

# Modern Slavery Statement 2025

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## About this statement

This modern slavery statement is prepared and issued by Challenger Limited, the reporting entity, on behalf of Challenger Life Company (Challenger Life), Fidante and Challenger Investment Management.

In this report, unless otherwise stated, references to 'Challenger', 'the Group', 'we', 'us' and 'our' refer to Challenger, comprising the ASX-listed entity and its underlying business divisions of Life and Funds Management.

This statement is made in accordance with the requirements within the *Modern Slavery Act 2018* (Cth) (the Act) and the United Kingdom *Modern Slavery Act 2015* and covers the period 1 July 2024 to 30 June 2025 representing Challenger's FY25 financial year.

This statement provides detail on Challenger's approach to identifying, mitigating, and addressing the risks of modern slavery across our operations and supply chain.

This statement uses the Act's definition of modern slavery. This involves conduct which would constitute a criminal offence under Australian law or international law, including trafficking in persons and the worst forms of child labour.

## Acknowledgement of Country

Challenger acknowledges the Traditional Owners of Country throughout Australia and we pay our respects to Elders past and present. We recognise the continuing connection that Aboriginal and Torres Strait Islander peoples have to this land and acknowledge their unique and rich contribution to society.

# Message from Chair and CEO

At Challenger, our purpose of providing customers with financial security for a better retirement underpins everything we do.



We recognise our role in contributing to a more sustainable and equitable future for all Australians, which includes respecting human rights and upholding the highest standards of ethical conduct in all aspects of how we do business. Modern slavery can occur in various forms, and we are committed to ensuring that our business practices do not contribute to these injustices.

Challenger continues to improve and strengthen our program of work to combat modern slavery, at the same time as monitoring and aligning our initiatives with anticipated regulatory and legislative developments both in Australia and in the international jurisdictions in which we operate.

Our FY25 Modern Slavery Statement outlines the steps we are taking to identify, mitigate, and manage the risks of modern slavery within our operations, investments, and supply chain. This is an important opportunity to reflect on the progress we have made, at the same time as recognising that our modern slavery program of work will require ongoing focus.

**DUNCAN WEST**  
Independent Non-Executive  
Director and Chair

**NICK HAMILTON**  
Managing Director and  
Chief Executive Officer

This statement has been endorsed by the Board of Directors of Challenger Limited.

# Key actions

## Summary of progress in FY25

Established and embedded group-wide supplier management framework, which incorporates modern slavery risk assessment across all suppliers.

Modern Slavery online training, launched June 2025, achieved 100% completion rate as at 31 October 2025. Developed by Responsible Investment and Risk & Compliance teams, the module was tailored to Challenger's organisational structure and asset classes.

Technical human rights training provided to the Responsible Investment team.

Expanded modern slavery investment risk assessment methodology to include a new 'risk mitigation' score with both an inherent and residual risk score for each listed investment across Challenger and Fidante investment portfolios.

For instances of modern slavery identified, a Modern Slavery Risk Management Plan for the relevant investment team was developed, including remediation actions and engagement activities.

For the Challenger Life balance sheet investments, a risk assessment was completed to a more granular level of detail considering sector and geographic exposure for fixed income assets.

Challenger's modern slavery sector and geographic risk assessment was completed for a fixed income portfolio consisting of public and private investments.

Embedded modern slavery clauses into contracts with new material service providers.

Launched Operational Guidance Note related to modern slavery with suppliers.

Maintained active engagement with peers and industry groups via the Financial Services Council (FSC), Responsible Investment Association of Australasia (RIAA) and the Investors Against Slavery and Trafficking (IAST).

Participation in the 2024 Federal Government consultation on the Modern Slavery Act via IAST.

Contribution to the drafting of the Human Rights in Supply Chains Investor Toolkit published by RIAA in May 2025.

# Key actions

## Timeline of key actions

**2021**

- Published Board approved Human Rights Statement
- ESG Steering Committee established
- Developed modern slavery questionnaire
- Conducted policy gap analysis and updated a range of policies to reflect consideration of modern slavery risks

**2023**

- Strengthened our risk assessment methodology
- Updated ESG Steering Committee with clear accountabilities and responsibilities
- Implemented employee modern slavery awareness and education program
- Delivered modern slavery compliance training for Fidante's affiliates
- Embedded modern slavery clause in supplier contracts
- Active participant in IAST and FSC's responses to the Government's review of the Modern Slavery Act
- Engaged with RIAA's Human Rights Working Group and international experts to develop a toolkit for investors and companies to help safeguard human rights and mitigate risks associated with armed conflict

**2020**

- Published Challenger's first modern slavery statement in accordance with the Australian Modern Slavery Act 2018
- Modern slavery project group established
- Conducted initial risk assessment on our suppliers, investment managers and investment portfolios
- Responsible Investment Policy and Challenger Life Company Responsible Investment Statement updated to reflect consideration of modern slavery risks
- Worked with affiliates and Challenger investment teams to incorporate modern slavery considerations into their investment assessments
- Challenger became a signatory Investors against Slavery and Trafficking (IAST) APAC as a founding member

**2022**

- Engaged external human rights consultant to undertake a review of our initiatives and provide recommendations to strengthen approach
- Overhauled modern slavery statement, including an improved structure for addressing and assessing modern slavery risks
- Updated Whistleblower Policy to include modern slavery practices as an example of reportable conduct
- Actively participated in the FSC response to the Modern Slavery Issues Paper
- Fidante became a member of RIAA and an active member of RIAA's Human Rights Working Group

**2024**

- Expanded modern slavery investment risk assessment methodology to include a new 'risk mitigation' score and risk layering approach
- Established and embedded group-wide supplier management framework, which incorporates modern slavery risk assessment across all suppliers
- Modern Slavery online training launched June 2025 tailored to Challenger's operational structure and asset classes
- For investments with a high residual risk, a modern slavery risk management plan for the relevant investment team was developed
- Contributed to the Human Rights in Supply Chains Investor Toolkit published by RIAA in May 2025

# About us

## Purpose

**Challenger Limited (Challenger) is an investment management firm with the purpose of providing customers with financial security for a better retirement.**

In FY25, Challenger's operations included an APRA-regulated Life division and a fiduciary Funds Management division. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

## Strategy

**Providing customers with financial security for a better retirement is at the core of our business. To help deliver on this, we seek to invest responsibly, support the financial resilience of our customers and communities, do the right thing by our customers, people, shareholders and environment, and advocate for the financial security of retirees.**

Through our unique business we support customers throughout their working lives and retirement, helping to provide them with financial security for a better retirement.

**Our strategic pillars focus on our core capabilities as a retirement and investment management provider:**



### Retirement leader

reflects Challenger's focus on building a strong and trusted brand, expanding what the business delivers and who we partner with.



### Investment excellence

demonstrates Challenger's investment expertise, and a strongly capitalised business that is enabled by a scalable platform.



### Talented team and capability

underlines the business' commitment to supporting our people to realise their full potential at the same time as leveraging technology.

## Values

**Our values are integral to our culture and linked to everything we do. They set out the behaviours we need to deliver on our purpose and strategy and to meet community expectations, now and in the future.**



### Act with integrity

We do things the right way



### Aim high

We deliver outstanding results



### Collaborate

We work together to achieve shared goals



### Think customer

We make decisions with our end customers front of mind

# Structure and operations

Challenger is listed on the Australian Securities Exchange (ASX), with offices in Australia, London and Tokyo.

In Australia, our activities are subject to supervision by the Australian Prudential Regulation Authority (APRA), Australian Securities and Investment Commission (ASIC) and the Financial Conduct Authority (FCA) in the United Kingdom, as well as other regulatory agencies in Australia and overseas markets.

As at 30 June 2025, our assets under management were \$124 billion.

## Challenger Life

Challenger Life is Australia's leading retirement income brand and focuses on the retirement phase of superannuation, with products helping customers convert their retirement savings into safe, secure and reliable retirement income.

Lifetime annuities protect retirees from the risk of outliving their savings by paying an income for life. The retirement incomes that Challenger Life pays to its customers are backed by a high-quality investment portfolio, predominantly invested in high-grade fixed income. These investments generate reliable investment income, which is used to fund the retirement incomes paid to customers.

Challenger Life's products are distributed in Australia via independent financial advisers, financial adviser administrative platforms, superannuation funds and directly. Life's products are included on all major financial advice hubs' Approved Product Lists (APLs) and are available on leading independent investment and administration platforms.

The business is also building new institutional partnerships with superannuation funds, as they focus on supporting their members' needs through more comprehensive retirement income solutions.

In Japan, Challenger Life has an annuity relationship with Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary) to reinsure Australian dollar, US dollar and Japanese yen denominated annuities.

## Funds Management

Funds Management focuses on wealth accumulation, predominantly in the pre-retirement phase of superannuation and supports customers to build savings by providing contemporary investment products and strategies.

Funds Management is one of Australia's largest active fund managers and comprises Fidante and Challenger Investment Management (CIM), with operations in Australia, the United Kingdom, Europe and Japan.

Fidante's business model involves taking minority equity interests in separately branded affiliate funds management firms, with Challenger providing distribution services and business support. CIM is an active investment manager covering public and private credit as well as commercial real estate for a diverse range of investors including Challenger Life.



## Technology partnership

Challenger has a technology partnership with professional services firm Accenture for a seven-year period. Accenture has a track record in delivering technological transformation programs for international insurance companies. Under the arrangement, Accenture manages Challenger's technology platform, is re-platforming Life's core customer technology and is enhancing the customer experience.

## Operations partnership

In FY25 Challenger appointed State Street to provide investment administration and custody services, which will accelerate our path to become a highly contemporary and scalable platform. Under the agreement, Challenger's investment operations team has now transitioned to State Street and the program has achieved a number of key milestones including the transition of our custody services.

# Where we operate



**506**

Permanent full time

**39**

Permanent part time

**4**

Casual

**38**

Fixed term full time

**5**

Fixed term part time

**120**

EMPLOYEES AGED 50 AND OVER

**266**

FEMALE EMPLOYEES

**656**

CONTINGENT WORKERS\*

All information on this page refers to FY25. A detailed breakdown of employee headcount can be found in the FY25 Sustainability Report.

\*The high number of Challenger's contingent workforce in FY25 largely relates to the outsourcing of our technology service delivery and support through our partnership with Accenture. A due diligence process was undertaken at the time to ensure Accenture's culture, governance and policy framework met Challenger's standards. Challenger has a Contingent Worker Policy in place.

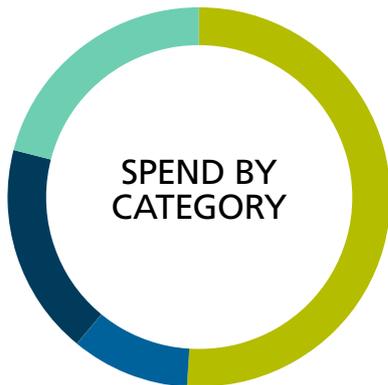
# Our supply chain

## Key facts about our supply chain

Challenger works with a range of suppliers to procure goods and services.

- In FY25, Challenger Group spent approximately \$143 million procuring goods and services from 698 suppliers (38 suppliers less compared to suppliers in FY24).
- In FY24, 85% of our supplier expenditure was directed to Australian-based suppliers. While this decreased to 78% in FY25, Australia remains our primary supplier market. The remaining expenditure was allocated to suppliers in the United States, United Kingdom, and New Zealand. Our engagement continues to be predominantly focused on financial and professional services, information technology services, and consulting services.

### Spend by category



**51%**

Financial and professional services

**10%**

Property management

**18%**

Technology

**21%**

Operations

### Spend by geography



**78%**

Australia

**8%**

United States of America

**5%**

Rest of the world

**5%**

United Kingdom

**3%**

New Zealand

# Our investments

The geographic exposure of Challenger's investments by country of incorporation is outlined below. This includes investments on the Challenger Life balance sheet and across the managed investment schemes of Challenger and Funds Management. The developing market exposures relates to global equities portfolios.

Where data was available, the Responsible Investment team has also assessed the investment against country of operations (see page 17 for detail of the exposure).

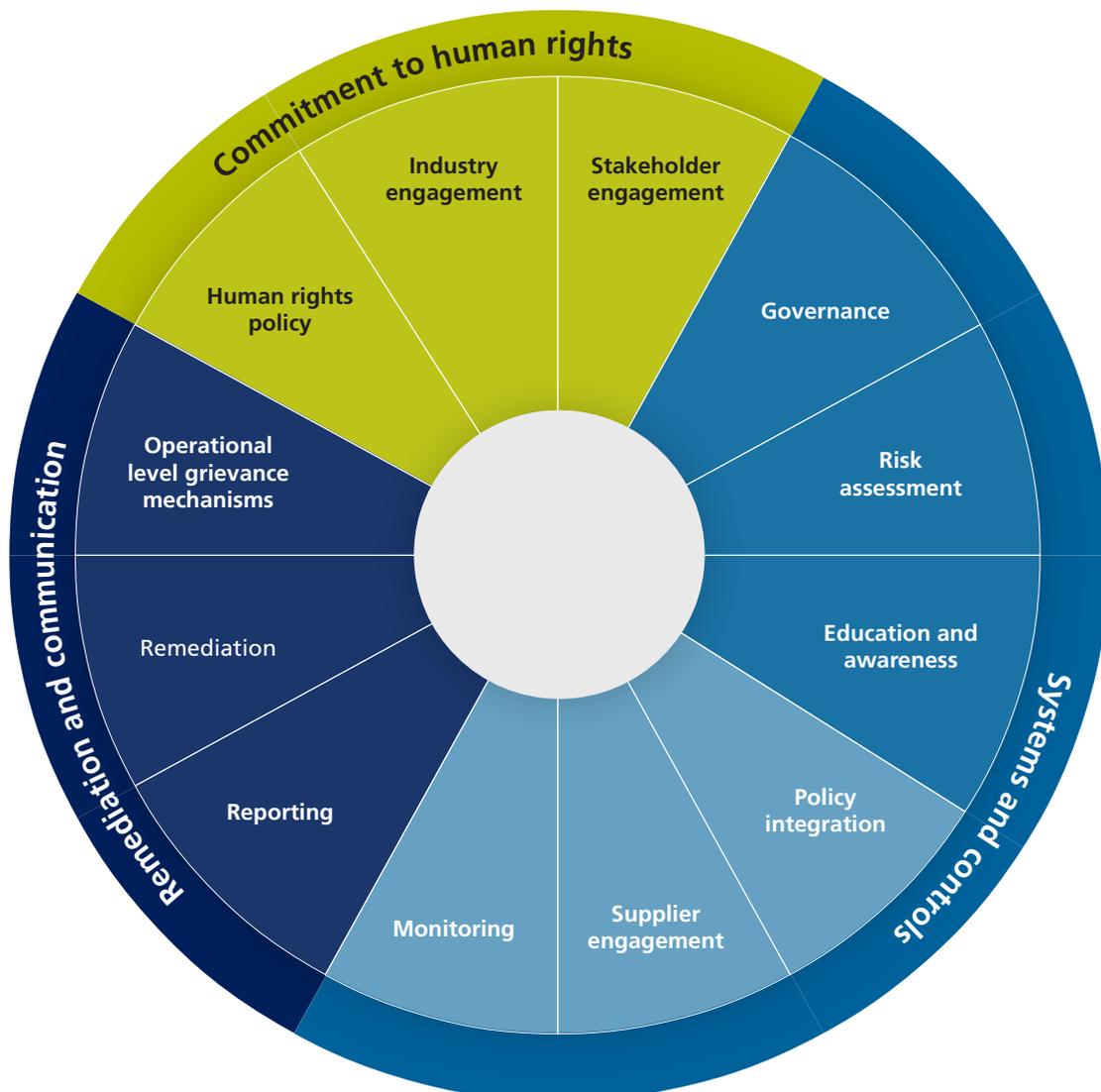


# Governance and risk management

Challenger has a robust governance and risk management framework to mitigate the risks of modern slavery.

The way we work is informed by our risk culture. A critical aspect of this is managing risks and opportunities within our operations and supply chain. We regularly engage with stakeholders on matters concerning economic, environmental, social, and governance issues, reflecting our strong belief that collaboration leads to better outcomes.

Our risk-based approach to considering modern slavery risks across our business is informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs). Our approach encompasses our commitment to human rights, the systems and controls we have in place, considerations for remediation and effective communication regarding the activities outlined in this statement.



# Identifying and assessing modern slavery risk

We understand the significance of modern slavery risks and are committed to addressing the risk to people throughout our operations and supply chain.

## Governance

Challenger's Board of Directors has responsibility for the oversight and approval of our Modern Slavery Statement. ESG and associated initiatives, such as Challenger's approach to modern slavery, are discussed at the most senior levels of the organisation including the Board's Group Risk Committee (GRC) and the Leadership Team.

## Board Group Risk Committee

The GRC assists the Board in setting the appropriate risk appetite for all risks, including modern slavery. The GRC ensures Challenger has an effective risk management framework, remains compliant with relevant laws and regulations and promotes a strong risk culture. At a minimum, the GRC considers ESG issues on a quarterly basis, including written and verbal updates from the Chair of the ESG Steering Committee.

## Group ESG Steering Committee

The ESG Steering Committee is responsible for the development of Challenger's ESG strategy. It identifies ESG risks and opportunities, associated controls and policies relating to the implementation of the strategy, as well as overseeing Challenger's ESG reporting and disclosures. The Committee meets monthly and includes senior executives from across the business, including Challenger's Chief Risk Officer, Challenger Life's Chief Investment Officer, representatives from Funds Management, Finance and the Responsible Investment team and is chaired by the General Manager Corporate Affairs and Sustainability.

## Modern Slavery Working Group

Challenger's Modern Slavery Working Group is a cross-functional working group focused on enhancing our modern slavery framework to assess associated risks, remediate any instances of modern slavery and learn from and implement industry best practice. The Working Group meets regularly and includes individuals from Responsible Investment, Risk, Funds Management, Life, Corporate Affairs and Sustainability, Human Resources and Finance. The Group provides updates to the ESG Steering Committee.

Challenger is an active signatory to international frameworks committed to driving sustainable practices, including addressing modern slavery, across financial services:

- Principles for Responsible Investment (PRI)
- Investors Against Slavery and Trafficking Asia Pacific (IAST)
- Responsible Investment Association of Australasia (RIAA)
- Financial Services Council (FSC) ESG Working Group



**SHAREHOLDERS**

**CHALLENGER LIMITED BOARD**

Acts on behalf of shareholders and oversees the overall direction, management and corporate governance of Challenger

**GROUP AUDIT COMMITTEE**

Oversight of reporting requirements

**GROUP RISK COMMITTEE**

Oversight of risk management framework

**NOMINATION COMMITTEE**

Assists the Board achieve effective composition and size

**GROUP PEOPLE & REMUNERATION COMMITTEE**

Oversight of people and remuneration policies and practices

**INDEPENDENT & RELATED PARTY COMMITTEE**

Oversight of matters that require Independent Director consideration

**CHIEF EXECUTIVE OFFICER**

Responsible for the day-to-day management of Challenger and the implementation of its strategic objectives

**LEADERSHIP TEAM**

Delivery of strategic objectives

**EMPLOYEES**

Upholding Challenger's values and executing strategic objectives to provide our customers with financial security for a better retirement

# Identifying and assessing modern slavery risk

## Policies

Challenger has a range of policies that guide our business practices and are relevant to addressing modern slavery risks across our business activities. Key policies include:

Policy	Purpose
<b>Anti-Money Laundering (AML) and Counter Terrorism Financial (CTF) Policy</b>	Outlines Challenger's adherence to AML/CTF laws designed to combat money laundering and terrorism financing, that are often associated with modern slavery. Details the countermeasures that could be employed against high-risk countries or entities engaged in modern slavery.
<b>Code of Conduct</b>	Sets out Challenger's expectation that employees will act in line with our values and policies. Applies to employees, contractors, and Directors and encourages employees and suppliers to raise concerns and speak up via a number of methods and highlights our legal obligations related to human rights.
<b>Conduct Risk and Consequence Management Framework</b>	Details the process for reporting, managing and applying consequences to poor conduct that may occur across Challenger's operations, products and services, including those that involve or contribute to modern slavery practices.
<b>Fraud and Corruption Policy</b>	Explains Challenger's commitment to preventing, detecting and responding to fraud and corruption, including procedures for reporting, investigating and resolving potential instances and the consequences of fraud and corruption.
<b>Human Rights Statement</b>	Outlines Challenger's commitment to respecting and protecting the fundamental human rights of the people we engage and interact with and its expectation that all employees, contractors and Directors comply with the Human Rights Statement.
<b>Incident Management Policy</b>	Sets a consistent process for escalating, managing, reporting and remediating incidents at Challenger, including those that may involve or affect human rights.
<b>Operational Risk Policy and Practice Note</b>	Outlines Challenger's approach to operational risk identification, assessment and management in line with our Risk Appetite Statement.
<b>Responsible Investment Policy</b>	Describes how Challenger integrates ESG considerations in its investment processes, manager selection, stewardship and reporting, including undertaking due diligence to assess any potential modern slavery risks.
<b>Risk Appetite Statement</b>	Outlines the Board's risk appetite, so that management can ensure decisions made are within the Board's risk appetite. Outlines specific risk appetite statements across financial and non-financial risk, including service provider management.
<b>Risk Management Strategy</b>	Details Challenger's approach, structures, policies and committees to identify, understand and manage both financial and non-financial risk across Challenger.
<b>Service Provider Management Policy</b>	Describes Challenger's approach to managing service providers and the risks associated with their use, including modern slavery and offshoring.
<b>Whistleblower Policy</b>	Encourages, supports and protects reporting of wrongdoing, which includes fraud, corrupt conduct, financial misconduct and certain failures to comply with Challenger's legal and regulatory obligations.

## IN-DEPTH ANALYSIS: CHALLENGER'S SERVICE PROVIDER MANAGEMENT POLICY

Challenger's Service Provider Management Policy is authorised by the Challenger Board, and applies to all subsidiaries, divisions, support units and employees of Challenger.

The Policy provides a framework for managing service providers, with a strong emphasis on due diligence, regular monitoring, reporting to senior management and the Board, regulatory compliance and ethical considerations. The inclusion of specific risk assessments related to offshoring and modern slavery reflects Challenger's commitment to responsible business practices and the protection of human rights.

The Policy aims to mitigate risks associated with the use of service providers and ensure that these arrangements do not compromise Challenger's operational integrity or

customer interests. Enhanced supplier management oversight and reporting is expected to ensure the services provided continue to meet Challenger's requirements, which have been formalised into Challenger's Governance, Risk & Compliance system, integrating service provider management, risk management and operational resilience.

Specific provisions for offshoring are also detailed in the Policy. Offshoring arrangements require additional due diligence and risk assessment, considering factors such as local regulations and operational risks, potential impact on Challenger's ability to meet regulatory requirements and the risk of modern slavery. This ensures that offshoring does not expose Challenger to undue risks or ethical concerns.

## Managing modern slavery risk

Our approach to managing modern slavery focuses on the four key factors that elevate the risk of modern slavery – vulnerable populations, high risk business models, high risk procurement categories and high risk geographies.

<p><b>Vulnerable populations</b></p> <p>We recognise that certain suppliers and the supply chain and operations of the of our portfolio companies that operate in industries where there is a heightened likelihood of vulnerable populations within the workforce such as migrant workers and third-party recruitment.</p>	<p><b>High risk business model</b></p> <p>This includes complex and long supply chains, highly price competitive, third-party labour hire, tight lead times and outsourcing.</p>	<p><b>High risk procurement</b></p> <p>We are cognisant of the increased risk of modern slavery in certain industries such marketing, construction, agriculture, healthcare, garments and apparel, mining, electronics, travel, cleaning, building services and catering.</p>	<p><b>High risk geographies</b></p> <p>Including countries with a prevalence of modern slavery, governance issues, lack of basic needs, inequality, disenfranchised groups and effects of conflict.</p>
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## Supply chain risk assessment

Challenger leverages a breadth of service providers to operate, including those that may have an offshore presence or heightened risks related to the service provided. To ensure alignment with Challenger's ethical and risk management standards, additional due diligence is performed collaboratively by the ESG and Risk teams for these types of service providers

This process involves the following:

<b>FRAMEWORK REVIEW</b>	Performing a review of the frameworks in place related to modern slavery, including but not limited to: modern slavery statements, code of ethics/conduct, employment, subcontracting and human rights policies, and procurement policies.
<b>SUPPLY CHAIN ANALYSIS</b>	Determining the make-up of the third-party provider's supply chain (based on supplier category and country of operation) and the supplier governance processes across the end-to-end lifecycle, ranging from on-boarding, due diligence, and ongoing monitoring for its suppliers.
<b>GOVERNANCE AND OVERSIGHT</b>	Review of governance arrangements in place, including the existence and membership of an ESG Committee, named Modern Slavery Risk Officer and whistleblowing mechanisms in place.

The process culminates to a modern slavery risk assessment outlining the inherent risks, mitigants and residual risks of the third-party. Where any residual risks remain heightened, Challenger will require the third-party to implement additional measures to bring the level of residual risk down. In FY25, due diligence performed did not identify areas of concern.

## Potential risk areas

Due to the nature of our business, the risk that we cause or contribute to modern slavery practices in our day-to-day operations is low. However, we may be directly linked to modern slavery risk through our supply chain or investments.

We understand the potential for risk in these areas and will continue to monitor them.

Risk category	Description
<b>Real estate, property, and facilities management</b>	This category is higher risk, given workers in the facilities management supply chain may be from vulnerable populations, including low skilled or migrant workers, and subject to subcontracting arrangements. In FY25, we did not identify any high-risk suppliers.
<b>Overseas supply chains</b>	Challenger uses IT, professional, financial and subscription services from suppliers in higher-risk countries, with a higher prevalence of modern slavery and poorer government response. Despite the increased country risk, these industries are all considered low risk with no identified instances of modern slavery, thereby reducing the overall risk rating to moderate.
<b>Procurement practices</b>	Challenger sources unbranded and branded items for marketing purposes, which are known to be low-cost, high-volume goods, and can create increased pressure on suppliers to use forced labour.
<b>Investment activity</b>	We are exposed to higher-risk industries and geographies through investment-related activities of our investment management teams and our affiliates. These industries include agriculture and fishing, food and beverage, mining and metals, transport and warehousing, and electronics manufacturing and recycling. The associated risks are elevated in jurisdictions that have higher instances of modern slavery or operate under poor business practices. Challenger uses the Global Slavery Index to structure the risk assessment of high-risk industries and geographies by investment, as outlined below.

Through the risk assessment process, to the best of our knowledge we are not aware of any instance of modern slavery in our immediate supply chain. However, we acknowledge indirect exposure to an instances of modern slavery through one of our investment holdings. In response, we have exercised our influence and leverage to support appropriate action, with a focus on remediation that prioritises risk to people. Further details are provided on page 22.



## Investments risk assessment

### Investment risk assessment methodology

Challenger’s modern slavery risk assessment methodology incorporates the latest research from the Walkfree Global Slavery Index and data from ISS’s Modern Slavery Scorecard to determine the inherent and residual risk of investments. We evaluate the geography and sector exposure of our investments, recognising that certain sectors are inherently more vulnerable, and these risks can be amplified in jurisdictions with weak labour protections, high corruption, or large informal workforces.

Challenger’s approach prioritises the absolute risk to people over financial materiality, reflecting our commitment to respecting human rights and supporting responsible business conduct across our investments.

In FY25, we enhanced our risk assessment methodology by introducing a mitigation score to assess the policies, controls and performance of a company in mitigating their inherent modern slavery risk. Data sourced from ISS’ Modern Slavery Scorecard and MSCI’s ESG Controversies and Global Norms Research module is systematically integrated to assess the company’s performance across three key areas that are equally weighted. The mitigation score is subsequently layered against the company or issuer’s inherent risk rating to determine the overall residual risk.

### Challenger’s risk assessment methodology

Inherent Risk	Mitigation Score	Residual Risk Rating
<ul style="list-style-type: none"> <li>Country of incorporation</li> <li>Operational footprint</li> <li>Sector</li> </ul>	<ul style="list-style-type: none"> <li>Governance and commitments</li> <li>Risk management</li> <li>Outcomes and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Employ risk layering framework</li> </ul>



### Enhanced risk assessment methodology - risk layering framework

Inherent Risk	Mitigation Rating	Residual Risk Rating
High	Weak	High
High	Moderate	Moderate
High	Strong	Low
Moderate	Weak	Moderate
Moderate	Moderate	Low
Moderate	Strong	Low
Low	Weak	Low
Low	Moderate	Low
Low	Strong	Low

Challenger’s methodology was applied across the Funds Management business and Challenger Life’s balance sheet. For sovereign investments, such as government bonds, we assess the modern slavery risks of the issuer country, an approach consistent with industry practices.

We are committed to reviewing and refining our approach to deepen our understanding of modern slavery risks across our investments. Where elevated risks are identified, we engage with investment teams, and where appropriate use our influence and leverage to encourage meaningful action.

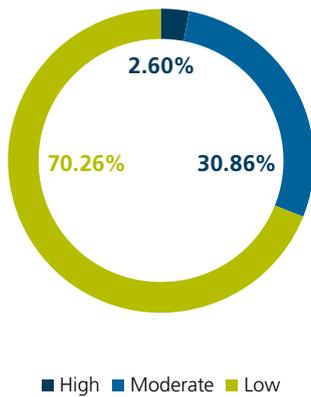
## Risk assessment outcome

In FY25, we completed the annual risk assessment across Challenger’s investments.

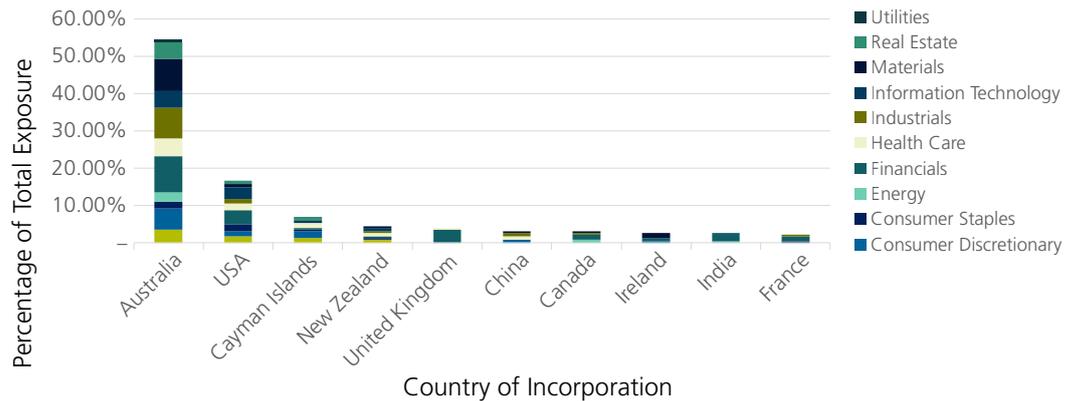
### Funds Management

This table provides an overview of key modern slavery risks identified across asset classes where Fidante Partners Services Limited acts as the Responsible Entity for managed investment schemes. The assessment considers both the country of incorporation and operational footprint of portfolio companies and issuers, as well as exposure to high-risk industries, applying the updated residual risk scoring methodology to ensure a comprehensive evaluation.

Funds Management



Funds Management – Top 10 Exposure by Country of Incorporation and Sector



#### Australian Equities

**Residual Risk Rating Distribution:** *Low to Moderate*

**Country of Incorporation:**

Over 90% of companies assessed are incorporated in developed markets, such as Australia, New Zealand, the United Kingdom, where stronger legal frameworks such as modern slavery legislation and corporate transparency requirements are in place. A small proportion is incorporated in the United States, which carries a moderate inherent risk rating in line with the Global Slavery Index.

**Operational Footprint:**

Inherent risk increases from Moderate to High where portfolio companies operate in high-risk geographies or sectors. Approximately 20% of portfolio companies assessed have exposure to the healthcare, consumer staples and materials sectors and operations in China. These sectors often rely on supply chains linked to the extraction and processing of critical and conflict-affected minerals, such as cobalt, tin mica and zinc, as well as the manufacturing of electronics. According to the Global Slavery Index and ILO indicators, these supply chains are among the most vulnerable to forced labour and exploitation.

Despite these inherent risks, no high residual risks were identified within Australian equities portfolios, reflecting stronger governance, policy frameworks, and corporate controls for companies assessed.

#### Global Equities/Emerging Markets

**Residual Risk Rating Distribution:** *Low to High*

**Country of Incorporation:**

Emerging market exposures exhibited low and high inherent risks on a country of incorporation basis. Low-risk exposures relate to companies incorporated in the Cayman Islands, while high-risk exposures relate to jurisdictions such as China, India, and Indonesia. In contrast, global developed market exposures reflected low to moderate inherent risk, with moderate risk primarily associated with companies incorporated in the United States.

**Operational Footprint:**

Assessment of operational footprint revealed elevated inherent risks, particularly within emerging markets portfolios. 65% of companies assessed had operations in China, Saudi Arabia, or India - jurisdictions identified by the Global Slavery Index as having elevated prevalence of modern slavery.

Consumer Discretionary and Information Technology accounted for the largest share of high risk exposures. The Consumer Discretionary sector is often linked to labour intensive products such as garments, textiles and leather goods, while the Information Technology sector is associated with complex mineral based supply chains involving electronics, semiconductors and critical minerals such as cobalt, tin and mica.

	<p>While most companies demonstrated governance frameworks and risk management practices that reduced residual risk to moderate or low, approximately 7% exhibited high residual risk due to limited transparency, weak human rights governance, and identified human rights or labour rights controversies.</p> <p>Two modern slavery incidents were identified within this asset class; details are provided below.</p> <p>Investment teams have implemented targeted engagement programmes, and for high to moderate risk investments, Challenger engaged with managers as part of the FY25 action plans. A Modern Slavery Risk Management Plan was applied to address the identified incidents.</p>
<b>Fixed Income and Credit</b>	<p><b>Residual Risk Rating Distribution:</b> <i>Low to Moderate</i></p> <p><b>Country of Incorporation:</b> Approximately 45% of public issuers assessed are incorporated in Australia and the United Kingdom, resulting in a low inherent risk rating on a country of incorporation basis for this asset class.</p> <p><b>Operational Footprint:</b> Operational footprint risks ranged from moderate to high, primarily due to exposures in financials and supply chains associated with electronics or operations in high-risk regions such as China, India, Malaysia, the United States, and Vietnam.</p> <p>When issuers were assessed against human rights and modern slavery governance frameworks, risk management practices, and disclosure standards, the residual risk ratings were reduced to moderate or low.</p> <p>This year, Challenger applied its geographic and sector risk assessment to private credit exposures. Issuers and borrowers assessed were incorporated in Australia, a jurisdiction considered low risk under the Global Slavery Index. Notwithstanding this, exposures in the real estate, consumer discretionary, and industrial sectors were assigned moderate residual risk ratings, resulting in an overall portfolio risk profile ranging from low to medium.</p> <p>While this approach provides a useful baseline for understanding modern slavery risks in private markets, the current residual risk ratings do not account for issuer or borrower specific governance frameworks, policies, and performance against modern slavery indicators. We recognise the importance of evolving our approach and will seek granular information through enhanced engagement with investment teams to strengthen the accuracy and insight of future assessments.</p>
<b>Sovereign</b>	<p><b>Residual Risk Rating Distribution:</b> <i>Low to Moderate</i></p> <p>Fidante's sovereign exposure is in developed markets only and the inherent and residual risk for all exposures is low, except for the United States and Hong Kong which is moderate and relates to investments held by Fidante affiliates.</p>

In FY26, Challenger will apply the updated risk assessment methodology to conduct a detailed review of alternatives portfolios, including underlying investments across all funds for which Fidante Partners Limited serves as Responsible Entity. This scope was excluded from the FY25 assessment due to data access limitations.

## Challenger Life

Challenger's methodology was applied to Challenger Life's balance sheet, which includes Challenger Life's direct investments as well as investment in pooled funds where look through is available.

There are no high-risk geographic exposures to modern slavery. There are three moderate risk geographic exposures, which relate to Hong Kong, Israel and the United States.

Investments within the United States in particular exhibit elevated modern slavery risk due to the following industry exposures:

- Automobiles and components
- Consumer discretionary and retail
- Consumer staples, distribution and retail
- Food, beverage and tobacco
- Health care, equipment and services
- Materials

- Semiconductors and semi-conductor equipment
- Information technology and software services
- Industrials
- Real estate
- Utilities

The low-risk geographic exposures and high-risk industry exposures have resulted in an overall residual risk rating of moderate for Challenger Life's balance sheet.

For CLC sovereign bonds, where the assessment focused on country level risk, all investments operated in low-risk jurisdictions.

To deepen our understanding of modern slavery risks across Challenger Life's balance sheet, we will conduct further analysis and assessment of industry-level exposures, focusing on high-risk sectors, particularly those intersecting with identified moderate-risk geographic regions.

## Modern slavery investment due diligence

Modern slavery is one of the key ESG factors considered as part of the investment team's ESG integration process. Our investment managers and affiliates conduct thorough due diligence on both new and existing opportunities to identify and assess modern slavery risks. The approaches undertaken by each investment team align with ESG frameworks that are tailored to their specific investment strategy and asset allocation requirements.

Challenger is committed to ensuring that its investment managers and affiliates are aware of the risks of modern slavery within their investment portfolios and supply chains. While we do not have direct control over the investment decisions of our affiliates, we partner with them to ensure adequate policies are in place to mitigate and manage modern slavery risks caused by, contributed to or directly linked to an investment activity.

We also work with them to ensure they are using their leverage effectively. We expect investment managers to engage with portfolio companies and issuers on the way modern slavery risks are identified, assessed and managed by investee companies. The investment team conducts heightened due diligence on companies and issuers that operate in high-risk industries and jurisdictions.

## Challenger Investment Management's approach to modern slavery risk

Challenger Investment Management (CIM) manages credit assets on behalf of Challenger Life as well as third party investors. As a result, modern slavery risks within CIM's investment portfolios often overlap with many of the underlying sectors represented on Challenger Life's balance sheet.

CIM recognises the significant impact of modern slavery and the responsibilities of issuers and companies to uphold human rights, ensure fair working conditions and protect labour rights across their business and supply chains. Exploitative labour practices are inherently unsustainable and can materially contribute to credit risk by undermining governance standards and heightening exposure to litigation, reputational damage, and potential default.

With a focus on global developed market bonds and private lending in Australia and New Zealand, CIM's exposure to direct modern slavery risk is lower than peers lending in emerging markets. Nonetheless, CIM is cognisant of the hidden modern slavery risks within complex global supply chains, particularly where borrowers or issuers have indirect exposure to high-risk jurisdictions or sectors. Due diligence and engagement efforts are concentrated in these areas to assess and mitigate potential risks where relevant.

Where the perceived modern slavery risks are deemed as high, CIM will not proceed with the investment opportunity. Similarly, should an instance of modern slavery be identified within an existing investment, CIM will review and assess the case, engaging with the borrower to encourage remediation. If engagement is unsuccessful or insufficient, CIM may elect to divest.

## Modern slavery in our due diligence process – Challenger Life

Challenger Life has a robust ESG due diligence framework for assessing and onboarding third party investment managers. This framework places a strong emphasis on modern slavery risks alongside broader ESG considerations, ensuring alignment with Challenger's Responsible Investment Policy. The due diligence process is led by the investment management team, with guidance from Challenger's ESG team.

Challenger's Responsible Investment team review the Manager's framework to identify, assess and mitigate modern slavery risks within their portfolios. These risks are included in the due diligence questionnaire issued to third party Managers.

For managers operating in jurisdictions where modern slavery considerations are a regulatory requirement, their Modern Slavery Statement and policy framework are assessed alongside their questionnaire responses.

In cases where the third-party manager operates in regions without specific regulatory requirements on modern slavery or is in the early stages of developing their ESG processes, Challenger will work with the Manager to develop controls and policies to assess modern slavery risks. If gaps are identified in the third-party manager's policies, processes, or frameworks, Challenger will seek engagement with the manager, in the form of a dedicated meeting focused on modern slavery risks.

# Addressing risk

The UNGPs guide our understanding on how we may 'cause', 'contribute to', or be 'directly linked' to human rights risks and impacts. For the purposes of this statement, we use the cause, contribute to and directly linked framework from the UNGPs to identify how we might be exposed to risks of modern slavery. Our approach to identifying and assessing instances of modern slavery in our investments is supported by third party analytics and reporting tools.

CAUSE	CONTRIBUTE	DIRECTLY LINKED	NO INVOLVEMENT
We may cause modern slavery through our own actions or omissions	We may contribute to modern slavery through our own actions or omissions	We may be directly linked to modern slavery through our operations, products or services or by a business relationship	We are not linked to modern slavery

WHERE CHALLENGER MAY BE LINKED TO MODERN SLAVERY AND ACTIONS OR RESPONSE (illustrative purposes only)	LINK TO MODERN SLAVERY	ACTIONS / RESPONSE
<b>CAUSE</b>	If operational activities (e.g. employment, subcontracting or projects) directly lead to incidents of modern slavery or directly use any form of exploited labour.	Immediately discontinue the activity, amend our internal processes to prevent reoccurrence and consider remediation, reporting or additional investigation where appropriate.
<b>CONTRIBUTE</b>	If operational activities or intentional omissions may facilitate or incentivise modern slavery (e.g. setting unrealistic pricing pressures on a supplier).	Cease or prevent the contribution, use leverage to address any remaining impact to victims, amend our internal processes to prevent recurrence and consider remediation and reporting where appropriate.
<b>DIRECTLY LINKED</b>	Through a supplier relationship or an investment which engages with modern slavery.	Use leverage to prevent and mitigate impacts (e.g. through training and awareness building), consider remediation and reporting where appropriate. Evaluate whether to continue the supplier relationship or in the case of investments, whether to engage or divest.

## Indirect exposure to modern slavery – investments

In FY25, we continued to strengthen our approach to mitigating high risk areas across our operations, investment portfolios and supply chain. This involved performing additional due diligence on suppliers with heightened risk of modern slavery and engaging with suppliers directly through questionnaires and documentation reviews.

### Investments

Through our FY25 enhanced modern slavery risk assessment for our investments, we identified two instances of modern slavery linked to portfolio companies in high-risk industries and jurisdictions. These investments are minority equity investments where we do not have direct control over the modern slavery compliance. We were directly linked to the instances of modern slavery through our investment exposure. We immediately engaged with the investment team responsible for the portfolio exposures, requesting that they engage with the portfolio companies to ensure that immediate remediation actions were implemented to protect affected workers, prevention of recurrence through a corrective action plan and supplier due diligence process and root cause analysis to determine how the incidents occurred. This is in accordance with the “Find it – Fix it – Prevent it” framework to ensure investment teams take corrective action once risks are identified. We also expect our investment teams to work with the portfolio companies on embedding long-term solutions to prevent recurrence through strengthening policies and due diligence processes and collaborating with stakeholders to create systemic change and continuous improvement.

In both cases, the investment manager confirmed that the portfolio companies have acted promptly in implementing victim centered remediation plans including the relocation of affected workers to remove them from the situation and repatriate them home, termination of contracts with third party suppliers and a review of all policies and supplier codes of conduct to ensure controls are implemented that strengthen the compliance oversight. The investment manager has confirmed that engagement with the portfolio companies is ongoing. Challenger has implemented a formal Modern Slavery Risk Management Plan with the investment team to monitor the two incidents and track remediation progress. The plan is updated monthly and reported to the ESG Steering Committee, which oversees outcomes for affected workers. The Responsible Investment team will support the investment team to ensure victim-centered remediation is carried out by portfolio companies.

## Commitment to human rights

Challenger is a signatory to the Investors Against Slavery and Trafficking Initiative Asia Pacific (IAST) and a committed member of the Responsible Investment Association of Australasia (RIAA) Human Rights Working Group. Through this group, in FY25 the Challenger ESG Analyst contributed to the RIAA Investor Toolkit on Human Rights in Global Value Chains that was published in May 2025.



# Actions taken in FY25

Challenger remains committed to continuously strengthening our approach to identifying, managing and mitigating modern slavery risks across our operations and supply chain. Each year, the Modern Slavery Working Group develops a targeted work program designed to enhance our risk management framework and drive meaningful progress. The key activities delivered during FY25 are outlined below.

## Systems and controls

### Supplier engagement - deeper understanding of Challenger's supply chain through additional due diligence of our material service providers

Under Challenger's risk assessment methodology, all suppliers were assessed as low to moderate risk, given the nature presented by either the jurisdiction (predominantly Australian-based) and/or industry. New material service providers underwent additional due diligence, however, did not identify any cause for concern.

### Supplier management framework supplier code of conduct

Challenger's Supplier Management Framework was formalised through the new Board-approved Service Provider Management Policy. A Supplier Code of Conduct was also developed for distribution to new service providers, outlining our key principles and standards across key areas, including human rights.

### Expanded modern slavery risk assessment methodology

In FY25, we enhanced our risk assessment methodology by introducing a mitigation score to assess the policies, controls and performance of a company in mitigating their inherent modern slavery risk.

## Education and awareness

### Modern slavery online training module

In FY25 Challenger modern slavery working group collaborated to develop an online training module on modern slavery risks tailored to our organisation, including our supply chain and investments.

### Fidante affiliate training program

In FY25 Challenger Risk and Compliance delivered face to face training to the Fidante Affiliates on addressing modern slavery risk. 81% of employees across nine Affiliates received this training.

### Technical human rights training – responsible investment team

The Challenger Responsible Investment team attended a series of workshops focused on enhancing the technical understanding of the UNGPs.

## Education and awareness

### Modern slavery risk management plan

Challenger implemented a formal Modern Slavery Risk Management Plan with the investment team to monitor the two incidents of modern slavery identified and track remediation progress. The plan is updated monthly and reported to the ESG Steering Committee.

### Engagement with investment teams

For investments rated as a high residual risk inherent risk or where there were instances of labour or human rights controversies, the Responsible Investment team continued to engage closely with the relevant investment teams to ensure adequate controls and engagement initiatives are in place.

## Collaboration and consultation

### Collaborating with industry

Challenger engages with a range of external stakeholders and industry bodies to ensure that we continue to learn and strengthen our approach to modern slavery and collaborate on good practice with peers across the industry. In addition to RIAA and IAST, Challenger is a member of the FSC's ESG Working Group.

## RIAA Investor Toolkit: Human Rights in Global Value Chains

As part of our commitment to responsible investment and addressing human rights risks, Challenger's ESG Analyst collaborated with industry peers on the latest edition of the *Responsible Investment Association Australasia* (RIAA)'s Human rights in Global Value Chains Toolkit. This toolkit provides practical guidance for investors to engage constructively with companies to better identify, prevent and mitigate these risks across a range of interconnected issues, such as living wages, climate and just transition, the circular economy.

We recognise that addressing modern slavery and broader human rights risk is complex and represents both an ethical responsibility and financial imperative. We remain committed to supporting industry efforts that advantage understanding of these risks, including through active participation in working groups, contributing to evolving best practice frameworks, and enhancing our own frameworks and engagement strategies. This commitment ensures we remain responsive to emerging risks and aligned with global standards for responsible investment.



# Assessing effectiveness

Challenger continues to develop how we measure the effectiveness of our actions to mitigate the risk of modern slavery. While we cannot control the external forces that contribute to modern slavery, we can address and evolve how we manage our supply chain and assess the risks of modern slavery in our investments.

Our activities to measure the effectiveness of modern slavery are governed by the ESG Steering Committee that monitors the status and quality of measures implemented to mitigate identified modern slavery risk.

We use qualitative and quantitative measures to assess the effectiveness of our actions. In FY25 we have disclosed a number of metrics that we will continue to measure progress against.

## Actions to address modern slavery risks

KPIs	FY25
% of people who completed Code of Conduct training	100
% of suppliers assessed for modern slavery risk	100
No. of supplier due diligence reviews	2
No. of suppliers considered high risk	0
No. of potential indicators (as identified through risk assessments, incidents and whistleblower reports) confirmed as modern slavery	0
% of investment considered high residual risk	2.6

# Actions planned for FY26

Our key focus areas and objectives for FY26 build on the actions undertaken in FY25 to strengthen our approach to identifying, assessing and managing modern slavery risks.

**Benchmark against peers to continuously enhance Challenger's monitoring and mitigation strategies**

**Embed modern slavery training in new employee onboarding program**

**Continue to enhance coverage for the modern slavery risk assessment across investments, with a deep dive into one additional asset class on the Challenger Life balance sheet**

**Provide asset class specific training to the investment teams**

**Uplift risk assessment methodology to incorporate more leading indicators**

**Develop and distribute Challenger's Supplier Code of Conduct to material suppliers**

**Continue to collaborate with a range of stakeholders and industry groups to inform and strengthen approach to modern slavery**

# Our consultation process

Challenger is the reporting entity publishing this statement on behalf of the Group. In preparing this statement, Challenger collaborated with key individuals from across the entities that we own and control.

They have been involved in initiatives to improve our approach to modern slavery and future priorities.

Challenger's Modern Slavery Working Group has led the development of this statement and the key initiatives implemented during the year.

The ESG Steering Committee and the Leadership Team reviewed and approved this Statement, before submitting it to the Challenger Limited Board for approval.



# Appendix

## Meeting the legislation

Modern Slavery Act reporting requirements (Australia)	Modern Slavery Act (UK)	Challenger statement reference
Identify the entity that is reporting	Organisation structure and supply chains	About this statement (p2)
Describe the structure, operations, and supply chains of the reporting entity	Organisation structure and supply chains	About us (p6-11)
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Risk assessment and management	Our modern slavery risk areas (p12-20)
Describe the actions taken by the reporting entity (and owned or controlled entities) to assess and address those risks, including due diligence and remediation processes	<ul style="list-style-type: none"> <li>• Policies in relation to slavery and human trafficking</li> <li>• Due diligence processes</li> <li>• Training on modern slavery and trafficking</li> </ul>	Our actions (p23-24)
Describe how the reporting entity assesses the effectiveness of these actions	Key performance indicators to measure effectiveness of steps being taken	Effectiveness of our actions (p25)
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)	N/A	How we collaborate (p27)
Provide any other relevant information	N/A	Actions planned for FY26 (p26)

