Modern Slavery Statement

United Super Pty Ltd
Incorporating Cbus Super and Cbus Property
Under the *Modern Slavery Act 2018 (Cth)*

Reporting Period: 1 July 2023 – 30 June 2024



40 years ago construction and building workers and their unions won the right to employer funded superannuation for Australians. Today, Cbus is the 8th largest superfund in Australia managing over $94 billion of retirement savings on behalf of more than 900,000 members. We are a fund established by workers for workers.

The United Nations International Labour Organisation and Walk Free Foundation estimate almost 50 million people worldwide are modern slaves[1].

In Australia, it is estimated that 1 in 5 cases of modern slavery goes unreported but 1,900 cases are known[2], with industries associated with migrant and vulnerable workers such as domestic work, agriculture and construction rated high risk.[3]

Modern slavery can occur in any industry or any country.

The Cbus and Cbus Property Boards take the responsibility to identify, mitigate and, where necessary, address modern slavery seriously as our members expect of us.

This involves ongoing evaluation of modern slavery risks in the services and products we provide to our members, in our supply chain, and our investment portfolio. As a responsible investor our due diligence process considers the risk of modern slavery in our investment decision making.

As part of our duty, this 2024 Modern Slavery Statement is issued by United Super Pty Ltd as Trustee for the Construction and Building Unions Superannuation Fund and Cbus Property Pty Ltd and its managed entities.

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:



Wayne Swan
Chair, United Super Pty Ltd
5 December 2024

1. https://www.ilo.org/resource/news/50-million-people-worldwide-modern-slavery-0 and https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/
2. https://antislavery.org.au/modern-slavery/
3. Ibid

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Part 1: Executive summary

This Modern Slavery Statement is made pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)* ("**the Act**") in respect to the period 1 July 2023 to 30 June 2024 ("**Reporting Period**").

This is Cbus' fifth Modern Slavery Statement with Cbus Property under the Act.

This statement builds upon the foundations for addressing modern slavery established during previous Reporting Periods.

We have continued to use the reporting process pursuant to the Act to develop, implement and continually improve our approach to identify and mitigate modern slavery in our operations including our investment portfolio, and supply chains.

This includes adopting the activities outlined in our previous roadmaps into our business processes whilst deepening exploration in focus areas, with the aim of driving new initiatives.

We engaged an external subject matter expert ("External Expert") to undertake a modern slavery risk assessment of our Tier 1 suppliers and investment portfolio holdings to provide theoretical, industry and geographic based predictive mapping of our Tier 2 to Tier 10 supply chains.

Our External Expert has identified, based on its analysis, that the modern slavery risk in Cbus' operations and associated supply chains is consistent with a "Low" risk ranking compared to broader industry risk ratings and in each case has not changed materially over the last 12 months.

In considering these findings, we note that the Global Slavery Index, a central reference relied upon by our External Expert to identify slavery risk was updated in May 2023. Accordingly, our supply chain and investment holdings risk assessment was refreshed against this new data in the 2024 Reporting Period.

We have not identified any actual or suspected incidents where Cbus caused or contributed to modern slavery practices in our supply chains or those of our owned or controlled entities during the current Reporting Period.

However, we have identified a small number of companies with practices that may constitute or lead to modern slavery within our investment supply chain, some of which are yet to be substantiated.[4]

For example, our external listed equity investment managers (our suppliers) based on their own assessments identified five companies with potential instances of modern slavery within investment portfolios (that they manage for us) over the Reporting Period. In each case, the relevant external manager engaged with the company involved to understand whether modern slavery had in fact been identified and any remedial actions undertaken.

Ultimately, we recognise that there will continue to be risks of modern slavery in our supply chains and operations particularly given our investments across the global economy.





4. Per Commonwealth *Modern Slavery Act 2018* Guidance for Reporting Entities (May 2023) definitions pg 40

In response to this ongoing risk, set out below is a summary of key activities that we have undertaken during the Reporting Period:

- continued to increase the response rate to the Cbus Procurement Self-Assessment Questionnaire rate with an uplift from 49% to 51%;
- circulated a revised investor-led modern slavery questionnaire to our 75 active, external fund managers[5] and received a response rate of 98.7%;
- completed our annual investment holdings risk assessment (using an External Expert);
- engaged with 18 investment managers across our equities and infrastructure portfolio that we identified as having a higher modern slavery risk to understand their approach to due diligence and ESG integration;
- held a webinar for a broad group of investment managers which included a focus on modern slavery;
- continued to collaborate with industry participants to develop our method of risk assessment, raise awareness of modern slavery risks and strengthen due diligence in deeper supply chains;
- participated in RIAA Human Rights Working Group, IAST APAC modern slavery investment data forums and engagement workstreams, and lead modern slavery engagement with two ASX companies on behalf of IAST APAC members;
- developed an online training course to raise awareness of the modern slavery risks and vulnerabilities that could arise across our operations and investments;
- Cbus Property continued its engagement with the Cleaning Accountability Framework (CAF) and became the first Australian building owner to have all its office buildings and shopping centres certified by the CAF building standard; and
- Cbus Property created a Responsible Procurement Plan template for its development projects, aligned with industry best practice Sustainable Procurement Standard (ISO2040).



5. The figure for investment managers differs from our overall number as it refers to only 'active' managers.

Part 2: Structure, operations and supply chains

Reporting entities

The reporting entities covered by this statement are:

- United Super Pty Ltd (ABN 46 006 261 623) as the Trustee for Construction and Building Unions Superannuation Fund ("**Trustee**" or "**Cbus Super**");
- Construction and Building Unions Superannuation Fund (ABN 75 493 363 262) ("**Fund**");
- Cbus Property Residential Operations Unit Trust (ACN 119 830 956).

(each, a "**Reporting Entity**").

Other related and controlled entities

This Statement also covers Cbus Property Pty Ltd (ABN 48 115 826 741) and all entities managed by Cbus Property Pty Ltd (referred to in this Statement as the "Managed Entities"). Cbus Property Residential Operations Unit Trust (ACN 119 830 956) is a Managed Entity. For a full list of the Managed Entities see the financial supplement to the Cbus Annual Integrated Report at **cbussuper.com.au/aboutus/annual-report**. In this Statement, we refer to Cbus Property Pty Ltd and the Managed Entities collectively as "Cbus Property".

Relationship between the Fund, the Trustee and Cbus Property

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

The Trustee 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 Board is ultimately responsible for the sound and prudent management of the Fund.

Cbus Property is a wholly owned entity of the Fund. It operates under an Investment Management Agreement to develop and sell or hold the Fund's property investments. Cbus Property has its own Board composed of three independent Directors and four nominated Directors from the Trustee. The Fund's property investments are held via a number of Investment Holding Trusts which are all owned by the Fund. The direct operations of all Managed Entities are entirely Australia-based and all of the Managed Entities are subject to Cbus Property policies, systems and management. Cbus Property has been consulted in the preparation of this Statement and has addressed the mandatory criteria on behalf of all Managed Entities.

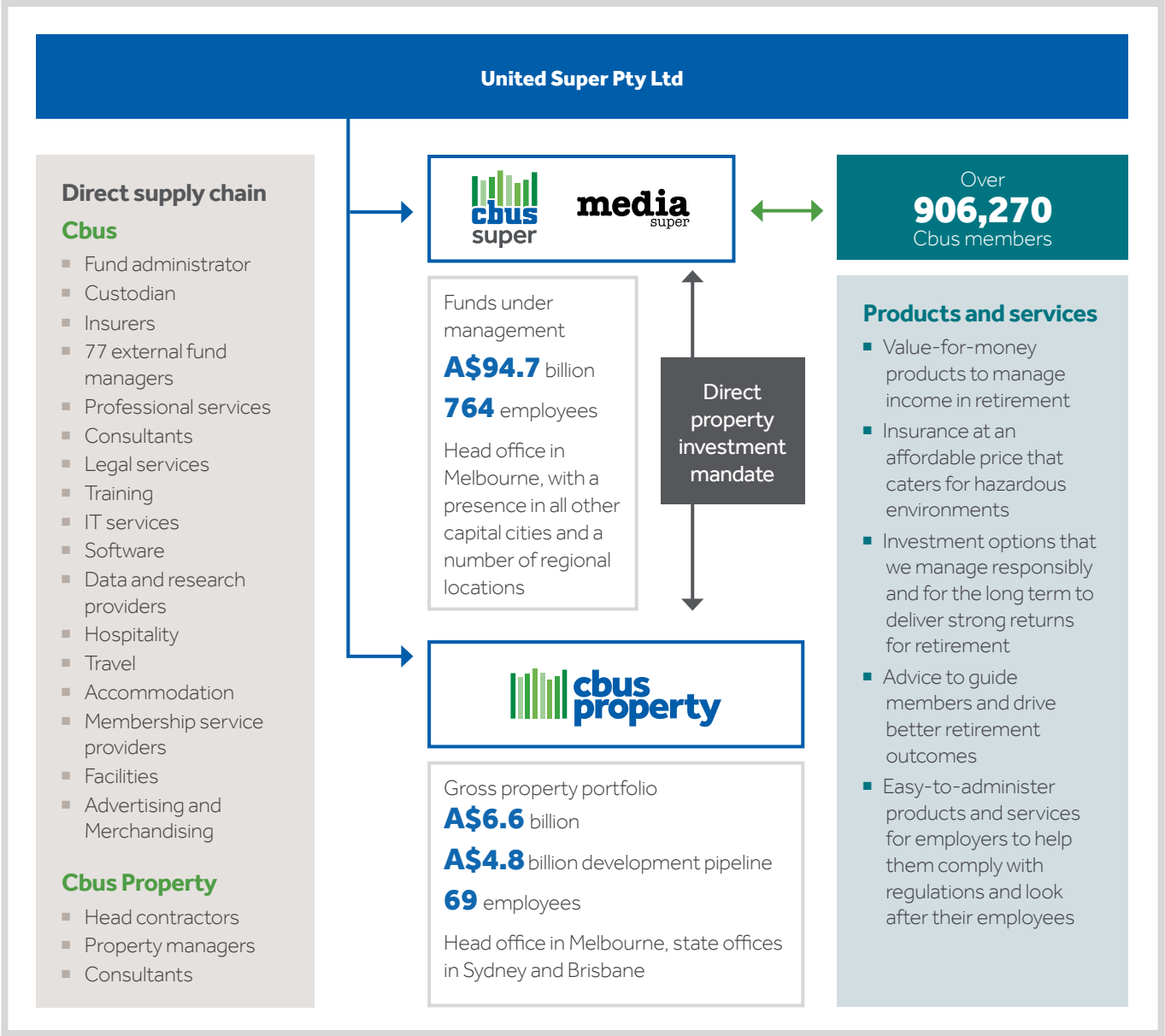
In this statement, we refer to the Fund, the Reporting Entities and all owned and controlled entities collectively as "**Cbus**".

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

- Cbus Super – Procurement;
- Cbus Super – Investments; and
- Cbus Property.

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 Super

Cbus Super's direct workforce is comprised of professional employees with specialised skills in an array of areas including financial services, management and administration. Cbus Super has 764 employees (as at 30 June 2024), who are located in all capital cities and a number of regional locations with our head office located in Melbourne.

Of the 764 employees, 657 are permanent full time, 50 are permanent part-time, 55 are contract full-time and 2 are contract part-time. There are 8 Executives, 170 managers and 577 non-managers. The gender split of the workforce is 51% male and 49% female with females making up 75% of the Executive, 40% of managers, and 52% of non-managers.

The Cbus Super workforce terms and conditions are governed and protected either by Enterprise Bargaining Agreements (non-executives), or individual contracts (executives and contractors).

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

Our supply chain

Cbus Super – Procurement

Cbus Super has approximately 670 direct suppliers in its supply chain including: custodians, membership administrators, insurers, professional services providers, consultants, legal service providers, trainers, IT service providers, hardware, software, data and research providers, hospitality service providers, travel, accommodation, cleaning service providers, merchandisers, advertisers and utilities and office facility managers.

Approximately 86% of our Tier 1 suppliers (representing more than 85% of Cbus Super - Procurement's spend) are in Australia and in service-based industries, as demonstrated in Part 3 of this Statement. We appreciate that a number of our Australian based suppliers have global supply chains and source their products from other jurisdictions.

Cbus Super – Investments

We currently use 77 specialist external fund managers / investment partners to assist us in managing our investment mandates. These organisations are headquartered in Australia, Canada, Denmark, France, New Zealand, Sweden, Switzerland, UK and USA.

Of our directly managed investments, our:

- cash and credit exposure is in Australia;
- fixed interest exposure is in Government and semi-Government exposures in Australia, and in Government exposures in the US, Germany, Japan, France, UK and Canada, and is passive exposure to predefined customised benchmarks;
- infrastructure assets include minority holdings in renewable energy, ports and toll roads in Australia, the UK and the US;
- Australian and global direct equities include minority holdings that change over time;
- private equity exposure is through minority holdings in strategic investments in Australia; and
- direct property investment is undertaken in Australia (primarily through Cbus Property), with one additional minority strategic property holding.



Cbus Property

Cbus Property is responsible for the strategic performance and management of all aspects of Cbus' Australian direct property investment business, including major investments and developments in the commercial, residential and retail sectors (with the exception of a minority holding in one industrial property). The property portfolio currently exceeds A$6.6 billion, with a further A$4.8 billion of development work 'in hand', making Cbus Property one of Australia's leading integrated property investors.

Cbus Property has 69 permanent employees (at 30 June 2024), who are located throughout our offices in Melbourne, Sydney and Brisbane.

Eight of these are executives and 29 are senior managers. The gender split of the workforce is 52% male, and 48% female. Of this, females make up 38% of the executive, and 34% of senior manager roles.

The Cbus Property workforce terms and conditions are governed and protected by individual employment contracts.

Our supply chain

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 and retail investments.

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 contract specifications.

Commercial Offices and Retail

Cbus Property outsources the management of its commercial office and retail properties to specialised property managers. These relationships are governed by Property Management Agreements.

Property management involves the procurement of a range of goods and services that support the operation and maintenance of the commercial office or (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 700 suppliers. 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 elevated modern slavery risk.



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

Having established a benchmark in the 2021 Reporting Period, for the past four years we have utilised a single platform to assess modern slavery risk across the Cbus group using a consistent risk methodology to identify, assess and compare risks.

We have not identified any actual or suspected incidents of Cbus causing or contributing to modern slavery practices in our supply chains or those of our owned or controlled entities during the current Reporting Period.[6]

FY 2024 Risk Assessment findings

Background

As in prior years, our assessment is completed across three operational units:

Cbus Super – Procurement	Cbus Super – Investments	Cbus Property

Overall, the FY2024 assessment by our External Expert concluded that, based on its analysis, Cbus has "Low" risk of modern slavery in our operations and supply chains and maintains a quantitative risk level similar to the prior year's assessment.

In terms of this year's analysis, our External Expert again undertook a modern slavery risk assessment of our Tier 1 suppliers including our investment portfolio to provide theoretical, industry and geographic based predictive mapping of our Tier 2 to Tier 10 supply chain risk.

The assessment methodology uses spend, investment and geographical data of our Tier 1 suppliers to model the theoretical modern slavery footprint of their supply chains and uses a consistent set of metrics to quantify modern slavery risks, including relative risk per tier, risk by country of origin and risk per dollar[7].

The risk assessment seeks to provide a holistic review across each operational unit, whilst providing a basis for potential individual actions to be undertaken in relation to specific suppliers (or suppliers falling within industry categories). Interrogation of the assessment of our FY2024 suppliers provides us with a focus for further actions over the next Reporting Period (FY2025).

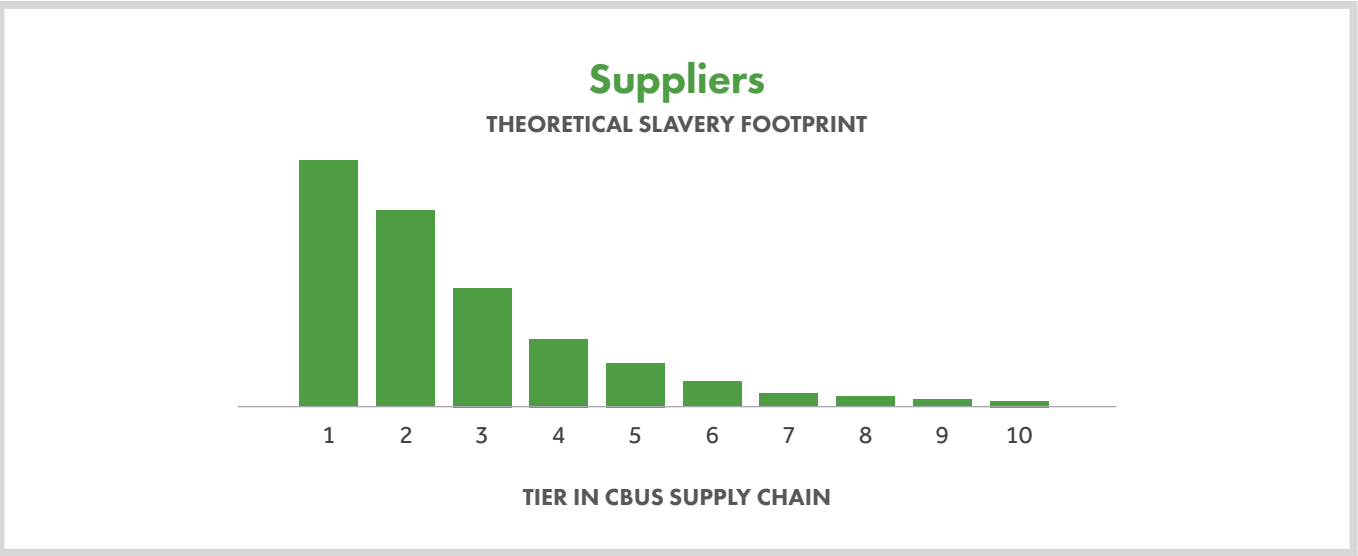
6. Per Commonwealth *Modern Slavery Act 2018* Guidance for Reporting Entities (May 2023) definitions pg 40
7. A detailed description of the risk assessment methodology is set out in Appendix B of this report.

Cbus Super – Procurement

The illustration below shows the location of Tier 1 suppliers excluding our investment portfolio holdings and Cbus Property. Most of our suppliers are in Australia.



The following graph further highlights the level of risk in each country using the theoretical number of slaves model to Cbus' Tier 10 of suppliers (excluding investment portfolio holdings and Cbus Property).



The risk assessment shows that the majority of our supply chain modern slavery risk exists in our Tiers 1 and 2. The update to the Global Slavery Index dataset and suppliers has shifted the tier risk closer to Tier 1 when compared to last year.

Cbus Super – Procurement Risk Profile

Number of suppliers



High Moderately High Moderate Moderately Low Low

Industry categories with potential heightened risk

Based on the risk assessment, we have identified areas as having relatively higher modern slavery risk in the Cbus supply chain. These 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.

Our suppliers

Industries with an elevated risk of modern slavery in our operations and supply chains are as follows:

Furniture and other manufactured goods including fit out

The risks associated with furniture and other goods used as part of fit outs of Cbus operational offices are primarily supply chain related. Materials used in these products may include timber, PVC, rubber, leather, plastic, and steel, which are recognised as high-risk where inputs are produced in countries with a higher prevalence of modern slavery.

IT Equipment and Computers

IT Equipment and computer related products/components are often manufactured and assembled in high-risk countries, particularly China and Malaysia, which have been identified as countries where electronics could be produced using forced labour.[8] The products have components using high-risk raw materials, such as cobalt or lithium. The electronic sector has again been identified in the 2023 Global Slavery Index as the highest value "at-risk" product imported by G20 countries indicating the prevalence of the risks with this product type and sector.[9]

Marketing, media, and business services in Australia

Marketing, media, and business services in Australia is a broad sector that encompasses a number of different suppliers. Risks in this industry arise from an operational dependency on high-risk products such as electronic equipment, office furniture, stationery, and promotional products. These products are often manufactured in countries with heightened risk factors, particularly in Southeast Asian regions. The supply chains of these products also tend to be intricate and multi-layered and can incorporate high risk raw materials like conflict minerals, plastic, or timber.

Cbus Super – Procurement Risk Beyond Tier One

India Textiles

The textile and garment industry is spotlighted in the 2023 *Global Slavery Index*[10] as one of the most well-recognised high-risk sectors. Identified risks exist at all major stages of the supply chain, from the harvesting of raw materials, during the manufacturing of textile inputs, and through to the final manufacture of garments and apparel. India is amongst the ten countries with the highest number of people estimated to be in modern slavery, and the textile and garment industry within India is a major contributor to these numbers. A lack of economic security contributes towards workers, often women, seeking out risky jobs or taking on loans from employers, which can result in debt bondage.[11]

Machinery used on construction sites

Construction machinery and equipment supply chains are complex and often rely upon a vast number of inputs manufactured offshore in high-risk countries where there is a lack of supply chain transparency. Key inputs often include high risk products such as electronic components, steel, rubber, aluminium, glass, and conflict minerals. These inputs may be mined, refined and/or manufactured in conditions of forced or bonded labour.

United States business and IT services

Business and IT services in the United States are broad sectors that incorporates a wide range of suppliers and inputs. Modern slavery risks can not only occur further down the supply chains of the computer related products/components utilised in these sectors, but also within the services adjacent to these sectors such as cleaning, hospitality, and domestic work.

8. https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPRA-List-of-Goods-v3.pdf
9. https://www.walkfree.org/global-slavery-index/findings/importing-risk/
10. https://www.walkfree.org/global-slavery-index/findings/spotlights/stitched-with-slavery-in-the-seams/
11. https://www.walkfree.org/global-slavery-index/findings/global-findings/

Cbus Super – Investments

To assess modern slavery risk within our investment portfolios, we have adopted a multi-faceted approach, whereby we:

- review notifications provided to us by our external managers, if and when they identify instances of modern slavery in their investment portfolios.
- appoint an External Expert to assess theoretical modern slavery risk, focusing on:
  – Investments with elevated relative slavery risk and those with elevated absolute slavery intensity.
- deploy an industry wide survey (that we co-developed in 2021 and updated in 2023) to assess investment manager approaches to managing modern slavery risk (refer to the case study at page 20).

We have identified a small number of potential modern slavery practices within our investment supply chain.[12]

Specifically, our external listed equity investment managers identified five companies with practices that may constitute or lead to modern slavery (some of which are yet to be substantiated) within our externally managed investment portfolio holdings during the Reporting Period.

In each case, the relevant external manager engaged with the company involved to understand the issues, and where applicable the approach to remediation. Refer to the table below for more detail.

A summary of the identified issues is as follows:

- One of our Global Equities' investment managers reported that four investee companies were involved in alleged labour abuses including the use of prison labour and forced labour. The Global Equities investment manager has been engaging with the relevant companies and has been monitoring to ensure those companies develop relevant policies and are taking action to remediate and / or have stopped the practices in question.
- Two Australian Equities managers reported they had identified instances of potential forced labour in an investee company's Malaysian operations.

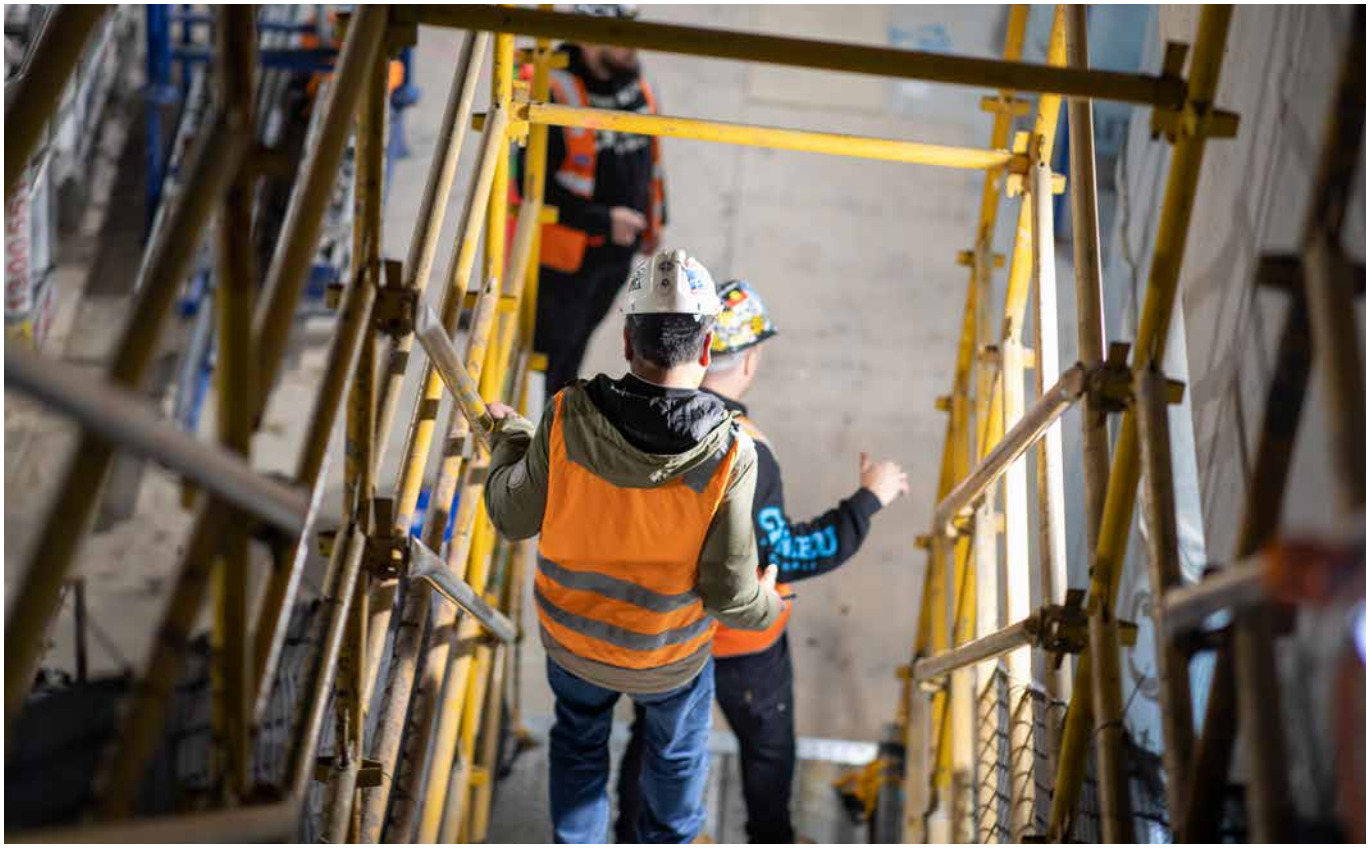
Specifically:

Alleged cases	Source	Actions taken to remediate the issue
In July 2023 tea farm workers were identified as having allegedly been subjected to sexual abuse.	Public media sources, External investment manager	**Unilever** confirmed they no longer own any tea estates and confirmed that new owners had suspended staff and launched a full and independent investigation.
It has been reported that inmates across US prisons are engaged in agricultural work that supplies the US food industry, with allegations that workers get paid very little and risk jeopardising their chance of parole if they do not participate.	Public media sources, External investment manager	Our manager engaged with **Walmart** and **Amazon**. The companies are currently investigating the issue. Amazon has confirmed that it does not use prison labour (and both companies have confirmed that they do not tolerate the use of involuntary prison labour).

continued over

12. Per Commonwealth *Modern Slavery Act 2018* Guidance for Reporting Entities (May 2023) definitions pg 40

Alleged cases	Source	Actions taken to remediate the issue
Allegations that Sumitomo Metal Mining (SMM) had used forced labour in South Korea between 1910 – 1945 recently surfaced.	Public media sources, External investment manager	Our manager engaged with SMM and given this matter is subject to ongoing litigation, SMM were unable to provide further comments other than that the issues were resolved in 1965 through the "Agreement on the Settlement of Problem concerning Property and Claims and on Economic Cooperation between Japan and the Republic of Korea". There is a possibility that the Seoul High Court may arrive at a different conclusion.
BlueScope Steel (BSL) found contracted workers in its Malaysian business had been charged recruitment fees by BSL's third party supplier. Whilst BSL found that this did not constitute modern slavery, it was a matter that required remediation and represented a breach of BSL's policies. Given the charging of recruitment fees can be an indicator of modern slavery, our external managers notified us about the incident.	Company's self-disclosure, External investment manager	Our manager engaged with BSL and will continue to monitor.



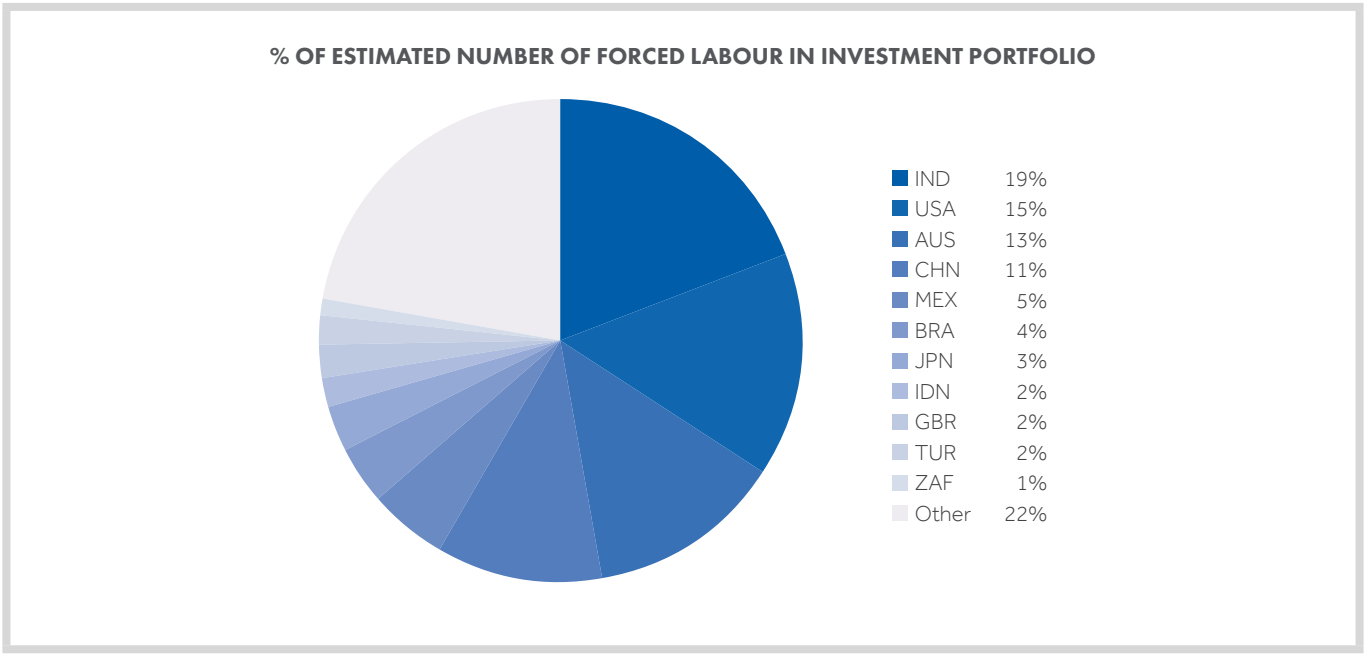
Cbus Super - Investment Risk Profile



The methodology used by our External Expert for this high-level investment portfolio exposure analysis has continued to evolve (including a greater number of countries and sectors), we have been advised by our External Expert this has not had a material impact on our assessment outcomes since the last Reporting Period.

We also note that the 2023 edition of the Global Slavery index has estimated an increase in the number of people involved in modern slavery in certain developed economies, including Australia and United States. Consequently, there have been associated increases in the theoretical risk scores of entities in the Services and Retail sectors. Notwithstanding these changes, our External Expert has confirmed that our overall theoretical modern slavery footprint still reflects a "Low" risk ranking compared to industry risk ratings.

The following chart highlights the relative level of risk in investment portfolio holdings, by reference to the estimated total number of people in forced labour in countries with highest aggregate modern slavery risk.



Portfolio observations

Based on the External Expert analysis, our overall portfolio has been identified as having 80% of its exposure in industries designated as having a 'Low' or 'Moderate-Low' modern slavery risk rating.

A further 15% of the portfolio, compared to 17% in 2023, is unrated due to the nature of the exposure (for example, cash, derivatives, and some smaller asset classes).

We will consider how to prioritise our engagement with managers based on their aggregate and absolute risks. When planning future targeted engagement actions to manage modern slavery risk in our portfolio, we will consider our External Expert's assessment of the 5% of the portfolio by fund value, which has been identified as 'Moderate', 'Moderate-High', or 'High' industry risk rating. This small fund exposure is predominantly attributed to security holdings in our Global Equities and Emerging Market Equities portfolio exposures. Refer to section 4 of this report for more detail regarding the action that we will take.

Industries with elevated relative slavery risk

We have also identified elements of the investment supply chain that have elevated relative modern slavery risk because of both industry and country risk factors, a high level of dependency upon these sectors in global supply chains, or large concentrated investment exposure.

Our analysis has identified the following areas of interest:

Indian and Brazilian retail trade services through USA retailers supply chain including consumer staples and consumer discretionary

- Indian textiles on-sold by USA fashion brands are at risk of being produced by exploited workers, the majority of Indian textile workers being un-unionised, migrant females.
- United States low value-add building supplies and retailers of primary materials such as stone, sandstone and mica are exposed to elevated modern slavery risk where Indian sub-suppliers are used where there is potential for use of forced and child labour.
- Brazilian food industry, including coffee, chocolate, sugarcane and livestock and timber and garment retail products being supplied domestically and overseas carry an elevated modern slavery risk. Forced and bonded labour is most common in rural areas, flowing upstream to wholesalers and retail supermarkets, due to the lack of regulatory oversight of agriculture and agricultural suppliers and prevalence of migrant workers.

Retail Services in Australia and China

Notwithstanding Australia's strong government response to modern slavery and its relatively low modern slavery risk (compared to other countries), Australian retail trade services have an elevated industry risk profile because of its high reliance on low skilled, often migrant work force who may have an elevated risk of exploitation. Beyond Tier 1, retail businesses involved in the sale of agricultural goods, and textiles/apparel and footwear, carry elevated modern slavery risk, particularly those sourcing from overseas suppliers.

In Chinese retail trade services industry, linkages to forced labour stem in large part due to the ongoing risk of the use of the forced labour in certain regions. More broadly, workers in China often do not enjoy the benefits of key workplace protections such as freedom of association, the right to strike and there can be a lack of regulatory oversight in enforcing minimum wages, working conditions and overtime.

Hotel and Restaurant Services supply chain in China and USA

Minimal reporting (and therefore oversight) exists regarding labour conditions in Chinese hotels and restaurants. Hotel and food service staff are among the lowest paid in the country, and the limited research that does exist on the incidence of child and forced labour in China makes it difficult to assess the historical use of these forms of modern slavery which may be ongoing today.

Being low barrier-to entry-industries, hospitality and accommodation industries attract low-skilled, low-education migrant workers in the United States. Compliance actions by the US Department of Labour for failure to meet national minimum workplace standards are highest in the 'Food Services' industry amongst all other industries. Migrant workers working in hotels and restaurants are particularly vulnerable because of US visa requirements and / or fear of immigration-related retribution by their employers.

Professional Business Services in India

Professional business services, including computer and financial intermediation services, in India provide essential support for many foreign-based businesses. However, both sectors face an elevated risk of modern slavery.

Business and human rights expert organisations describe a persistent weakening of labour right protections for IT workers in the post-COVID pandemic era. Vulnerability to exploitation is also compounded by low union membership. Further, financial intermediation services, which have been known to benefit from forced and child labour in India are also exposed to a higher risk of modern slavery.

Transportation Services supply chain – Mexico, United States

There is higher risk of modern slavery in the transportation industry in Mexico and the United States of America due to the use of complex sub-supplier chains involving multiple vendors and modes of transport, the use of a low-skilled and migrant workers, and the isolation of many workers in this industry. Trucking may also be used for people smuggling, forced labour and sex trafficking purposes, with trucks crossing into the United States identified as a particular hot spot for this illicit activity.

Crude oil supply chain in Asia Pacific

Crude oil is a common natural resource extracted both off-shore and on-shore around the world and, in particular, from reservoirs in the United States, Saudi Arabia, Russia and Canada. In the Asia Pacific, Indonesia is the region's largest producer, followed by India. Globally, oil extraction is recognised as high risk for human rights abuses, where there can be poor conditions for workers, and the displacement and oppression of indigenous groups subject to drilling.

Multinational mining conglomerates, including well-known names in the Australian and American markets, as well as local and State-owned companies are responsible for the extraction of Indonesian-sourced oil. Australian oil & gas exploration and production companies that have relationships in Indonesia can be exposed to modern slavery risks. Child labour is a risk in Indonesia and is more likely in rural as opposed to urban areas, including in the Papua and West Papua provinces, which remain sites of ongoing civil instability and poverty against national standards. Recent data also indicates that regulatory oversight of working conditions at Indonesian extraction sites may be lacking in places.

Industries with elevated absolute slavery intensity

There are specific sectors and countries in our current portfolio holdings with elevated absolute slavery risk intensity measured as theoretical slaves per A$1m invested and is attributed a rating by our External Expert. The 'intensity' measure goes one step further than the analysis above (which identifies industries at elevated risk). The highest contributions to modern slavery intensity risk, designated as 'High' and 'Moderate-High' include:

- retail trade services supply chain, including consumer staples and consumer discretionary in India and Brazil (described above);
- hotel and restaurant services in China (described above);
- computer and related services in India (described above);
- retail Services, including apparel retail in China (described above); and
- construction and infrastructure supply chains.

Infrastructure carries a greater risk of exposure to modern slavery when dependent on construction machinery that is manufactured offshore, high-risk building materials such as PVC, steel, or bricks, and when there is a reliance on subcontracted labour or vulnerable workers.

There are also specific risks linked to the procurement of solar panels for infrastructure projects. One of the key components of the solar supply chain, polysilicon, has been widely associated with the state-imposed forced labour schemes in China. The 2023 Global Slavery Index has recognised this risk, identifying solar panels as one of the top 5 "at risk" products imported by G20 countries.[13]

The above risk assessment observations will inform our forward engagement with investment managers.

Ultimately, our objective is for risks to be appropriately considered in investment decision making processes, potential events to be reported promptly, and for our investment managers to seek practice improvements, mitigation and remediation processes.

Case study: Apparel factory tour

Cbus engaged with one of our Global Equities investment managers, Alphinity Investment Management, to gain a deeper understanding of the ready-made garment industry and identify ESG and human rights issues. The ready-made garment industry has also been identified as one of Cbus high risk sectors.

In 2023, a member of Alphinity's ESG team travelled to Bangladesh and Vietnam to engage directly with apparel factory workers, non-governmental organisation (NGOs), industry bodies and companies. The purpose was to gain a deeper understanding of human rights issues in the ready-made garment industry. From this visit, three key insights emerged.

- First, apparel production is set to grow in Bangladesh and Vietnam, potentially increasing the risk that working conditions decline and modern slavery prevalence worsens. This emphasises the need for continued investor focus on this industry.
- Second, Alphinity discovered hidden challenges of ESG targets set by brands. Although Alphinity considers supply chain ESG commitments a good practice, factory managers were concerned about the cost burdens these targets place on factories. While programs around decent work and environmental impact can promote supply chain resilience and productivity, making these investments is challenging when contracts are often short term and with variable time frames.
- Third, since the Rana Plaza collapse in 2013, there have been notable improvements in Bangladesh' Tier 1 factories in the areas of safety, forced labour and child labour. However, low wages and long working hours remain significant issues. Alphinity also recognised that equality is an emerging issue. Workplace culture issues can be widespread in garment factories, both from a gender standpoint in Bangladesh, where most supervisors are men, and ethnicity standpoint in Vietnam with issues around bullying and harassment.

Alphinity highlighted to us the potential investment detriment associated with a failure to manage modern slavery and human rights risks, such as the potential for increased regulation, supply chain disruption, reputation or legal action.

This field trip provided valuable on-the-ground insights, allowing Alphinity to better understand country and sector level risks regarding human rights issues present in today's apparel trade. The trip also highlighted the need for companies to take a staged approach to manage specific issues that are material to the garment type and manufacturing region. For example, auditing for child or forced labour in Tier 1 factories may not identify material issues such as low wages, long hours and working conditions.

Our hope is that by our external managers engaging companies on minimum wage expectations, maximum overtime hours and supplier gender diversity data, it may have positive impacts for workers and over time contribute to better human rights outcomes and risk management.

Field trips such as this are important as they not only focus on specific issues on the ground, they garner insights and learnings that can be applied more broadly – the key benefit being uplifting knowledge. Such trips can also assist in influencing change by shining a spotlight on key issues and demonstrating that this is an area of ongoing focus for investors internationally.

13. https://www.walkfree.org/global-slavery-index/findings/importing-risk/
14. https://webapps.ilo.org/infostories/en-GB/Stories/Country-Focus/rana-plaza#national-priority

Cbus Property

Cbus Property Risk Profile

Number of suppliers



High | Moderately High | Moderate | Moderately Low | Low

The 2024 risk assessment results showed that 44% of Cbus Property risk is within the supply chains of the construction and development business.

The remainder is spread across the property management supply chains (including in cleaning and security services), and corporate supply chains (professional services, recruitment and office accommodation).

31% of the risk is in Tier 1, and a further 51% of our risk lies in Tiers 2, 3 and 4.

The graph above illustrates that our risk assessment of all Cbus Property's supplier risk profiles are rated as low or moderately low.

Our suppliers

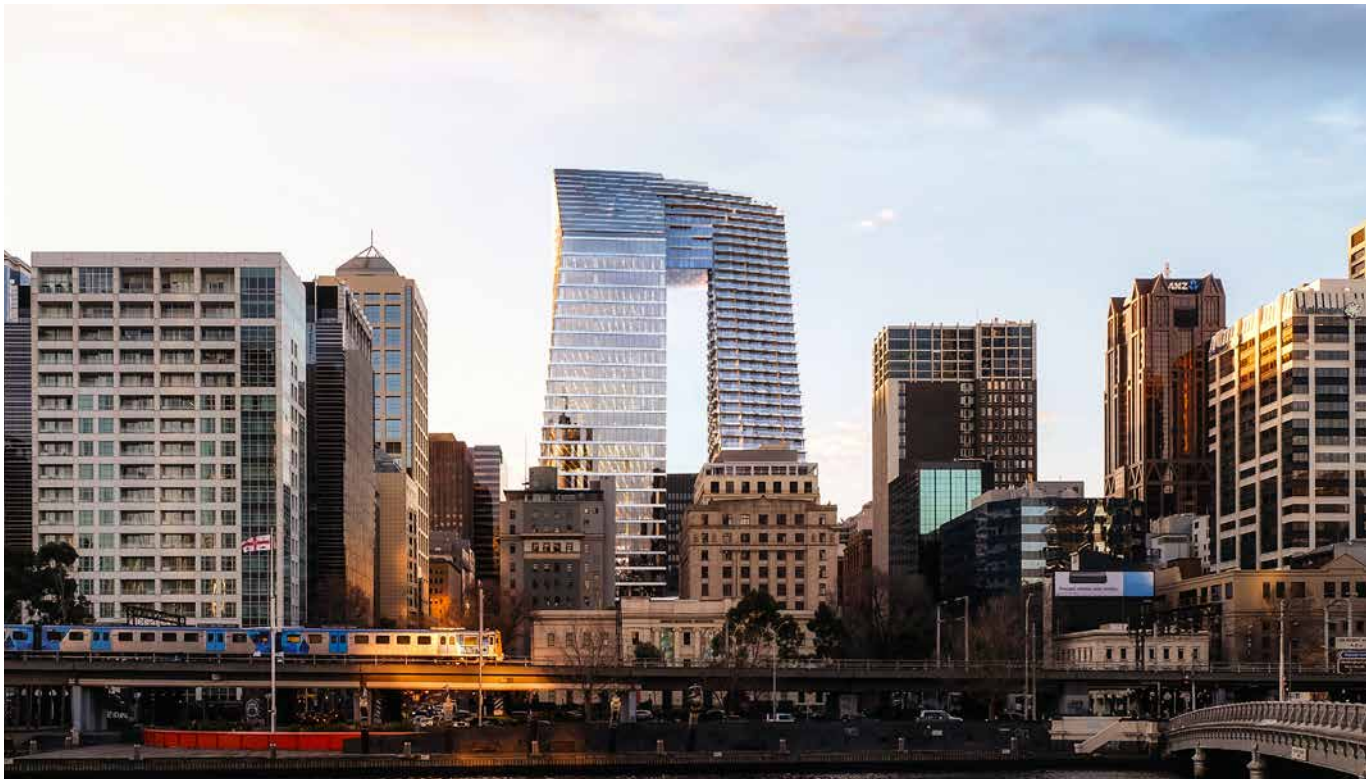
Industries with an elevated risk of modern slavery in our operations and supply chains are as follows:

Australian Construction Work

The Australian construction industry is recognised in the 2023 Global Slavery Index as having potentially elevated modern slavery risks.[15] This is due to the industry's predominant use of vulnerable low-skilled migrant workers and the complex global supply chains of construction materials and machinery. There have been published reports of vulnerable migrant workers in the construction industry suffering wage theft and unconscionable debt to overseas recruitment agencies.[16]

Cleaning and Security

The cleaning and security industries have a relatively high reliance on low skilled migrant workers recruited through labour hire agencies. Modern slavery risks across these industry categories are also elevated due to engagement with multi-tiered subcontractors who often use informal payment mechanisms and fail to provide workers with sufficient protection through mechanisms such as employment contracts.



15. https://www.walkfree.org/global-slavery-index/country-studies/australia/
16. https://www.walkfree.org/global-slavery-index/country-studies/australia/

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

Cbus Super – Procurement

Our External Expert has confirmed the modern slavery risk in our supply chain has not changed materially over the last 12 months with around 99% of our suppliers considered a 'low' or 'moderately low' risk rating. As a result of the update to the Global Slavery Index dataset, the risk rating for around 1% of our suppliers have been reclassified as 'moderate' or 'high risk'.

The risk assessment completed in the previous Reporting Period 2023 identified theoretical modern slavery risks in our supply chain with the following three industry categories identified as having heightened risk:

- computer and technical services;
- advertising including merchandising; and
- property services or facilities.

During this Reporting Period, we used the 2023 assessment to identify our suppliers in these categories and combined them with our high-risk suppliers overall. We then ranked this list based on the highest to lowest risk of modern slavery, selecting the top 40 high-risk suppliers to issue with a self-assessment questionnaire (SAQ). 51% of those suppliers provided responses (up from 49% in 2023 and 25% in 2022) to the questionnaire which were then validated by our External Expert.

There are significant variations in the SAQ Responses received from suppliers in terms of awareness of and vigilance with respect to modern slavery. For suppliers that demonstrated a low understanding or vigilance of modern slavery we aim to work with them to improve their understanding including through the offering of awareness raising training.

Cbus Super – Investments

Alongside our annual risk analysis, our modern slavery engagement over the past 12 months has focused on investment managers identified with higher risk exposures in our June 2023 analysis. This included 18 managers holding the Top 20 assets with highest indicative risk exposures and investment managers with elevated risk portfolios significantly above the broader portfolio average. We engaged with 16 equities managers (3 of which are our internal investment team) and 2 external infrastructure managers.

The engagement responses demonstrated a high level of awareness amongst managers represented in the Top 20 risk exposures and that they have mitigation plans in place, albeit that a range of approaches were used to assess modern slavery risk.

Through engagement it was evident that our managers' processes had improved, and they were able to provide detailed notes on their approach. We learned about their engagement with investee companies as well as their plans to enhance engagement on modern slavery risk identification and management. We will continue to monitor progress in relation to evolution of processes, approach, and outcomes from engagement.

Our External Expert has confirmed that our indicative investments modern slavery risk has not changed materially over the last 12 months.

However, this overall "Low" risk ranking does not mean we can be complacent. Based on our 2024 assessment, our listed equity investments continue to represent the largest contributors to potential modern slavery risk. Within this group, our highest risk exposure remains in Global Equities, followed by Australian Equities and Emerging Market Equities. To this end, we note that:

- Global Equities risk contribution is higher than last year;
- Emerging Markets risk contribution slightly lower which is partially attributed to a decrease in investment allocation over the 12 months and changes in underlying stock exposures; and
- our overall portfolio risk remains most sensitive to changes in Emerging Markets equity allocations, followed by Global Equities and Australian Equities allocations.

We aim to use the above findings to inform our manager monitoring for FY2025. For example, it will feed into upcoming engagement and due diligence activity. We will also present these findings to the relevant internal investment teams and external fund managers to raise their awareness of the issues.

Within our investment portfolio, approximately 74% of our modern slavery risk is attributed to Tier 1 suppliers ("direct suppliers" to our investment holdings) and Tier 2 ("suppliers of suppliers" to our investment holdings). While proactive engagement by our managers is observed, we continue to discuss with our investment managers their evaluation of Tier 1 and Tier 2 supply chain risks, and the importance of a systematic engagement with companies to improve transparency regarding supply chain risk, disclosure of modern slavery events, and mitigation approaches.

Case study: Survey of external managers regarding modern slavery risk management

Approximately 66% of our investments are managed externally. During the Reporting Period, in addition to engaging with external fund managers about our approach and expectations regarding modern slavery risk management, we have conducted a survey on their approach to addressing modern slavery risk.

By way of background, in 2021 Cbus worked with other industry participants to develop an investor-led modern slavery questionnaire. We had our managers complete this in 2021, and over the course of FY2024 we reissued an updated version of this questionnaire to our investment managers.

Specifically, we surveyed our active external fund managers in our Equities, Infrastructure, Property, Credit, Alternatives and Private Equity portfolios.

We developed an internal methodology (applying a rating of Low, Medium or High based on manager responses to the questionnaire) to assess governance and oversight, any specific strategies to address risks, and the quality of disclosure.

Some notable findings from the survey include:

- Fund managers residing in countries where modern slavery reporting obligations already exist tend to have more rigorous management and assessment approaches.
- Approximately 70% of our external managers were rated as Low to Medium Risk.
- The 30% of external managers assessed as being higher risk had no defined process for identification of exposure to potential modern slavery risks or have an outdated modern slavery statement or provided insufficient information.
- The level of analysis varies between asset classes with property and infrastructure being more proactive in their assessment and management of modern slavery. This is probably due to the greater control these assets enable.
- Many of our property and infrastructure managers primarily address modern slavery through contractor and supplier policies and auditing, enabling the managers to address potential modern slavery for at least Tier 1 and Tier 2 suppliers and contractors.
- Consistent with our External Expert's findings - the high-risk sectors to which managers indicated they were most commonly exposed included retail, construction and building materials, hotel and restaurants, transport and financial services.
- Several managers focus on the use of labour hire as part of their due diligence and ongoing company engagement process. Global companies generally do not disclose the use of labour hire agencies. Whilst the use of labour hire is not viewed as inherently negative, we believe it does come with elevated human rights risks. Labour hire arrangements can result in downward pressure on wages, lack of enterprise bargaining, heightened safety risks, reliance on low skilled, vulnerable workers and reduced accountability.
- Consistent with our survey in 2021, engagement with investee companies is a common approach and is a key activity in mitigating the risk of modern slavery across our external managers.
- More than 70% of surveyed external fund managers are either legally required or voluntarily prepare a Modern Slavery Statement.

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

The importance of deep dive questioning of managers regarding modern slavery not only helps inform us of their progress in identifying, assessing and mitigating modern slavery risks but also provides a mechanism to signal the importance we place on managers understanding and identifying the risks of modern slavery within the portfolios that they manage for us (and no doubt other clients). It helps support continuous improvement.

Cbus Property

The 2024 risk assessment results showed that 44% 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 supply chains (professional services, recruitment, and office accommodation). This risk assessment is consistent with previous assessments that informed our priority actions, and we continue to focus on these areas.

To further understand where the construction risk lies, in May 2023, Cbus Property undertook a deep-dive risk assessment of the company's construction activities, with a particular focus on identifying and addressing modern slavery risks.

The project began with a thorough assessment of the potential risks within various trades and categories across Cbus Property's development projects. By conducting this in-depth evaluation, the company gained a better understanding of the specific areas where risks were highest, particularly in relation to modern slavery. This allowed Cbus Property to focus on high-priority trade practices that were most at risk of unethical labour practices.

Building on this work, in FY2024 Cbus Property developed a Responsible Procurement Plan template tailored to its development projects. The template is designed to establish a consistent approach to managing modern slavery risks and ensuring that procurement decisions address these high-priority trade areas. The Responsible Procurement Plan adheres to best practice industry principles, is aligned with the Responsible Procurement credit in the new Green Star Buildings tool, and to the Sustainable Procurement Standard ISO2040.

To test its effectiveness, the Responsible Procurement Plan was piloted in collaboration with our builders at two major projects:

- 185 Wharf Street, Brisbane (residential)
- 435 Bourke Street, Melbourne (commercial office)

These pilots allowed Cbus Property to work in partnership with our builders to assess the plan's practical application and refine the approach before wider implementation.

One of the main objectives of the Responsible Procurement Plan is to provide clear guidance to builders, helping to upskill the construction industry in responsible procurement practices. By sharing our insights and approach, Cbus Property is encouraging collaboration throughout the industry, creating a ripple effect that promotes higher standards across multiple stakeholders.

Cbus Property's work on responsible procurement demonstrates our proactive and collaborative approach to addressing modern slavery risks in the construction industry. By developing a clear framework for responsible procurement, Cbus Property is helping set a consistent benchmark for our development projects. Through a commitment to sharing learnings and working with our industry partners we aim to drive long-term improvements in sustainability and social responsibility across the construction sector.

Case study: Cleaning Accountability Framework Portfolio Certification

In February 2024, Cbus Property became the first building owner in Australia to have all its office buildings and shopping centres certified by the Cleaning Accountability Framework (CAF).

The certification was part of a strategic initiative, set in 2021, to achieve CAF certification across our entire investment portfolio culminating in nine office buildings and two shopping centres, representing approximately 700,000 square meters of space and employing over 500 cleaners.

Established in 2012, CAF works across Australia's cleaning supply chain to improve working conditions, promote ethical procurement, and introduce industry best practices. CAF's Building Certification Scheme, launched in 2019, is a recognized anti-modern slavery measure, making it a valuable tool for real estate investors and building owners seeking to address ethical concerns in their cleaning operations.

Achieving CAF certification required collaboration and engagement among various stakeholders, including JLL, Knight Frank, CBRE, GPT, Dexus, Consolidated Property Services, Dimeo, Tradeflex, Assetlink, and the United Workers Union.

Cbus Property appointed 11 cleaners across its commercial office and retail investments as CAF representatives to act as voices for ongoing engagement with cleaning staff, enabling issues to be identified and addressed in real time. A key aspect of CAF certification is its annual health checks, which ensure continuous improvements in workplace conditions for cleaners.

CAF's certification process brought several issues to light, including instances of cleaners experiencing heat stress. Cbus Property's approach to resolving this issue exemplifies its commitment to worker welfare. When cleaners raised concerns about the challenges of working in high temperatures, Cbus Property, in partnership with building managers, cleaning contractors, and the union, acted swiftly to find collaborative solutions. To mitigate heat stress, Cbus Property introduced a range of measures, including:

- Adjusting evening shifts to allow cleaners to work while air conditioning is still running.
- Providing fans to improve air circulation.
- Introducing uniforms made from breathable fabrics.
- Ensuring access to cooled water in building kitchens to prevent dehydration.

These proactive steps not only alleviated the immediate issue but also demonstrated a strong commitment to the well-being of cleaners.

By achieving CAF certification, Cbus Property not only meets regulatory standards but also champions a sustainable and socially responsible approach to property management. The company's example encourages other building owners to follow suit, furthering efforts to eradicate unethical practices within the cleaning industry.

CAF certification is not just a one-time achievement but a continuous process of improvement that benefits both workers and the broader real estate sector.

"Our certification is testament to the collaborative approach of our property management teams, cleaning contractors, and their employees," Adrian Pozzo, CEO Cbus Property.

Building	Lettable area (sqm)	Original certification date
1 William Street, Brisbane (co-owned with ISPT)	76,405	February 2024
140 William Street, Perth	41,000	June 2022
171 Collins Street, Melbourne (co-owned with Charter Hall)	33,132	October 2023
311 Spencer Street, Melbourne	65,500	June 2022
313 Spencer Street, Melbourne	29,500	October 2021
447 Collins Street, Melbourne (co-owned with ISPT)	49,405	December 2021
5 Martin Place, Sydney	33,860	May 2023
720 Bourke Street, Melbourne	46,500	Oct 2019
83 Pirie Street, Adelaide	30,819	June 2023
Macquarie Centre, Sydney (co-owned with UniSuper as part of the Australian Core Retail Trust)	138,000	December 2022
Pacific Fair Shopping Centre, Gold Coast (co-owned with UniSuper as part of the Australian Core Retail Trust)	150,229	August 2023

Industry collaboration

Cbus is not only focused on the risks of modern slavery within our own investment operations and supply chain. We are committed to working with the investment industry to contribute to addressing modern slavery. Cbus remains a signatory to the Principles for Responsible Investment (PRI).

We are members and/or participants 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 Institute (ASFI)
- International Sustainability Standards Board Investor Advisory Group

Cbus Property are members of the following industry bodies:

- Property Council of Australia
- Cleaning Accountability Framework

All of these organisations do important work that seeks to combat or disclose actions on modern slavery.

Investment Stewardship Activities and Partnership

In our listed equity portfolios, given our relatively lower levels of ownership and influence and combined with the systemic nature of modern slavery, we actively support engagement, alongside other investors, with listed companies to improve oversight, management, and remediation of modern slavery risks.

We do this through our membership of ACSI, Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) and globally through EOS at Federated Hermes.

In addition, we actively consider all Australian Stock Exchange (ASX) listed companies' human rights resolutions.

ACSI engagement with ASX listed companies on Cbus' behalf

ACSI engages with ASX300 boards on material ESG issues on their members' behalf to positively influence ESG performance. In FY2024, ACSI held 74 engagement meetings with 61 ASX300 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 detailed analysis of the third year of reporting of Modern Slavery Statements by ASX200 companies. The research methodology went beyond measuring strict compliance to assess whether companies reported on areas of recommended practice in the Government Guidance. Based on the findings from the research, ACSI engaged with companies throughout FY2024 on their approach to, and reporting of, modern slavery issues and how they can improve to ensure that they more effectively address their risks.

ACSI is also a member of IAST APAC and has directly led and participated in engagement with companies as part of this initiative. During the Reporting Period, ACSI participated in 5 engagement meetings with ASX300 companies as part of IAST APAC.

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.

Investors Against Slavery and Trafficking Asia Pacific (IAST APAC)

IAST APAC comprises 49 investors with AUD 12 trillion in Assets Under Management (AUM) and 23 Asia Pacific focus companies as of 30 June 2024, together with ACSI, Walk Free and the Finance Against Slavery and Trafficking (FAST) initiative. Focus companies operate across consumer discretionary, consumer staples, technology and healthcare sectors. IAST APAC is an investor-led multi-stakeholder, collaborative project to engage with companies in the Asia-Pacific region to promote effective action in finding, fixing and preventing modern slavery in operations and supply chains.

During the year, IAST APAC achieved several outcomes through two workstreams.

Workstream 1: Investor Advocacy

Workstream 1 is focused on advocacy and sharing information for improved modern slavery risk management and modern slavery incident response. Key achievements of this workstream included:

- Publishing core metrics for modern slavery action, disclosure, collection, and publication[17] to help provide an initial scalable step towards analysis of company performance. The metrics are aimed at facilitating discussion and engagement with companies (and other stakeholders) to better understand modern slavery risks and move towards positive outcomes.
- In support of its advocacy efforts, IAST APAC made the following contributions:
  - Writing to the Australian Government expressing support for the establishment of a National Compensation Scheme to support victim-survivors of modern slavery identified in Australia.
  - Co-signing an investor letter to New Zealand (NZ) government on Modern Slavery calling on the NZ government to enact robust modern slavery legislation that includes due diligence requirements.
  - Providing comment on International Sustainability Standards Board (ISSB) request for information consultation on agenda priorities to promote effective action in finding, fixing, and preventing modern slavery in operations and supply chains.

We also encouraged and participated in the establishment of a data working group within Workstream 1. The group worked to develop a set of core modern slavery metrics and engaged with data providers to raise awareness of the metrics (and to better understand the data gaps against existing modern slavery data offerings).

Workstream 2: Collaborative Engagement

Workstream 2 focuses on collaborative engagement with companies in the Asia-Pacific region. Key achievements of this workstream included:

- In FY2024 IAST APAC engaged with 23 focus companies across the consumer discretionary, consumer staples, technology, and healthcare sectors. Companies are listed on stock exchanges across Australasia. Due to the complexity of issues related to human rights in the supply chain, it is anticipated that this will be a multi-year initiative.
- Holding several knowledge sharing events. This included an event alongside the Principles for Responsible Investment (PRI) in Tokyo addressing forced labour in Malaysia (October 2023) and a Human Rights Due Diligence-themed event in South Korea (March 2024). Other events included an ACSI event on engagement with companies to discuss findings of the second ACSI / Pillar 2 review of modern slavery statement compliance and quality (March 2024) and a second engagement masterclass (April 2024). An event was also held focussed on mitigating Artificial Intelligence (AI)-related risks from a portfolio and operations perspective.

The latest IAST APAC annual report can be accessed at: **https://www.iastapac.org/tools-resources/**

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 in which we invest through our Global Equities portfolios. EOS at Federated Hermes engages companies on sustainability, governance, environmental, and social concerns on behalf of their clients including Cbus. During the Reporting Period, on behalf of Cbus, two notable engagements included:

- Engaging with an e-commerce company in the Asia Pacific region to establish a human capital management strategy and improve disclosures, including key metrics and targets. In response to engagement, the company has highlighted additional benefits provided to employees in its ESG report, and improved disclosure of key metrics such as employee turnover rates by gender, age, and region.
- Engaging with a global contract food service company regarding the effectiveness of its policies and processes in uncovering modern slavery in its supply chain. In response, the company conducted an independent review to assess the recruitment and treatment of workers from 7 source countries – the review found that the company was compliant with all International Labour Organization forced labour indicators, with no serious breaches. The company remains committed to a program of continuous improvement.

17. https://cdn.iastapac.org/content/uploads/2023/09/27061036/IAST APAC-Core-Modern-Slavery-Metrics-September-2023.pdf

Case study: Consumer discretionary multi-year company engagement

We engaged with a consumer kitchen appliance company whose major manufacturing partners are based in China. Cbus is the IAST APAC engagement lead for this company. There was an opportunity to extend its supply chain audit program and to augment 3rd party risks assessments performed by Sedex. The company reported it has progressed its assessment of its supply chain by increasing the number of supplier audits from 12 to 21 in FY2024 – these suppliers contribute to at least 75% of the company's total order volume. The company has started designing a modern slavery awareness and assessment training program for its staff. Engagement with the company about its ongoing modern slavery risk assessment will continue.

Property Council of Australia Supplier Platform

In June 2020, Cbus Property became a member of the Property Council of Australia's Modern Slavery Supplier Platform initiative.

This is an online centralised platform used for capturing information from around 14,000 different suppliers on their policies and practices on mitigating modern slavery risks. It effectively standardises the information requests from suppliers across the industry.

The Property Council's Supplier Platform is now integrated into our tender process for high-risk supply categories and used to conduct supplier reviews and evaluation of all existing high-risk suppliers.

Cbus Property has used the Property Council's Supplier Platform as follows:

- 100 per cent of our 'highest' risk suppliers have completed the Property Council's Supplier platform questionnaire. The 'highest' risk refers to the supplier types identified in our risk assessment which are head contractors, property managers, cleaning and security contractors.
- 100 per cent of our 'highest' risk suppliers have provided training to the board of directors, their senior leadership team and current employees around the topic of human rights and modern slavery.
- All tenders for Cbus Property's high-risk suppliers that occurred in the Reporting Period were pre-screened using the information in the Property Council's platform.
- Cbus Property's evaluation framework was used to assess 100 per cent of all high-risk supplier tenders, and improvement notices provided where a suppliers existing modern slavery processes were below our criteria.

Policy adoption and due diligence

The following table outlines the policies and due diligence processes that have been adopted and implemented into our business processes during the Reporting Period:

Cbus	
Human Rights Policy	Incorporated in related policies, processes frameworks and action plans that apply across our business operations. First adopted in 2021, this was updated in August 2023 and is reviewed every 2 years.
Modern Slavery Risk Framework	The Risk Framework broadly covers our approach to managing modern slavery risk both internal (our staff) and external (across procurement and investments), monitoring and reporting, roles and responsibilities and addressing instances of modern slavery. This was approved in 2021, updated in August 2023 and is reviewed every 2 years.
Whistleblower Policy	Modification of our policy and an extension of our existing arrangement with a whistleblower service so that the service can accept internal and external stakeholder human rights grievances. This was updated in December 2022.
Investments ESG Risk	The fund's material risk "Investments ESG" incorporates reference to modern slavery risk and controls in relation to due diligence for new managers and assets, external manager assessments and monitoring.
Third-party Risk Management Policy	Outlines how and when risk is assessed, and due diligence performed for all suppliers (in Tiers). First adopted in 2021 and subject to review every 2 years.
Risk Management Controls	Specific risk management controls have been implemented in our enterprise risk management system to ensure core requirements of the Modern Slavery Risk Framework are met on an annual basis.
Due diligence questionnaire	Issued as part of large tenders or contract renewals to suppliers, and as part of investment manager due diligence.
Modern slavery model clauses	Incorporated in relevant large new or renewed contracts, and investment management agreements.
Cbus Property	
Human Rights Policy	Articulates our commitment to respecting Human Rights including modern slavery mitigation, first finalised and endorsed by the Cbus Property Board in December 2021 and was updated in February 2024. The Policy is issued to all Principal Contractors, Managing Agents and Development Key Consultants as part of the tendering and procurement process.
Modern slavery model clauses	Incorporated our best practice standardised modern slavery clauses in all key high-risk contracts. Our modern slavery clauses are being monitored and will be periodically reviewed.
Due diligence	Continued to improve modern slavery requirements integrated into our due diligence and procurement processes.

Roadmap actions completed and future actions arising

In previous Modern Slavery Statements, Cbus outlined its roadmap of activities undertaken and their status. Over the course of the current Reporting Period, Cbus has completed most of the actions identified and have embedded them into our normal business processes.

We recognise that our work in identifying, remediating, and preventing modern slavery in our operations and supply chains is ongoing and that undertaking certain actions gives rise to the need to undertake further actions.

The following table describes the roadmap actions we have undertaken over the past year and their status. Some of these actions are ongoing and we remain focused on them and on this basis our focus areas have not changed materially.

Action	Description	Status	Future actions
Integrate modern slavery risks into our existing corporate and management policies	Cbus and Cbus Property will continue to review all relevant policies to address modern slavery risk.	Completed	Ongoing review and monitoring.
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 its existing Supplier Code of Conduct (Charter of Selection) to integrate modern slavery considerations.	Completed	Ongoing review and monitoring.
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 its own policy.	Completed	Ongoing review and monitoring.
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.	Partially completed (Ongoing)	Maintain a high response rate for SAQ process, through early engagement with suppliers to obtain greater detail and insights. Cbus Property has developed a Sustainable Procurement Framework and will continue the integration of this framework into its procurement system.
Undertake further analysis into our priority supply chains	Cbus and Cbus Property will undertake further assessment of our priority supply chains.	Completed (Ongoing)	Continually evolve supply chain risk assessment information collection of supply chains focusing on areas of higher potential risks of modern slavery. Continue to include modern slavery considerations into tenders going forward. Cbus Property are piloting responsible procurement plans with two builders at two separate projects to test effectiveness before implementing to all projects moving forward.

Action	Description	Status	Future actions
Update our risk management framework to further integrate modern slavery risks	Cbus to update its risk management frameworks to include modern slavery risk.	Completed (Ongoing)	Modern slavery risk was incorporated into the Fund's material Third Party Risk. Cbus Property has integrated Human Rights (modern slavery) into its risk management framework.
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 Property Council of Australia's Supplier Platform.	In Progress	Cbus Property has expanded its due diligence process through the Property Council's Platform to capture the next tier of suppliers classified as 'medium' risk. Cbus Property will conduct a review of the evaluation framework in FY25 to inform supplier engagement activities for current suppliers as well as for tenders
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	Cbus and Cbus Property will monitor the legislation and periodically review contract clauses and will also expand these best practice contract clauses to a broader range of suppliers.
Deliver training to employees around the implications of modern slavery	Cbus and Cbus Property to develop a training framework to roll out training to staff and an awareness program for relevant Committees.	Completed (Ongoing)	Training was developed and rolled out in FY24 to all employees in the areas listed on page 29. Cbus Property will continue to train employees on modern slavery issues, including through more targeted training to specific roles - such as development management and property management.
Monitoring of investment managers	Cbus will continue to incorporate modern slavery monitoring into annual manager attestations and annual strategy reviews.	Completed (Ongoing)	Modern slavery will continue to form part of manager monitoring as part of business-as-usual practices.
Actively support collaborative initiatives. Continue to engage in industry collaboration.	Cbus to identify one collaborative initiative for participation.	Completed (Ongoing)	Cbus will continue to support and/or participate in industry initiatives for example: ACSI, EOS at Federated Hermes and IAST/APAC. Cbus Property will target strategic suppliers through Supplier engagement plans – engaging with strategic suppliers to discuss modern slavery risks and collaborate on supply chain due diligence.
Develop and promote a grievance mechanism and develop remediation framework	Cbus Property will work towards developing their own remediation framework.	In progress (Ongoing)	Cbus Property has commenced a review of our existing grievance mechanism and remediation framework based on industry guidance and supporting tools.

Training and education

Cbus

Roll out of Modern Slavery eLearning Course

During 2024 Cbus developed a modern slavery online training course.

We believe that all Cbus employees have a role to play in managing modern slavery risk and should be provided with annual training and awareness. Consequently, we have developed an online training course that covers information about modern slavery risks and vulnerabilities across our operations and investments. All Cbus employees in the following areas are required to complete this training:

- Executives
- Head of
- Investments
- Compliance
- Legal
- Procurement
- Risk Management & Assurance
- Investment Relations
- Tier 1 Relationship Owners

Specific information and links have been added to the training module where new policies and procedures have been developed to guide decision making processes (such as our Modern Slavery Risk Framework).



On an annual basis controls are reviewed and updated covering the conduct of risk assessments and compliance with Modern Slavery legislation.

Cbus Property

Cbus Property has continued its modern slavery training program and continues to train all employees on modern slavery risks and indicators. This training has been integrated into our induction process for new employees. Cbus Property confirms that:

- 100% of all new employees have completed modern slavery training by the due date assigned
- 100% completion rate of employees finishing their biennial MS mandatory compliance training.

Grievance and remediation

Cbus is committed to providing for or co-operating in remediation where we identify that we have knowingly or unknowingly caused or contributed to modern slavery incidents but note that each instance is likely to require remediation particular to its circumstances.

Both Cbus and Cbus Property have adopted Human Rights policies and reviewed and updated Whistleblower policies. The Cbus Modern Slavery Risk Management Framework directly calls out the requirement to monitor grievances raised through grievance mechanisms. The Incident Management Policy will capture and track remediation of modern slavery incidents.

Grievance process

Modern slavery or other human rights misconduct in which Cbus may be involve directly or indirectly may be raised by:

- Cbus Channels
- External Channels (Conduct Watch)
- Disclosure to regulators or other parties

For more information, please refer to Cbus' Whistleblower Policy

https://www.cbussuper.com.au/content/dam/cbus/files/governance/policies/whistleblower-policy.pdf

Whistleblower Hotline (Conduct Watch)

Deloitte Conduct Watch is an independently monitored, external, anonymous, and toll-free service for people who wish to speak up and report their concerns of Improper Behaviour relating to Cbus. Cbus has appointed Deloitte as an Eligible Recipient to receive Disclosures under the *Corporations Act 2001 (Cth)*. The hotline is monitored by trained and experienced forensic professionals who interview the caller to ensure all available and relevant facts are obtained. This channel is available 24/7.

The Conduct Watch hotline: **1800 790 438**

Website for making disclosures anonymously: **cbussuper.deloitte.com.au**

By post – disclosures, along with any additional information, can be posted to a secure mailbox at the following address:

Reply paid 12628

A'Beckett Street Melbourne VIC 8006

In June 2022, Cbus Property commenced the process of developing its modern slavery Remediation Framework, starting with a management workshop aimed at mapping out Cbus Property's expected remediation process, guided by best practice remediation principles (UN Guiding Principles Reporting Framework).

In May 2024, we initiated a review of our existing remediation framework and grievance mechanism to ensure we are incorporating the latest industry best practices in this area.

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. To ensure this assessment is occurring we have multiple governance overlays to ensure due diligence and mitigation activities are being undertaken and policies are being developed and adhered to.

Our Modern Slavery Working Group

The Working Group has been involved in steering and coordinating our joint modern slavery response.

The cross-divisional Working Group consists of representatives from a range of internal divisions, including, Cbus Risk Management, Legal, Investment Relations, Investments, Procurement, Sustainability (Cbus Property) and Governance & Risk (Cbus Property).

The Group typically meets monthly 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 actions undertaken and forms the first line of response to the risk of and actual incidence of modern slavery in our operations or supply chains.

Our Executive, Board Committees and Boards

Cbus assesses and reports modern slavery risk to the Executive Committee and Board. On an annual basis controls are reviewed and updated covering the conduct of risk assessments and compliance with Modern Slavery legislation.

Cbus Property has updated its modern slavery reporting framework to align with changes in governance and oversight, now reporting to the Executive team quarterly and to the Board every 6 months.

A series of metrics are reported on each quarter as part of this framework and integrated into the overall enterprise Risk Management Framework. These metrics enable us to monitor the implementation of our modern slavery due diligence program and its integration into the business.

Both the Cbus Board and Cbus Property Board are responsible for the adoption and monitoring of organisational policies including those outlined in this statement.

The Cbus Executive Committee, Cbus Property Board, and the Cbus Board are responsible for considering and approving relevant parts of this statement.

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 have 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.

Part 7: Other relevant information

There is no other relevant information that Cbus or Cbus Property have identified for reporting purposes.

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 2
Describe the structure, operations and supply chains of the reporting entity (s16 (1) (a) – (b))	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
Include any other information that the reporting entity considers relevant (S16 (1) (g))	Part 7

Appendix B: Initial risk assessment methodology

1. A 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 208 countries, and in relation to 37,318 industry/country combinations. 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. Official statistical data from numerous national agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
    i. The Global Slavery Index;
    ii. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
    iii. The United States' Reports on International Child Labour, Forced Labour and Human Trafficking.
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.

Contact us



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Visit us in person in Adelaide, Brisbane, Melbourne, Perth and Sydney.
Details: **cbussuper.com.au/contact**

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