



Modern slavery statement 2024

For the period 1 July 2023
to 30 June 2024.



aware
super



Acknowledgement of Country

In the spirit of reconciliation, healing and truth-telling, Aware Super acknowledges as a whole the Traditional Custodians of the Country throughout Australia. We pay our deepest respects to Elders past and present.

About our statement






The modern slavery statement is jointly prepared and issued by the following reporting entities Aware Super Pty Ltd ABN 11 118 202 672 ("Trustee") as Trustee for Aware Super ABN 53 226 460 365 ("Fund"), Aware Super Services Pty Ltd ABN 67 633 384 059 ("Aware Super Services"), FSS Agriculture 1 Pty Ltd ABN 33 628 220 913 ("FSS Agriculture"), ALTRAC Light Rail Holdings 2 Pty Ltd ABN 21 603 192 221 ("ALTRAC"), FSS Liberty Pty Ltd as Trustee for FSS Liberty Trust ABN 92 211 994 502 ("FSS Liberty"), and Aware Super FSSPET Pty Ltd as Trustee for First State Super Private Equity Trust ABN 31 781 995 494 ("FSS Private Equity") in accordance with section 14 of the *Australian Modern Slavery Act 2018 (Cth)*, with further details in section 2.2.1. Throughout this statement, the terms 'we,' 'us,' 'our,' and 'Aware Super' are used to refer to the reporting entities as outlined above (as relevant).

This statement covers the financial year ending on 30 June 2024, with all financial figures cited in Australian dollars. It provides a unified, consolidated overview of measures taken to address modern slavery risks.

Modern slavery is defined as including the following types of serious exploitation: forced marriage; debt bondage; slavery; trafficking in persons; servitude; deceptive recruiting for labour or services; forced labour; and the worst forms of child labour.¹

Australian Modern Slavery Act 2018 – mandatory reporting criteria

The following table summarises where the reporting criteria are addressed within this statement.

Criteria met by this statement	Section with the required information	
Identify the reporting entity	About our statement	 page 1
	2.1 Consultation with the Fund's controlled entities	 page 4
Describe the structure, operations and supply chains of the reporting entity	2.2 Organisational structure, operations and supply chains	 pages 4–8
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	3 Modern slavery risks	 pages 9–18
Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address those risks, including due diligence and remediation processes	4 Assessing and addressing our modern slavery risks	 pages 19–25
	5 Assessing the effectiveness of actions	 pages 26–29
Describe how the reporting entity assesses the effectiveness of such actions		
Describe the process of consultation with any entities the reporting entity owns or controls	2.1 Consultation with the Fund's controlled entities	 page 4
Include any other information that the entity giving the statement considers relevant	1 Message from our Chair	 page 3
	6 Other information	 pages 30–31

¹ Source: **Walk Free Foundation**

2023/24 financial year at a glance

Modern slavery risk management

Suppliers are assessed for modern slavery risk at the time of onboarding and periodically thereafter

99.53%
employees completed modern slavery training

New scorecard to assess and score direct assets' modern slavery risk management

Scorecard for Australian and International listed equities portfolio updated

90+
fund managers surveyed on modern slavery risk

Operations

1,300+
employees
(54% women)

\$176.9 billion
funds under management
invested in 45 countries with 53% invested in Australia

1.15 million
members

~340+
active suppliers

1. Message from our Chair

Aware Super is committed to respecting human rights and protecting people against modern slavery. Our commitment to addressing this issue is reflected in the policies and practices that guide our operations and decision-making, which we continually strive to improve.

Modern slavery remains a major global problem, with the Global Slavery Index² estimating 50 million people worldwide are exploited through practices including forced labour, debt bondage, forced marriage and human trafficking.

Not only does modern slavery have a significant and severe impact on individual victims, we also believe business models and supply chains that rely on modern slavery, labour exploitation and human trafficking are not sustainable, nor are their investment returns.

Companies that ignore the risks associated with modern slavery and labour exploitation also jeopardise their social licence to operate.

Our modern slavery statement describes the risk management strategies we have implemented to identify and reduce modern slavery risks in our organisation, our suppliers and investments.

Aware Super practices organisation-wide modern slavery risk management, which includes assessment, engagement with employees, suppliers, partners and regulators, and maintaining regular communication with our stakeholders.

We adopt a risk-based approach to monitoring the potential for modern slavery in our supply chain. During the onboarding process, we assess suppliers against a number of risk factors, including industry, location and ownership. This assessment helps

us determine if a supplier's operations require further scrutiny.

As an investor, Aware Super considers how we may cause, contribute or be directly linked to modern slavery to help identify and assess modern slavery risks in our investment supply chain and portfolios.

We have implemented due diligence processes aligned to our Responsible Investment Policy. These include assessing modern slavery risks to people and the sector prior to making investment decisions and appointing external fund managers. Ongoing reviews and assessments of managers and our investments also form part of our investment governance approach.

During the 2023/24 financial year we surveyed more than 90 of our external fund managers to help us assess their approach to addressing the risk of modern slavery and prioritise the need for further engagement. Where we see heightened risk, we will engage directly with the companies we invest in to improve their assessment and actions regarding modern slavery.

Modern slavery and human rights risk analysis forms part of our process for the integration of environmental, social and governance factors in our investment process. Our risk processes include analysis by sector and geography, using a wide range of resources, such as external research.

In 2023/24 we assessed our combined Australian and international equity portfolios and, compared with 2022/23, observed an improvement in transparency in policies and procedures aimed at mitigating modern slavery risks in those companies' operations and supply chains.



Aware Super has a comprehensive approach to mitigating and addressing modern slavery risks in our workplaces. Central to this are Aware Super's values, which prioritise treating all individuals – whether prospective, current or former employees – with respect and fairness, in compliance with all relevant laws.

Mandatory annual modern slavery training was introduced in 2023/24 for all employees, which equips them to understand our modern slavery commitments and how to identify and report any potential instances of modern slavery.

In 2024/25 we will focus on driving continued improvement in our modern slavery risk assessment tools, increase our engagement with suppliers and companies in which we invest to identify and address slavery risks and continue to publicly advocate for strong action against modern slavery in our industry and broader society.

C. F. McLoughlin

Christine McLoughlin AM
Chair

² Source: [Global Slavery Index](#)

2. About Aware Super

The Fund is one of Australia’s largest profit-for-members super and retirement³ funds with over A\$176.9 billion in funds under management.⁴

Everything we do is for our 1.15 million members and their communities. Our profits go back into benefits and services that help our members get the most out of their super, and ultimately, their retirement.

For more information about Aware Super and what we delivered in the 2023/24 financial year, see:

aware.com.au/annualreport2024

2.1 Consultation with the Fund’s controlled entities

This statement has been prepared and issued by Aware Super in consultation with the entities controlled by the Trustee as Trustee of the Fund. Relevant directors and officers of Aware Super and our controlled entities were consulted and provided an opportunity to review the statement prior to its approval. Preparation of this statement has involved engagement with relevant representatives of our controlled entities, and for each reporting entity their respective boards. The consultation involved assessing the

modern slavery risks in the operations and supply chains relevant to their activities, which are reported in section 3 of this statement.

2.2 Organisational structure, operations and supply chains

The Fund is an Australian public offer superannuation fund.

Headquartered in Sydney, Australia, the Fund also has metropolitan offices located in Melbourne, Brisbane, Perth and London, United Kingdom. All offices are leased.

2.2.1 Structure of the reporting entities

The Fund is structured as a trust, with the Trustee being an Australian proprietary company. The majority of the reporting entities are passive entities and/ or investment vehicles set up for the purposes of holding various investments of the Fund without any physical operations. These entities, typically are governed by Aware Super’s policies and procedures.

Entity name	ABN	Owner	Country of operation	Nature of the activities undertaken by the entity
Aware Super Pty Ltd	ABN 53 226 460 365	N/A	Australia	Australian superannuation fund
Aware Super Services Pty Ltd	ABN 67 633 384 059	The Trustee as Trustee of the Fund	Australia	Employing entity for the Fund
FSS Agriculture 1 Pty Ltd	ABN 33 628 220 913	The Trustee as Trustee of the Fund	Australia	A special purpose vehicle set up to hold investment(s) of the Fund
ALTRAC Light Rail Holdings 2 Pty Ltd	ABN 21 603 192 221	The Trustee as Trustee of the Fund	Australia	A special purpose vehicle set up to hold investment(s) of the Fund
FSS Liberty Pty Ltd as Trustee for FSS Liberty Trust	ABN 92 211 994 502	The Trustee as Trustee of the Fund	Australia	A special purpose vehicle set up to hold investment(s) of the Fund
Aware Super FSSPET Pty Ltd as Trustee for First State Super Private Equity Trust	ABN 31 781 995 494	The Trustee as Trustee of the Fund	Australia	A special purpose vehicle set up to hold investment(s) of the Fund

Aware Super’s Australian employment entity is Aware Super Services Pty Ltd.

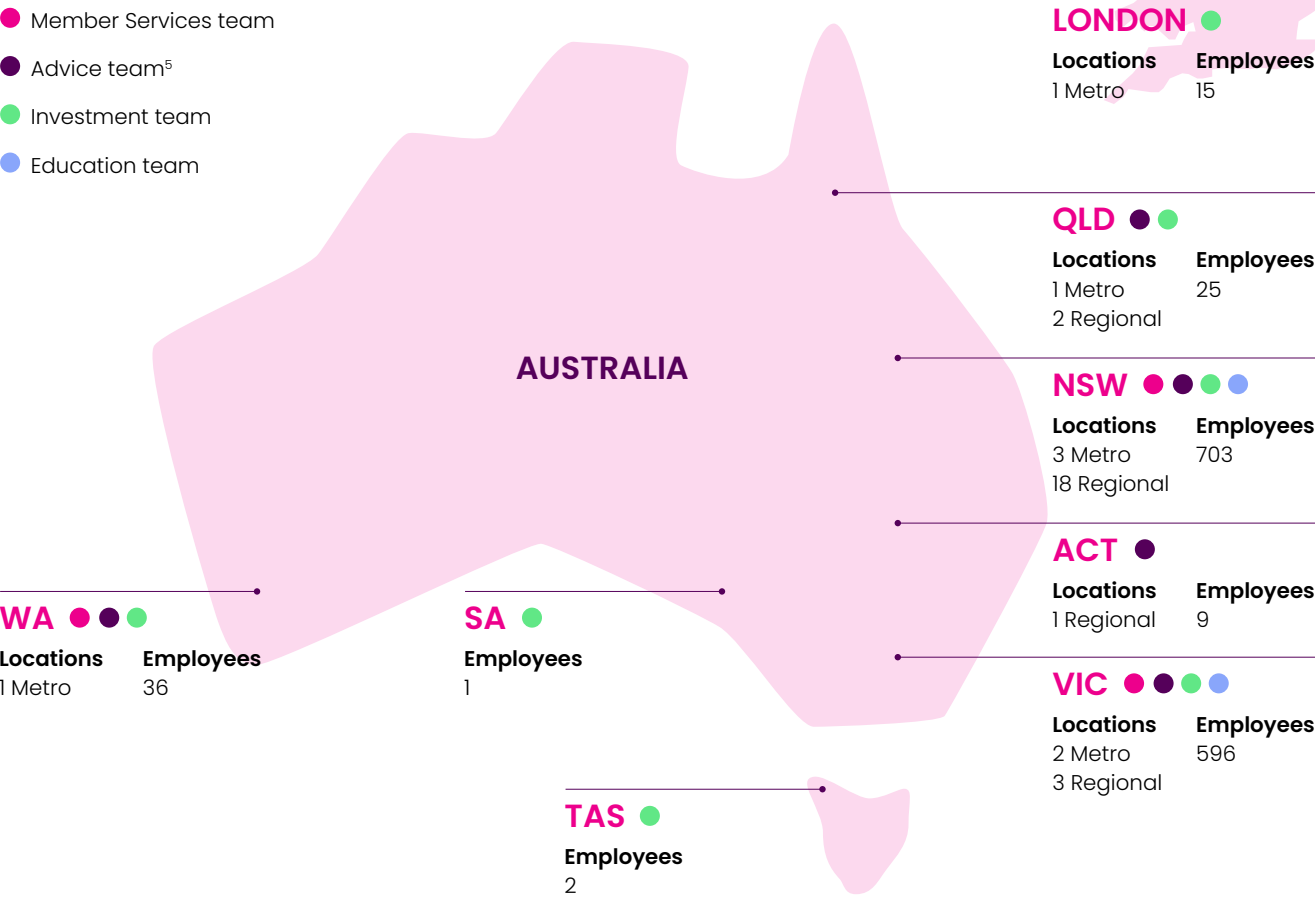
Aware Super had a workforce of more than 1,300 employees across Australia and the United Kingdom.⁴

3 Based on APRA annual fund-level superannuation statistics June 2023.

4 As at 30 June 2024.

2. About Aware Super (continued)

Numbers and location of some of our key teams⁴



Employee numbers by gender and country⁴

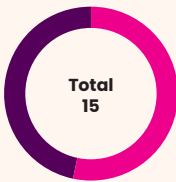
Australia

Women 738
Men 634



United Kingdom

Women 8
Men 7



1,387

Total employees

Women	746
Men	641

5 Advice services are provided by Aware Financial Services Australia Limited.

2. About Aware Super (continued)

2.2.2 Operations

The primary operations of the Fund include:

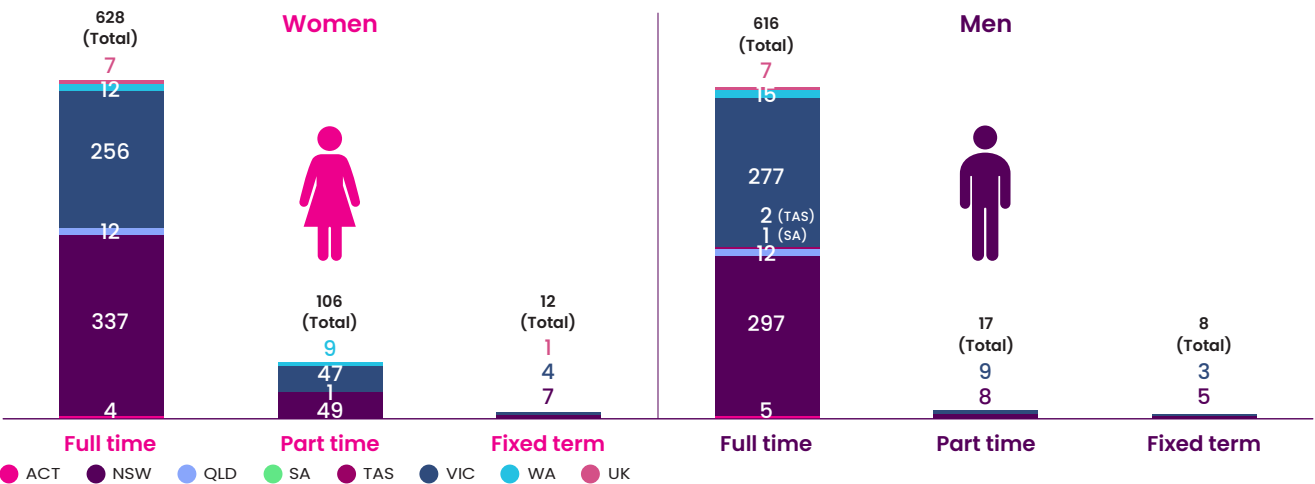
Issuing superannuation products

Making financial investments on behalf of members

The administration of the Fund

The primary operations of the UK office are to undertake investment sourcing and due diligence on behalf of the Fund.

Employment type (by employee home location and gender)⁴



Our teams work to provide super returns⁶ for our members and to make help and advice available to them how and when they need it.

2.2.3 Supply chains

Aware Super maintains a modest global supply chain network, comprised of ~340 active suppliers, with the majority of our suppliers headquartered in Australia. We also engage with a select number of suppliers based in the United States, the United Kingdom and various European countries (among other countries).

Our supplier relationships typically span one to three years. For strategic or custom solutions, we often commit to longer-term partnerships.

- We procure goods and services essential for our operations, which encompass a range of areas, including:
- technology products and services (such as software, hardware, PaaS, SaaS and related maintenance)
 - business applications (such as custom business solutions, government and industry subscriptions)
 - services (including administration, professional cleaning, marketing, legal, financial, catering, postal and advisory services)

- workplace needs (including commercial leasing, stationery, perishables and utilities).
- For more information on the Fund’s and Trustee’s material suppliers, see:
- aware.com.au/about/governance-and-policies/partners

~340
active suppliers

⁶ Aware Super’s High Growth option returns over 10 years to 30 June 2024. SuperRatings Fund Crediting Rate Survey, June 2024. Based on SR50 Growth (77-90) Index. Returns are after tax and investment management expenses but before the deduction of administration fees. Past performance is not an indicator of future performance.

2. About Aware Super (continued)

2.2.4 Investments

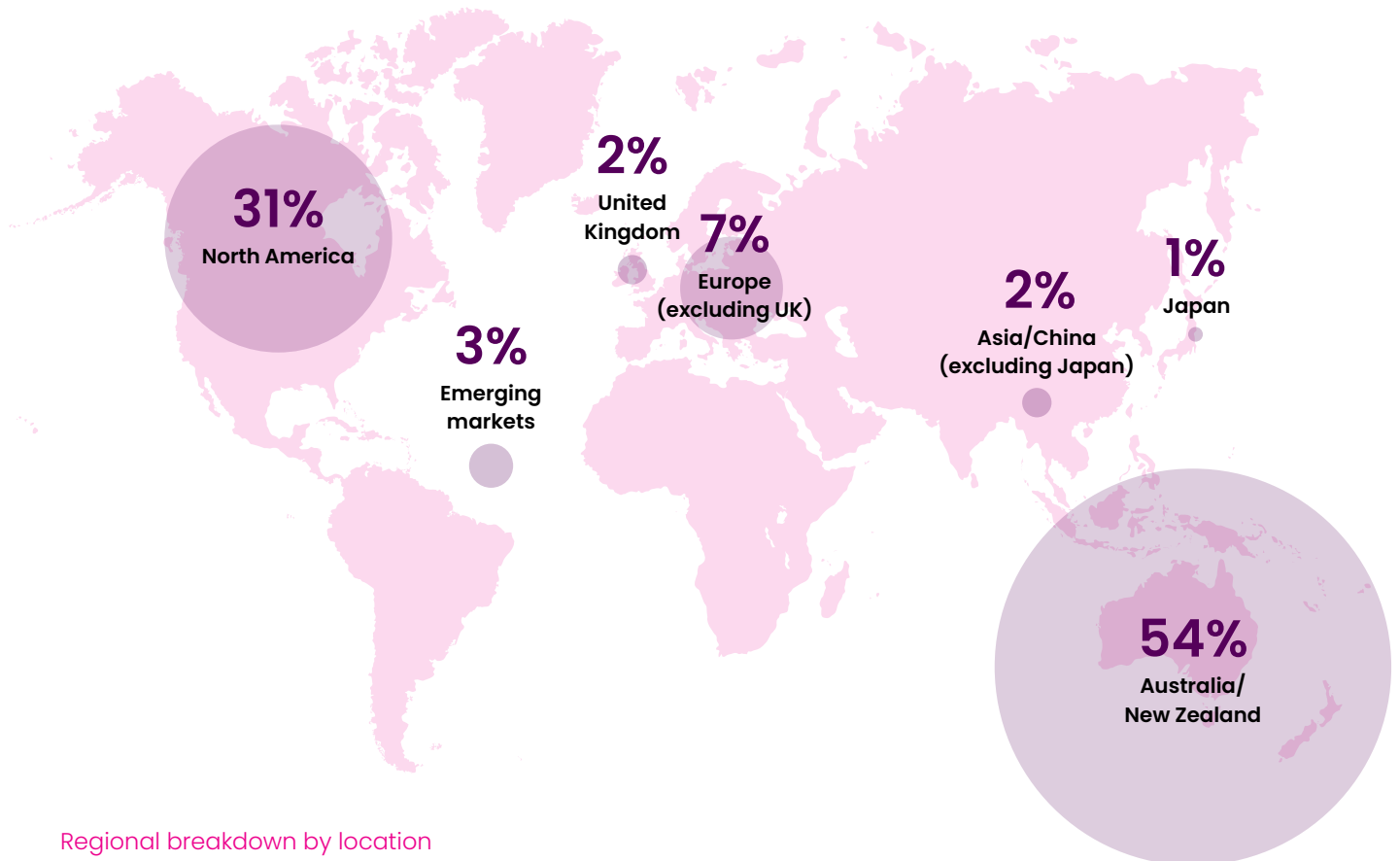
We have an active approach to investing. We invest in a wide and diverse range of Australian and international markets and assets, including equities, property, infrastructure, private equity, fixed income and cash. Our investments span many sectors, including energy,

technology, financial services, healthcare and telecommunications.

We have investments in more than 45 countries. Approximately 53% of our portfolio is invested in Australia. Our next largest investment market is the United States, which accounts for around 29% of the portfolio.

External investment partners currently manage approximately 65% of our investments, however a core principle of our strategy is to progressively bring more of our investment decision-making and management in-house. The geographical spread of our investment portfolio is outlined below.

Aware Super portfolio by geographical region⁷



Regional breakdown by location

North America:

Bermuda, Canada, Cayman Islands, United States.

United Kingdom:

Jersey, United Kingdom.

Europe excluding UK:

Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland.

Asia/China, excluding Japan:

Hong Kong, Singapore, Republic of Korea.

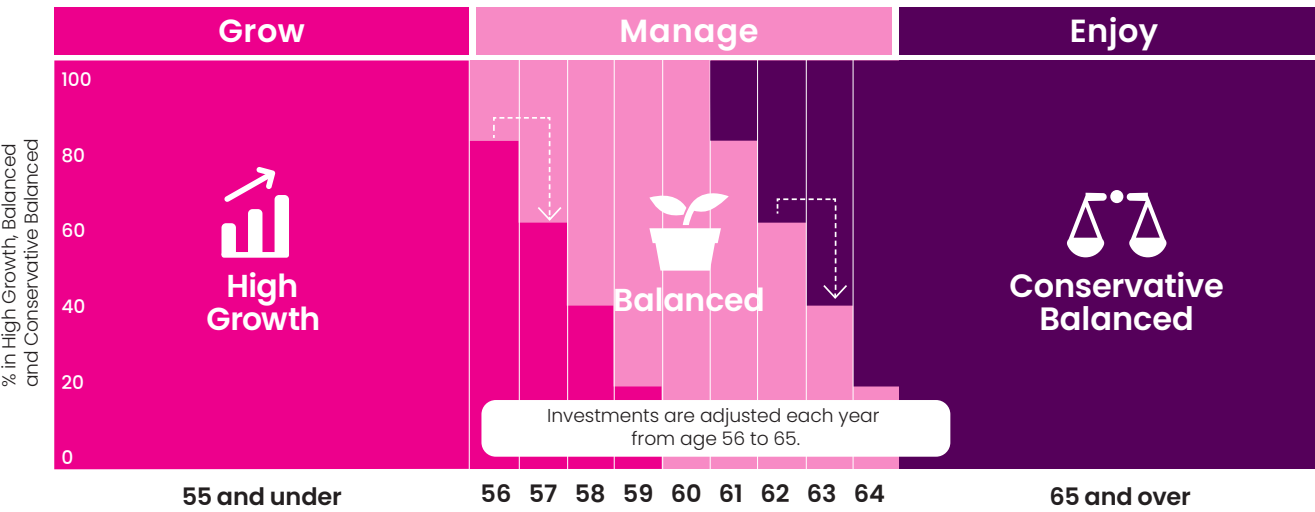
Emerging markets:

Brazil, South Africa, Taiwan, Estonia, Latvia, Slovenia, India, Indonesia, Malaysia, Mexico, Peru, Philippines, Israel, Jordan, Saudi Arabia, Thailand, Türkiye, Uruguay, Vietnam.

2. About Aware Super (continued)

Aware Super’s default offering is MySuper Lifecycle. It’s an investment approach that automatically tailors members’ investment mix over time. It’s designed to grow their super as much as possible when they’re young and increasingly manage investment risk over time as they get closer to retirement.

How the MySuper Lifecycle approach is adjusted:



MySuper Lifecycle uses three of our Core Diversified options – High Growth, Balanced and Conservative Balanced – as its building blocks.

The asset allocations of these three options as at 30 June 2024 is outlined below.

Asset class	High Growth	Balanced	Conservative Balanced
Australian shares	26.4%	22.0%	15.0%
International shares	40.6%	34.2%	24.2%
Private equity	7.7%	5.8%	4.8%
Infrastructure	11.5%	11.4%	10.5%
Property	6.0%	6.0%	7.0%
Liquid alternatives (growth)	0.9%	1.0%	1.0%
Liquid alternatives (defensive)	0.0%	0.0%	0.0%
Credit income	2.6%	4.7%	6.6%
Fixed income	0.3%	10.7%	17.9%
Cash	4.0%	4.2%	13.0%

For more information on our approach to investing, see:

[aware.com.au/investments](https://www.aware.com.au/investments)

3. Modern slavery risks

Modern slavery risks, including potential labour-related rights violations, involve the exploitation of victims through coercion, threats or deception to exploit victims and undermine their freedom. We have a responsibility to address the global challenge of modern slavery. Understanding the risks that may exist in our supply chain, investments and operations, including in the entities we control, is crucial for Aware Super to effectively address any potential for exploitation.

3.1 Fund operations supply chain

As a financial services organisation, the level of modern slavery risk within our supply chain primarily depends on the industry of our suppliers and where their operations are located. Modern slavery takes many forms and can be characterised by one or more of the following:

- trafficking in persons
- slavery
- servitude
- forced marriage
- forced labour
- debt bondage
- deceptive recruiting for labour or services
- the worst forms of child labour

Modern slavery risks in corporate supply chains are often specific to certain sectors. The highest risks for Aware Super arise from suppliers in industries that typically hire vulnerable groups, such as low-skilled or

temporary workers, migrant labourers and minorities. These high-risk sectors include commercial cleaning, recruitment, corporate services, manufacturing (including technology hardware), hospitality and catering, and construction and fit-out.

Another area of modern slavery risk involves suppliers operating in high-risk regions. These regions often lack proper regulations or enforcement, have poor records on corruption and human rights, and may be influenced by criminal organisations.

The top 10 countries with the highest rates of modern slavery according to the 2023 Global Slavery Index are North Korea, Eritrea, Mauritania, Saudi Arabia, Türkiye, Tajikistan, United Arab Emirates, Afghanistan, Kuwait and Russia. Aware's suppliers do not typically have high-risk business models⁸ with long complex supply chains.⁹

3.2 Investments

Aware Super managed investments totalling A\$176.9 billion of our members' retirement savings, as at 30 June 2024. Our investment stake can range from as little as 0.0001% to as much as 100%.

The 'risks of modern slavery practices' means the potential for a company to cause, contribute to or be directly linked to modern slavery through its operations and supply chains – in other words the risks that an entity may be involved in modern slavery.¹⁰

We understand the risk of modern slavery is higher in certain geographies and sectors, particularly in industries with high-risk supply chains. Given this, we have prioritised our activities based on these high-risk factors.

Modern slavery is the risk to people, rather than the risk to business (i.e. the reporting or related entities we invest in). When we report on modern slavery risk within our portfolio, our primary focus is the risk to individuals, rather than the risk to our portfolio or specific businesses.

⁸ High-risk business models are those that are more susceptible to or directly associated with modern slavery practices or exploitation. These business models often have characteristics or operations that make them more likely to involve modern slavery in their supply chains or operations. Examples include low-cost labour-intensive industries, seasonal or temporary labour, hidden workforce, heavy reliance on recruitment agencies and natural resource extraction, among others.

⁹ Complex supply chains refers to a network of suppliers, manufacturers, distributors and other entities involved in the production and distribution of goods and services, which can be vulnerable to or complicit in modern slavery practices and can make it challenging to identify and address instances of modern slavery within the supply chain due to their intricate and often global nature. Key characteristics of a complex supply chain in the context of modern slavery include globalisation, multiple tiers and subcontracting.

¹⁰ **Commonwealth Modern Slavery Act 2018: Guidance for reporting entities**, the Attorney-General's Department, 2018.

3. Modern slavery risks (continued)

Cause

A company may cause modern slavery if a causal relationship can be established between a company's operations, products or services and modern slavery practices. For example, if a company directly employs workers under conditions of forced labour, it is directly causing modern slavery. Causation can occur through action as well as omissions, in other words, a failure to act.¹¹

Contribute

A company may contribute to modern slavery. 'Contributing to' is interpreted as where a company facilitates or incentivises another entity to cause an adverse impact. An enterprise can also 'contribute' to modern slavery if the combination of its activities and that of another entity result in an adverse impact. For example, a company may set unrealistic cost targets and delivery timeframes for a supplier that can only be met by using exploited labour. If a company identifies a risk of contributing to modern slavery, it is expected to use its leverage with other entities also contributing to the adverse impact to persuade it to cease or prevent any further impacts and to mitigate any remaining impacts to the greatest extent possible.¹²

Directly linked

A company may be directly linked to modern slavery where its operations, products or services (including financial products and services) may be connected to modern slavery through the activities of another entity it has a business relationship with. For example, a super fund may invest with an external investment manager to undertake an overseas infrastructure project. Despite the super fund putting appropriate safeguards in place, the investee engages subcontractors that use forced labour to complete the project.¹³

Modern slavery risk factors

Modern slavery has the potential to exist within our investments across populations, locations and business practices, including:

- **vulnerable populations** – such as temporary jobs, low-skilled or migrant workers or minorities
- **high-risk geographies** – where there may be a lack of regulation or enforcement agencies, poor track records on corruption and human rights or a prevalence of criminal organisations
- **business models with high-risk practices** – such as complex and long supply chains with several intermediaries along the chain, oligopolistic industries exercising pricing pressure on suppliers, labour-intensive industries and supply chains with pressure on shorter lead times
- **high-risk product and services categories** – which are often sector specific, such as agriculture, healthcare, food and beverage, property, financial services, mining, apparel industry, construction and building materials, and electronics.

¹¹ Global Forum on Responsible Business Conduct: Due diligence in the financial sector: adverse impacts directly linked to financial sector operations, products or services by a business relationship, OECD, 2014.

¹² The OECD Guidelines for Multinational Enterprises, Chapter II, Commentary on General Policies, paragraph 19, OECD, 2023.

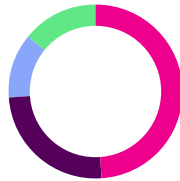
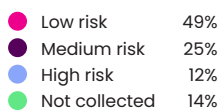
¹³ Commonwealth Modern Slavery Act 2018, Guidance for reporting entities, the Attorney-General's Department, 2018.

3. Modern slavery risks (continued)

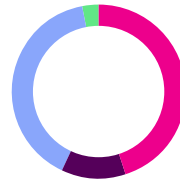
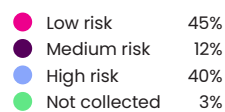
The following pages provide an overview of potential inherent modern slavery risk exposure by asset class. This assessment supports our risk-based approach to addressing modern slavery and enables us to prioritise our actions. These charts are informed by a combination of information from our ESG data service provider and information from our direct investments.

Australian equities^{14,15}

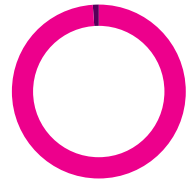
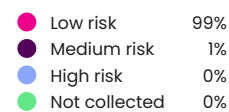
Inherent industry risk exposure



Inherent supply chain risk exposure



Inherent country risk exposure



Top five modern slavery risk exposures by industry^{14,15}

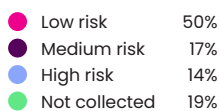
1	Specialty Retail
2	Food Products
3	Hotels, Restaurants and Leisure
4	Household Durables
5	Chemicals

Top modern slavery risk exposures by country^{14,15}

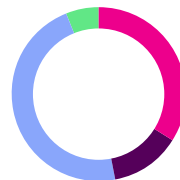
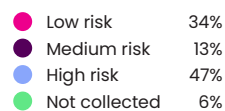
1	United States
2	France
3	New Zealand
4	Australia

International equities

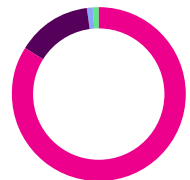
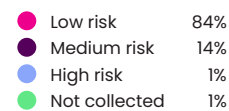
Inherent industry risk exposure



Inherent supply chain risk



Country risk



Top five modern slavery risk exposures by industry^{14,15}

1	Food Products
2	Specialty Retail
3	Textiles, Apparel and Luxury Goods
4	Automobiles
5	Hotels, Restaurants and Leisure

Top five modern slavery risk exposures by country^{14,15}

1	Philippines
2	Russian Federation
3	Mexico
4	India
5	Saudi Arabia

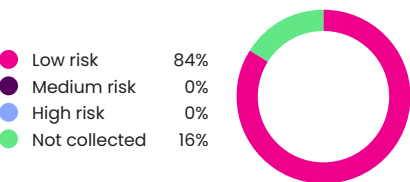
¹⁴ All data as at 1 July 2023.

¹⁵ Sources: The Global Slavery Index 2023, ISS, and Aware Super.

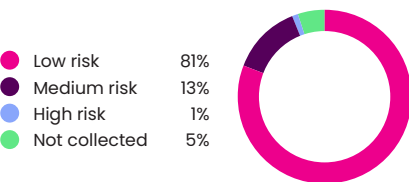
3. Modern slavery risks (continued)

Property (listed)

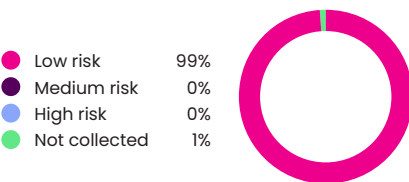
Inherent industry risk exposure



Inherent supply chain risk



Country risk



Top five modern slavery risk exposures by industry ^{14,15}

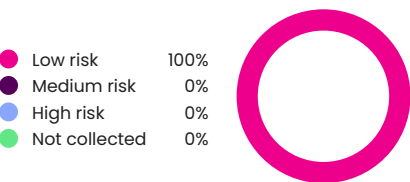
1	Health Care Providers and Services
2	Real Estate Management and Development
3	Industrial Real Estate Investment Trusts
4	Specialised Real Estate Investment Trusts
5	Health Care Real Estate Investment Trusts

Top five modern slavery risk exposures by country ^{14,15}

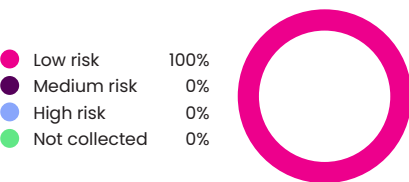
1	Israel
2	Republic of Korea
3	Hong Kong
4	United States
5	Singapore

Property (unlisted)

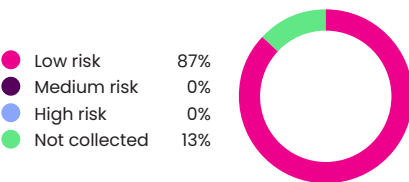
Inherent industry risk



Inherent supply chain risk



Country risk



Top modern slavery risk exposures by industry ^{14,15}

1	Real Estate Management and Development
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Top five modern slavery risk exposures by country ^{14,15,16,17}

1	United States
2	United Kingdom
3	Spain
4	New Zealand
5	Australia

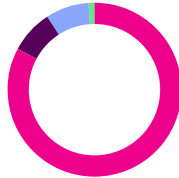
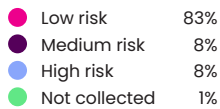
16 Country risk is based on GSI vulnerability score, represents portfolio weights.

17 The top five modern slavery risk exposures by country represents the highest country risk, by GSI vulnerability score. In some cases, the country exposures represent as little as one security in these countries.

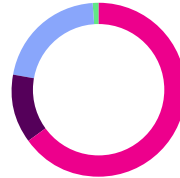
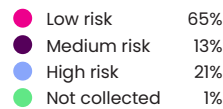
3. Modern slavery risks (continued)

Credit income

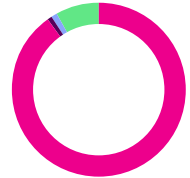
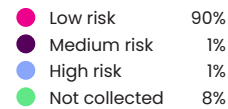
Inherent industry risk



Inherent supply chain risk



Country risk



Top five modern slavery risk exposures by industry ^{14,15}

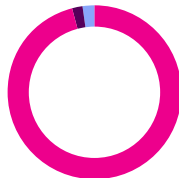
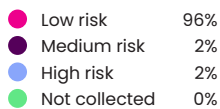
1	Consumer Staples Distribution and Retail
2	Specialty Retail
3	Food Products
4	Textiles, Apparel and Luxury Goods
5	Technology Hardware, Storage and Peripherals

Top five modern slavery risk exposures by country ^{14,15}

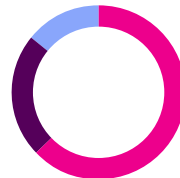
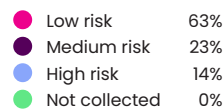
1	Côte d'Ivoire
2	Mexico
3	Guatemala
4	Uzbekistan
5	South Africa

Infrastructure

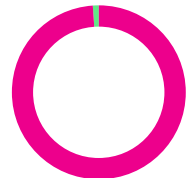
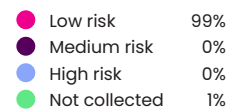
Inherent industry risk



Inherent supply chain risk



Country risk



Top five modern slavery risk exposures by industry ^{14,15}

1	Consumer Staples Distribution and Retail
2	Food Products
3	Technology Hardware, Storage and Peripherals
4	Electronic Equipment, Instruments and Components
5	Chemical

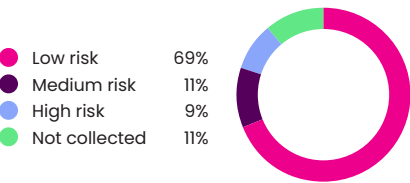
Top modern slavery risk exposures by country ^{14,15}

1	United States
2	United Kingdom
3	Australia

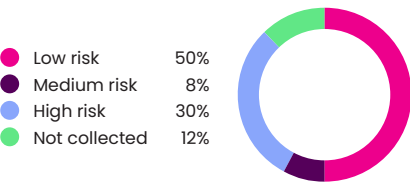
3. Modern slavery risks (continued)

Private equity

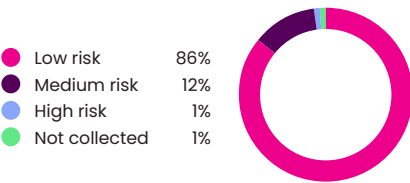
Inherent industry risk



Inherent supply chain risk



Country risk



Top five modern slavery risk exposures by industry ^{14,15}

1	Consumer Staples Distribution and Retail
2	Food Products
3	Specialty Retail
4	Technology Hardware, Storage and Peripherals
5	Textiles, Apparel and Luxury Goods

Top five modern slavery risk exposures by country ^{14,15}

1	Philippines
2	Bangladesh
3	India
4	Indonesia
5	Brazil

Inherent industry risk ^{14,15}
based on 2023/24 financial year portfolio exposure

Risk rating	Industry
High risk	Automobiles, Broadline Retail, Chemicals, Consumer Staples Distribution and Retail, Electronic Equipment, Instruments and Components, Food Products, Hotels, Restaurants and Leisure, Household Durables, Specialty Retail, Technology Hardware, Storage and Peripherals, Textiles, Apparel and Luxury Goods
Medium risk	Commercial Services and Supplies, Communications Equipment, Construction and Engineering, Electrical Equipment, Industrial Conglomerates, Machinery, Metals and Mining, Passenger Airlines, Personal Care Products, Semiconductors and Semiconductor Equipment, Beverages, Household Products
Low risk	Aerospace and Defence, Air Freight and Logistics, Automobile Components, Biotechnology, Capital Markets, Construction Materials, Containers and Packaging, Diversified Consumer Services, Banks, Building Products, Consumer Finance, Distributors, Diversified Real Estate Investment Trusts (REITs)

3. Modern slavery risks (continued)

Inherent supply chain risk ^{14,15}

based on 2023/24 financial year portfolio exposure

Risk rating	Industry
High risk	Aerospace and Defence, Automobile Components, Automobiles, Biotechnology, Broadline Retail, Building Products, Chemicals, Communications Equipment, Construction and Engineering, Construction Materials, Consumer Staples Distribution and Retail, Containers and Packaging, Electrical Equipment, Electronic Equipment, Instruments and Components, Food Products, Health Care Equipment and Supplies, Health Care Providers and Services, Household Durables, Household Products, Industrial Conglomerates, Leisure Products, Life Sciences Tools and Services, Machinery, Personal Care Products, Semiconductors and Semiconductor Equipment, Specialty Retail, Technology Hardware, Storage and Peripherals, Textiles, Apparel and Luxury Goods, Trading Companies and Distributors, Wireless Telecommunication Services
Medium risk	Beverages, Commercial Services and Supplies, Distributors, Diversified Consumer Services, Diversified Telecommunication Services, Electric Utilities, Ground Transportation, Health Care REITs, Hotel and Resort REITs, Hotels, Restaurants and Leisure, Independent Power and Renewable Electricity Producers, Marine Transportation, Metals and Mining, Multi-Utilities, Oil, Gas and Consumable Fuels, Pharmaceuticals, Transportation Infrastructure
Low risk	Air Freight and Logistics, Banks, Capital Markets, Consumer Finance, Diversified REITs, Energy Equipment and Services, Entertainment, Financial Services, Gas Utilities, Health Care Technology, Industrial REITs, Insurance, Interactive Media and Services, IT Services, Media, Mortgage Real Estate Investment Trusts (REITs), Office REITs, Paper and Forest Products, Passenger Airlines, Professional Services, Real Estate Management and Development, Residential REITs, Retail REITs, Software, Specialised REITs, Water Utilities

Inherent country risk ^{14,15}

based on 2023/24 financial year portfolio exposure

Risk rating	Global Slavery Index (vulnerability) base scores
High risk	Bangladesh, Philippines, Côte d'Ivoire, Mexico, Russian Federation
Medium risk	Brazil, China, Colombia, Ghana, Guatemala, India, Indonesia, Jordan, Mongolia, Peru, Saudi Arabia, South Africa, Thailand, Türkiye, Uzbekistan, Vietnam
Low risk	Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Chile, China, Hong Kong Special Administrative Region, Czechia, Denmark, Dominican Republic, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Italy, Japan, Kuwait, Malaysia, Mauritius, Netherlands, New Zealand, Norway, Oman, Poland, Portugal, Qatar, Republic of Korea, Romania, Serbia, Singapore, Spain, Sweden, Switzerland, Taiwan, United Arab Emirates, United Kingdom, Uruguay, United States

3. Modern slavery risks (continued)

Australian and International equity portfolio – further analysis

As an additional measure, we undertake further analysis in our Australian and international equity portfolio using information in the ISS Modern Slavery Scorecard.¹⁸ The top six sectors that are highlighted as areas of concern for modern slavery in our Australian and international equity portfolio as at 30 June 2024 are outlined in the table below. Sectors of concern are identified Global Industry Classification Standard (GICS¹⁹) sectors within the portfolio with the highest proportion of companies that are high risk (based on the ISS Modern Slavery Risk Overall Classification) and laggard performers (based on the ISS Disclosure and Performance Category as part of the ISS modern slavery scorecard²⁰).

Sector of concern	Sector description	Sector risk profile	Product risks
Consumer Discretionary	Non-essential goods and services, including household furniture and appliances, car manufacturers, electronics, apparel and footwear, and hotels and restaurants. Companies include adidas AG, Amazon.com, Inc., Flight Centre Travel Group Limited, and JB Hi-Fi Limited.	Companies in the consumer discretionary sector may be exposed to modern slavery risks through: employment of child and forced adult sex labour in tourism services; reliance on a migrant/subcontracted workforce excluded from unionisation and compelled to work through retention of identity documents, recruitment-related debt and deportation threats; a complex network of recruitment agents and subcontractors, limiting oversight of working conditions; sourcing of raw materials from high-risk regions; downward price and production pressure on suppliers, resulting in payments below a living wage, excessive overtime and exploitative working conditions; and procurement of commodities with links to child and forced labour, including state-imposed forced labour.	artificial flowers, carpets, Christmas decorations, electronics, footwear, garments, gloves, toys
Consumer Staples	Comprises companies whose businesses are less sensitive to economic cycles. It includes manufacturers and distributors of food, beverages and producers of non-durable household goods and personal products. Companies include Coles, Nestle, Unilever and Woolworths.	Companies in the consumer staples sector may be exposed to modern slavery risks through: the use of in-kind remuneration, the provision of housing and food, creating dependency on the employer; employment of child and forced labour in the production and/or procurement of certain commodities; a complex network of recruitment agents and subcontractors and remote work, limiting oversight of working conditions; reliance on a migrant/subcontracted workforce excluded from unionisation and compelled to work through retention of identity documents, recruitment-related debt and deportation threats; and downward price and production pressure on suppliers, resulting in payments below a living wage, excessive overtime and exploitative working conditions.	bananas, cashews, citrus fruits, cocoa, coffee, cucumbers, eggplants, electronics, fish, hazelnuts, oil (palm), pepper, rice, shrimp, tea, tomato products, vanilla

¹⁸ ISS Modern Slavery Scorecard Methodology

¹⁹ The Global Industry Classification Standard (GICS) is a four-level classification system developed in 1999 by MSCI and S&P Dow Jones Indices to categorise companies traded on public stock exchanges.

²⁰ Modern Slavery Scorecard | ISS ([issgovernance.com](https://www.issgovernance.com)).

3. Modern slavery risks (continued)

Sector of concern	Sector description	Sector risk profile	Product risks
Healthcare	Includes health care providers and services, companies that manufacture and distribute health care equipment and supplies, and health care technology companies. It also includes companies involved in the research, development, production and marketing of pharmaceuticals and biotechnology products. Companies include Ansell, AstraZeneca, CSL, Johnson & Johnson and Novartis.	Companies in the health care sector may be exposed to modern slavery risks through: a complex network of recruitment agents and subcontractors, limiting oversight of working conditions; reliance on a migrant/subcontracted workforce excluded from unionisation and compelled to work through retention of identity documents, recruitment-related debt, and deportation threats; downward price and production pressure on suppliers, resulting in payments below a living wage, excessive overtime, and exploitative working conditions; and procurement of commodities with links to child and forced labour.	electronics, garments, oil (palm), rubber gloves
Industrials	Includes manufacturers and distributors of capital goods, such as aerospace and defence, building products, electrical equipment and machinery, and companies that offer construction and engineering services. Companies include Airbus, Atlas Arteria, Brambles and Toyota.	Our investments are in companies that operate in sectors such as construction and engineering, transport (freight and logistics); building products that operate in high-risk countries, such as India, China and Brazil, and links to products such as cobalt and electronics. We see exploitation of workers in many of these countries and sectors, as well as vulnerable populations and business models structured around high-risk work practices – heightening the risk of modern slavery in the supply chain.	cobalt ore (heterogenite), electronics, fluorspar (mineral), mica, tin ore (cassiterite), zinc
Information Technology	Comprises companies that offer software and information technology services and manufacturers and distributors of technology hardware and equipment, such as communications equipment, cellular phones, computers and peripherals, electronic equipment, related instruments and semiconductors. Companies include Apple, DocuSign, Dropbox, IRESS and Nearmap.	Companies in the information technology sector may be exposed to modern slavery risks through: a complex network of recruitment agents and subcontractors, limiting oversight of working conditions; sourcing of raw materials from high-risk regions; reliance on a migrant/subcontracted workforce excluded from unionisation and compelled to work through retention of identity documents, recruitment-related debt and deportation threats; sourcing of raw materials from high-risk regions; downward price and production pressure on suppliers, resulting in payments below a living wage, excessive overtime and exploitative working conditions; and procurement of commodities with links to child and forced labour, including state-imposed forced labour.	cobalt ore (heterogenite), electronics, fluorspar (mineral), mica, tin ore (cassiterite), zinc
Materials	Includes companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, and metals, minerals and mining companies, including producers of steel. Companies include BHP, Norsk Hydro, Rio Tinto and South32.	Companies in the materials sector may be exposed to modern slavery risks through: use of state imposed forced labour for some commodities; use of child labour in mining and extraction activities; a complex network of recruitment agents and subcontractors and remote work, limiting oversight of working conditions; and reliance on a migrant/subcontracted workforce excluded from unionisation and compelled to work through retention of identity documents, recruitment-related debt, and deportation threats.	bricks, cobalt ore (heterogenite), electronics, fluorspar (mineral), oil (palm), mica, sandstone, tin ore (cassiterite), zinc

3. Modern slavery risks (continued)

3.3 Employee operations

We are committed to acting ethically and understand that modern slavery happens at the most extreme end of a spectrum that ranges from decent work to serious criminal exploitation. While the risks of modern slavery are low in our operations, we recognise the need to understand and address exploitation risks, including:



4. Assessing and addressing our modern slavery risks

We recognise human rights and are committed to actively identifying and addressing modern slavery risks within our supply chain, investments and operations. This commitment includes organisation-wide governance of modern slavery risk management, continuous assessment, engagement with employees, suppliers, partners and regulators, and maintaining regular communication with our stakeholders.

4.1 Governance

Strong governance is essential for our long-term success, particularly in effectively managing environmental, social and governance (ESG) risks, including the risk of modern slavery. The key roles and responsibilities critical to our governance in addressing modern slavery risks are summarised below.

Aware Super division	Role
Aware Super Board	<p>The Board is ultimately responsible for overseeing the management of any risks arising from ESG-related issues, including modern slavery.</p> <p>The Board is informed of Aware Super's efforts in the review and approval of our annual modern slavery statement once a year.</p>
People, and Remuneration Committee	<p>The People and Remuneration Committee is a delegated body of the Board that oversees a number of employee risks associated with modern slavery.</p>
Investment Committee	<p>The Investment Committee is a nominated sub-committee of the Board and has delegated authority to oversee certain elements of the Investment Governance Framework (IGF). Our responsible investment approach, including our response to modern slavery, is embedded in the IGF, as well as our:</p> <ul style="list-style-type: none"> • Investment Beliefs • Investment Policy Statement • Responsible Investment: Environmental, Social & Governance Policy ('Responsible Investment Policy'). <p>Reporting is provided to the Investment Committee at six-monthly intervals on ESG/responsible investments, including modern slavery. We also provide our modern slavery annual statement to the Investment Committee by way of reporting.</p>
Responsible Investment team	<p>The Responsible Investment team comprises ESG experts working within the Investment team.</p> <p>Our Head of Responsible Investment oversees the implementation of our Responsible Investment Policy and the day-to-day work related to modern slavery within our investments.</p> <p>The team focuses on the day-to-day implementation of our Responsible Investment Policy, alongside all other investment teams.</p>
Investment team	<p>The following stakeholders work alongside the Responsible Investment team on our ESG Integration approach, which includes considering modern slavery:</p> <ul style="list-style-type: none"> • investment teams, including listed equities, infrastructure, property, private equity, credit, fixed income and investment strategy • investment managers • direct asset oversight and enhancement team.

4. Assessing and addressing our modern slavery risks (continued)

Aware Super division	Role
Enterprise Risk team	While our Board is ultimately responsible for setting Aware Super's overall risk appetite (which includes investment risk, incorporating ESG and modern slavery), reporting against those risks is provided by the Enterprise Risk team to the Audit, Risk and Compliance Committee and the Board.
Procurement team	Modern slavery within the supply chain is managed as part of the Fund's supply chain risk management processes. This is managed by the Procurement team in conjunction with relevant subject matter experts across the Fund.
Corporate Sustainability team	The Corporate Sustainability team updates the Chief Risk Officer, who reports to the Board once a year on our work to address modern slavery risk. The team is also responsible for preparing our annual modern slavery statement, implementing comprehensive measures to identify, address and mitigate the risks of modern slavery within our supply chains and business practices, policy development, review and implementation, and development of mandatory training content for employee modern slavery education.
People team	The People team oversees modern slavery risk assessment within our operations, including the roll out of mandatory modern slavery employee training. The team reports to the Group Executive for People and Workplace, who reports to the Board.

Oversight and approvals

Our commitment to addressing modern slavery risks is reflected in our policies, frameworks and statements, which guide our operations and decision-making processes, and form our comprehensive approach to protecting human rights across all aspects of our organisation.

Governance frameworks and policies

	Description
Investment Governance Framework	The Investment Governance Framework combines the systems, structures, policies, processes and people employed to meet our member responsibilities. It helps ensure a disciplined approach to managing investment risk, including modern slavery and other ESG-related risks.
Investment Beliefs	Our Investment Beliefs explain our responsible ownership and detail how we add value by closely managing risks, including ESG and modern slavery risks.
Investment Policy Statement	This statement sets out our investment policies, including objectives, strategy, our responsible investment and ESG approach, as well as our approach to managing modern slavery risks.
Responsible Investment Policy	This policy describes our approach to ESG integration and responsible investment from an investment perspective and specifically, our approach to modern slavery risk. For more information, see: 📄 responsible-investment-esg-policy.pdf
Governance, Risk and Compliance system	Our Governance, Risk and Compliance system documents all incidents, including those related to modern slavery, ensuring they are escalated to management and the Board as mandated by our policies.
Outsourcing Policy	The Outsourcing Policy references our Responsible Sourcing and Modern Slavery Policy as part of the standard process and due diligence requirements for the end-to-end supply chain. The Responsible Sourcing and Modern Slavery Policy outlines our approach to managing modern slavery risks within our supply chain.
Risk Management Framework	Aware Super incorporates the risk of modern slavery into our Risk Management Framework, considering it is a significant aspect of supply chain risk, investment due diligence and ongoing ownership processes.
HR Policy Framework	The HR Policy Framework is the main tool for addressing modern slavery risks within our employee operations. The framework incorporates our Code of Conduct and a range of other policies. For more information, see section 4.4 on 📄 page 24 .

4. Assessing and addressing our modern slavery risks (continued)

4.2 Fund operations supply chain

At Aware Super, we follow a risk-based strategy to identify and manage modern slavery risks in our supply chain in line with our Responsible Sourcing and Modern Slavery Policy.

We recognise there are modern slavery risks, especially with our technology electronics suppliers. We minimise these risks by working only with reputable suppliers who have strong policies and controls in place. When we onboard new suppliers, we assess their risk of modern slavery based on their industry, location and ownership. This gives us a risk score of high, medium or low.

For suppliers with medium or high risk, we engage with the supplier to understand their risk management processes to prevent modern slavery, including their due diligence, audits and training programs. We then rate their residual risk as red (high), amber (medium) or green (low) and keep this information in our Supplier Modern Slavery Assessment register for continuous monitoring. If we were unable to ensure that they had adequate controls, we would consider ending the relationship, though this hasn't been necessary to date.

We also review contract terms and conduct further checks as needed when onboarding new suppliers. To date, none of our suppliers have been assessed as high risk and no instances of modern slavery have been found among our medium and low-risk suppliers.

4.3 Investments

As an investor, Aware Super considers how we may potentially cause, contribute or be directly linked to modern slavery to help identify and assess modern slavery risks in our investment supply chain and portfolios.

This helps inform our approach to addressing the risk of modern slavery.

To assess inherent risk exposure, we draw on a range of sources to consider risk through the lenses of industry, supply chain and country. The severity of modern slavery risk relates to the impact of these practices, the number of people impacted and the duration over which this might occur.

We have adopted the Global Slavery Index (GSI) 2023 to help determine our risk-based approach to investments in high-risk countries. We also use investor guides from the Australian Council of Superannuation Investors (ACSI) and Responsible Investment Association Australasia (RIAA) to identify high-risk sectors, along with insights from our ESG data provider, ISS STOXX (ISS).

While we recognise the modern slavery risk factors described in section 3 in our bottom-up analysis, we use a top-down approach to describe modern slavery risk exposure in our investments at an asset class level.

Modern slavery and human rights risk analysis forms part of our process for integration of ESG factors in our investment process. Our risk processes include analysis by sector and geography, using a wide range of resources, such as external research.

We implement due diligence processes aligned to our Responsible Investment Policy. This includes assessing modern slavery risks to people and the sector, where material, prior to making investment decisions and appointing external fund managers. Ongoing reviews and assessments of managers and our investments also form part of our investment governance approach. For more information on our Responsible Investment Policy, see:

➔ aware.com.au/responsibleinvestmentpolicy

We continue to focus on assessing the risks in our listed equities portfolio, our external fund managers and our direct assets' due diligence process.

We updated the scorecard for our Australian and International listed equities portfolio in the 2023/24 financial year, building on our previous years' work with ISS in developing a modern slavery scorecard.²¹ For more information on our work with ISS, see:

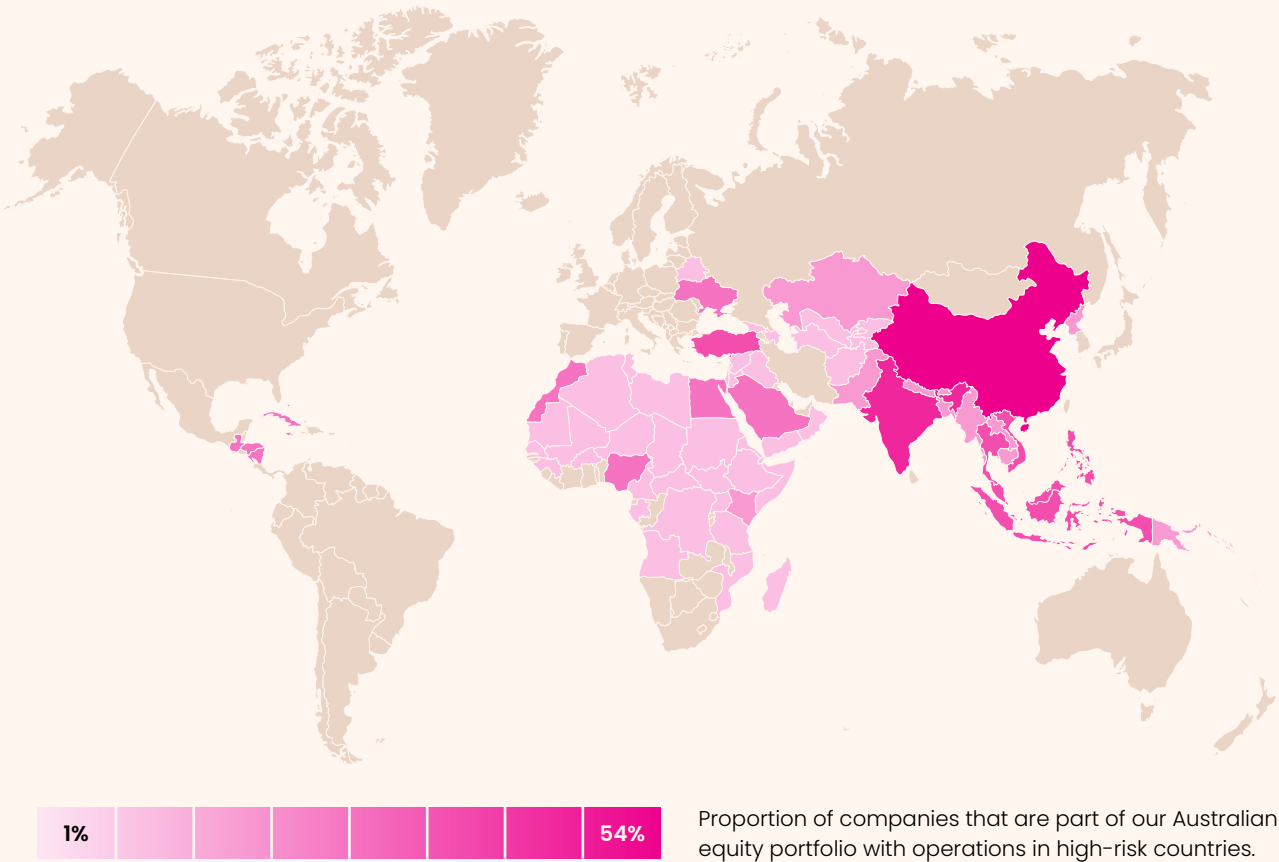
➔ aware.com.au/modernslaverystatement2023

21 Modern Slavery Scorecard | ISS (issgovernance.com).

4. Assessing and addressing our modern slavery risks (continued)

Geographical assessment of the supply chain of our Australian companies

Our Australian equity portfolio has been selected this year, to provide an understanding of how domestic companies may be exposed to modern slavery risks, even though Australia is identified as having a low risk of modern slavery. The map below highlights the regional supply chain footprint of our Australian companies with operations within high-risk countries.



Investment managers

During the 2023/24 financial year, we again distributed a modern slavery survey to more than 90 of our external fund managers, all of whom responded. Responses to the survey help us assess a manager’s approach to addressing the risk of modern slavery and prioritise our engagement.

Assessment of managers – corporate operations and investments

The survey continued to focus on how managers address modern slavery

risks in their corporate operations and investments. To assess managers on their approach to potential modern slavery risks, we analyse a range of available information, including:

Corporate operations supply chain:

- evidence of modern slavery statements or policies and governance
- the implementation of policies expressed as procedures to support the assessment of modern slavery risks.

Investments supply chain:

- exposure of investment portfolios to companies operating in potentially high-risk countries, sectors and industry groups, including where in the world they conduct their business
- the implementation of policies expressed as procedures to support the assessment and monitoring of modern slavery risks within potential and current investee companies
- approach to engagement on modern slavery issues with investee companies.

4. Assessing and addressing our modern slavery risks (continued)

Engagement

The outcomes of our survey of investment managers are outlined in section 5. This information was used to identify priority engagement targets on the issue of modern slavery across our private markets managers. We primarily engaged with managers where we have a significant exposure and that did not score as highly as peers. The engagement enabled us to capture more information to make a full assessment of modern slavery risk management capability.

We engaged with 12 managers and focused primarily on our private equity, infrastructure and credit managers. Our engagement covered the following:

- walkthrough of the approach to managing the risk of modern slavery as part of their investment process

- an overview of the key areas of risk identified within the portfolio
- discussion of any instances of actual modern slavery identified
- remediation approach
- improvement plans over the next 12 months.

Directs assets

We continue to invest in direct assets and as part of our investment due diligence we conduct an ESG assessment, which is supported by our Responsible Investment team. This ESG assessment includes reviewing the modern slavery risks. In our risk-based approach to assessing modern slavery risks in a direct asset, we first evaluate the perceived modern slavery risks in the direct asset's operations and supply chain based on its exposure to a range of factors. Then, we assess the portfolio companies' approach to modern slavery risk management.

If a decision is made to acquire a stake in an asset, we use the information collected during the due diligence phase to inform an asset management plan. Following an acquisition or investment, we undertake a more detailed assessment of the maturity of a portfolio company's approach to modern slavery risk.

In the 2023/24 financial year, we developed a scorecard to assess and score direct assets' modern slavery risk management practices. For more information on our scorecard, see the case study below.

Case study

Managing modern slavery risk in direct assets

Over the reporting period, we developed a scorecard to specifically assess the effectiveness of portfolio companies' approach to addressing the risk of modern slavery across their operations and supply chains.

Given direct assets are relatively illiquid assets in which we may take a significant investment stake, the scorecard is designed to provide a detailed assessment of a company's risk management practices. This assessment informs our active ownership activities, enabling targeted engagement at a portfolio company level and drive improved modern slavery risk management outcomes over time.

The assessment that underpins the scorecard considers the United Nations Guiding Principles on

Business and Human Rights (UNGPs) and assesses portfolio companies against these eight capability indicators:

- policy and governance
- training and education
- risk assessment and management
- supplier due diligence and engagement
- supply chain visibility
- grievance mechanism
- remedy
- measuring effectiveness.

The assessment is completed through a combination of desktop analysis, a survey and workshops with portfolio companies. The scoring methodology factors in an inherent modern slavery risk score

and a risk control effectiveness score to determine a residual risk rating for each portfolio company.

Our expectation of portfolio companies is that a minimum level of risk control effectiveness is in place. We use the outputs of the scorecard to drive targeted and continuing improvements.

4. Assessing and addressing our modern slavery risks (continued)

4.4 Employee operations

Aware Super has a comprehensive approach to mitigating and addressing modern slavery risks in our workplaces. Central to this are the Aware Super values, which include ensuring that all individuals who work with us – whether prospective, current or former – are treated with respect and fairness, in compliance with all relevant laws.

Our formal policies, standards and employment agreements guide our approach to modern slavery risk management within our operations. We regularly review these, which are supported by governance processes that help enhance our due diligence and remediation efforts in identifying and addressing any internal risks.

4.4.1 The mechanisms used to address modern slavery risks within our operations include:

i. Our Human Resources Policy Framework and underlying policies

The framework is assessed on an ongoing basis by our People & Workplace team as well as our Board.



ii. Standards, procedures and processes

Our Governance, Risk and Compliance system documents all incidents, including those related to modern slavery, ensuring they are escalated to management and the Board as mandated by our policies. If an instance of modern slavery were to be identified, a remediation plan would be implemented to address the incident.

There are multiple channels for our people to raise incidents, supported by our 'Speak Up' culture. Employees can also use the externally hosted employee hotline or the channels outlined in our Whistleblower Policy for anonymous reporting. All Whistleblower Reports are compiled and presented to the Aware Super Board.

iii. Employment agreements

The rights of all Aware Super employees are outlined in their employment agreements, supported by relevant awards, collective agreements, the National Employment Standards and applicable employment laws. Our People & Workplace team comprises specialists in employee relations, industrial relations and employee rights, and engages with external subject matter experts as needed, to help ensure Aware Super maintains high standards in managing modern slavery risks.

iv. Employee engagement surveys, including detailed psychosocial risk surveys where risks have been raised/identified

Employee engagement surveys are conducted to listen to our people, understand concerns and create robust action plans from the survey results. We started the deployment of additional psychosocial risk surveys in our business units for preventative and remediated action planning.

4. Assessing and addressing our modern slavery risks (continued)

v. Recruitment processes

Aware Super is an Equal Opportunity Employer and our Recruitment Policy standardises our consistent approach to the recruitment and selection of employees to ensure that every suitably qualified applicant is provided with an equal opportunity to obtain employment with the organisation.

Employment is freely chosen. The use of forced, bonded or involuntary labour is prohibited. Workers are not permitted or encouraged to incur debt through recruitment fees, fines or other means.

Employees are not required to lodge deposits or their identity papers with us and are free to leave after providing notice as per their contract of employment.

All employees receive a contract or agreement and are given the chance to read through it thoroughly. It outlines their remuneration, when and how often they will be paid, any penalty rates or allowances they are entitled to and how much notice they need to give if they wish to terminate their employment.

All panel recruitment agencies used in the sourcing of candidates are appropriately reviewed in line with our corporate expectations of suppliers, including reviewing their outsourcing arrangements and supply chain risk, their policies and staff training on modern slavery.

vi. Employee training, including mandatory modern slavery training

Employee modern slavery training includes guidance on identifying human rights risks and reporting suspected breaches.



vii. Workplace health and safety inspections

We conduct health and safety inspections on a three-monthly basis for corporate offices and six-monthly for regional offices to help ensure our workplaces are safe.

viii. Reporting relevant disclosures to policing authorities

This statement serves as our external communication on how we address modern slavery risks.

Internally, we support employees in raising concerns about potential modern slavery practices through a variety of ways. Employees can use our complaints, grievance and whistleblowing services to voice their concerns. Importantly, employees who report concerns through our internal channels or whistleblowing service are protected under relevant legislation and our Code of Conduct.

Remediation

We acknowledge freedom from slavery is a fundamental human right and we all have a responsibility to eradicate slavery.

The policies and processes outlined above highlight our commitment to addressing any instance of modern slavery that may arise within our organisation. In addition, we recognise we have a duty to report relevant findings to law enforcement authorities.

Aware Super is focused on continuing to evaluate the effectiveness of our HR policies to address the risks of modern slavery.

If an incident of modern slavery were to be reported a remediation plan would be implemented by our team of HR specialists to help the person affected and put in place actions to avoid it happening again. To date, no such instance has been identified.

5. Assessing the effectiveness of actions

We understand addressing modern slavery is a global challenge that requires collective effort, and change will be driven by increased awareness of the issue. We are committed to actively managing our risks and influencing others to make a meaningful impact.

5.1 Corporate

Annual modern slavery training is mandatory for all employees. Training equips employees to identify and report any instances of modern slavery. We also encourage employees to raise any concerns through our employee hotline and we compile reports from the hotline for review by our Board. During the year, 99.53% of employees completed modern slavery training. Employees that have not completed the training are followed up by our Learning and Development team.

Three lines of accountability

Our three lines of accountability model incorporates:

First line

Controls for managing modern slavery obligations are established and implemented by our business owners. Business owners regularly review and confirm the effectiveness of these controls.

Second line

Our Risk and Compliance team conducts separate assurance checks on our compliance with obligations, including modern slavery obligations.

Third line

Internal auditors conduct similar assurance checks on our compliance.

Each year, assurance is performed on a sample of these controls.

Our internal and external auditors also complete compliance reviews of the processes we have in place for monitoring key compliance obligations. Policy reviews occur as part of the relevant audit. Our Internal Audit team and external auditors report directly to the Audit, Risk and Compliance Committee.

We are currently focusing on assessing modern slavery risks and the frameworks we have in place to address them.

In addition, we are working to automate the distribution and collection of supplier assessments and monitoring for both new suppliers and a re-assessment on our current supply base. This will allow us to have data on the spend exposure to high-risk geographies and other useful information. We are investigating opportunities to enhance the effectiveness of the program.

5.2 Investments

The activities outlined below demonstrate how we evaluate our effectiveness within our investments.

Active ownership

As responsible owners, we engage directly and collaboratively with the companies in which we invest, urging them to improve their assessment and actions regarding modern slavery risks. We encourage both immediate actions and long-term strategies. Our active ownership initiatives allow us to assess how effective our actions

are, by undertaking engagement and reporting on outcomes and achievements in this modern slavery statement and our annual reports, which can be found on our website:

aware.com.au/annual-reports

We reviewed the sectors in the Australian and international listed equity portfolios with the highest proportion of companies that are considered to have a high risk of modern slavery and less prepared to address those risks.

Our analysis considers three risk categories:

- Entity risks – companies in the sector that lack transparent policies and procedures to identify and mitigate modern slavery risks in their operations and supply chains
- Geographic risks – companies in the sector that have operations in at least one high-risk location
- High supply chain risk – companies in the sector that have a high risk of modern slavery in their supply chains.

The proportion of holdings by number and weight of our combined Australian and international equity portfolios is provided for each risk category, below. Comparing to our 2022/23 modern slavery statement, we have observed a reduction across all sectors in entity risks (weight). This signals an improvement in transparency in policies and procedures aimed at mitigating modern slavery risks in their operations and supply chains.

aware.com.au/modernslaverystatement2023

5. Assessing the effectiveness of actions (continued)

Sector of concern [^]	Proportion of holdings (by number*)	Proportion of holdings (by weight#)	Entity risks (by number*)	Entity risks (by weight#)	Geographic risks (by number*)	Geographic risks (by weight#)	High supply chain risk (by number*)	High supply chain risk (by weight#)
Consumer Discretionary	11%	10%	22%	13%	77%	83%	85%	85%
Consumer Staples	9%	5%	15%	5%	79%	90%	97%	98%
Health Care	8%	14%	31%	8%	71%	92%	59%	57%
Industrials	16%	11%	28%	18%	82%	73%	67%	58%
Information Technology	11%	17%	21%	19%	84%	95%	57%	51%
Materials	10%	9%	18%	10%	75%	85%	64%	78%

[^] The information in this table is sourced from **ISS Modern Slavery Scorecard data** and Aware Super's portfolio holdings data.

* The proportion of holdings (by number) in the Australian and international listed equity portfolios by sector of concern.

The proportion of holdings (by portfolio weight) in the Australian and international listed equity portfolios by sector of concern.

Below are some examples of our engagement activities.

Direct engagement

While we recognise modern slavery has significant and severe impacts on individual victims, we also believe business models and supply chains that rely on modern slavery, labour exploitation and human trafficking are not sustainable and returns from these businesses are unsustainable. Companies that ignore the risks associated with modern slavery and labour exploitation also jeopardise their social licence to operate. Since the introduction of the Australian *Modern Slavery Act 2018 (Cth)*, we have engaged with companies to learn how they are managing these risks in their operations and supply chains.

Our engagement focuses on the following key areas:

Find it: 'Have you found modern slavery in your operations or supply chain?' and 'If not, can you demonstrate that you have rigorous processes in place to look for it?'

Fix it: 'If so, can you demonstrate the steps you have taken to improve the lives of victims?'

Prevent it: 'Have you effectively reported your actions and the steps taken to prevent a reoccurrence?'

Below are examples of outcomes we observed from engagement in the consumer discretionary sector during the 2023/24 financial year:



A supermarket chain that last year identified a case of modern slavery in its South Asian supply chain laid out remediation plans and continues to report progress to investors. With the company's involvement in helping to create an uplift in standards, this supplier is now considered best practice.



A retail company with a large number of suppliers improved its disclosure of direct and indirect suppliers' geographic location and categorisation of products, and commenced the rollout of a supplier risk assessment.



Another supermarket chain shared a case study on managing solar sourcing risks.



An electronics retailer provided a case study on the implementation of an accessible, independent grievance mechanism.

5. Assessing the effectiveness of actions (continued)

Collaborative engagement – domestic

Australian Council of Superannuation Investors

We regularly work with our engagement partner, the Australian Council of Superannuation Investors (ACSI). ACSI's engagement program includes interactions with the top 300 companies listed on the Australian Securities Exchange (ASX 300) on material ESG issues and more specifically on how a company is considering its practices in relation to human rights. This includes how a company is actively engaging with employees, customers, supply chains and other relevant stakeholders to understand and assess human rights impacts. It also includes human rights in supply chains and suitability reporting disclosure.

In the 2023/24 financial year, ACSI held 74 engagement meetings with 61 ASX 300 companies, where modern slavery and broader workforce and supply chain management issues were raised. ACSI's engagement focused on improvements in risk assessments, auditing practices and outcomes, consequence reporting, worker education, supply chain mapping and progress regarding resolution following allegations of modern slavery.

In 2023, ACSI commissioned Pillar Two to undertake a detailed analysis of the third year of reporting of modern slavery statements by ASX 200 companies. The research methodology went beyond measuring strict compliance to assess whether companies reported on areas of recommended practice in the government guidance. With the findings from the research, ACSI engaged with companies throughout the 2023/24 financial year on their approach to and reporting of modern slavery issues and how they can improve to ensure they more effectively address their risks.

In November 2023, ACSI was appointed to the Government's Modern Slavery Expert Advisory Group. The Group's membership comprises a cross section of business, civil society, union and academics, and provides expert advice to the Attorney-General's Department on the operation of the *Modern Slavery Act*.

ACSI notes the establishment of the inaugural Australian Anti-Slavery Commissioner. The Commissioner will work with government, business, civil society and the broader community to support compliance with the *Modern Slavery Act*, improve transparency in supply chains and help fight modern slavery in Australia and abroad. ACSI will seek to support the work of the Commissioner to advocate for better management of risks and transparent, efficacy informed reporting.

Collaborative engagement – international

EOS at Federated Hermes

EOS at Federated Hermes (EOS) engages with international investee companies within our portfolio. Human and labour rights is part of its ongoing engagement plan. EOS engages on critical issues, including eradicating forced and child labour in supply chains, unsafe working conditions and other adverse human rights impacts. It expects companies to acknowledge the likelihood that human rights impacts are present within some operations' supply chains and to demonstrate an appropriate level of governance of human rights.

Within the retail sector, EOS has engaged with a large food retailer, a leader in supermarket and e-commerce, with more than 7,000 local grocery, small format and speciality stores. EOS has previously raised concerns regarding the retailer's lack of transparency on modern slavery reporting. Some foundational developments towards building an approach had been made, but more details were lacking, such as

extending supplier due diligence beyond own-brand products and high-risk countries. EOS continued to press the company to demonstrate the effectiveness of its policies. During the last half of 2023, the company took positive steps towards finding modern slavery in its supply chain. Discussions with the group has seen EOS help the company to implement a plan to address these issues. It has now developed a plan and EOS will monitor its implementation.

Investors Against Slavery and Trafficking – Asia Pacific

Investors Against Slavery and Trafficking – Asia Pacific (IAST APAC) was launched in 2020 as an investor initiative to promote effective company action to find, fix and prevent modern slavery, labour exploitation and human trafficking across its value chain. IAST APAC currently represents A\$12 trillion in funds under management across 50 investor members. We are a founding member of IAST APAC and sit on the steering committee that oversees the initiative and workstreams.

Aware Super participated in four IAST APAC working groups and engaged the target companies in the 2023/24 financial year. In our collaborative involvement we've seen:

- a retail organisation employing a consultant to develop a supplier questionnaire to assist in efforts to achieve a more transparent procurement process
- a healthcare organisation establishing a new due diligence tool to increase its supply chain mapping capability
- a medical supplies business working towards implementing a living wage in high-risk countries in which it operates and completing desktop audit standards.

In all cases, we continue to push for more public disclosure. Some progress is slow and we will continue to monitor developments with regular engagement meetings.

5. Assessing the effectiveness of actions (continued)

In addition, ACSI (also a member) participated in five engagement meetings with ASX 300 companies as part of this collaboration.

For more information and outcomes of the IAST APAC initiative, see:

👉 **Tools and Resources | Investors Against Slavery and Trafficking** (iastapac.org)

Investment managers

Following the survey of our managers, we found some had awareness where the risk of modern slavery was heightened across their portfolios. Generally, the managers we engaged with are operating in jurisdictions that do not have modern slavery disclosure regulations in place, however despite this, most of them were able to articulate plans to assess modern slavery risks in a more formal and systematic way over time.

In the 2024/25 financial year, we will continue to review our approach to assessing managers' modern slavery risk management capabilities, measure progress and undertake engagement.

Case study

IAST APAC core metrics

While data in relation to labour exploitation and modern slavery risks will never provide investors with a complete picture of their risk exposure to this issue, IAST APAC members believe better disclosure and collation of data can help to provide an initial scalable step towards analysis of company performance. This will help facilitate discussion and engagement with companies (and other stakeholders) to better understand these risks and move towards positive outcomes.

During the year, Aware Super contacted all ASX 200 listed companies, providing them with a core set of metrics developed

by IAST APAC, which we believe will help our own understanding of labour exploitation and modern slavery risks within our investment portfolios. We sought to understand company approaches and plans around this issue. Our objective was to raise and build awareness among the corporate sector. With these metrics now being collected by our ESG data provider (ISS STOXX), we will continue to encourage companies to provide more disclosure on this important issue and report back to our fellow members at IAST APAC.

For more information, see:

👉 **IAST APAC Core Modern Slavery Metrics September 2023**



6. Other information

The actions described in this section highlight last year's outcomes and the areas for further development in our efforts to address and mitigate modern slavery risks in the 2024/25 financial year.

Progress achieved

Our previous modern slavery statement outlined areas for development in the 2023/24 financial year. The outcomes are detailed below.

Category	Outcome
Supplier engagement	We have worked with internal stakeholders and business units in their identification of modern slavery risks in the supply chain during the onboarding and ongoing management of suppliers.
Supplier controls	We have assessed several tools to help us automate the identification/assessment of inherent and residual risk across several risk domains, including modern slavery risk (e.g. mapping suppliers, countries of operations).
Advocacy	Aware Super's advocacy work on modern slavery, in collaboration with regulators and policymakers, continued throughout the year, and we supported public awareness of the issue. See section 5 on pages 27-29 .
Modern slavery scorecard	The direct asset modern slavery maturity scorecard was developed during the year to specifically evaluate the effectiveness of portfolio companies' strategies for addressing the risk of modern slavery throughout their operations and supply chains. See section 4.3 on page 23 .
Fund manager assessment	We assessed the level of our external fund manager's maturity, distributing a modern slavery survey to more than 90 managers. See section 4.3 on page 22 .
Company engagement	We continued engagement activities with companies directly, collaboratively with our partners (including fund managers) and particularly as part of our involvement with IAST APAC. See section 5 on pages 27-29 .
Benchmarking	We strengthened our processes, including benchmarking current practices in our industry and analysing where we can improve our modern slavery risk assessment of suppliers. During the 2023/24 financial year, we received feedback from ACSI on best practices and will continue to enhance our disclosures in the coming years.
Employee training	Mandatory modern slavery training was implemented for all employees, with 99.53% of team members completing the training during the period.
Compliance assurance	As part of the Compliance Assurance Review program, sample reviews of compliance obligations were completed, including modern slavery obligations, to ensure ongoing compliance with relevant laws, including legislative requirements and regulatory guides. The program focuses on compliance obligations and the controls mapped to the obligations, to ensure we are effectively managing our compliance risks.

6. Other information (continued)

Current focus areas

We have identified the following key areas of focus for the 2024/25 financial year:

Category	Activity	Expected outcome
Corporate sustainability	Consider adopting a modern slavery risk assessment tool	<ul style="list-style-type: none"> Determine a risk assessment platform and consider adoption
Governance	Enhance coordination of organisation-wide modern slavery risk management	<ul style="list-style-type: none"> Establish a cross-functional working group and charter Develop and implement an organisation-wide modern slavery risk management program of work to meet and uplift our obligations
External investment managers	Increase the number of managers that meet a minimum standard for modern slavery risk management	<ul style="list-style-type: none"> Review and enhance our modern slavery questionnaire Meet with laggard managers to improve scores
Direct assets	Improve the number of direct assets that meet a minimum standard for modern slavery risk management	<ul style="list-style-type: none"> Establish a baseline for direct assets Host workshops with direct assets Integrate modern slavery risk management strategies into asset management plans
Listed company disclosure	Advocate for disclosure of IAST APAC core metrics through engagement activities	<ul style="list-style-type: none"> Engage with ASX 200 companies to highlight core metrics and request transparency in their disclosures
Portfolio company engagement	Engage with companies at a fund-wide level, collaboratively with partners (including external fund managers) and as part of our involvement with IAST APAC, taking a risk-based approach	<ul style="list-style-type: none"> Establish engagement targets as part of our company analysis Develop clear engagement objectives and regularly report outcomes to track progress
Supplier engagement	Improve assessment of modern slavery risk across our supply chain	<ul style="list-style-type: none"> Complete the implementation of our automated assessments for inherent and residual risk, including modern slavery, across our supply chain
Compliance assurance	Reviewing obligations and linked controls for Modern Slavery risks, as part of a broader review.	<ul style="list-style-type: none"> Determine whether the controls mapped to the obligations have been correctly allocated and meet the requirements of the obligations. Highlight any gaps in the control environment if identified.

7. Approval

This modern slavery statement is made in accordance with section 14 of the Australian *Modern Slavery Act 2018 (Cth)*.

It constitutes the joint statement of the Trustee as Trustee for the fund, FSS Agriculture, ALTRAC, Aware Super Services, FSS Liberty and FSS Private Equity for the year ended 30 June 2024.

The statement has been approved by the Board of the Trustee, FSS Agriculture, ALTRAC, Aware Super Services, FSS Liberty and FSS Private Equity, and is signed by the Chair of the Trustee.



Christine McLoughlin AM
Chair of the Trustee

4 December 2024

Recognition and awards

Chant West²²



Canstar²³



Money magazine²⁴



Finder²⁵



²² The Aware Super Future Saver (Super) and Aware Super Retirement Income (Pension) both received a 5 Apples rating from Chant West. The Zenith CW Pty Ltd ABN 20 639 121 403 AFSL 226872/AFS Rep No. 1280401 Chant West rating (assigned February 2024) is limited to general advice only and has been prepared without considering your objectives or financial situation, including target markets where applicable. The rating is not a recommendation to purchase, sell or hold any product and is subject to change at any time without notice. You should seek independent advice and consider the product disclosure statement or offer document before making any investment decisions. Ratings have been assigned based on third-party data.

Liability is not accepted, whether direct or indirect, from use of the rating. Past performance is not an indication of future performance. For full ratings information, see: chantwest.com.au. For Chant West's Financial Services Guide, see: chantwest.com.au/financial-services-guide. Chant West Awards issued 22 May 2024 are solely statements of opinion and not a recommendation in relation to making any investment decisions. Awards are current for 12 months and subject to change at any time. Awards for previous years are for historical purposes only. For more on the Chant West Awards, see: chantwest.com.au/fund-awards/about-the-awards.

²³ Canstar Outstanding Value Award – Superannuation awarded to Aware Super in March 2024, March 2023 and March 2022. For more on awards and ratings, see: canstar.com.au/star-ratings-awards/superannuation. Awards and ratings are only one factor to be taken into account when choosing a super fund. Past performance is not an indication of future performance.

²⁴ Money magazine's Best Super Lifecycle Product 2024 recognises Aware Super's MySuper lifecycle design as a leader in improving members' retirement balances, by guiding them through an investment path over their lifetime, boosting their growth potential for as long as possible and gradually de-risking in the lead up to retirement, helping to safeguard member's savings and provide the best possible retirement outcome. For more on the awards, see: www.moneymag.com.au/best-of-the-best-2024-how-we-chose-the-winners. Awards and ratings are only one factor to be taken into account when choosing a super fund. Past performance is not an indication of future performance.

²⁵ Finder's Provider of the Year Super Fund 2024 recognises Aware Super's strong fund performance with great customer satisfaction. For information on the methodology used by Finder, see: www.finder.com.au/finder-awards/product-awards/super-fund-awards. Awards and ratings are only one factor to be taken into account when choosing a super fund. Past performance is not an indication of future performance.



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