

A wide-angle photograph of a rural landscape at sunrise. The sun is low on the horizon, casting a warm, golden glow over rolling green hills and fields. A line of trees is silhouetted against the bright sky in the middle ground. The foreground is a lush green field. The top and bottom right corners of the image feature a diagonal orange-to-yellow gradient overlay.

Modern Slavery Statement

For the year ended 30 June 2023



About this statement

This joint modern slavery statement is prepared and issued by the following reporting entities: AustralianSuper Pty Ltd ABN 94 006 457 987 AFSL 233788, the Trustee of AustralianSuper ABN 65 714 394 898, AS Direct Australian Equities Pty Ltd as trustee for AS Direct Australian Equities Trust ABN 34 513 465 701, AS Infrastructure No. 2 (Holding) Pty Ltd as trustee for AS Infrastructure No. 2 (Holding) Trust ABN 42 643 099 427, AS Infrastructure No. 3 (Holding) Pty Ltd as trustee for AS Infrastructure No. 3 (Holding) Trust ABN 89 979 226 084, AS Infrastructure WestConnex (Holding) Pty Ltd as trustee for AS Infrastructure WestConnex (Holding) Trust ABN 96 789 213 059, AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 2 ABN 52 933 108 120, AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 ABN 27 817 108 058, AustralianSuper RAAD Pty Ltd as trustee for AustralianSuper RAAD Trust ABN 24 644 589 250, AS Infra PP Pty Ltd as trustee for AS Infra PP Trust ABN 81 416 260 166, AS Infra Tower Pty Ltd as trustee for AS Infra Tower Trust ABN 25 300 336 732 and AS Airports Pty Ltd as trustee for AS Airports Trust ABN 75 985 343 190.

AustralianSuper holds a majority ownership stake in Indara Corporation Pty Ltd (Indara), in which it has governance rights through AustralianSuper nominated board members. AustralianSuper holds Indara through one of its SLE reporting entities referred to in this Modern Slavery Statement (AS Infra Tower Pty Ltd as trustee for AS Infra Tower Trust ABN 25 300 336 732). For the purposes of the Modern Slavery Act, Indara is a reporting entity in its own right and publishes a joint modern slavery statement for the reporting entities in its corporate group. Indara's modern slavery risks are those set out in Indara's modern slavery statement. As a large, direct owner of Indara, AustralianSuper assesses and addresses modern slavery risks for this asset through the ESG and Stewardship program activities described in this statement.

When we use the terms 'AustralianSuper', 'the Fund', 'the Trustee', 'we', 'us', or 'our', we mean AustralianSuper Pty Ltd and the entities listed above.

AustralianSuper is pleased to publish this Modern Slavery Statement ('the Statement') in accordance with section 14 of the *Australian Modern Slavery Act 2018* (Cth) ('the Modern Slavery Act') for the reporting period 1 July 2022 to 30 June 2023 ('Reporting Period'). All Fund and investment data is as at 30 June 2023, unless otherwise stated. All care is taken to ensure this information is correct at the date of publication. Any errors or misprints identified will be corrected by AustralianSuper in future statements.

AustralianSuper has identified some errors in the Fair Supply Modern Slavery assessment data in our FY22 Modern Slavery Statement. These errors have not materially impacted the key findings of the analysis in the statement. Please see Appendix 2 on page 23 of this Statement for details of the corrections to this data.

The Modern Slavery Statement may include general financial advice which doesn't take into account your personal objectives, financial situation or needs. Before making a decision, consider if the information is right for you and read the relevant Product Disclosure Statement, available at australiansuper.com/pds or by calling **1300 300 273**. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd

Australian Modern Slavery Act 2018 (Cth) reporting criteria

Criterion	Page
Criterion 1 and 2 Identify the reporting entity and describe its structure, operations and supply chains	2; 5-8
Criterion 3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	9-12
Criterion 4 Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	13-19
Criterion 5 Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risk	20
Criterion 6 Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	5-8
Criterion 7 Any other relevant information	3-4; 21



Introduction from Chair and Chief Executive

As a large global investor, AustralianSuper acknowledges the risk modern slavery presents across our operations and investments.

Walk Free's 2023 Global Slavery Index reveals that the number of people living in modern slavery grew in the five years to 2021¹. It is estimated that there are almost 50 million victims of modern slavery worldwide, with 59% of those people living in the Asia Pacific region¹. The Index also shows that there are more than 27 million people in forced labour, with 17 million of those people in the private sector¹.

With member assets of nearly \$300 billion as at 30 June 2023, AustralianSuper has a diversified portfolio of assets across a range of industries and geographical locations. We recognise the challenges of identifying and addressing modern slavery risks in our investment portfolio given the diversity and complexity of supply chains, locations and our ownership and investment strategies.

AustralianSuper has been conducting modern slavery risk assessments of its investment portfolio by external service provider FairSupply since 2019. We have progressively broadened this assessment to cover more service providers in our operations and asset classes in our investment portfolio. This assessment helps us to identify the major forced labour risk areas in our portfolio and operations, including our exposure to high-risk countries, industries and companies based on the potential impact. Consistent with the requirements of the Modern Slavery Act, it looks to determine where modern slavery risks are likely to be most prevalent based on their impact on individuals.

We recognise that companies and assets in our investment portfolio are exposed to modern slavery risks, and that often these risks can be hidden deep within the supply chain. We believe it is important to engage with companies to advocate for the appropriate management of modern slavery risks. Through our ESG and Stewardship program, we seek to identify modern slavery risks, assess entity disclosures and management of material issues, and identify actions to be undertaken by the Fund to address material workforce issues.

The application of our ESG and Stewardship program varies by asset class and the characteristics of our investment, including whether we're investing directly or through external investment managers, or whether our investment is actively or passively held. For example, we have an engagement program with directly held ASX-listed companies in our fundamental portfolios² in the Australian shares asset class.

We value transparency in reporting on modern slavery and seek to have open discussions with the companies included in our engagement program about modern slavery risks. We also engage with companies as part of collaborative initiatives (where considered relevant and appropriate) with the primary aim of amplifying the Fund's voice on ESG issues we consider potentially impacting long term investment value.

AustralianSuper is a founding member and Steering Committee member of Investors Against Slavery and Trafficking Asia Pacific (IAST APAC). IAST APAC is implementing an engagement program with companies in the Asia Pacific region identified as high risk for modern slavery. AustralianSuper is also a founding member and board member of the Cleaning Accountability Framework (CAF), which aims to improve labour practices for workers in the high-risk cleaning industry.

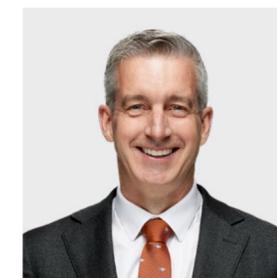
AustralianSuper supports efforts to strengthen Australia's modern slavery legislation and welcomes the Australian Government's review of the Modern Slavery Act. In our submission on the Review of the Modern Slavery Act Issues Paper in November 2022, our recommendations included mandatory and enforceable modern slavery reporting requirements; the introduction of due diligence obligations; supporting the establishment of an Anti-Slavery Commissioner; creation of a knowledge hub to support reporting entities and a three-year Modern Slavery Act review cycle to promote continuous improvement.

AustralianSuper is committed to improving our processes and actions to identify and manage modern slavery risks in our investments and operations. Our progress during FY23 is highlighted overleaf and throughout this Statement.

This Statement was approved by the Board of directors of AustralianSuper Pty Ltd pursuant to section 14(2)(d) (ii) of the Modern Slavery Act on 31 October 2023.



Dr Don Russell
Chair,
AustralianSuper Pty Ltd



Paul Schroder
Chief Executive,
AustralianSuper Pty Ltd

¹ Walk Free 2023, The Global Slavery index 2023, Minderoo Foundation. Available from walkfree.org/global-slavery-index

² See page 14 for a definition of fundamental portfolios.

FY23 progress

The following table shows AustralianSuper's key modern slavery initiatives during FY23.

Area	Progress
Policies and risk management framework	Review and update of Third-Party Management (TPM) Framework, TPM Policy, TPM Standard, Outsourcing Policy and Outsourcing Procedure documents.
Fund operations	Continued to embed AustralianSuper's Third-Party Management Framework (TPMF) and Outsourcing Policies and Standards into business processes.
	Continuous improvement and uplift of tools (such as the Fund's Inherent Risk Profile Tool (IRP Tool)), systems, processes, guidance and training on third-party risk management and support of our business.
	FairSupply forced labour assessment of existing suppliers from the Fund's own goods and services supply chain.
	Continued to work with suppliers providing goods and services to AustralianSuper to raise awareness and mitigate any potential modern slavery risks in their supply chains.
Investments	Continued to undertake due diligence on new suppliers and existing suppliers where required.
	Appointment of dedicated workforce specialist within the ESG and Stewardship team to further develop the Fund's approach to identifying and managing workforce issues, including modern slavery, in the investment portfolio.
	Company engagement program prioritising modern slavery disclosure transparency and increasing our understanding of company risk mitigation processes, company supply chains and supplier relationships. As part of our stewardship program, we assess which companies are at heightened risk of modern slavery and prioritise discussion of modern slavery in engagements with those companies. In FY23, we held 18 direct engagements with ASX300 companies in which we raised modern slavery as a risk.
	FairSupply forced labour assessment of investment portfolio covering the Australian shares, international shares, unlisted property and unlisted infrastructure asset classes. This includes updated data from the 2023 Global Slavery Index and identifies the countries, industries and companies that pose the highest modern slavery risks through an in-depth examination of their supply chains.
Collaboration and advocacy	Continuation of ESG training program roll-out, which includes ESG and modern slavery, to AustralianSuper appointed non-executive directors on the Boards of portfolio companies where we have the right to nominate one or more directors.
	Ongoing monitoring of modern slavery policies and approaches of the Fund's external investment managers in the international shares asset class. In FY23 we sent ESG questionnaires to all external investment managers in the international shares asset class, which included specific questions on modern slavery.
	Continuing our membership of IAST APAC, which is implementing an engagement program with companies in the Asia Pacific region identified as high risk for modern slavery.
	Continued involvement in and board membership of the CAF to improve labour practices for workers in the high-risk cleaning industry.
	Our continued membership of the Australian Council of Superannuation Investors (ACSI) and the Responsible Investment Association Australasia (RIAA) Human Rights Working Group.
Collaboration and advocacy	Advocating to strengthen the operation of the Modern Slavery Act by making a submission to the Review of the Act conducted by Professor McMillan AO and proposing recommendations.
	Attending the National Modern Slavery Conference 2023 hosted by the Commonwealth Attorney-General's Department, which had the theme 'Taking Action Together' and highlighted the importance of stakeholder collaboration in tackling modern slavery.
	Presenting at external industry and stakeholder events on modern slavery risks and approaches in investing.





Criterion 1, 2 and 6

About us

AustralianSuper is the fund for all Australians.

The largest superannuation fund in Australia and one of the largest in the world³, AustralianSuper manages the retirement savings of more than one in eight working Australians⁴.

With members at the centre of everything we do, our purpose is to help members achieve their best financial position in retirement.

As a large, global investor we invest in a mix of quality assets to grow members' savings over time. As at 30 June 2023, AustralianSuper managed nearly \$300 billion in assets on behalf of more than 3.2 million members.

We offer superannuation and pension accounts as well as transition to retirement (TTR) accounts. Members can choose from 11 different investment options.

More information about who we are and how we are working to deliver for members is available in our **2023 Annual Report**.

Fund structure

AustralianSuper Pty Ltd is the trustee of AustralianSuper, a public offer superannuation fund, and manages the Fund's operations and investment activity on behalf of members. The Trustee holds an RSE Licence from the Australian Prudential Regulation Authority (APRA) which authorises it to act as the trustee of AustralianSuper.

In addition, AustralianSuper Pty Ltd has established a number of wholly owned and controlled investment vehicles also known as separate legal entities (SLEs), usually in the form of unit trusts with proprietary limited trustee companies. These SLEs have been established for the purpose of holding specific property, infrastructure, private equity, private credit and fixed income investments in the investment portfolio. These SLEs do not employ any staff and operate under AustralianSuper Pty Ltd's policies and procedures.

Separate legal entities (SLEs) reporting entities

For the purposes of the Modern Slavery Act, a number of these entities were classified as legal reporting entities for the 2022–2023 financial year.

FY23 reporting SLEs	ABN
AS Direct Australian Equities Pty Ltd as trustee for AS Direct Australian Equities Trust	34 513 465 701
AS Infrastructure No. 2 (Holding) Pty Ltd as trustee for AS Infrastructure No. 2 (Holding) Trust	42 643 099 427
AS Infrastructure No. 3 (Holding) Pty Ltd as trustee for AS Infrastructure No. 3 (Holding) Trust	89 979 226 084
AS Infrastructure WestConnex (Holding) Pty Ltd as trustee for AS Infrastructure WestConnex (Holding) Trust.	96 789 213 059
AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 2	52 933 108 120
AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 ⁵	27 817 108 058
AustralianSuper RAAD Pty Ltd as trustee for AustralianSuper RAAD Trust	24 644 589 250
AS Infra PP Pty Ltd as trustee for AS Infra PP Trust	81 416 260 166
AS Infra Tower Pty Ltd as trustee for AS Infra Tower Trust	25 300 336 732
AS Airports Pty Ltd as trustee for AS Airports Trust	75 985 343 190

³ Thinking Ahead Institute, Global top 300 pension funds, September 2023. AustralianSuper was ranked the 18th largest pension fund out of 300 global funds [thinkingaheadinstitute.org/research-papers/the-worlds-largest-pension-funds-2023](https://www.thinkingaheadinstitute.org/research-papers/the-worlds-largest-pension-funds-2023)

⁴ Australian Bureau of Statistics (Labour force) and AustralianSuper Member Data, June 2023.

⁵ AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 owns or controls several investment vehicles. These investment vehicles do not have their own operations or supply chains. AustralianSuper Investments Pty Ltd as trustee for AustralianSuper Investments Fund No. 3 does not own or control any other entities that have operations or supply chains of their own.

About us cont.

Consultation process

AustralianSuper has a cross functional Modern Slavery Working Group comprising representatives from the Group Risk, Legal, Investments, Procurement, Third-Party Risk, Operational Due Diligence, Corporate Affairs and Investment Relations functions. The Working Group is involved in preparing the Fund’s Modern Slavery Statement and co-ordinating its review by members of the Fund’s senior leadership team. The Modern Slavery Statement is endorsed by the Investment Committee (which assists the Board to carry out its responsibilities in relation to investment policy and strategy, achievement of investment objectives and oversight of the investment program), before being formally approved by the Board. Throughout the year, the Working Group members share their insights and learnings with each other and consult with other teams across the Fund to drive improvements in our approach to managing modern slavery risks in our operations, supply chain and our investments.

We consulted with the SLEs, primarily through the Company Secretary of these SLEs, on the preparation of this Statement. Entities that are owned or controlled by the reporting entities were also consulted in preparing this Statement.

As the SLEs are wholly owned entities, they operate under AustralianSuper Pty Ltd’s policies and procedures. All content in this Statement should be read as applying to these SLEs.

Fund operations and supply chain

AustralianSuper directly employed 1,471 colleagues as at 30 June 2023⁶. AustralianSuper recruits and employs the majority of its colleagues directly, rather than through external agencies or labour-hire arrangements. Headquartered in Melbourne, Australia, the Fund also has offices in Adelaide, Brisbane, Canberra, Hobart, Perth, Sydney, Newcastle, Beijing, London and New York.

Workforce by location as at 30 June 2023

Country	Location	Staff
Australia	Melbourne, Sydney, Brisbane, Perth, Adelaide, Hobart, Newcastle, Canberra	1,364
China	Beijing	3
UK	London	78
USA	New York	26
Total		1,471

The Fund’s main focus is the day-to-day running of the investment portfolio and member-related functions. We procure a range of goods and services from external providers to undertake our operations.

The Fund has undertaken a high-level supply chain risk assessment considering supplier location and supplier sector category risk, plus business model structure risk and business relationship risk.

In FY23, we worked with more than 900 suppliers from 23 countries across our operational and investment activities. Our top 55 suppliers made up 80% of our spend.

By country, approximately 70% of our spend was with suppliers based in Australia, approximately 15% based in the United Kingdom and just under 11% based in the United States. Ninety-five percent of our supplier spend involved first tier suppliers operating in the same jurisdictions in which the Fund operates, with these countries considered lower-risk locations by FairSupply for modern slavery.

By category of supplier spend, administration and custodian services in Australia represented approximately 32% of our total spend, technology and data services represented approximately 25%, people, professional and consulting services represented approximately 14%, property and facilities approximately 11% and marketing, brand and communications approximately 9%.

⁶ This figure included 18 day-rate contractors, 98 maximum term contract colleagues and 115 consultants, all of whom were engaged by the Fund as at 30 June 2023.





About us cont.

Our investment capability

AustralianSuper invests across a variety of asset classes, sectors and geographies. We invest both internally through our in-house investment team and externally through investment managers who manage discrete portfolios on behalf of AustralianSuper or pooled investment vehicles. We offer a choice of investment options, with around 90% of members investing in our default Balanced option.

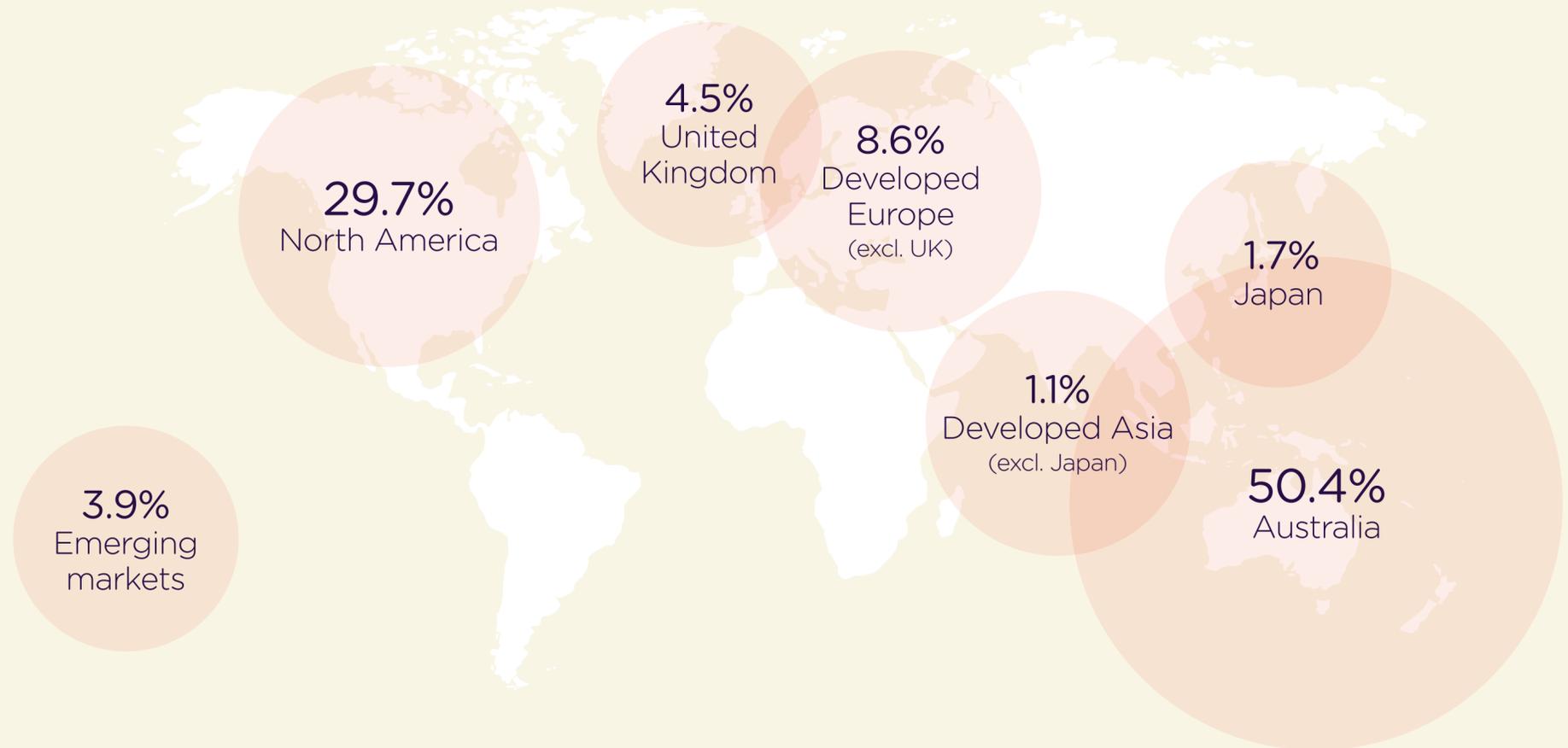
The following diagrams provides a breakdown of the investment portfolio by geographic location⁷.



The graphs on the following page show a breakdown of the investment portfolio by asset class.

Total member assets by geographic region⁷

as at 30 June 2023



Regional breakdown by location

North America: Bermuda, Canada, Cayman Islands, United States.

Emerging Markets: Argentina, Azerbaijan, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Romania, Russia, Slovenia, South Africa, South Korea, Taiwan, Thailand, Tunisia, Turkey, UAE, Vietnam.

United Kingdom: Guernsey, Isle of Man, Jersey, United Kingdom.

Developed Europe ex-UK: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland.

Developed Asia ex Japan: Hong Kong, Macao SAR China, New Zealand, Singapore.

⁷ Figures may not add to 100% due to rounding.



About us cont.

Asset allocation of AustralianSuper investment options (accumulation)

as at 30 June 2023

High Growth



- Australian shares 27.3%
- International shares 34.2%
- Private equity 6.0%
- Unlisted infrastructure 11.6%
- Listed infrastructure 0.3%
- Unlisted property 3.8%
- Listed property 0.3%
- Credit 0.7%
- Fixed interest 11.5%
- Cash 4.0%
- Other assets 0.2%

Balanced



- Australian shares 20.9%
- International shares 26.1%
- Private equity 5.4%
- Unlisted infrastructure 15.2%
- Listed infrastructure 0.3%
- Unlisted property 4.8%
- Listed property 0.5%
- Credit 3.5%
- Fixed interest 18.7%
- Cash 4.0%
- Other assets 0.4%

Socially Aware



- Australian shares 21.5%
- International shares 25.6%
- Private equity 5.7%
- Unlisted infrastructure 15.2%
- Listed infrastructure 0.3%
- Unlisted property 5.0%
- Listed property 0.5%
- Credit 3.6%
- Fixed interest 18.8%
- Cash 3.4%
- Other assets 0.4%

Conservative Balanced



- Australian shares 14.4%
- International shares 18.0%
- Private equity 4.7%
- Unlisted infrastructure 13.1%
- Listed infrastructure 0.1%
- Unlisted property 5.2%
- Listed property 0.4%
- Credit 4.3%
- Fixed interest 28.6%
- Cash 10.8%
- Other assets 0.4%

Stable



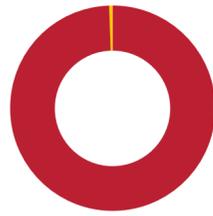
- Australian shares 7.6%
- International shares 9.6%
- Private equity 2.0%
- Unlisted infrastructure 13.2%
- Listed infrastructure 0.6%
- Unlisted property 5.8%
- Listed property 0.4%
- Credit 4.6%
- Fixed interest 35.4%
- Cash 20.6%
- Other assets 0.3%

Indexed Diversified



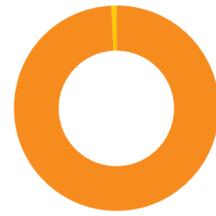
- Australian shares 31.5%
- International shares 38.5%
- Listed infrastructure 0.0%
- Listed property 0.0%
- Fixed interest 24.8%
- Cash 5.3%

Australian Shares



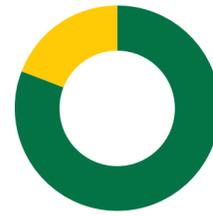
- Australian shares 99.6%
- Cash 0.4%

International Shares



- International shares 99.4%
- Cash 0.6%

Diversified Fixed Interest



- Fixed Interest 81.1%
- Credit 0.0%
- Cash 18.9%

Cash



- Cash 100%

AustralianSuper publishes a list of the holdings in each investment option twice a year on our [website](#). Our 2023 Annual Report contains a list of our external investment managers as at 30 June 2023.



Criterion 3

Identifying modern slavery risks

What is modern slavery risk?

The term modern slavery describes situations where coercion, threats or deception are used to severely exploit victims and undermine their freedom⁸. While modern slavery manifests in different ways, the eight types of serious exploitation that are of focus for the Modern Slavery Act and AustralianSuper are: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour⁹. The worst forms of child labour are defined as situations where children are subjected to slavery or similar practices or engaged in hazardous work⁸.

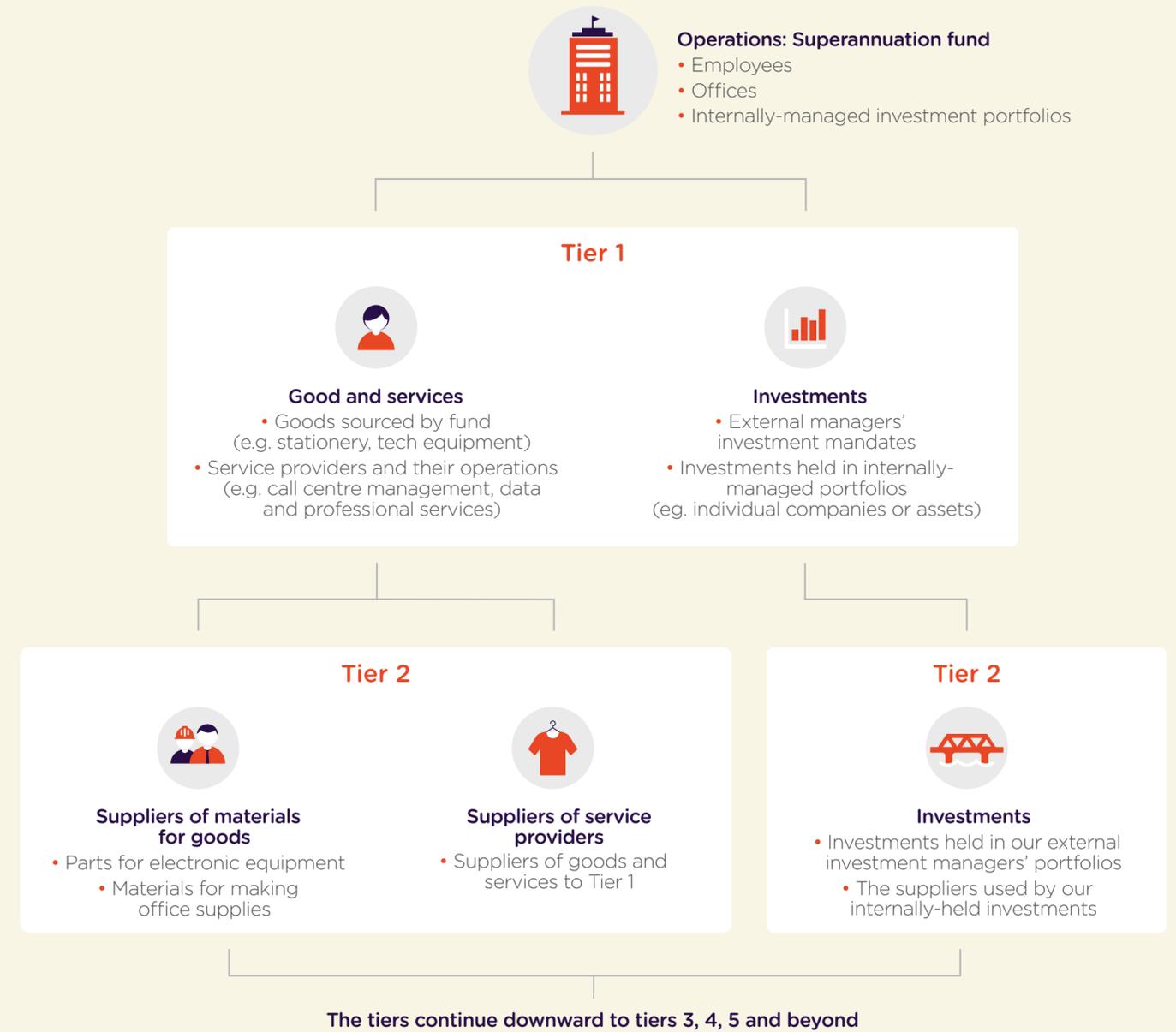
Taking a 'risk to people' approach

When looking to assess modern slavery risk, it is important to take a 'risk to people' approach. This means that we are looking at the severity of modern slavery practices, the likelihood of them occurring, and the extent of the risk in terms of the number of people affected and over what time period.

For AustralianSuper, this means that our risk analysis does not necessarily focus on the most material parts of our business or the risk to AustralianSuper's business. Rather, we focus on areas of the business, supply chain and investments where the risk is highest for individuals to be subjected to modern slavery practices, even if they are small in terms of spend or impact to the business.

When looking to understand modern slavery risk, we also need to progressively address risks deeper in our operations and supply chain. Supply chains are often discussed by describing 'tiers' or layers to the supply chain. The diagram opposite shows an example of a superannuation fund supply chain and the different tiers.

Example of a superannuation fund supply chain



⁸ Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities modernslaveryregister.gov.au/resources/Commonwealth_Modern_Slavery_Act_Guidance_for_Reporting_Entities.pdf

⁹ As defined in Article 3 of the ILO Convention (No. 182) concerning Prohibition and immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999.



Identifying modern slavery risks cont.

How we identify modern slavery risks

Policy framework

AustralianSuper's Enterprise Risk management framework (ERmf) is the totality of systems, structures, policies, processes and people within the business operations that identify, assess, manage, mitigate and monitor all internal and external sources of inherent risk that could have a material impact on AustralianSuper's business operations or purpose. Embedded within the ERmf is a suite of policies which enable the management of modern slavery risks in our operations and investment portfolio. The Fund's Code of Conduct, TPMF, Outsourcing Policy and ESG and Stewardship Policy set out mechanisms designed to ensure safe and compliant labour practices occur in the organisation and are assessed in our investment decision-making.

In addition, the Fund's Whistleblower Policy provides mechanisms to allow 'improper conduct', which includes breaches of the law, breaches of AustralianSuper's policies and/or any other misconduct or improper state of affairs, to be escalated and addressed through the proper governance mechanisms at the Fund.

While the various policies which are referred to in this section relate to a broad range of matters and risks (and are not specific to modern slavery), they assist the Fund in identifying potential modern slavery risks, as explained in further in the following text.

Procurement supply chain

The Fund's TPMF was implemented in FY22. It defines the policies, standards, systems, processes and people required for a holistic approach to supplier risk management, including modern slavery risks. In FY23, the ownership of the TPMF was transferred from the Procurement function to a dedicated Third Party Risk, Oversight & Due Diligence (TPRO) function. The TPRO team undertakes the due diligence process as part of a broader first line risk and compliance team reporting into the Chief Operating Officer.

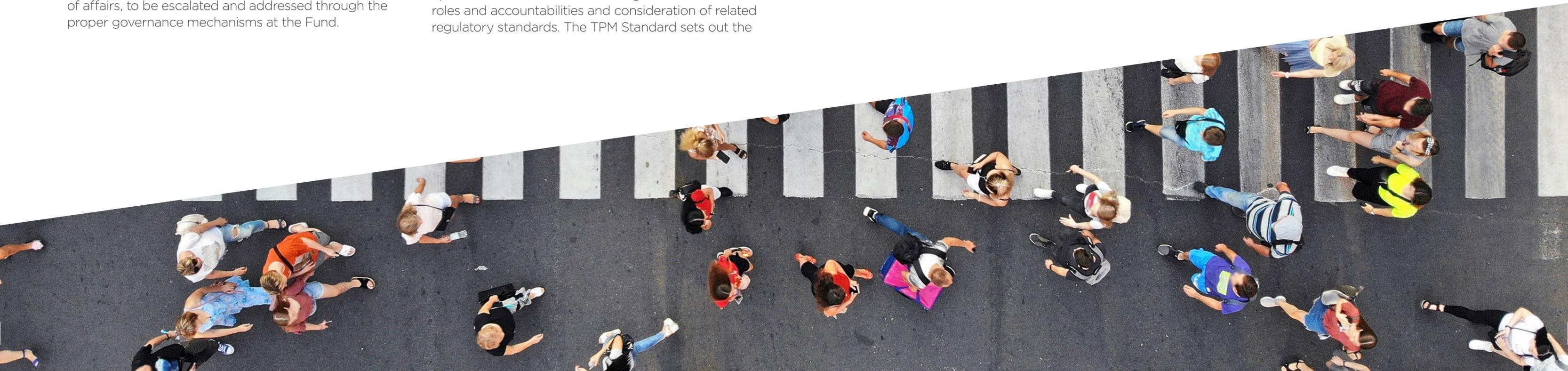
During FY23, the TPMF, TPM Policy, Third-Party Management Standard (TPM Standard), Outsourcing Policy and Outsourcing Procedure documents were updated to include a review of segmentation levels, roles and accountabilities and consideration of related regulatory standards. The TPM Standard sets out the

minimum rules and requirements that all colleagues must follow when engaging and/or dealing with suppliers to ensure there are effective and efficient risk identification, management and monitoring processes in place over the entire end-to-end third-party lifecycle. The requirements under the TPM Standard apply to all new supplier engagements. For existing supplier arrangements, the TPM Standard has been implemented in stages, with initial focus on AustralianSuper's material and critical suppliers.

The TPMF supporting process includes a Third-Party Inherent Risk Profile Tool (IRP Tool) to help business functions identify inherent modern slavery risks associated with their supplier arrangements. The IRP Tool is required for all new goods and services AustralianSuper procures and must be completed before any contract is entered into. The IRP Tool leverages the following indicators to help identify if poor labour practices, human rights abuses and modern slavery are inherent risks in a supplier arrangement:

- **High-risk business models:** Business models that rely on unskilled, temporary or seasonal workers or any offshore workers.
- **High-risk industry sectors:** Products and services regarded as having more significant inherent modern slavery risk – including industries that rely heavily on low-skilled labour and/or involve dangerous work.
- **High-risk countries:** Countries which are known to have higher human rights (and modern slavery) risks.

Based on the indicators, the IRP Tool informs the level of due diligence and assessment required as part of the supplier selection and engagement process. The inherent risk assessment questions the country of origin of the supplier and the industry and calculates a slavery index score which triggers the need to ask further questions of the supplier to assess whether there is any modern slavery risk.





Identifying modern slavery risks cont.

Existing supplier modern slavery assessment

In FY23, we again engaged external provider FairSupply to complete the forced labour risk assessment program for our existing suppliers within the Fund's own supply chain. Utilising the 2023 Global Slavery Index data amongst other sources, the risk assessment provides indicative levels of modern slavery risk in our supply base, reported by geography, industry and the depth of the risk within our supply chain. This information allows us to validate the indicators we have set to identify modern slavery risks and better target our due diligence activities. It is important to note, this assessment does not confirm the actual existence or non-existence of slavery in AustralianSuper's supply chains, operations or investments. For further details of the FairSupply methodology, see Appendix 1.

In FY23, we increased the number of entities included in the analysis as the scope of suppliers was broadened from the 780 top spend suppliers in FY22, to include all 1,550 suppliers, regardless of spend committed in FY23.

The FairSupply assessment indicated that:

- forced labour risk exists in Tiers 1 and 2 of our supply chain
- the majority (around 90%) of our suppliers have a low risk rating, with around 9% with a moderate low rating. The risk rating is based on the estimated intensity of forced labour in company supply chains. This is largely due to the continued predominance of our suppliers being based in Australia, the United States and the United Kingdom, and being in the financial, professional and technology consulting services industries
- less than 1% of companies have a moderate or high risk rating.

The following table shows the top modern slavery risks within the Fund's goods and services supply chain.

Top modern slavery risks

Fund goods and services supply chain	
By industry	<ul style="list-style-type: none"> • Australia: Other business services such as accounting, legal advice, outsourced labour, market research, cleaning, waste management, advertising and consulting services • Australia: Financial intermediation services, except insurance and pension funding services • Australia: Retail trade services: companies involved in the retail trade sector and repair and maintenance services of household goods, with the exception of motor vehicles and motorcycles. • Australia: Computer and related services • United States: Hotel and restaurant services
By country	<ul style="list-style-type: none"> • Australia • India • United States • China • United Kingdom
By tier	<ul style="list-style-type: none"> • 1 and 2

Sources: FairSupply Forced Labour Risk Analysis. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in AustralianSuper's supply chains, operations or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

Investment portfolio

In the investment portfolio, we seek to identify modern slavery risks by integrating consideration of ESG issues in investment processes where we believe these issues can impact members' returns. This is implemented through our ESG and Stewardship program. This varies based on the characteristics of our investment including whether we are investing directly or through external investment managers, or whether our investment is actively or passively held. Bespoke or reduced integration and stewardship activities may be undertaken in some instances given the nature of investments and the application of AustralianSuper's materiality assessment.

We conduct modern slavery and workforce due diligence prior to investing in assets where we deem modern slavery risk as material. Our assessments are guided by our internally-developed labour indicators and take into consideration the geographic location of the investment and its supply chain, industry exposure and the nature of the business' workforce to identify potential risks. Our assessment of these areas has been informed by such guiding frameworks as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, The Global Slavery Index, and the UN Guiding Principles on Business and Human Rights.

Where investments are made by external investment managers, ESG integration activities are undertaken by the external manager using their ESG approach. However, AustralianSuper asks our new and existing investment managers for disclosure on how they seek to identify and mitigate modern slavery risk through our manager operational due diligence processes.

Modern slavery risk assessment

In FY23, AustralianSuper conducted a forced labour risk assessment of the Australian shares, international shares, unlisted infrastructure and unlisted property asset classes (Analysed Portfolio) using external service provider FairSupply. These are our largest portfolios and on aggregate represented almost 70% of total assets under management as at 31 December 2022.

This approach helps us identify the Analysed Portfolio's modern slavery risks and determine the actions required to mitigate risks through our ESG and Stewardship program.

FairSupply's FY23 assessment includes an updated modern slavery data set including:

- the 2023 Global Slavery index (GSI)
- latest research from FairSupply on forced labour risk factors at the industry level, and the September 2022 release of the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

Our FY23 risk assessment analysed forced labour risk from Tier 1 (direct supplier) to Tier 10 of the supply chain, covering both internally and externally managed exposures in the Analysed Portfolio (excluding property assets under development). Hypothetically, AustralianSuper's exposure to modern slavery risks could sit within one or more of the UN Guiding Principles continuum of conduct categories (cause, contribution and direct linkage) described in further detail below¹⁰:

- **cause** risks of modern slavery if its activities directly result in modern slavery, for example, if AustralianSuper itself uses forced labour;



Identifying modern slavery risks cont.

- **contribute** to risks of modern slavery if AustralianSuper’s activities in its operations and/or supply chains facilitate or incentivise modern slavery, for example, if AustralianSuper seeks the cheapest possible labour for a project and turns a blind eye to evidence that the workers are being exploited, or if AustralianSuper sets an unrealistic cost target or delivery timeframe for a supplier that can only be met in practice by using modern slavery; and
- **be directly linked to** risks of modern slavery if AustralianSuper has not caused or contributed to modern slavery but its operations, products or services are still connected to modern slavery through a business relationship with a third party (including relationships with suppliers at all tiers of the supply chain, regardless of whether the entity itself has a direct contractual relationship with them). For example, this may arise if AustralianSuper invests in a company’s infrastructure project and, without its knowledge and contrary to its policies and contractual terms, a subcontractor uses forced labour.

FairSupply’s assessment indicates the theoretical risk of modern slavery occurring in each asset class, enabling us to identify the top modern slavery risks by geography, industry and company in the Analysed Portfolio. The analysis highlights where risks could potentially emerge from within a company’s supply chain indicating the estimated number of theoretical people in forced labour within the supply chain, rather than the actual prevalence of modern slavery practices in these companies. It also does not take into account the mitigation strategies each asset and company have in place to manage modern slavery risks.

FairSupply applies a ‘slavery intensity’ metric to identify modern slavery risk across portfolios. The ‘slavery intensity’ metric quantifies the number of full-time equivalent (FTE) workers estimated to be in slavery across the portfolio’s supply chain per million dollars

invested. We have used the ‘slavery intensity’ metric to identify risk across the Analysed Portfolio as we understand that while we may have more proportionate influence over those investments where a higher amount is invested, the risk to people of modern slavery can also occur in our smaller value investments. For further details of the FairSupply methodology please see Appendix 1.

The following tables show the top modern slavery risks within the aggregate Australian and international shares asset class, and the aggregate unlisted property and unlisted infrastructure asset classes. The analysis identified:

- Overall modern slavery risks have increased within the aggregate Australian and international shares asset class since we last conducted this analysis in FY21. This was due to a combination of the rise in overall modern slavery victims in the 2023 Global Slavery index and the Fund’s increased exposure to international markets, particularly emerging markets.
- Increased exposure to India in the international shares asset class has elevated modern slavery risks due to the higher exposure to higher risk industries such as those involved in manufacturing, oil production, and mining.
- While the majority of companies (around 84%) in the Australian and international shares asset class aggregate portfolio have a low or moderate low forced labour risk rating, there is a high or moderate high risk in around 5% of companies (more than 2,800 companies were analysed in total).
- The retail trade sector has a high risk of modern slavery in the analysed portfolios, including within Australian companies given the nature of their global supply chains and exposure to horticulture supply chains.
- Around 95% of assets in the aggregate unlisted infrastructure and property asset classes have a low forced labour risk rating, with the remainder moderate low or moderate.

Top modern slavery risks

Australian and international shares asset classes	
By industry	<ul style="list-style-type: none"> • Australia: Retail trade services: companies involved in the retail trade sector and repair and maintenance services of household goods, with the exception of motor vehicles and motorcycles. • United States, Australia: Hotel and restaurant services • Australia: Wholesale trade and commission trade services, with the exception of motor vehicles and motorcycles • United States: Health and social work services • India: Private households with employed persons
By country	<ul style="list-style-type: none"> • Australia • India • United States • China • Indonesia
By tier	<ul style="list-style-type: none"> • 1 and 2

Sources: FairSupply Forced Labour Risk Analysis. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in AustralianSuper’s supply chains, operations or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

Unlisted infrastructure and unlisted property asset classes	
By industry	<ul style="list-style-type: none"> • United States, Australia, United Kingdom: Supporting and auxiliary transport services including those involved in freight brokerage, packing and crating, inspection and receiving; and travel agencies. • Australia, United States: Other business services such as accounting, legal advice, outsourced labour, market research, cleaning, waste management, advertising and consulting services • Australia: Retail trade services: companies involved in the retail trade sector and repair and maintenance services of household goods, with the exception of motor vehicles and motorcycles. • Australia: Financial intermediation services, except insurance and pension funding • United States: Hotel and restaurant services
By country	<ul style="list-style-type: none"> • United States • Australia • India • United Kingdom • China
By tier	<ul style="list-style-type: none"> • 1 and 2

Sources: FairSupply Forced Labour Risk Analysis. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in AustralianSuper’s supply chains, operations or investments. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

Where external managers in the unlisted infrastructure and unlisted property asset classes were analysed, the assessment was conducted at the manager level; underlying assets were not analysed.



Criterion 4

Assessing and addressing modern slavery risks

Direct operations

We assess the risk of our direct company operations directly causing or contributing to modern slavery to be low. This assessment is based on an understanding of the nature of our workforce and geographic footprint. AustralianSuper's offices are predominantly located in developed markets – Australia, UK and US – with largely professional, office-based, permanent staff. There are three staff located in China. All full-time or part-time permanent employees and maximum term contract staff in Australia, plus Australian secondees to our international offices, are covered by an enterprise agreement that sets out labour entitlements that further mitigate the risk of modern slavery occurring in our operations. Local staff in international offices have tailored contracts in place. The policies we have in place as outlined in this Statement also reduce our modern slavery risk profile.

Supply chain

In addition, as described in the previous section, we have conducted an independent assessment of our investment and third-party supplier supply chains through FairSupply. This assessment indicated that our overall modern slavery risk in our procurement supply chain was low. It identified key risks associated with some components of the investment portfolio which may be exposed to higher-risk industries or suppliers from high-risk countries or through more remote parts of their supply chains. We have provided an overview of the results of this assessment for both our existing suppliers and our Analysed Portfolios in this Statement on pages 14-15.

Responsible procurement

The Procurement function has implemented a standardised and risk-weighted approach to supply chain risk assessment and management. The approach, which is defined in our Third-Party Management Framework and Standard, involves the segmentation of our suppliers based on inherent risks and contract value. This then informs our business functions on how to assess, manage and monitor those risks. Where labour practices, human rights abuses and modern slavery is identified as an inherent risk to a supplier arrangement through the IRP Tool, our Fund colleagues are required to:

- conduct additional due diligence to ensure suppliers have suitable management systems in place to manage labour, human rights and modern slavery risks associated with their operations. The due diligence process requires the supplier to complete a due diligence questionnaire that includes questions relating to the supplier's:
 - modern slavery policies and procedures
 - site/facility locations
 - supply chain management practices
 - known modern slavery risk, and
 - other risk factors.

- ensure supplier contracts include appropriate terms and conditions which set out obligations relating to the management of labour practices, human rights and modern slavery risks. These obligations include requirements to implement policies and procedures to ensure compliance with modern slavery laws, report identified modern slavery risks or events to AustralianSuper, keep records in relation to the supplier's modern slavery practices and provide AustralianSuper with that information; and
- monitor and manage labour practices, human rights and modern slavery risk over the life of the contract. Supplier arrangements with identified inherent risks are required to have contract and supplier monitoring plans in place and complete an annual due diligence review.

Supplier responses to the due diligence questionnaire are assessed by the TPRO team to identify potential modern slavery issues in the supplier's operations that would require further investigation or escalation.

Where any modern slavery risks are identified, these are assessed and recorded in our risk system for management, monitoring and reporting.

The TPRO team is responsible for the design and ongoing implementation of the due diligence program, residual risk assessments and assignment of controls for third-party risk management.

Investments

AustralianSuper assesses and addresses modern slavery risks in the investment portfolio through its ESG and Stewardship program. Activities in this program are primarily conducted across two pillars:

- **Integration:** refers to the way we integrate ESG considerations in deciding, which assets and companies to invest in, and in assessing their investment value.
- **Stewardship:** Exercising our rights and responsibilities as an asset owner to seek positive management of ESG issues that we believe can impact members' investment returns.

The table on the following pages provides a summary of the integration and stewardship activities undertaken to assess and address modern slavery risks in the investment portfolio. It demonstrates how our approach varies based on the asset class and characteristics of our investment. As the table shows, we undertake more in-depth integration and stewardship activities in the companies and assets we invest in directly. Direct ownership provides us with greater oversight over our assets, including on ESG issues. AustralianSuper often has large ownership stakes in companies and assets, which affords us governance rights, including the appointment of AustralianSuper nominated board directors on certain unlisted assets, and opportunities to engage with board and other key decision-makers in listed ASX companies.



Assessing and addressing modern slavery risks cont.

Investment activities to assess and address modern slavery risks

Asset class	Portfolio/strategy	Integration activities	Stewardship activities
Australian shares	Internal Fundamental	<ul style="list-style-type: none"> Review of modern slavery risks and mitigation strategies prior to investing guided by proprietary labour indicators. Assessment of publicly available information including company modern slavery statements, annual reports, and sustainability reporting. Review of research from brokers or investment specialists. Assessment of modern slavery risks included as part of ESG due diligence review. 	<ul style="list-style-type: none"> Development and annual review of ownership plans. Engagement with companies may include modern slavery risks and mitigation strategies directly and through ACSI. Consideration of workforce and labour shareholder proposals (on occasion).
	Quantitative and index	<ul style="list-style-type: none"> Not undertaken in relation to security selection. For external investment managers only, inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> AustralianSuper is a member of ACSI which has engaged with certain companies on modern slavery. Consideration of workforce and labour shareholder proposals (on occasion). For external investment managers only, inclusion of modern slavery questions in manager operational due diligence processes.
International shares	Internal Fundamental	<ul style="list-style-type: none"> Review of modern slavery risks as part of ESG due diligence prior to investment. Assessment of publicly available information including company modern slavery statements, annual reports, and sustainability reporting. 	<ul style="list-style-type: none"> EOS at Federated Hermes, on behalf of clients including AustralianSuper, may engage with certain companies on modern slavery. Ad hoc direct engagement with certain companies on modern slavery matters. Consideration of workforce and labour shareholder proposals (on occasion).
	Quantitative and index	<ul style="list-style-type: none"> Not undertaken in relation to security selection. For external investment managers only, inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> EOS at Federated Hermes, on behalf of clients including AustralianSuper, may engage with certain companies on modern slavery. Consideration of workforce and labour shareholder proposals (on occasion). For external investment managers only, inclusion of modern slavery questions in manager operational due diligence processes.
	External active	<ul style="list-style-type: none"> Inclusion of modern slavery questions in manager appointment process. Integration activities may be undertaken by external investment managers in relation to security selection. 	<ul style="list-style-type: none"> On behalf of clients including AustralianSuper, EOS at Federated Hermes and/or external investment managers, may engage with certain companies on modern slavery. Consideration of workforce and labour shareholder proposals (on occasion). Inclusion of modern slavery questions in manager operational due diligence processes.
Unlisted property	Internal	<ul style="list-style-type: none"> Review of modern slavery and labour risks guided by proprietary labour indicators in due diligence. Assessment of transaction documents, including modern slavery statements, policy and procedure documents, and workforce performance data (where available). Assessment of modern slavery risks included as part of ESG due diligence review. 	<ul style="list-style-type: none"> Developing ownership plans. Modern slavery may be included as part of direct engagement activities with certain assets. Findings from modern slavery assessments and engagement outcomes may be included in ESG updates for asset class team.
	External	<ul style="list-style-type: none"> External investment managers may assess modern slavery in their due diligence processes. 	<ul style="list-style-type: none"> Engagement with certain external investment managers to understand their modern slavery risk assessment and mitigation processes. External investment managers may engage with certain assets on modern slavery. Inclusion of modern slavery questions in manager operational due diligence processes.

What are fundamental portfolios?

Our fundamental portfolios are actively managed by our in-house investment team. Our team uses research and insights, and applies their expertise and judgment to assess the quality and value of individual companies on a range of factors. These can include company financial information, management quality, market and industry outlooks and ESG considerations.

What are ownership plans?

AustralianSuper develops ownership plans for certain assets as indicated in the table opposite and continued on page 15. The plans seek to identify material issues which may impact valuation, including key ESG themes such as modern slavery; assess company disclosure and management of material issues; identify key stakeholders; and identify stewardship actions to be undertaken by AustralianSuper. The plans incorporate our internal assessment of company management of, and disclosure related to, material ESG issues.



Assessing and addressing modern slavery risks cont.

Investment activities to assess and address modern slavery risks cont.

Asset class	Portfolio/strategy	Integration activities	Stewardship activities
Unlisted infrastructure	Internal	<ul style="list-style-type: none"> Review of modern slavery and labour risks guided by proprietary labour indicators in due diligence. Assessment of transaction documents, including modern slavery statements, policy and procedure documents, and workforce performance data (where available). Assessment of modern slavery risks included as part of ESG due diligence review. 	<ul style="list-style-type: none"> Developing ownership plans. Modern slavery may be included as part of direct engagement activities with certain assets. Findings from modern slavery assessments and engagement outcomes may be included in ESG updates for asset class team.
	External	<ul style="list-style-type: none"> External investment managers may assess modern slavery in their due diligence processes. 	<ul style="list-style-type: none"> Engagement with certain external investment managers to understand their modern slavery risk assessment and mitigation processes. External investment managers may engage with assets on modern slavery. Inclusion of modern slavery questions in manager operational due diligence processes.
Listed property		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. Inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> Consideration of workforce and labour shareholder proposals (on occasion). Inclusion of modern slavery questions in manager operational due diligence processes.
Listed infrastructure		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. Inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> Consideration of workforce and labour shareholder proposals (on occasion). Inclusion of modern slavery questions in manager operational due diligence processes.
Private equity	Co-investment and co-underwrites	<ul style="list-style-type: none"> For transactions where modern slavery risks are considered elevated assessments may be undertaken. 	<ul style="list-style-type: none"> For co-underwrites where risks are considered elevated they may be included in ownership plans.
	Funds	<ul style="list-style-type: none"> Inclusion of modern slavery questions in manager appointment process. 	<ul style="list-style-type: none"> Inclusion of modern slavery questions in manager operational due diligence processes.
Credit		<ul style="list-style-type: none"> Where modern slavery risks are considered elevated assessments may be undertaken. 	<ul style="list-style-type: none"> Not currently undertaken.
Fixed interest		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. 	<ul style="list-style-type: none"> For external investment managers only, inclusion of modern slavery questions in operational due diligence processes.
Cash		<ul style="list-style-type: none"> Integration not undertaken in relation to security selection. 	<ul style="list-style-type: none"> For external investment managers only, inclusion of modern slavery questions in operational due diligence processes.

The following pages show examples of our integration and stewardship activities within various asset classes and investment strategies.



Assessing and addressing modern slavery risks cont.

Examples of our integration and stewardship activities within various asset classes and investment strategies are provided below.

Unlisted property and unlisted infrastructure asset classes – internal

Our ESG due diligence process seeks to identify modern slavery risks when undertaking transactions for directly held assets in the unlisted property and unlisted infrastructure asset classes. We seek to manage these risks in ownership through our ongoing stewardship practices.

AustralianSuper engages with the Boards and management of certain property and infrastructure assets. In these meetings, we may seek to understand their approach to addressing modern slavery risks in their operations and supply chains. This may involve conducting a review of assets' modern slavery statements, the availability and robustness of controls such as grievance mechanisms, codes of conduct and training, contractor oversight, and procurement processes.

Non-executive director training program

During FY22, AustralianSuper commenced a training program, which includes ESG and modern slavery, for AustralianSuper appointed non-executive directors (NEDs) on the Boards of portfolio companies where we have the right to nominate one or more directors. During calendar year 2022 and 2023, a session on modern slavery was delivered to our Global NEDs at our London and Melbourne offices. The session included an overview of modern slavery, global regulations and practical tips on how to identify and mitigate potential modern slavery risks.

Australian and international shares asset classes

We expect companies to effectively identify and manage modern slavery risks across their supply chains. For Australian listed companies in our internally managed fundamental portfolios, we have a direct engagement program where we discuss material ESG issues, which may include modern slavery and labour standards, with company boards and/or management.

As part of our stewardship program, we assess which companies are at heightened risk of modern slavery and prioritise modern slavery discussions in engagements with those companies. Our company engagements are informed by the findings of our initial social factor assessments, industry and country forced labour risks identified by the FairSupply analysis and other information we have ascertained from the company's disclosure or previous engagement activities. Our total direct engagements on modern slavery with ASX300 companies was 16 in FY22 and 18 in FY23.

Our ongoing engagement with these companies seeks improvement in the performance of the priority areas we've identified with regards to modern slavery. These priorities may include modern slavery statement disclosure, deepening relationships with suppliers to effectively enhance auditing practices, including moving beyond tier one, conducting training and dedicating resources across key operational business units and building processes and procedures around remediation when issues are found.

For Australian listed companies not held in our internally managed fundamental portfolios, we conduct our engagements through ACSI. Our subscription to Equity Ownership Services at Federated Hermes grants us access to insights and opportunities regarding engagements with a subset of companies in our

international shares asset class annually. Hermes EOS provides engagement services for AustralianSuper, and its other clients, for international companies.

AustralianSuper votes on company and shareholder resolutions for Australian and international listed companies. AustralianSuper retains voting rights for shares held by the Fund, including shares held by external investment managers on behalf of the Fund. Stocks within the voting coverage universe will be voted by the ESG and Stewardship team and may be voted directly or according to the voting approach for different holding types as noted in our share voting approach document published on our website.

In FY23, we have continued to assess proposals tabled by shareholders on labour and modern slavery issues. Our full voting record, including votes on different modern slavery related company resolutions, can be found on our website.

External investment managers

AustralianSuper invests a proportion of members' assets through external investment managers. While AustralianSuper is not making the individual investment decisions in these circumstances, it is important that the Fund's external investment managers consider modern slavery, supply chain and labour aspects in their investment processes.

In the appointment and annual operational due diligence processes, we ask external investment managers about their approach to ESG considerations, including modern slavery.

In addition, AustralianSuper conducts ESG reviews on its external investment managers in the international shares asset class via annual questionnaires. As part of these reviews, we seek to understand how the manager

considers ESG issues in the investment process. We have a modern slavery specific section to this process which includes questions on how managers consider modern slavery in their investment decision-making. In FY23 we sent these questionnaires to all our international equities external investment managers.

Index and quantitative investment strategies

As part of the Fund's overall investment strategy, we include index and quantitative portfolios to deliver the investment risk and return characteristics needed to deliver the Fund's overall investment objective.

Our indexed investment mandates are all managed by external investment managers. The purpose of these investment mandates is to efficiently gain exposure to the share market by replicating a particular market index. For these portfolios, investments will typically be made for each company in the index in proportion to their weight in the relevant index. By doing this we can achieve share market exposure consistent with an index return.

AustralianSuper also has internally managed, quantitative portfolios in the Australian and international shares asset classes. These portfolios predominantly use a model-based, systematic approach to selecting companies based on historical relationships between stock characteristics and their ability to predict future returns.

We do not undertake an assessment of qualitative investment characteristics (including ESG and non-ESG issues) for our index and quantitative portfolios as an input, given the passive or quantitative nature of the investment approach.



Criterion 4

Collaborating for better outcomes

AustralianSuper understands the importance of contributing to and supporting initiatives that help peers, businesses and society better identify and mitigate modern slavery risk.

In FY23, we advocated to strengthen the operation of the Modern Slavery Act by making a submission to the Review of the Act conducted by Professor McMillan AO and proposing recommendations. We also attended the 2023 National Modern Slavery Conference facilitated by the Attorney-General's Department which had the theme 'Taking Action Together'. The Conference highlighted the importance of continued stakeholder collaboration in tackling modern slavery.

In FY23, as part of our ongoing collaboration to tackle modern slavery, we continued our work with CAF and IAST APAC. We also continued our participation in investor forums such as ACSI, joining their new Social Factors Working Group, and RIAA's Human Rights Working Group. AustralianSuper is also a signatory to the Workforce Disclosure Initiative, a global initiative designed to improve corporate transparency and accountability on workforce issues and provide companies and investors with comprehensive and comparable data on workforce issues.





Collaborating for better outcomes cont.

CASE STUDY

Cleaning Accountability Framework

AustralianSuper co-founded the Cleaning Accountability Framework (CAF) in 2012 and is a proud supporter of the work it does to improve labour practices across cleaning supply chains.

Globally, the cleaning industry is a high-risk sector for modern slavery. In Australia, there are around 140,000 people working as cleaners, with a workforce made up of vulnerable members of the community who are more likely to be subjected to exploitation. This can materialise in forms such as underpayments (including the payment of superannuation and other mandated entitlements), income insecurity, poor working conditions, unethical contracting and procurement approaches and immigration-related threats, coercion and deception.

CAF works with cleaners and their union, tenants, contractors, property owners, facility managers, and investors across the cleaning supply chain to ensure ethical labour practices through Certification of commercial real estate assets via their 3 Star Standard. The CAF 3 Star Standard takes a multi-stakeholder approach to ensuring that all cleaning staff are compensated according to law and that appropriate labour practices are upheld.

During FY23, CAF launched its new **Three Year Strategic Plan**, which includes the planned roll-out of the CAF Portfolio Certification. Portfolio Certification is an important tool as it will move the CAF model from a building-by-building approach to larger-scale certification. This is a welcome evolution and is anticipated to positively impact the cleaning industry, and ultimately individual workers in the sector, on a much broader scale. In addition, CAF will also continue to provide procurement advisory services, education, and training on workforce risks and best practice.

CAF's work is supporting the wider market uptake of responsible procurement standards and is leading to improved rates of compliance with labour standards (including compliance with superannuation obligations). This is essential to affecting positive systemic changes across the commercial cleaning industry, while contributing to better working conditions for more than 70,000 AustralianSuper members in the cleaning industry.

Further, as an investor in the Australian property market, CAF certification indicates that properties are operating ethically when it comes to their labour practices, helping mitigate modern slavery risks and protecting investment value and members' outcomes in the long term.





Collaborating for better outcomes cont.

CASE STUDY

Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC)

The IAST APAC was launched in 2020 as an investor-led, multi-stakeholder initiative. The initiative seeks to engage with companies to promote effective action in finding, fixing and preventing modern slavery in their operations and supply chains.

IAST APAC comprises 42 investors with AU\$9.4 trillion in assets under management¹¹. AustralianSuper is a founding member of the initiative and Co-Chair of Workstream 2: Company Engagement. The secretariat of the initiative is provided by Walk Free in partnership with the Liechtenstein Initiative for Finance Against Slavery and Trafficking (FAST).

The initiative has two workstreams.

Workstream 1: Policy advocacy

This workstream developed an investor statement outlining expectations for companies on modern slavery, which was sent to all ASX200 companies in FY21¹². The statement encouraged, companies to go above and beyond the legal requirements of the Modern Slavery Act and outlined measures they should consider adopting as best practice to combat modern slavery risks effectively. It has formed the basis of various direct company engagements over the last two years.

In FY23, the Policy Advocacy Workstream focused on other policy areas including the development of a submission to the Australian Government’s Modern Slavery Act 2018 Review consultation. Find out more [here](#).

Workstream 2: Company engagement

AustralianSuper co-chairs this workstream, which enables investors to work on collaborative engagements with focus companies to address modern slavery risk across the Asia Pacific region. During FY23, investor groups in the Company Engagement Workstream continued to engage with 22 focus companies across consumer discretionary, consumer staples, technology and healthcare sectors to implement engagement plans with objectives and milestones. These companies are listed on exchanges in Australia, Hong Kong, Japan, the Philippines, Singapore, South Korea, Taiwan and Vietnam.

As focus companies are at different levels in their understanding and management of modern slavery risks, this workstream tailors engagement plans based on factors which can include industry, company size, geography, location and supply chain complexity.

Investor groups develop engagement objectives for focus companies based on the ‘Find it, Fix It, Prevent It’ framework, and monitor progress against these objectives semi-annually. Refer to the graphs opposite.

IAST APAC is strongly focused on industry collaboration – in the spirit of the Modern Slavery Act – including shared knowledge and tools to address risk, taking inspiration from the investor initiative ‘Find it, Fix it, Prevent it’ in the UK. It also engages with civil society, including Walk Free and FAST as well as investor briefings on specific risks by labour rights experts.

Investor masterclass

To further support investor groups, the Company Engagement Workstream developed a specialised masterclass series tailored for investors. The focus of the inaugural masterclass was to equip participants with a common knowledge of modern slavery risks and provide the foundation for effective collaborative interactions with companies. The masterclass covered topics including skills for collaboration with investors and effective engagement strategies with focus companies. Participants shared first-hand experiences and examples of best practice. Due to the success and interest in continuing with this model of peer-to-peer learning, a second masterclass will be conducted next year.

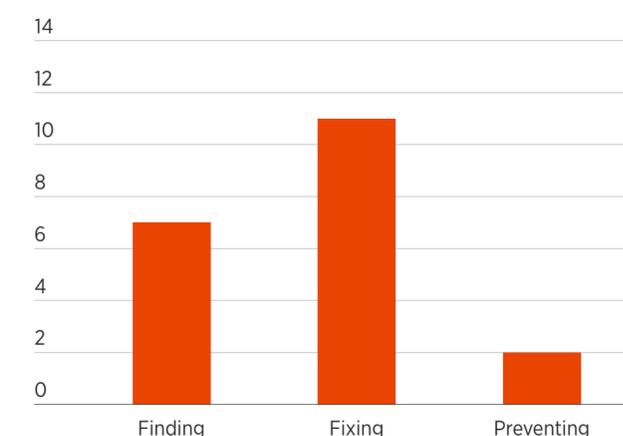
AustralianSuper understands the impact collaborative engagement can have on improving company performance on ESG issues. We see our ongoing involvement in IAST APAC as an important mechanism by which we can work with other investors to engage with companies on enhancing disclosure and management of modern slavery risks.

For further information on this initiative’s progress during FY23, read the IAST APAC annual report [here](#).

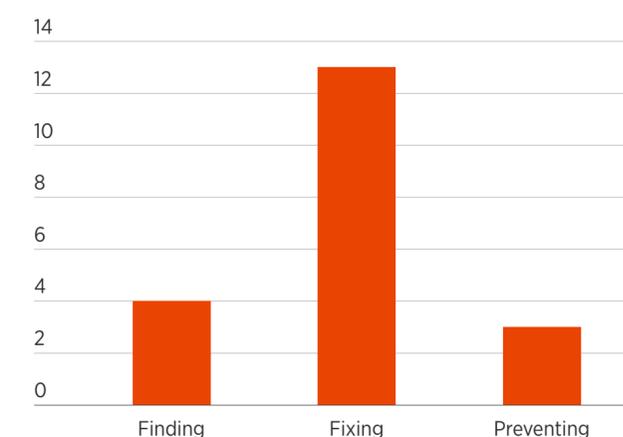
Company progress on modern slavery

The graph below shows a modest improvement in engagement objectives from ‘finding’ to ‘fixing’ between December 2022 and June 2023.

December 2022



June 2023



¹¹ As at 15 August 2023.

¹² cdn.iastapac.org/content/uploads/2022/02/17014755/IAST-APAC-Investor-Letter-Updated-signatories-November-2021.pdf

Source: Investors Against Slavery and Trafficking, Asia Pacific, Annual Report FY22-23. For further information visit iastapac.org



Criterion 5

Measuring the effectiveness of our actions

AustralianSuper has the following mechanisms in place to assess and monitor the effectiveness of our actions.

Policies and risk management

- Compliance with key AustralianSuper policies through auditing processes.
- Using the internal Modern Slavery Working Group to share insights, learnings and drive improvements.

External collaboration

- Monitoring the Government's Review of the Modern Slavery Act and considering opportunities to engage on this issue following our submission to the Review making recommendations to strengthen the operation of the Act.
- Continuing our collaborative engagement on modern slavery through our board membership and involvement with CAF; co-chairing the IAST APAC Company Engagement workstream and participation in an ACSI Working Group and the Responsible Investment Association Australia Human Rights Working Group.

Procurement and third-party risk oversight and due diligence

- Periodic reviews of Fund policies, standards and procedures. For example, during the reporting period we reviewed and updated risk and procurement documents such as the TPM Framework, TPM Policy, TPM Standard, Outsourcing Policy and Outsourcing Procedure.
- Monitoring the number of suppliers party to procurement contracts with the Fund with template contract terms requiring disclosure of suspected modern slavery practices and engagement with those suppliers.
- Undertaking due diligence on new suppliers and existing suppliers where required and assessing the level of disclosure garnered from suppliers on their modern slavery approaches.

Investments

- Regular engagement with companies in our internally managed fundamental portfolios in the Australian shares asset class we have identified as having an elevated risk of modern slavery and assessing the impact of our stewardship activities, including how investee companies have evolved their approaches. We encourage transparency and reporting of suspected modern slavery practices. For example, a company which we had a direct investment in reported finding modern slavery practices in its supply chain. We engaged with

the company about how it was treating this issue, managing its risk moving forward and to understand their approach to remediation.

- Training program, including ESG and modern slavery topics, provided to non-executive directors on the Boards of portfolio companies where we have the right to nominate one or more directors. This program aims to assist NEDs as board members in understanding risks associated with modern slavery practices and how to mitigate this. The session included an overview of modern slavery, global regulations and practical tips on how to identify and mitigate potential modern slavery risks.
- Annual survey with external investment managers in the international shares asset class on their approach to modern slavery, and consideration of the number of managers addressing modern slavery risks in their investment approach.

Responsible Investor Ratings

AustralianSuper utilises external responsible investment surveys to assist in assessing the effectiveness of our ESG and Stewardship program, including our approach to modern slavery. We report to the Responsible Investment Association Australasia (RIAA) and the UN's Principles for Responsible Investment (PRI) each year as part of our membership of these organisations.

Responsible Investment Leader 2022

AustralianSuper is recognised as a Responsible Investment Leader 2022 by RIAA. Responsible Investment Leaders refers to investment managers and asset owners that achieve a score of 15 out of 20 or above on RIAA's Responsible Investment Scorecard.

[READ MORE](#)



PRI 2021 Assessment

AustralianSuper achieved median ratings or above for 14 out of the 15 assessment modules in PRI's 2021 pilot assessment report (the latest available assessment). This includes five stars (the highest possible rating) for our Investment and Stewardship Policy, direct listed equity integration approach and direct property and private debt approach¹³.

AustralianSuper's full PRI results are available in our PRI Assessment and Transparency Reports published on our website. These reports include our top indicator scores achieved for all climate change modules, stewardship and sustainability outcomes.

[READ MORE](#)

¹³ Source: PRI 2021 Pilot Assessment report. PRI introduced a revised pilot Reporting Framework in its 2021 assessments with a different module grading system which shifted from alphabetical (A+ to E) in previous years to numerical (1 to 5 stars) ratings. The PRI Assessment report presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf.

Criterion 7

The year ahead

In FY24, we are seeking to expand our approach, refining processes and procedures, working with more suppliers and evolving our investment approach to address modern slavery. We also propose to expand our Modern Slavery Working Group to include a representative from each of our London and New York offices.

Proposed FY24 activities include:**Policies and risk management**

- Continuing to formalise and evolve internal controls on modern slavery. We anticipate further evolving documentation around those key controls for the Investments area.

Procurement and third-party risk oversight and due diligence

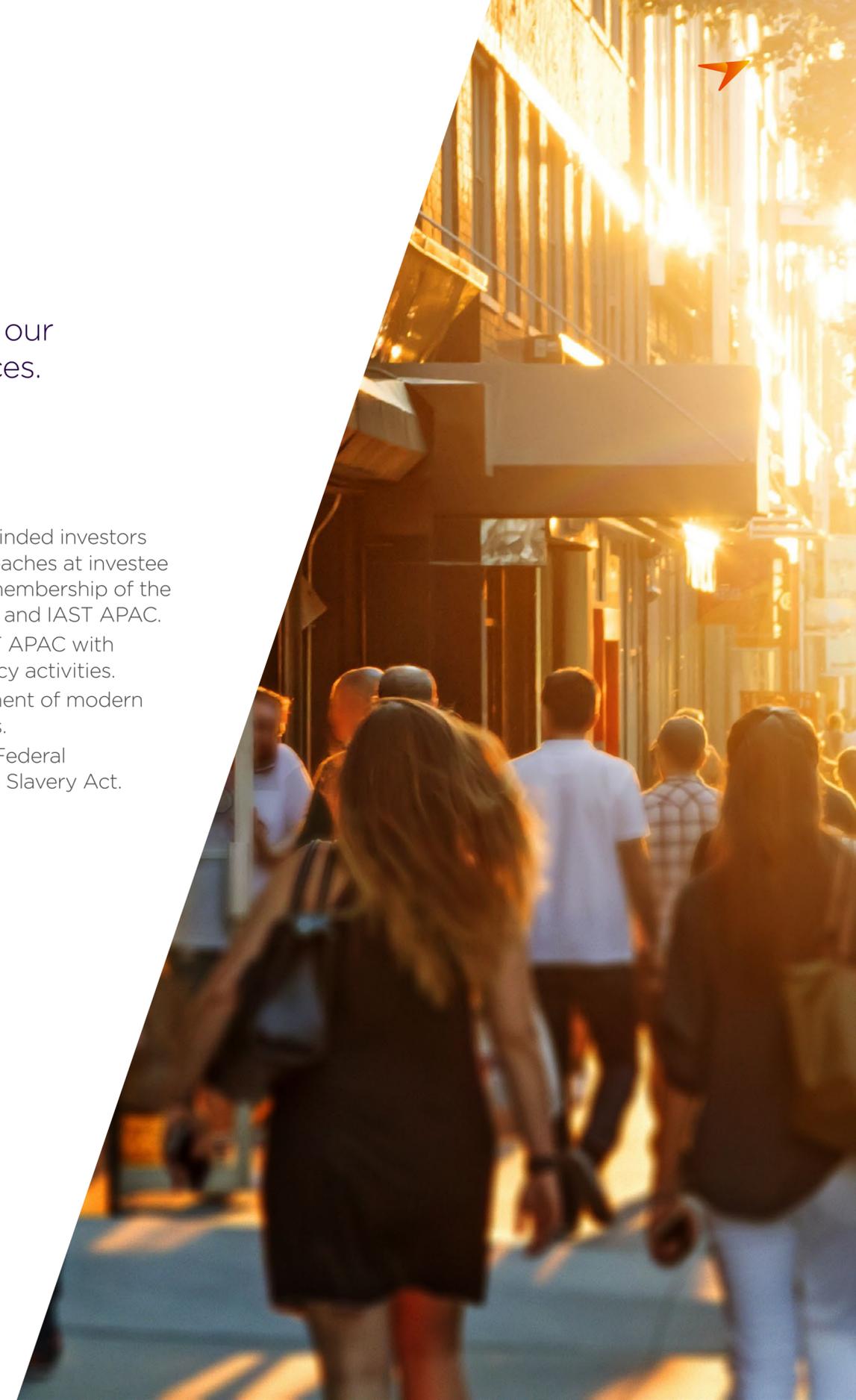
- Further embed AustralianSuper's TPMF and Outsourcing, Policies and Standards into business processes.
- Continuous improvement and uplift of tools (such as the IRP Tool), systems, processes, guidance and training on third-party risk management and support of our business.
- Continue to work with suppliers providing goods and services to AustralianSuper to raise awareness and mitigate any potential modern slavery risks in their supply chains.
- Continue undertaking due diligence on new suppliers and existing suppliers where required and undertake an annual assurance program of testing for compliance to the TPM Framework.

Investments

- Integrate findings of FY23 FairSupply forced labour risk assessments into the ownership plans and stewardship strategies for high-risk industries in directly held assets in the unlisted property, unlisted infrastructure and internally managed fundamental portfolios in the Australian shares and international shares asset classes.
- Continue to review our ESG due diligence modern slavery processes and industry best practice integration practices.
- Continue to monitor performance on modern slavery issues of new and existing investment managers through our appointment and annual operational due diligence processes.
- Continue modern slavery risk assessments and mapping of high-risk suppliers in our investment portfolio by external supplier.
- Continue to evolve our approach to modern slavery with regards to overarching frameworks like the UN Sustainable Development Goals (SDGs) and the UN Guiding Principles on Business and Human Rights.

External collaboration

- Continued collaboration with like-minded investors for enhanced modern slavery approaches at investee companies, including through our membership of the ACSI Social Factors Working Group and IAST APAC.
- Continue to raise awareness of IAST APAC with investors and advance their advocacy activities.
- Continue to advocate for advancement of modern slavery approaches in public forums.
- Monitor the implementation of the Federal Government's review of the Modern Slavery Act.





Appendix 1

Modern Slavery Forced Labour assessment methodology

1. As discussed in the 'How we identify modern slavery risks' section of this Statement, we applied the FairSupply Forced Labour assessment methodology to our existing suppliers from the Fund's own goods and services supply chain and investments in the Analysed Portfolio.
2. Incorporating company spend data throughout global markets, we have utilised external consultants, FairSupply, who use proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of AustralianSuper's top suppliers by spend.
3. FairSupply uses a balanced, global Multi-Regional Input-Output (MRIO) table to perform this supply chain mapping, which links supply chain data from 190 countries and relates to almost 16,000 industry sectors. This MRIO table is assembled using the following sources:
 - a. The United Nations' (UN) System of National Accounts;
 - b. UN COMTRADE databases;
 - c. Eurostat databases;
 - d. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - e. Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
 - a. The UN Guiding Principles on Business and Human Rights;
 - b. The Global Slavery Index;
 - c. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - d. The United States' Reports on International Child Labour and Forced Labour.
5. 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 for each supplier.
6. This analysis was performed for the purposes of risk identification under the Act. It does not purport to confirm the actual existence (or non-existence) of slavery in AustralianSuper's supply chains and operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.
7. The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:
 - a. The individual suppliers and industries with the most elevated risk of modern slavery;
 - b. Supply chain plots to provide a visual representation of the supply chains for AustralianSuper's top 3 first tier industries;
 - c. Plotting the relative slavery risk in the supply chain by tier, up to tier 10;
 - d. Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world; and
 - e. An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk.
 - f. Suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.



Appendix 2

Corrections to FY22 Modern Slavery Statement

The following provides corrections to the Fair Supply Modern Slavery assessment data published in our FY22 Modern Slavery Statement.

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Figure 5: Top industry modern slavery risks

Infrastructure portfolio – internal

Published data	Corrected data
<ul style="list-style-type: none"> • Papua New Guinean wholesale trade • Papua New Guinean education, health and other services • Tanzanian agriculture • Papua New Guinean transport • USA 	<ul style="list-style-type: none"> • Indian other crops • Papua New Guinean wholesale trade • Papua New Guinean education, health and other services • Tanzanian agriculture • Papua New Guinean transport

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Figure 8: Top industry modern slavery risks

Infrastructure portfolio – external

Published data	Corrected data
<ul style="list-style-type: none"> • Indian insurance • Indian other crops • Australian services to finance and investment • Indonesian finance and insurance • USA 	<ul style="list-style-type: none"> • Indian banking • Indian insurance • Indian other crops • Australian services to finance and investment • Indonesian finance and insurance

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Figure 11: Top industry modern slavery risks

Property portfolio – internal

Published data	Corrected data
<ul style="list-style-type: none"> • Papua New Guinean wholesale trade • Papua New Guinean education, health and other services • Tanzanian agriculture • Papua New Guinean transport • USA 	<ul style="list-style-type: none"> • USA residential maintenance and repair • USA real estate • USA services to buildings and dwellings • Great Britain construction of domestic buildings • Great Britain construction of commercial buildings

Figure 12: Top country modern slavery risks

Property portfolio – internal

Published data	Corrected data
<ul style="list-style-type: none"> • India • China • Papua New Guinea • Great Britain • Australia 	<ul style="list-style-type: none"> • United States • Great Britain • India • China • Indonesia



Contact us

Member feedback is important to us. To get in touch, you can contact us in a number of ways.

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Message

You can message us 24/7 through our AustralianSuper mobile app and Facebook Messenger. You can also chat with ASH (AustralianSuper Helper Bot) via our website and our contact centre agent staff.

Web messaging is also available on our website at **australiansuper.com/contact-us** between 8am and 8pm AEST/AEDT weekdays.

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A free over-the-phone translation service in just about any language is available. Our consultants can arrange for you or a family member to talk to someone about your super in the language you understand best. To be referred to the translation service, call **1300 300 273** 8am to 8pm weekdays AEST/AEDT.

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