern Slavery Working Group has cross-business representation across Legal, Investments, Procurement, People and Culture, Strategic Communications, Policy & Governance, Group Compliance and Risk functions.
- The ART Modern Slavery Working Group was presented with the draft of the Modern Slavery Statement, and each represented function provided data and actions relevant to include in the Statement and reviewed a draft form.
- Business units were provided the opportunity to review the draft Modern Slavery Statement and attend an information briefing session on the draft Modern Slavery Statement, external trends, due diligence processes, and forward commitments for 2023-24 financial year.
- The external entities mentioned in case studies were consulted in preparation of the Statement.
- The accuracy of the information provided in the Modern Slavery Statement was factually verified.
- Following the completion of ART's internal review and verification procedures, the Australian Retirement Trust Board discussed and approved the Statement on 14 December 2023 on behalf of each reporting entity.



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Important information

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