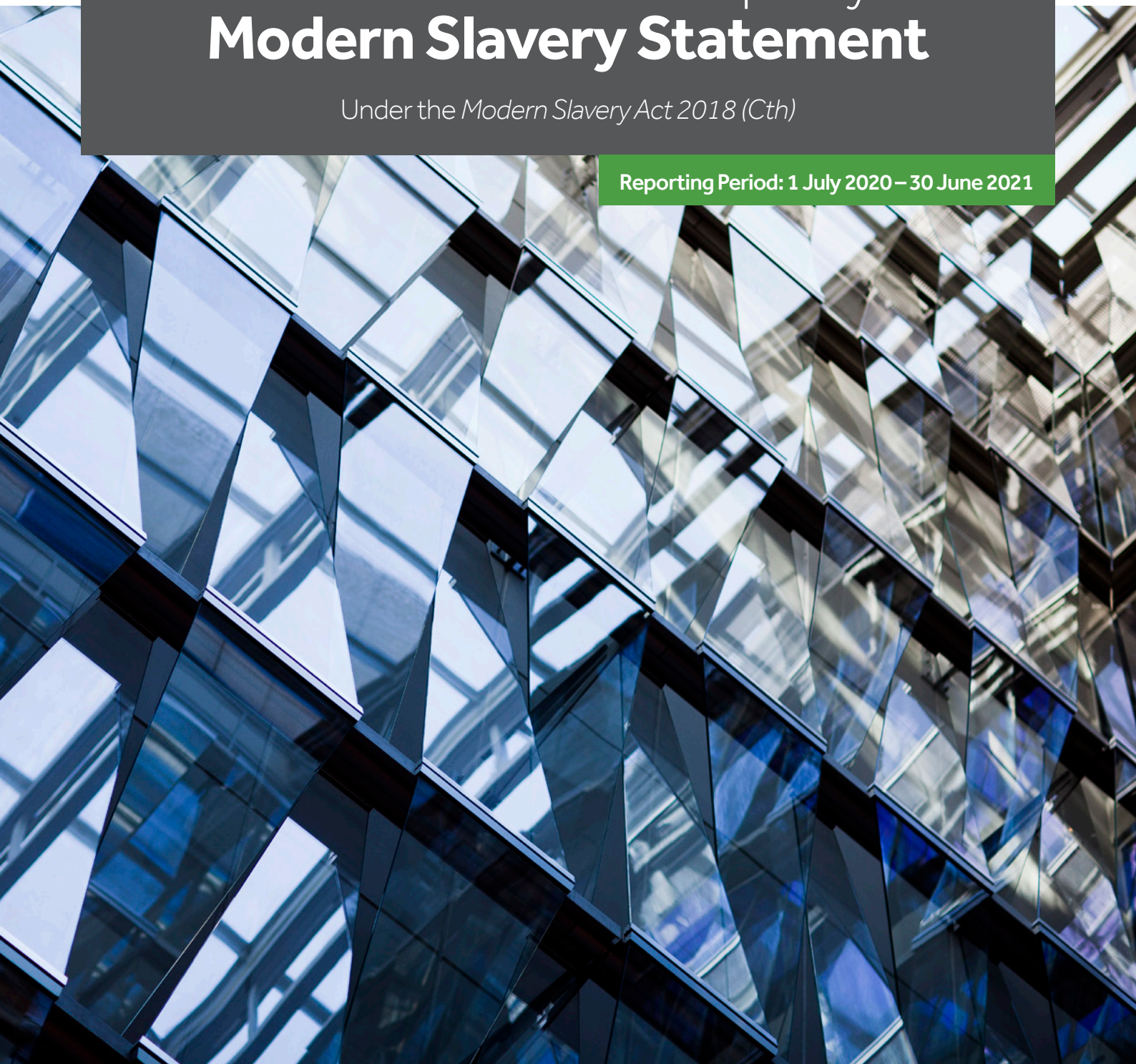
Construction & Building Industry Super

Cbus and Cbus Property
Modern Slavery Statement

Under the *Modern Slavery Act 2018 (Cth)*

Reporting Period: 1 July 2020 – 30 June 2021



This Modern Slavery Statement is issued by United Super Pty Ltd as Trustee for the Construction and Building Unions Superannuation Fund (Cbus)and Cbus Property Pty Ltd and its managed entities (Cbus Property). It covers the separate mandatory reporting entities - Construction and Building Unions Superannuation Fund, Cbus Property Commercial Unit Trust, 1 William Street Unit Trust, 50 Flinders Street Unit Trust, 447 Collins Street Holdings Unit Trust, 447 Collins Street Unit Trust, Cbus Property Residential Operations Unit Trust, and Sydney Residential 2015 Unit Trust.[1]

Please refer to our current Financial Statement, available at **cbussuper.com.au/about-us/annual-report** for further detail.

This statement has been approved by the board of United Super Pty Ltd as Trustee of the Construction and Building Unions Superannuation Fund.

Signed:



The Hon. Steve Bracks AC
Chair, United Super Pty Ltd, in its capacity as Trustee for the Construction and Building Unions Superannuation Fund
4 November 2021

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1. United Super Pty Ltd ABN 46 006 261 623, AFSL 233792, Registrable Superannuation Licence (RSE L0000604) Construction and Building Unions Superannuation Fund (Cbus) ABN 75 493 363 262, registrable superannuation fund (R1000979). Cbus Property Pty Ltd (Cbus Property) ABN 48 115 826 741. Cbus Properties managed entities include the reporting entities: Cbus Property Commercial Unit Trust ABN 71 303 520 778, 1 William Street Unit Trust ABN 15 759 350 663, 50 Flinders Street Unit Trust – ABN 79 915 958 979, 447 Collins Street Holdings Unit Trust – ABN 66 953 003 872, 447 Collins Street Unit Trust – ABN 32 620 663 699' Cbus Property Residential Operations Unit Trust – ACN 119 830 956, Sydney Residential 2015 Unit Trust – ABN 80 667 327 314.

Part 1: Executive summary

This Joint Modern Slavery Statement is made pursuant to the requirements of the *Modern Slavery Act 2018* (Cth) ("**the Act**") in respect of the period 1 July 2020 to 30 June 2021 ("**Reporting Period**").

This is Cbus' second modern slavery statement under the Act. It builds upon the foundations for addressing modern slavery established during our inaugural reporting period in 2020.

We have continued to use the reporting process pursuant to the Act to develop, implement, and continually improve our approach to manage and mitigate modern slavery in our operations and supply chains (direct and indirect).

The reporting entities are:

- Construction and Building Unions Superannuation Fund (ABN 75 493 363 262)
- Cbus Property Commercial Unit Trust (ABN 71 303 520 778)
- 1 William Street Unit Trust (ABN 15 759 350 663)
- 50 Flinders Street Unit Trust (ABN 79 915 958 979)
- 447 Collins Street Holdings Unit Trust (ABN 66 953 003 872)
- 447 Collins Street Unit Trust (ABN 32 620 663 699)
- Cbus Property Residential Operations Unit Trust (ACN 119 830 956)
- Sydney Residential 2015 Unit Trust (ABN 80 667 327 314)

Other related and controlled entities that are also covered by this Statement are:

- United Super Pty Ltd (ABN 46 006 261 623) as the Trustee for Construction and Building Unions Superannuation Fund
- Cbus Property Pty Ltd (ABN 48 115 826 741)
- All entities managed by Cbus Property Pty Ltd and listed in the financial supplement to the Annual Report, the United Super Pty Ltd Annual Report at **cbussuper.com.au/about-us/annual-report**.

For the purposes of clarity in this statement, the reporting entities listed above and the related and controlled entities listed above are owned[2] and controlled by the Construction and Building Unions Superannuation Fund. As such, they (together with the Construction and Building Unions Superannuation Fund) are referred to collectively as "**Cbus**". Where separately differentiated:

- The Trustee Office of the Construction and Building Unions Superannuation Fund (excluding Cbus Property) is referred to as "**Cbus Super**".[3]
- Cbus Property Pty Ltd and its managed entities are referred to collectively as "**Cbus Property**"[4] .

Cbus is a public offer, industry superannuation fund. Cbus is run on an all-profit-to-member basis. It holds and directly and indirectly invests its members' superannuation contributions during their working life and provides income streams to them in retirement; provides members' with life, total and permanent disablement, terminal illness and income protection insurance; provides members with advice and education to maximise retirement outcomes; and provides various other services to members and contributing employers to assist them engage with, administer and maximise their superannuation and retirement outcomes.

2. Note that for William Street Trust, the Construction and Building Unions Superannuation Fund owns 50 per cent of the units, but 100% of the trustee company.
3. This covers the Reporting Entity the Construction and Building Unions Superannuation Fund, and related entities United Super Pty Ltd as the Trustee for Construction and Building Unions Superannuation Fund and USAM Investments Pty Ltd.
4. This covers the Reporting Entities Cbus Property Commercial Unit Trust, 1 William Street Unit Trust, 50 Flinders Street Unit Trust, 447 Collins Street Holdings Unit Trust, 447 Collins Street Unit Trust, Cbus Property Residential Operations Unit Trust and Sydney Residential 2015 Unit Trust, and Cbus Property Ltd which manages those Reporting Entities. It also covers all entities managed by Cbus Property Pty Ltd.

Cbus Property is a wholly owned subsidiary of Cbus. It operates under an Investment Management Agreement to develop and sell, or hold, Cbus' direct property investments under management. The property investments are held via a number of Investment Holding Trusts established to hold our commercial and residential properties (Managed Entities). A complete list of entities managed by Cbus Property can be found in the financial supplement to the Cbus Annual Integrated Report, at **cbussuper.com.au/about-us/annual-report**.

All entities managed by Cbus Property are established solely to undertake development of or hold each property in accordance with the direction of Cbus Property. The Managed Entities are subject to Cbus Property policies, systems and management including oversight by the Cbus Property Board, Cbus Property have addressed the mandatory criteria on behalf of all Managed Entities.

Cbus controls Cbus Property and consultation has been undertaken with Cbus Property in the preparation of this Statement.

Cbus' structure and operations mean that three related operational units are responsible for the organisation's procurement and investment and are therefore responsible for identifying, assessing and addressing issues relating to modern slavery risk throughout the reporting period. These units are:

- Cbus Procurement
- Cbus Investments
- Cbus Property

During the Reporting Period, particular emphasis has been placed on the following two areas:

- developing internal frameworks that specifically address modern slavery issues and are complimentary to the organisation's broader commitments; and
- improving our risk assessment techniques and due diligence strategies, to obtain a deeper understanding of our modern slavery risk profile beyond the first tier of our supply chains.

The following is a brief summary of some of the key activities that we have undertaken:

- Updated and expanded our supply chain and operational risk assessments and undertaking detailed assessments to examine areas previously identified as having potentially elevated modern slavery risks.
- Expanded the Modern Slavery Working Group to include a more diverse range of internal stakeholder groups, including ongoing consultation between Cbus Super and Cbus Property.
- Engaged external modern slavery subject matter experts.
- Developed governance frameworks and policies that specifically address modern slavery issues.
- Tailored internal training relating to modern slavery issues.
- Targeted industry collaboration.
- Continued ongoing supplier engagement, with a particular focus on obtaining improved visibility into the deeper tiers of our supply chains for higher risk suppliers.
- Continued to develop a framework for measuring the effectiveness of our modern slavery measures, including an ongoing review of the Key Performance Indicators set out in the Modern Slavery Roadmap.

Part 2: Structure, operations and supply chains

Who we are and what we do

We create value for our members by investing their superannuation contributions, returning all profits to them, and providing solutions for a dignified retirement.

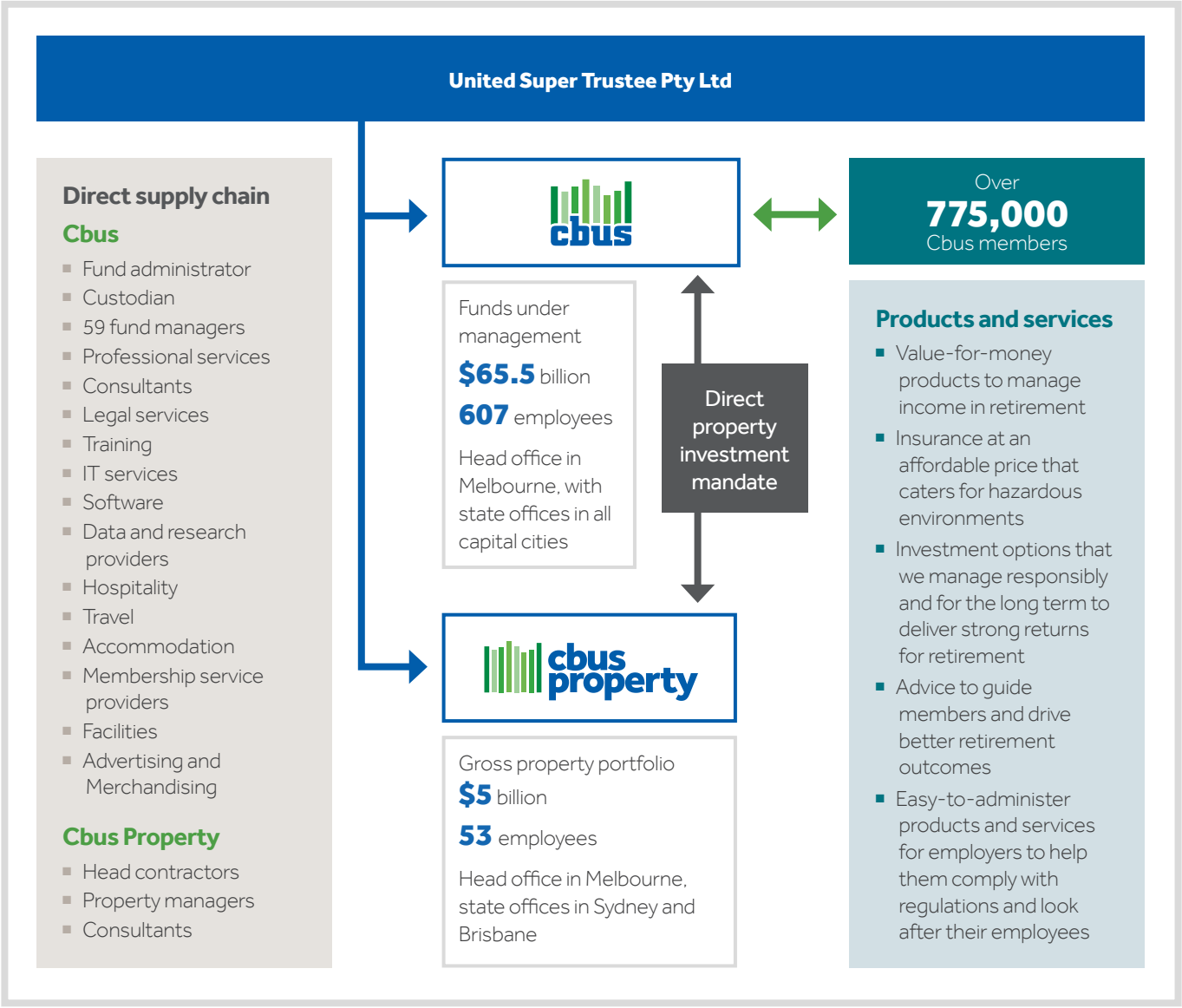
Cbus

Cbus is one of Australia's largest super funds. We provide superannuation, income stream accounts, and insurance to more than 775,000 members. We manage over $65 billion of our members' money (as at 30 June 2021).

Cbus' trustee, United Super Pty Ltd, is a private company, managed by a Board of Directors. The Board is constituted by an equal representation of member and employer associations, with two independent directors.

The Trustee Board is ultimately responsible for the sound and prudent management of Cbus' business operations.

Our core business activities include:



Cbus Super's direct workforce is comprised of professional employees with specialised skills in an array of areas including financial services, managerial and administrative work. Cbus Super has 607 employees (as at 30 June 2021), who are located in all capital cities with our head office located in Melbourne. The Cbus Super workforce terms and conditions are governed and protected either by Enterprise Bargaining Agreements (Cbus Super non-executives), or individual contracts (Cbus Super Executives).

Cbus invests globally through a range of asset classes, using different investment strategies to invest directly and indirectly in a range of business sectors. This means Cbus' investments are exposed to many different parts of the global economy.

Cbus has 38.2% of its investment portfolio managed internally. In relation to our directly managed investments:

- our debt exposure is in Australia;
- infrastructure assets include minority holdings in renewable energy, ports and toll roads in Australia, the UK and the US;
- our global direct equities include minority holdings that change over time;
- our private equity exposure is through minority holdings in strategic investments in Australia; and
- our direct property investment is undertaken through our wholly owned subsidiary, Cbus Property Pty Ltd (Cbus Property).

The majority of our investments (61.8%) are managed externally through 59 external fund managers. Our managers are located in Australia, Canada, Denmark, France, New Zealand, Switzerland, UK and USA.

Cbus Property

Cbus Property is responsible for the strategic performance and management of all aspects of Cbus' direct property investment business, including major investments and developments in the commercial and residential sectors. The property portfolio currently exceeds $5.0 billion, with a further $4.0 billion of development work 'in hand', making Cbus Property one of Australia's leading integrated property investors.

Cbus Property is a wholly owned subsidiary of Cbus. It operates under an Investment Management Agreement to develop and sell, or hold, Cbus' direct property investments under management. Cbus Property has its own Board composed of three independent Directors and four nominated Directors from United Super Pty Ltd.

Property investments are held via Investment Holding Trusts, which have been established to hold our commercial and residential properties (managed entities). The direct operations of all managed entities are entirely Australia-based.

Cbus Property has 53 permanent employees, who are located at our head office in Melbourne and at state offices in Sydney and Brisbane. The Cbus Property workforce terms and conditions are governed and protected by individual employment contracts. Cbus Property outsources the property management of its commercial office properties to specialised service providers, which are governed by Property Management Agreements.



Our supply chains

Cbus Super – Procurement and Investments

Cbus Super has approximately 600 direct suppliers in its supply chain including: custodian services, membership administration, insurance, professional services, consultants, legal services, training, IT services, software, data and research providers, hospitality, travel, accommodation, cleaning services, marketing merchandise, advertising, utilities and office facility management.

Our Tier 1 suppliers are largely located in Australia and in service based industries, as demonstrated in the Risk Tier graph in Part 3 of this Statement.

Although our Tier 1 suppliers are overwhelmingly located in Australia, we appreciate that a number of them supply us with products that originate from other jurisdictions and that their respective supply chains are global.

In relation to our investment supply chain, Cbus Super has 38.2% (including Cbus Property) of its investment portfolio managed internally. These direct investments include equities, infrastructure, property and debt investments. The majority of our investments (61.8%) are managed externally through 59 external fund managers. These fund managers are headquartered in Australia, Canada, Denmark, France, New Zealand, Switzerland, UK and USA.

Cbus Property

Cbus Property's direct suppliers include builders, property managers and consultants. These service providers enable us to deliver value from our development projects and commercial office investments.

Cbus Property – Developments

Head contractors typically operate under 'design and construct' contracts and control the procurement of the goods and services of Cbus Property's indirect supply chains. This includes building materials, design consultants, labour services and trades to deliver the development under the specification of the contract briefs and requirements.

Cbus Property – Commercial Offices

Cbus Property outsources the management of its commercial office properties to specialised property service providers. Property management involves the procurement of a range of goods and services that support the operation and maintenance of the commercial (or retail) building, including cleaning, security, landscaping services, building maintenance and repairs, replacement plant and equipment, utility services, waste services and office consumables.

Cbus Property's direct supply chain includes approximately 500 suppliers. The geographic location of Cbus Property's Tier 1 suppliers is shown in the Supplier Location graph in Part 3 of this statement.

Cbus Property's indirect supply chains, particularly in relation to building and construction contractors, is characterised by a global web of building materials and labour services. We recognise that, particularly in the deeper tiers (such as building materials, equipment, and manufactured products from overseas), this supply may originate from jurisdictions with significant modern slavery risk.



1 William Street, Brisbane.
A Cbus Property commercial development.

Part 3: Modern slavery risks in our operations and supply chains

No actual or suspected incidences of modern slavery were identified in Cbus' supply chains or operations, or those of our owned or controlled entities during the Reporting Period. However, we recognise that there are risks of modern slavery in our supply chains and operations given their reach.

Supply chain risk

A primary focus for us this Reporting Period has been the assessment of potential modern slavery risks beyond the direct suppliers of Cbus and its owned or controlled entities.

In our commitment to continually evolve our supply chain modern slavery risk assessment and to collect more information about our supply chains that will inform our approach, and acknowledging that supply chains are complex and vary over time, we built on our risk assessments from the initial Reporting Period in the 2020 financial year.

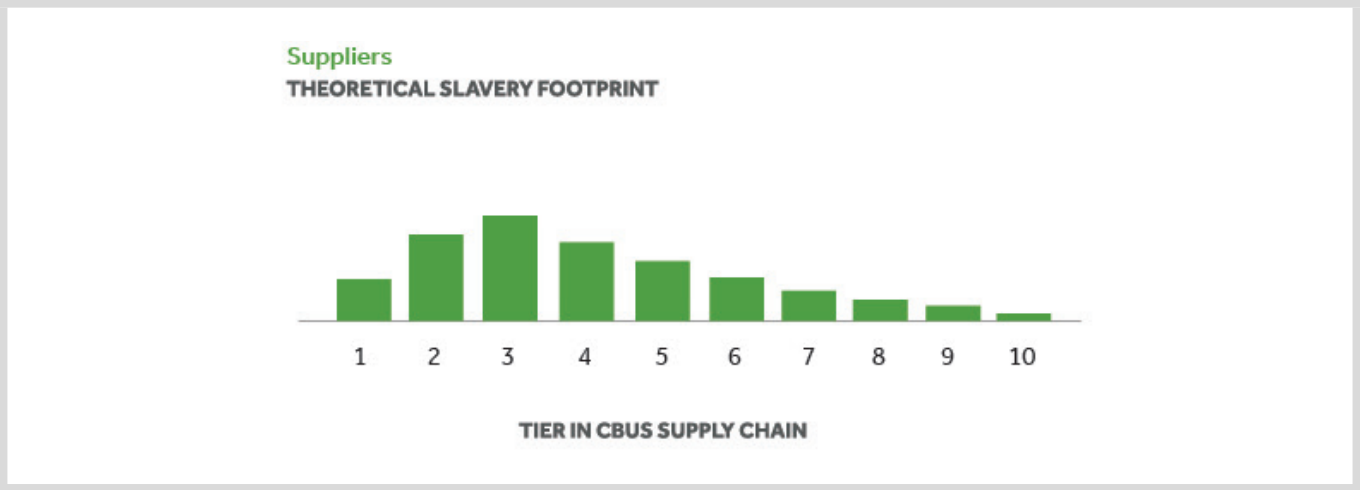
We utilised a single platform to assess risk holistically across the group, Cbus Super (procurement and investments) and Cbus Property, using a consistent risk methodology to enable us to identify, assess and contrast risks across the group.

We engaged an external subject matter expert to undertake a modern slavery risk assessment of our actual Tier 1 suppliers and to provide theoretical, industry and geographic based predictive mapping of our Tier 2 to Tier 10 suppliers. The risk assessment provided a holistic review across each operational unit, whilst providing a basis for potential individual actions to be undertaken in relation to specific, identified suppliers (or suppliers falling within industry categories).

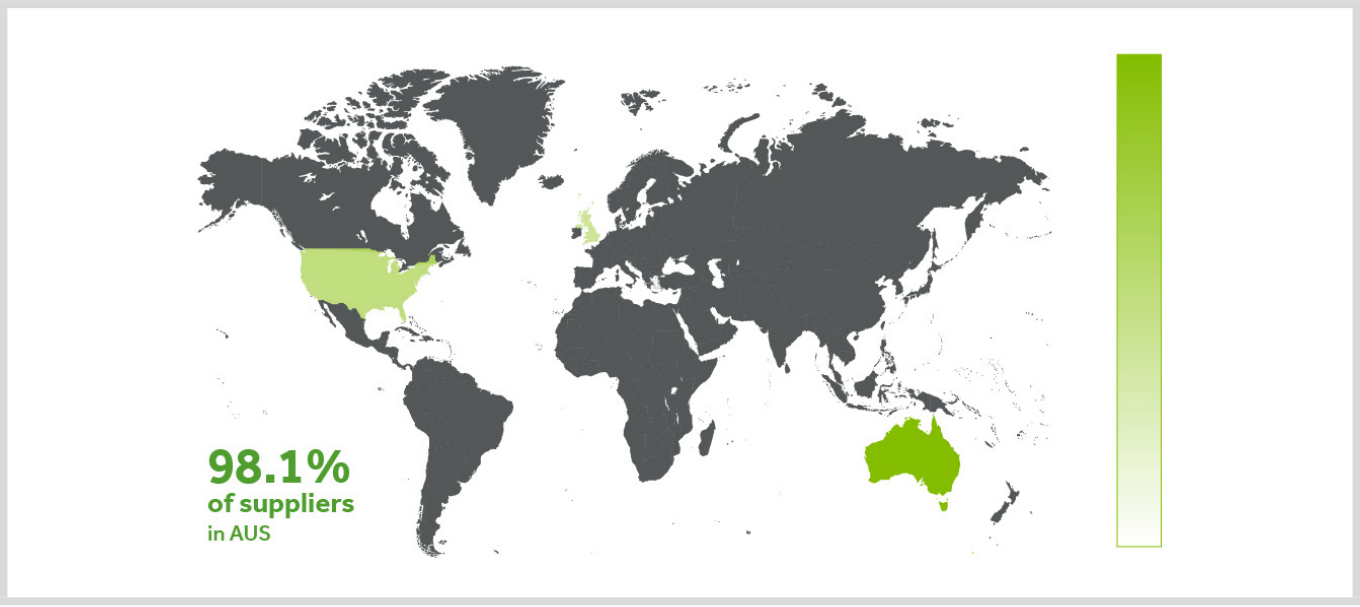


The assessment methodology used spend, investment and geographical data of our Tier 1 suppliers to model the theoretical modern slavery footprint of their supply chains, and used a consistent set of metrics to quantify modern slavery risks, including relative risk per tier, risk by country of origin and risk per dollar. [5]

As shown in the illustration below, Cbus has a lower risk of modern slavery in the first tier of our supply chain excluding external fund managers.



The illustration below shows the location of our Tier 1 suppliers excluding external fund managers. The vast majority of suppliers are in Australia.



The risk assessment shows that the majority of our supply chain modern slavery risk exists in our Tier 2, Tier 3 and Tier 4 suppliers. Our work next year will focus on industries with a higher potential risk of modern slavery and we will work with a relevant sub set of Tier 1 suppliers to investigate potential risks in their supply chains (Tier 2 and beyond).

Based on the risk assessment, the following are the areas that we have identified as having increased modern slavery risk in the supply chain of Cbus and its owned or controlled entities. The risks outlined in the sections below are general and do not relate to actual instances of modern slavery in the supply chain of our suppliers.

5. A detailed description of the risk assessment methodology is set out in Appendix B of this report

Cbus Super – Industry categories with potential heightened risk

Procurement

We assessed the risk of modern slavery in our operational supply chain, using the risk assessment methodology described above. The assessment indicated that potential modern slavery risk is generally very low as over 90% of our Tier 1 suppliers are located in Australia and almost 60% of our spend is going to well renowned insurance and finance services suppliers.

Based on the risk assessment, the following areas have been identified as having increased modern slavery risk in our supply chain.

Computer and Technical Services

A large share of electronic and technology products imported into Australia are sourced and manufactured in the Asia region from countries such as China and Malaysia in the deeper tiers of the supply chain. Electronic products are amongst the highest at-risk products for modern slavery that are imported into Australia.

Advertising including merchandising

The main risks of modern slavery within merchandising products are in the deeper tiers of the supply chain, in the manufacturing and sourcing of such products from the Asia region. This industry category is a broad one and may encompass a broad range of products and services including products branded with the Cbus Logo.

Merchandised products usually rely on a complex and multi-tiered supply chain including distributors and logistics-related workers within the supply chain. These products may include branded goods and materials, textiles and apparel and other miscellaneous items for advertising. Merchandise suppliers that undertake manufacturing in higher risk regions such as the Asia region is a source of modern slavery risk. Many merchandised products imported into Australia are produced in countries such as China, Thailand and Malaysia.

Property Services

Modern slavery risks in the property services industry are likely to be elevated in areas of property management services that are outsourced within the supply chain with less visibility of working conditions for low skilled or vulnerable works in the deeper levels of the supply chain.

Investments

Investments that were identified as having a potentially elevated risk of modern slavery include those with one or more of the following characteristics:

- Infrastructure investments
- Investment in Australian Diversified Metals and Mining;
- Investments in Oil and Gas industries overseas; and
- Investments involving assets that are located in, or are otherwise directly linked with, countries that are recognised as having an elevated risk of modern slavery.

The assessment indicated that potential modern slavery risks predominantly relate to various indirect supply chain inputs, as opposed to risks that exist primarily in relation to the direct activities of the actual entities in which there has been investment on our behalf.

While further analysis of the risk assessment is required, initial insights indicate that investments with potentially elevated risks were generally those within the portfolios of our external fund managers, rather than our direct investments.

Infrastructure investments

Infrastructure investments may have a higher risk of modern slavery where they have complex global supply chains, use construction materials (which may be purchased from high risk industries in high risk countries), where there is a prevalence of vulnerable migrant workers and where there is a lack of transparency about subcontracting arrangements.

Investment in Australian Diversified Metals and Mining

Modern slavery risks occurring in the Australian diversified metals and mining industry (outside Australian operating mines themselves) can occur below the first tier of the supply chain, for example in the extraction of raw materials from high risk locations or in the offshore manufacturing of the heavy machinery equipment used in Australian mining operations.

Investments in Oil and Gas Industries overseas

Due to the potential hazardous and geographically isolated nature of the industry, risk is elevated where there is use of migrant or low socioeconomic workers, who can be vulnerable to deceptive recruitment practices, debt bondage and trafficking.

Cbus internal operations risk

We consider the risk of modern slavery, such as forced labour, child labour and/or deceptive recruiting for labour, to be low amongst staff engaged by Cbus and its owned or controlled entities. The entire workforce is located in Australia and is governed and protected either by Enterprise Bargaining Agreements (Cbus non-executives), or individual contracts (Cbus executives and Cbus Property) that set out terms and conditions of employment.

Cbus Property – Industry categories with potential heightened risk

Building on the risk assessment of 2020, we undertook the group risk assessment process in 2021 which provided further metrics to understand our relative modern slavery risk.

The 2021 risk assessment results showed that 75% of Cbus Property risk is within the supply chains of the construction/development business. The remainder is spread across the property management supply chains including in cleaning and security services and corporate (professional services, recruitment and office accommodation). Based on the market models, 8% of the risk is in Tier 1, however 62% of our risk lies in Tiers 2, 3 and 4.

Construction/development

Elevated risks of modern slavery within the construction industry in Australia are due to the inherent vulnerabilities within the sector as well as the products and materials that may be present in the construction supply chain. There is a relatively higher prevalence of vulnerable workers (including those on student visas and subclass 417 visas) in the sector who may be vulnerable through a limited understanding of their rights.

Construction materials are also a key source of modern slavery risk due to the relatively high labour inputs at deeper tiers of the material supply chain, the high-risk geographies from which such materials may be sourced and the multi-tiered and layered supply chain for such materials.

Based on market models, indirect supply chains for building materials and equipment have the potential to be located in countries with a high prevalence of modern slavery, such as those in the Asia Pacific region.

Cbus Property undertook due diligence on two specific building and construction projects that are currently in progress in order to screen for modern slavery risks beyond Tier 1. Part of that process involved a more detailed assessment of potential modern slavery risks associated with offshore manufacturing of building and construction products used on those projects. This analysis will be used to further focus our next steps at addressing risk in our development supply chains.

Property management (including cleaning, security)

Modern slavery risks are likely to be elevated in areas of property management services that are outsourced within the supply chain. This includes the facilities and amenities aspects of property management that primarily relies on the cleaning and security services industry and other workers such as landscapers and gardeners, repairs and maintenance workers.

Modern slavery risks are primarily elevated in these types of services within property management, cleaning and security due to:

- The higher proportion of low-skilled workers which may involve vulnerable workers including migrants and/or international students;
- Vulnerable and low-paid workers may be less inclined to lodge formal grievances despite the availability of grievance mechanisms and channels;
- There may be less visibility over the supply chain of these services, as there is a high prevalence of subcontracting and outsourcing that occurs for services such as cleaning and security and the potential for greater informality in the employment relationship; and
- Workers may be at higher risk of unsafe working conditions, particularly due to the labour-intensive nature of the work within property management.

Part 4: Our ongoing actions addressing modern slavery risks including due diligence and remediation

In our inaugural Modern Slavery Statement, we outlined a detailed roadmap for a response that is holistic, practical and representative of our long-term commitment to addressing this important human rights issue.

The following is a summary of key actions that we have undertaken during the Reporting Period to assess and address modern slavery risks:

Our Modern Slavery Working Group

Since the formation of the cross-functional Modern Slavery Working Group ("Working Group") during the first reporting period, the Working Group has been involved in steering and coordinating our joint modern slavery response.

The Working Group consists of representatives from a range of internal divisions, including, Cbus Risk Management, People and Culture, Investment Relations, Responsible Investment, Procurement, Sustainability (Cbus Property) and Governance and Risk (Cbus Property).

The Group has met regularly over the Reporting Period to monitor implementation of actions and work collectively on improving our approach to reducing potential modern slavery risk areas.

The Working Group remains committed to reviewing progress in relation to our roadmap of actions.

Industry collaboration

- Cbus remains a signatory to the Principles for Responsible Investment (PRI)
- We are part of the following industry bodies:
  - Responsible Investment Association Australasia (RIAA)
  - RIAA Australia Human Rights Working Group (HRWG)
  - Australian Council of Superannuation Investors (ACSI)
  - Australian Sustainable Financial Initiative (ASFI)
- Cbus Property is a member of the Property Council of Australia that has collaborated on this issue of modern slavery extensively. Our use of the Property Council's supplier platform for specific classes of higher risk suppliers is described further below.
- Cbus Property is also a member of the Cleaning Accountability Framework (CAF), a multi-stakeholder initiative aimed at tackling labour and human rights issues in the cleaning services industry. Our involvement is described below in detail.

Cbus Super – Investments

External fund manager engagement on modern slavery issues

We previously committed to surveying external fund managers (as a specific class of direct suppliers) in relation to steps being taken to address modern slavery risk.

As contracts are renewed or new fund managers are on-boarded we are incorporating positive obligations to report any known exposures to modern slavery of any kind.

A large proportion of our investment management is outsourced, including to entities that are headquartered overseas. Accordingly, external fund managers represent an area of potential modern slavery risk as both major suppliers to the fund and as managers of our investments.

To address this potential risk area, during the Reporting Period, we have engaged with external fund managers about our approach and expectations regarding modern slavery risk management, as well as surveying them on their approach to addressing modern slavery risk using the joint Financial Services Council (FSC)/ RIAA Due Diligence Questionnaire which Cbus helped to develop.

We surveyed 97% of our external fund managers across the following asset classes: Equities, Infrastructure, Property, Credit and Private Equity.

Some notable findings from the survey include:

- Equity fund managers who reside in countries where modern slavery reporting obligations already exist tend to have more rigorous management and assessment approaches
- A high proportion of unlisted fund managers have rigorous process and assessment including due diligence, comprehensiveness of modern slavery statement reporting and supply chain mapping
- 56% of fund managers self-report as assessing both direct and indirect exposure to modern slavery
- Fund managers report that their engagement with companies they invest in is a key activity in mitigating the risk of modern slavery

The results of these responses will assist us in further improving our 'business as usual' practices when performing due diligence and monitoring of fund managers in the future.

Direct Infrastructure Assessment

During FY21 we undertook an assessment of our direct infrastructure investments. Infrastructure assets include minority holdings in renewable energy, ports and toll roads in Australia, the UK and the USA.

This involved a desk top assessment of 70% of our direct infrastructure assets by value where we have adequate access to information (e.g. policies, statements, modern slavery survey responses) given the holding structure, ownership and governance. We found each of these assets have policies and processes in place to mitigate modern slavery risks.

As part of our existing commitments and processes we incorporate modern slavery as part of due diligence for new assets. Where the nature of the relationship and governance permits, we will continue to monitor progress in relation to evolution of policies and processes and their effective implementation applying to both operations and maintenance of assets.

Investment Stewardship Activities and Collaboration

In relation to our listed equity portfolio, given lower levels of ownership and influence and the systemic nature of modern slavery, we actively support collaborative engagement with listed companies to improve oversight, management and remediation of modern slavery risks alongside other investors. We do this through our membership of Australian Council of Superannuation Investors (ACSI), Investors Against Slavery and Trafficking Asia Pacific and globally through Federated Hermes EOS.

ACSI engagement with ASX listed companies on Cbus' behalf

ACSI engages with ASX 300 boards on material ESG issues on their members behalf to positively influence ESG performance.

ACSI's priorities cover workforce issues, such as modern slavery and supply chain management (including practices that could lead to modern slavery such as wage underpayments). Since 2020, ACSI has held 92 meetings with 74 ASX 300 companies where the issues of modern slavery have been raised. ACSI engagement has focused on improvements in auditing practices and outcomes, consequence reporting, worker education, supply chain data and progress regarding resolution following allegations of modern slavery.

Investors Against Slavery and Trafficking Asia Pacific

During the Reporting Period, Cbus joined Investors Against Slavery and Trafficking Asia Pacific ("IAST APAC"). This collaborative effort partners us alongside asset owners and managers representing AUD$7.6 trillion in funds under management.

IAST APAC's fundamental goal is to find, fix and prevent modern slavery risk through collaborative engagement with equities holdings.

Cbus is participating in the following initiatives under this program:

- Investor expectation letter, which has been sent to ASX 200 listed companies.
- Twenty-three companies have been identified for engagement from the consumer discretionary, consumer staples, technology and healthcare sectors. Cbus is actively involved in four of these engagements, two of which it has taken leadership of. It is anticipated that this will be a multi-year engagement with the selected companies.

EOS at Federated Hermes engagement with global companies

Internationally, we use the services of EOS at Federated Hermes who engage with the overseas listed companies we invest in through our global equities portfolios. EOS engages companies on sustainability, governance, environmental and social concerns of their clients including Cbus.

During the subject reporting period, on behalf of Cbus, EOS engaged 11 companies in relation to modern slavery issues through their focus on human rights. Notable engagements include three multinational companies:

- A tech company agreed to cover human rights risk in the development of a new ESG strategy and has joined the UN Global Compact.
- An electronics contract manufacturer has updated its human capital metrics and has improved disclosure including more information about supply chain audits.
- A contract food service company has agreed to a review being conducted of its migrant workforce by external human rights experts.

Cbus Super – Procurement

Supplier engagement

We recognise that there is not a 'one size fits all' approach in engaging with our direct suppliers to address modern slavery risks. Nonetheless, self-assessment questionnaires are acknowledged as a valid tool, which are to be helpfully standardised and streamlined in modern slavery due diligence.

Potential elevated risk areas for Cbus' direct spend suppliers in the areas of merchandising and house-keeping (also known as facilities) were identified during the 2020 Reporting Period. During the current Reporting Period, Cbus issued supplier self-assessment questionnaires to all suppliers in those categories (51suppliers in total).

All supplier responses (approximately 50% response rate) were reviewed. The responses demonstrated significant differences in awareness and vigilance relating to modern slavery issues. The responses will be provided as input to our risk assessment platform in the 2022 Reporting Period.

For subsequent Reporting Periods we intend to utilise the new risk assessment platform to identify industries as well as individual suppliers where further assessment is required. This further assessment will feed into the overall risk assessment for the supplier.

Cbus Property

Model provisions addressing modern slavery issues

Cbus Property has incorporated model provisions into procurement contracts that expressly address modern slavery issues. These are being incorporated into all new construction, cleaning, security, and major service agreement contracts entered into by Cbus Property.

Cbus Property has engaged directly with our Property Managers to ensure they understand and are aligned with our approach to addressing modern slavery risk. Cbus Property will include equivalent model provisions in Property Management Agreements as the time that renewal of those agreements arises.

The model provisions place obligations on suppliers to take steps that are reasonably practicable and proportional to identify the risks of modern slavery in their supply chains and operations.

In the next reporting period, our planned focus will shift to reviewing existing Cbus Property subcontractor agreements and clauses, with the aim of ensuring a broader distribution of modern slavery risk management obligations that reach further into our property-related supply chains, given that we have identified that our supply chain risk predominantly lies beyond our Tier 1 suppliers.

Cleaning Accountability Framework

During the Reporting Period, Cbus Property has progressed our Cleaning Accountability Framework (CAF) certification program across our portfolio.

Cleaning services is a potentially high risk industry that was identified as a priority through our modern slavery risk assessments.

However, through initiatives like CAF, we have effective tools to mitigate that risk. The CAF is a multi-stakeholder industry initiative that aims to improve labour practices in Australia's cleaning industry through the promotion of 'decent' work and employment standards. The CAF certification program is a way for building owners like Cbus Property to gain assurance that the cleaning contractors working at our buildings are safe, treated fairly and with respect, and have 'decent' work.

During the 2021 financial year, Cbus Property utilised the CAF procurement model for all four cleaning contracts put to tender, incorporating CAF provisions and the CAF pricing schedule to ensure transparency and comparability of the tender response. We also integrated requirements for our currently appointed cleaning service providers to collaborate with us and obtain CAF certification.

We also commenced CAF certification at 3 properties in our portfolio, although delays due to COVID restrictions on onsite worker engagement sessions mean we expect that they will be certified early in the 2022 financial year. 720 Bourke Street, Docklands maintained its CAF rating passing its annual health check.

Cbus Property is on track to complete CAF certification of our total commercial building portfolio to meet our 2022 target.

Case Study – Property Council of Australia Supplier Platform



Building relationships with contractors and suppliers that are also committed to tackling modern slavery in their supply chains is an important part of our overall strategy to address modern slavery.

In June 2020, Cbus Property became a member of the Property Council of Australia's ("PCA") Modern Slavery Supplier Platform initiative. This is an online centralised platform used for capturing information from suppliers on their policies and practices on mitigating modern slavery risks. It effectively standardises the information requests from suppliers across the industry.

During the current Reporting Period, Cbus Property has further utilised the information available in the platform, including integrating it into Cbus Property's procurement process and risk management system.

Cbus Property are now using the PCA Supplier Platform to assist with due diligence in the previously identified priority areas of:

i. construction head contracts;
ii. cleaning; and
iii. security services providers

The results of the assessment inform Cbus Property's overall evaluation of prospective suppliers, including whether any further collaboration is required with a successful supplier or contractor.

Cbus Property have also used the PCA platform to create modern slavery risk reporting and are using this to assess the effectiveness of our anti-modern slavery program.

During the current Reporting Period:

i. 100% of **targeted** existing suppliers (in categories assessed as potentially high risk) have been assessed through the platform
ii. 100% of potential construction head contractors and cleaning and security service contract/suppliers have been assessed through the platform during tenders.

The results of the assessments have not identified any suppliers that aren't adequately addressing our key modern slavery risk criteria. The assessments do highlight areas where we will seek more information to gain further understanding of their activities.

Internal governance and policy updates

We have continued the process of reviewing and updating our internal governance framework to specifically address modern slavery issues.

Cbus Super

The following policy updates have been implemented, or are in the process of being developed, as part of Cbus' existing suite of internal policies and governance framework:

- **Supplier Code of Conduct**
- **Investments Management Agreements** (we are amending to incorporate express modern slavery provisions).
- **Human Rights Policy** (under development)

The rollout of our **Supplier Code of Conduct** during this Reporting Period represented an important evolution from pre-existing principles of sustainable procurement. It sets out our minimum expectations for suppliers in seeking to do business with Cbus. The Supplier Code of Conduct is available on our website,[6] and has also been sent directly to approximately 400 suppliers.

We are currently reviewing existing policies, such as the **Whistleblower policy**, to include a specific grievance mechanism for employees and external stakeholders including suppliers and their workers to report any concerns relating to modern slavery. The reviewed Whistleblower policy will be made available on the Cbus Super website. The Supplier Code of Conduct contains details of Cbus' whistleblower hotline – there have been no whistleblower reports in relation to modern slavery for the Reporting Period.

Cbus Property

In relation to Cbus Property's separate governance framework, the following policies have been implemented, or are in the process of being developed:

- **ESG Policy and Risk Management Framework** (updated to explicitly incorporate modern slavery risks and actions)
- **Supplier Code of Conduct** (Charter of Selection) (updated to incorporate Modern Slavery Requirements)[7]
- **Supplier Due Diligence Procedures** (updated to incorporate Modern Slavery requirements) which also include the embedding of the PCA Modern Slavery Supplier Platform
- **Sustainable Procurement Framework**
- **Human Rights Policy** (under development)

Our Supplier Code of Conduct has been in force since 2014. It is available on our website and is included in all key Contractor and Consultant Agreements.

Training and education

Increasing employee awareness about the prevalence and nature of modern slavery risks is part of our overall strategy. During the Reporting Period, we have built upon the initial training previously instigated, and have run the following programs:

- training sessions for the Cbus' Investment team;
- general awareness training in relation to modern slavery has been provided to all Cbus Property employees and is included as part of the onboarding protocol for new staff.
- Cbus Property is targeting bespoke training for key internal stakeholders, with all of our on-site Property Management teams having completed specific training.

It is further proposed that general awareness training and education activities be undertaken for all Cbus staff to coincide with the submission of this statement in November and International Day for the Abolition of Slavery in December 2021 and that this become an annual event into the future.

Grievance and remediation

Cbus recognises that remediation is an important aspect of our response to modern slavery and is an area where further focus is required.

Cbus is committed to providing for or co-operating in remediation where it identifies that they have caused or contributed to modern slavery impacts but note that the process for remediation is yet to be developed. We also note that each instance is likely to require remediation particular to its circumstances.

6. https://www.cbussuper.com.au/content/dam/cbus/files/governance/reporting/Cbus-Supplier-Code-of-Conduct.pdf
7. https://972c58.hostroomcdn.com/wp-content/uploads/2021/07/20210623_Charter-of-Selection_V1.2.pdf

Part 5: Measuring the effectiveness of our modern slavery response

We recognise the importance of continual assessment over consecutive reporting periods in relation to the practical impact of our modern slavery response.

In order to continually measure the effectiveness of our actions, we are committed to regularly monitoring our progress against our Modern Slavery Roadmap, which has been updated to contain specific Key Performance Indicators, as summarised in the Table below.

	Action	Description	Progress indication
1	Integrate Modern Slavery risks into our existing corporate and management policies	Cbus and Cbus Property will be reviewing all relevant policies to align with modern slavery.	In progress
2	Develop a Supplier Code of Conduct	Cbus will develop a Supplier Code of Conduct that builds on principles of sustainable procurement. Cbus Property will update their existing Supplier Code of Conduct (Charter of Selection) to integrate modern slavery considerations.	Completed
3	Develop overarching Modern Slavery Policies	Cbus to formulate a modern slavery framework, which will encompass a Modern Slavery Policy to be approved by the Board of United Super Pty Ltd. Cbus Property will develop their own policy.	In progress
4	Develop a Sustainable Procurement Framework	Cbus and Cbus Property will conduct annual risk reviews of modern slavery risks in supply chains to identify changes in risks and potential categories/sectors to develop a supplier engagement plan. Cbus Property's framework will be a key internal document that incorporates many actions in our plan to embed modern slavery risks (and other ESG issues) into our procurement processes, including development of a supplier engagement plan.	Completed
5	Undertake further analysis into our priority supply chains	Cbus and Cbus Property will undertake further assessment of our priority supply chains.	Completed (ongoing)
6	Update our risk management framework to further integrate Modern Slavery Risks	Cbus and Cbus Property to update their risk management frameworks to include modern slavery.	In progress
7	Develop a supplier due diligence framework for screening and evaluating existing and potential suppliers for modern slavery risks	Cbus Property to formulate a process for evaluating the information gathered through the PCA Supplier Platform. This will include development of a supplier engagement plan at a later date.	In progress
8	Update key standard contracts to integrate anti-modern slavery requirements regarding identification of risks	Cbus and Cbus Property will undertake review processes to ensure key standard contracts integrate requirements in relation to identification of modern slavery risks.	In progress
9	Investment Manager Engagement	Cbus engage all relevant internal and external managers on modern slavery expectations.	Completed
10	Factor Strategies	Cbus identify and implement strategies and tools to reduce exposure to modern slavery risk.	In progress
11	Stewardship (voting and engagement with listed companies)	Cbus actively consider all ASX human rights resolutions.	Completed (ongoing)

	Action	Description	Progress indication
12	Deliver training to employees around the implications of Modern Slavery	Cbus to develop a training framework to roll out training to staff and an awareness program for relevant Committees. Cbus Property has rolled out training but will also be developing targeted training for development and asset management teams.	In progress
13	Investment Due Diligence	Cbus to enhance incorporation of modern slavery risks into internal and external investment manager due diligence.	Completed
14	Investment Manager Agreements	Cbus incorporate modern slavery reporting requirements into investment mandates.	In progress
15	Monitoring of investment managers	Cbus will incorporate modern slavery monitoring into manager reviews and annual strategy reviews.	In progress (ongoing)
16	Actively support collaborative initiatives	Cbus to identify one collaborative initiative for participation.	Completed (ongoing)
17	Develop and promote a grievance mechanism and review our whistleblower policy and develop remediation framework	Cbus and Cbus Property to review and enhance existing whistleblower mechanisms and related policy. Cbus and Cbus Property will work towards developing its own remediation framework.	In progress (ongoing)
18	Further development of a reporting framework that evaluates the effectiveness of our program	Cbus and Cbus Property will develop a reporting framework to ensure that the actions under this Roadmap are monitored by internal senior stakeholders and relevant committees and that the risks of modern slavery are continually updated, addressed and reported through appropriate channels.	In progress

We have fully implemented 7 out of 18 of the specific action points from our original modern slavery response roadmap, outlined during the first reporting period. We have substantially implemented a further 8 points as detailed above in Part Four, and throughout this Modern Slavery Statement. Accordingly, 15 out of 18 (83%) of our original action points have now been completed or substantially implemented.

Due to the importance of a long-term commitment to addressing modern slavery effectively and holistically, many of our identified key actions require ongoing implementation, which is to continue through future reporting periods.

Part 6: Collaboration with controlled entities

In order to prepare this joint statement, we engaged with each of the reporting entities covered by this statement and consulted the entities we own or control.

Our Modern Slavery Working Group has benefited from the participation of representatives from both Cbus Super and Cbus Property.

The Cbus Property Board has, through regular reporting, been kept informed of all significant progress and actions.

All entities managed by Cbus Property are established solely to undertake development of or hold each property in accordance with the direction of Cbus Property. Those entities are subject to Cbus Property policies, systems and management including oversight by the Cbus Property Board. Cbus Property has addressed the mandatory reporting criteria in this Statement on behalf of, and in consultation with, all owner entities under management with Cbus.



Collins Arch, 447 Collins Street, Melbourne. A Cbus Property commercial development.

7. Other relevant information (s16 (1) (g) – COVID-19 pandemic related issues

As a result of the COVID-19 pandemic and the ongoing impact on Cbus staff and operations including increased member and regulatory demands, we have not been able to complete all of the areas of work planned for modern slavery during the 2020/21 financial year.

Cbus Property had a delay in the certification of more buildings through the Cleaning Accountability Framework due to the restrictions and onsite worker engagement sessions. Similarly, some of the opportunities for direct engagement by the Cleaning Accountability Framework with Cbus Property's suppliers was limited as a result of lockdown.

We are increasingly aware of the impact that COVID-19 has had on vulnerable workforces and disruption to global supply chains which has the potential to heighten modern slavery risks. Notwithstanding the delays the pandemic has caused to our work, Cbus continues to be committed to addressing the actions within its modern slavery roadmap and continuing to build in risk identification, mitigation and assessments, including raised awareness of COVID related impacts, into business as usual policies and practices.



171 Collins Street, Melbourne
A Cbus Property commercial development.

Appendix A:
Snapshot of our response to the Act's reporting requirements

Criteria	Details in this Statement
Identify the reporting entity (S16 (1) (a))	Part 1 and Part 2
Describe the structure, operations and supply chains of the reporting entity (s16 (1) (a) - (b))	Part 1 and Part 2
Describe the risk of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls (s16 (1) (c))	Part 3
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes (s16 (1) (d))	Part 4
Describe how the reporting entity assesses the effectiveness of such actions (s16 (1) (e))	Part 5
Describe the process of consultation with any entities that the reporting entity owns or controls (s16 (1) (f))	Part 6

Appendix B: Initial risk assessment methodology

1. An initial risk assessment has been carried out to identify the elevated areas of modern slavery risk in our supply chains. This baseline exercise provides the basis for our subsequent focus for ongoing due diligence and remediation activities.
2. Incorporating company spend, investment and geographical data (Tier 1 suppliers) throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of our Tier 1 suppliers by spend.
3. This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:
    i. The United Nations' (UN) System of National Accounts;
    ii. UN COMTRADE databases;
    iii. Eurostat databases;
    iv. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
    v. Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
    i. The UN Guiding Principles on Business and Human Rights;
    ii. The Global Slavery Index;
    iii. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
    iv. The United States' Reports on International Child Labour and Forced Labour.
5. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier.
6. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in our supply chains or operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.

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