

# Hostplus Modern Slavery Statement.

For the financial year ending 30 June 2021



Hostplus respectfully acknowledges the Wurundjeri people as the Traditional Owners of the Melbourne central business district where our head office is located. We pay our respects to leaders, past, present, and emerging, and we commit to caring for these ancient lands.

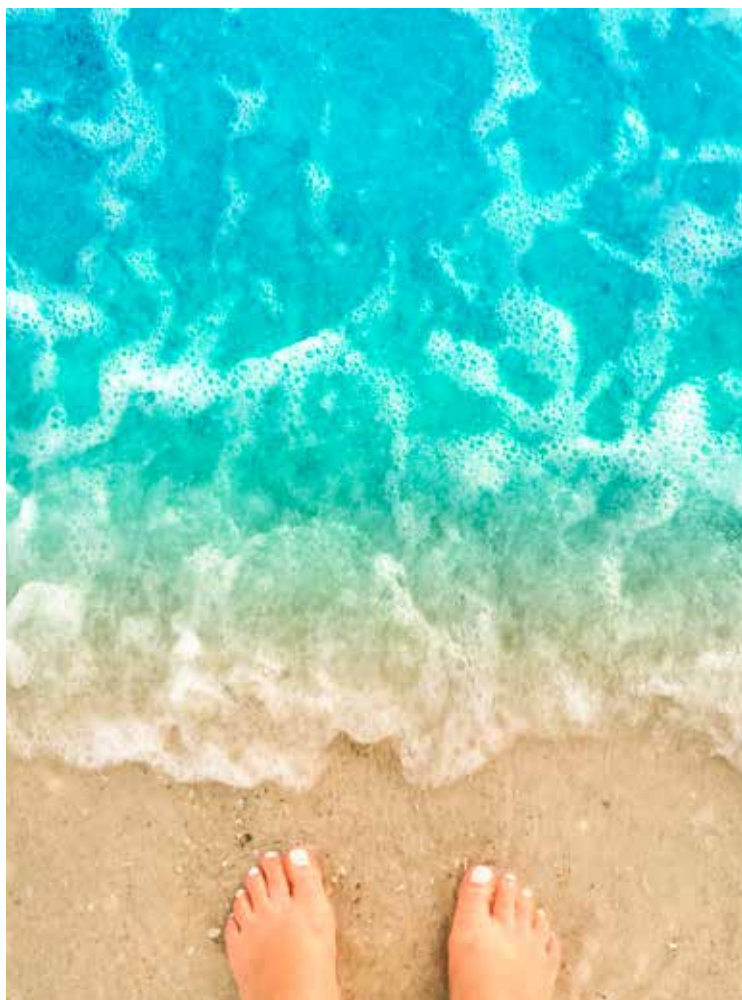
We believe we have a responsibility to honour their legacy by conducting our business with integrity, care, and inclusiveness.

And we strive to operate our trusted Fund in the spirit of the Wurundjeri ancestors who came before us.



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## CEO and Chair message



Host-Plus Pty. Limited as trustee for the Hostplus Superannuation Fund and the Hostplus Pooled Superannuation Trust (Hostplus), remains focused on our commitment to reducing modern slavery risk in our operations, supply chain and investments. Modern slavery encompasses a range of practices that include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour. These activities are in stark contrast to our values as a superannuation fund and we oppose all forms of modern slavery.

As Australian superannuation assets continue to grow (to \$3.3 trillion<sup>1</sup> at the end of the reporting year), our role as an industry to protect the vulnerable grows. As a growing fund, Hostplus takes this responsibility seriously and has committed to strengthening our approach to reduce the risk of modern slavery in our operations and investments. In our endeavour to continue to improve the way this risk is addressed and mitigated, we have made progress with the actions committed to in our inaugural statement.

Modern slavery is a pervasive and growing global problem. Our vision and goal is resolute in continuing to build internal processes to effectively identify and eradicate modern slavery in our operations and supply chain and actively play our part in a business community collectively tackling this issue. Ultimately, we believe this is good business and in the best interests of our members which is at the heart of everything we do.

We recognise that there is work to do. This second iteration of our statement shows that we are committed to this work as we continue to implement our framework and embed more robust controls against modern slavery risk.

A handwritten signature in dark ink, appearing to read 'David Elia'.

**David Elia**  
Chief Executive Officer

A handwritten signature in dark ink, appearing to read 'David Elmslie'.



**David Elmslie**  
Chair of the Board

1. The Australian Prudential Regulation Authority (APRA) Quarterly Superannuation Performance publication for the June 2021 quarter (published 24 August 2021).

# Our progress in FY21


Hostplus is committed to further developing a framework which helps to assess, manage and remediate our exposure to modern slavery. We have progressed against the commitments made in our first statement as outlined below:

Focus area	
<b>Governance and Policies</b>	<ul style="list-style-type: none"> <li>The Hostplus Modern Slavery Working Group continues to drive the strategic workplan of key activities and deliverables to confirm our ongoing compliance with the Modern Slavery Act. The Working Group is focusing on:               <ul style="list-style-type: none"> <li>Reviewing progress against commitments</li> <li>Ongoing assessment, identification and remediation of modern slavery risk</li> <li>Ongoing development and implementation of policies and practices that support the management of modern slavery risk in our business operations.</li> </ul> </li> </ul>
<b>Risk assessments</b>	<ul style="list-style-type: none"> <li>Modern slavery risk assessments for suppliers have been integrated as a due diligence requirement for new and renewed Hostplus third party arrangements</li> <li>Annual risk assessments for existing suppliers using a risk-based approach</li> <li>Annual risk assessment for investment managers.</li> </ul>
<b>Supplier engagement</b>	<ul style="list-style-type: none"> <li>Hostplus prepared modern slavery contract clauses, which have been incorporated in all new and renewed Hostplus supplier contracts.</li> </ul>
<b>Training and awareness</b>	<ul style="list-style-type: none"> <li>Implemented modern slavery processes and training for relevant staff to carry out their duties in relation to identification and mitigation of modern slavery risk.</li> </ul>
<b>Assessing effectiveness</b>	<ul style="list-style-type: none"> <li>A review of Hostplus' Third-Party Management Framework, which includes modern slavery, has been included in the audit plan for FY22.</li> </ul>
<b>Grievance and remediation</b>	<ul style="list-style-type: none"> <li>Enhanced our incident management processes to enable better incident reporting, including reporting of modern slavery incidents. This included introducing a new Incident Management Tool, updated policy, procedure and staff training.</li> </ul>
<b>Investments</b>	<p><b>Australian Equities</b></p> <ul style="list-style-type: none"> <li>Continued identification of, and engagement with, high-risk Australian companies via ACSI</li> <li>Detailed assessment of modern slavery reporting by ASX200 companies against the Modern Slavery Act provided by ACSI</li> </ul> <p><b>International Equities</b></p> <ul style="list-style-type: none"> <li>Continued identification of, and engagement with, high-risk international companies via EOS</li> <li>EOS reporting on engagement efforts with target companies, including those related to forced labour and modern slavery.</li> </ul>




# Our structure, operations and supply chain

## About Hostplus



Host-Plus Pty. Limited is the Trustee for the Hostplus Superannuation Fund (the Fund) and the Hostplus Pooled Superannuation Trust (the PST). The Fund was established in 1988 and is a profit-to-member superannuation fund with origins in the hospitality, tourism, recreation and sports sectors. The Fund's vision is to continue to evolve to be the lifetime fund of choice for all Australians, delivering retirement income security to our members. The PST is designed to pool assets of eligible complying superannuation entities to invest in high quality assets managed by the Trustee and selected external investment managers on behalf of the Fund and other external superannuation entities.

Hostplus offices are located Australia wide with our head office in Melbourne. This national presence allows us to reach our members in communities across the country.



## Reporting Entity, Structure, Governance and Consultation

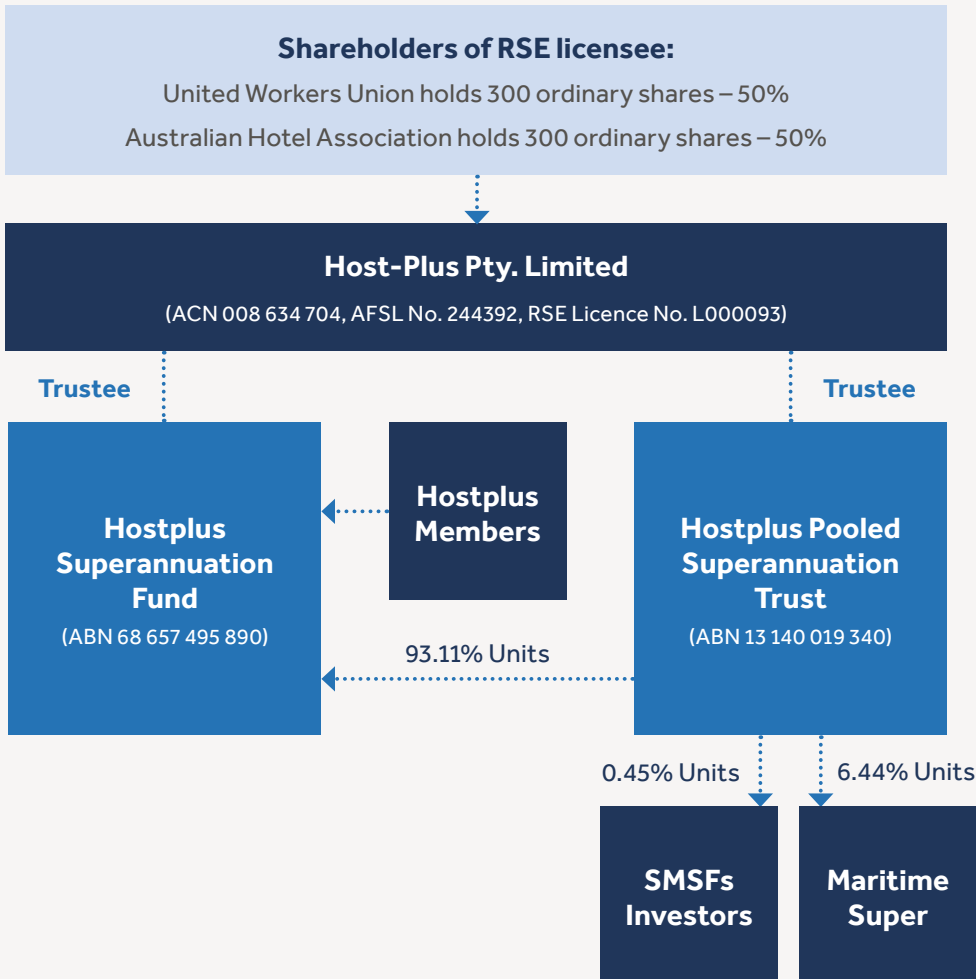
This Modern Slavery Statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth) (Modern Slavery Act). It is the second statement made jointly on behalf of the Hostplus Superannuation Fund and the Hostplus Pooled Superannuation Trust (jointly, Hostplus) for the financial year ended 30 June 2021.

Host-Plus Pty. Limited as trustee for the Hostplus Superannuation Fund and the Hostplus Pooled Superannuation Trust comprises of:

1. The Hostplus Superannuation Fund (the Fund), currently one of Australia’s largest industry funds with over 1.3 million members, 236,000 contributing employers, approximately 185 Hostplus employees and \$62 billion in funds under management (as at 30 June 2021); and
2. The Hostplus Pooled Superannuation Trust (the PST). The PST is a pooled superannuation trust as defined under the Superannuation Industry (Supervision) Act 1993 (SIS Act). Currently the PST manages \$68 billion in funds under management (as at 30 June 2021). The PST is governed by the terms of the Hostplus Pooled Superannuation Deed (Trust Deed) (dated 24 June 2021) and any subsequent amendments and relevant law. The Host-Plus Pty Limited Board, as trustee for the Fund and the PST, has approved this statement.

The figure below depicts Hostplus’ General Structure including the Fund and the PST.

### ANNEXURE A – Hostplus General Structure



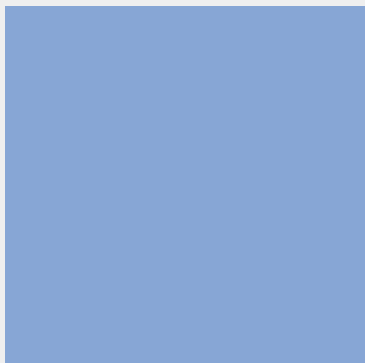
## Our structure, operations and supply chain



The Fund and the PST are governed and managed by our Trustee Board (the Board). The Board represents our members in accordance with the relevant Trust Deed and superannuation law.

Ultimate accountability and oversight of modern slavery risks is held by the Hostplus Board. The Board has been engaged in Hostplus' efforts to identify, assess and mitigate modern slavery risks within our operations. As the trustee responsible for the overall governance and strategic direction of the Fund and the PST, Hostplus has consulted with senior management representatives from both the PST and the Fund in preparing this statement.

This statement does not cover activities where Hostplus is an investor or participant in a joint venture without an active role in operational matters, other than to the extent investments are considered as part of the supply chain. Hostplus has not actively consulted with the management of these investments or with joint venture partners other than as part of the supply chain risk assessment.





## Operations at a glance

Hostplus seeks to deliver retirement income security to its members with an overarching strategic objective of optimising member outcomes for retirement. For over 33 years we have been providing our members with the following products and services so they can look forward to optimised retirement outcomes:

- Account administration services
- General advice
- Financial advice
- Insurance (income protection, death and TPD)
- Member education services
- Investment options which cater for various risk appetites.

### Hostplus' main areas of operation





## Supply chain at a glance

In order to improve efficiencies and value for our members, Hostplus uses a combination of in-house and outsourced functions. The following functions are outsourced to specialist third parties:

- Administration and member services for all Hostplus products
- Insurance
- Custodian services
- Investment management
- Information technology managed services, including information security
- Internal Audit.

We also maintain relationships with other third-party suppliers including financial institutions, asset consultants, IT vendors and firms specialising in marketing, digital, consulting, property management, and legal services.

Accordingly, third party relationships and supply chain risk management are critical to Hostplus' response in addressing modern slavery risks.



## Investments at a glance

Hostplus' focus is on delivering the best retirement outcomes for our members. We invest for the long term across a broad range of asset classes such as listed shares, property, infrastructure, credit, alternatives and private equity, which includes venture capital.

We are committed to responsible investment across all our investment activities. Our Responsible Investment Policy specifically identifies the consideration of human rights and labour rights, inclusive of modern slavery, as part of our approach to responsible investment.

In order to deliver our investment strategy, we engage with a range of experienced, specialist investment managers to invest on the Fund's behalf. Using external investment managers allows us to take advantage of their skill sets and deep access to investment opportunities to maximise future growth and capital returns. Investment managers are appointed by the Board after thorough due diligence is undertaken, and with the endorsement of the Fund's investment adviser. Once appointed, investment managers and the underlying investments are monitored on an ongoing basis.

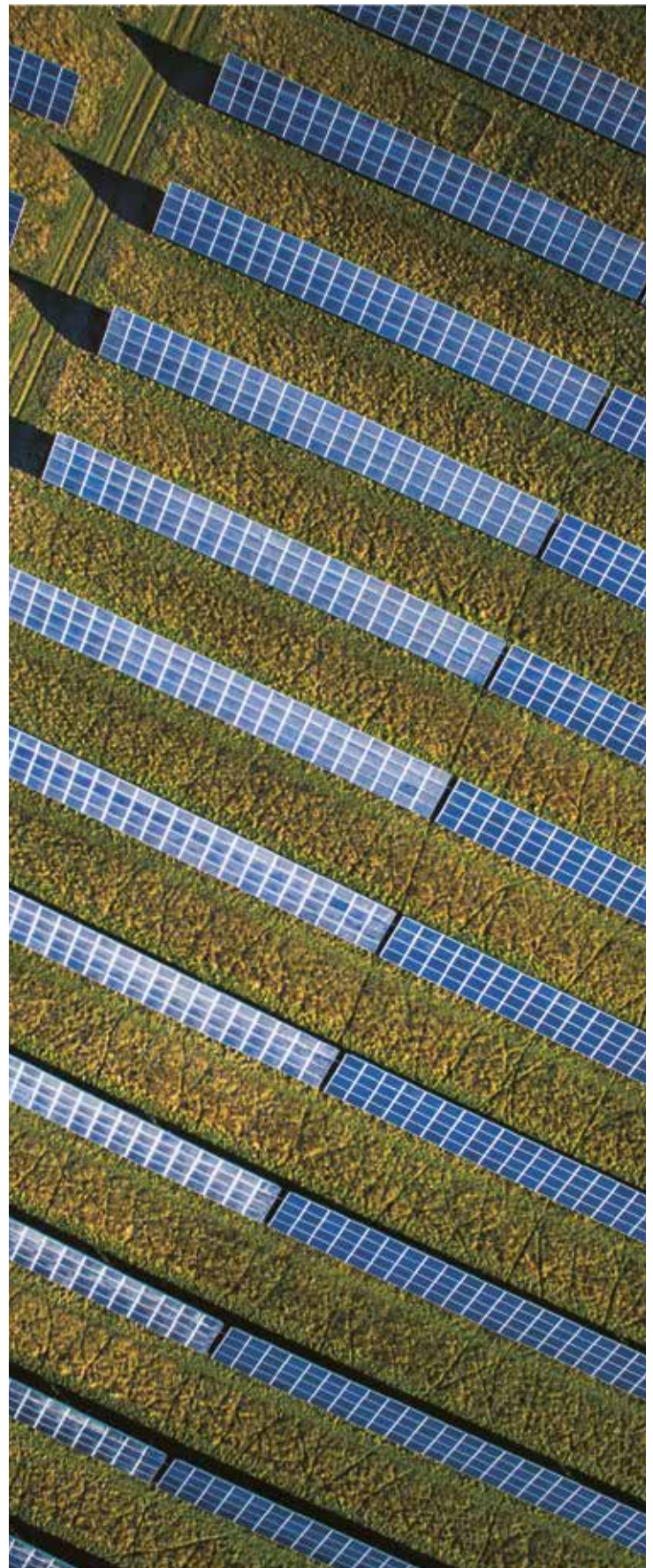
### PRI A+ rating

For the year 2020, we achieved an A+ rating for our Responsible Investment Strategy and Governance from the Principles of Responsible Investment (PRI).

PRI is an independent body and the world's leading advocate for responsible investment, supported by the United Nations.

The 2021 ratings will be released by PRI in 2022.

 *Signatory of:*



97

Investment managers

216

Investment products



\$68b

Funds under management,  
includes Hostplus Super  
Fund and other investments



16

Person  
Investment team



### Asset classes

#### Unlisted assets

- Property
- Infrastructure
- Private equity
- Credit
- Alternatives

#### Listed equities

- Australian equities
- International equities  
– Developed markets
- International equities  
– Emerging markets

#### Bonds and cash

- Diversified  
fixed interest
- Cash



#### Investment adviser

JANA Investment  
Advisers Pty Ltd



#### Custodian

Citigroup Pty Limited

# Modern Slavery risk in our operations and supply chains

## Risk assessment process

Hostplus understands that 'risk' when referring to modern slavery refers to the risk to people. Risk to people relates to the severity of modern slavery practices, likelihood of them occurring and the number of people affected over a period of time.

Therefore, when undertaking a risk assessment, our primary focus has been on factors that give rise to risk to people. To identify areas of higher risk of modern slavery existing within our business practices or supply chain, Hostplus considered four key factors: high-risk geographies<sup>2</sup>, high-risk sectors<sup>3</sup>, vulnerable populations<sup>4</sup>, and business models structured around high-risk work practices<sup>5</sup>.

Three separate but aligned risk assessments were conducted in relation to:

1. Hostplus internal operations
2. Hostplus external operational supply chain
3. Hostplus externally managed investments.



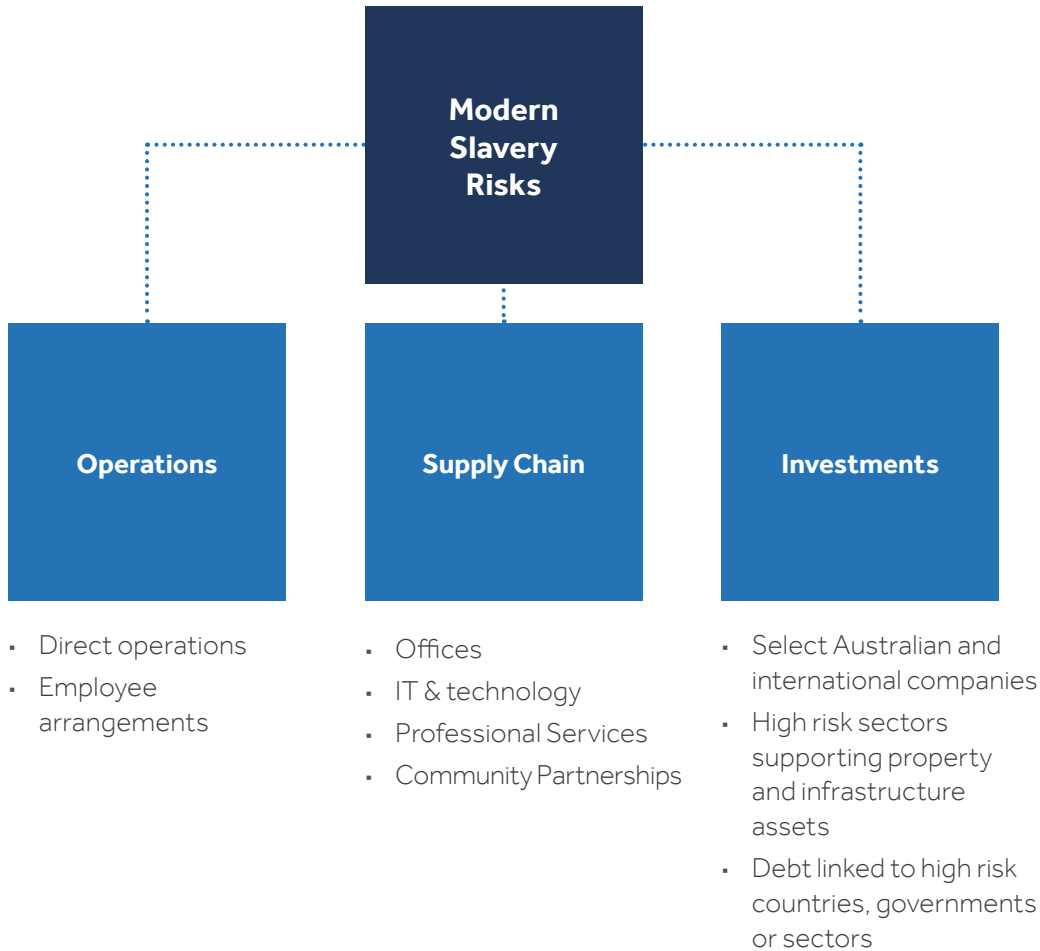
2. Based on Top 50 risk countries using the Global Slavery Index 2018, Table 4 - Estimated prevalence of modern slavery by country, p.178.

3. Based on RIAA Investor Toolkit and the ACSI Modern Slavery Risks, Rights and Responsibilities: A guide for companies and investors and the Responsible Sourcing Tool.

4. Including low skilled, temporary jobs, migrant workers or minorities.

5. Including complex and long supply chains with several intermediaries along the chain; oligopolistic industries exercising pricing pressure on suppliers; labour intensive industries and supply chains with pressure on shorter lead time.

## Risks in operations and supply chain



### Operations

Hostplus' direct operations are solely conducted in Australia. All Hostplus employees are directly employed under an Enterprise Agreement and are covered by their employment contracts. Based on the sector, business model and employee arrangements Hostplus has adopted in Australia, the risk of modern slavery in Hostplus' direct operations remains low.



## Modern Slavery risk in our operations and supply chains

### Supply Chain

Following the initial assessment of our suppliers for modern slavery risk, Hostplus has maintained the assessment process for all new suppliers onboarded or renewed. Each supplier risk assessment is based on the exposure of that supplier to the four risk factors listed above and the mitigating controls in place to reduce the risk.

We also consider broader factors such as the size of the entity, the number of employees, and the operations of the organisations as they relate to Hostplus.

The tailored questionnaires for our suppliers continue to focus on two main components: The first section of the questionnaire is applicable to all suppliers and relates to their operations and supply chains, including the identification of any high-risk indicators. The second section is applicable to specific sectors to ascertain further information relating to potential modern slavery risks within a higher risk sector such as Financial Services, Housekeeping/Facilities and Electronics manufacturing. The significant majority of new suppliers have been cooperative, transparent, and forthcoming with information.

In instances where suppliers choose not to respond, we re-engage and escalate through Hostplus and supplier senior management as required. In almost all of these circumstances, considered conversation around how we are actively monitoring modern slavery risk in order to protect the most vulnerable, was sufficient to influence suppliers to engage and respond to the questionnaires.

In addition to the due diligence, Hostplus has also amended contractual agreements with all suppliers to reflect Modern Slavery obligations.

Our ongoing assessments still reflect the below risk areas in Hostplus' supply chain:

<b>Offices</b>	Hostplus has offices across Australia which require cleaning and facilities management. Building management services has been identified as a relatively higher risk service within Australia.
<b>IT &amp; technology</b>	Hostplus uses a range of technology hardware and services. These suppliers have been identified as higher risk due to offshore or outsourced operations in high-risk countries or supply chain component materials and manufacturing.
<b>Professional Services</b>	Hostplus has relationships with local and international professional and financial services firms, some of whom have offshore or outsourced operations in high-risk countries.
<b>Community Partnerships</b>	Hostplus supports community partners whose supply chains have exposure to the hospitality and apparel sectors. These sectors have been identified as higher risk within Australia.

# Modern Slavery risk in our investments

One of the key areas of Hostplus' supply chain where modern slavery may exist is within our investment portfolio. The Hostplus PST uses 97 investment managers across 10 asset classes. To manage environmental, social and governance (ESG) risks, including modern slavery risk, within our portfolio, Hostplus enlists the support of external service providers, including specialist ESG advisers and our asset consultant, JANA.

Hostplus utilises the services of Australia Council of Superannuation Investors (ACSI) and EOS at Federated Hermes (EOS) for in depth research and constructive engagement with companies we invest in and encourage them to operate in a manner whilst also responsibly contributing to positive outcomes for society and the environment.

Hostplus has the following key engagement workstreams in place to understand the modern slavery risks within our investments:

1. Engagement with investment managers
2. Engagement with Australian companies through membership of the ACSI
3. Engagement with International companies through EOS.

## Hostplus' engagement with investment managers

Similar to the process for Hostplus' operational supply chain, to understand Hostplus' exposure to modern slavery risk within our investments we assessed and rated each of our investment managers and their underlying portfolios based on the previously identified four risk factors. Ratings are based on the level of risk inherent within portfolio companies and the mitigating controls in place to reduce the risk.

We developed questionnaires for our investment managers, tailored to the asset class of the investment and whether we invest via a mandate specific to Hostplus or a pooled fund. The questionnaire comprises two sections; the first focussed on the manager's operations and supply chain and the second focussed on the manager's investments made on behalf of Hostplus and covers:

- Exposure to high-risk countries, geographies, business models and employment of vulnerable people (and for government bonds, high-risk governments<sup>6</sup>)
- Approach to assessing modern slavery risk within investee companies and assets
- Processes to address identified risks
- Processes for tracking, managing and reporting incidents.

6. Based on Tier 1 (highest risk CCC to D) governments using the Global Slavery Index 2018, Table 1 – Government Response rating, p.45.



## Modern Slavery risk in our investments

Some investment managers have their own obligations under the Australian Modern Slavery Act, while others are relatively small and are only required to support the reporting of clients such as superannuation funds. In terms of their own operations and supply chains, all are regulated financial entities with supply chains that are predominantly professional services firms. The risk focus for Hostplus continues to be on the underlying investments.

Following our initial assessment and ratings of investment managers last year, we have repeated our manager engagement and assessment this year and continued to follow-up with managers who previously had not responded. Based on responses received and reviewed to date from existing and new managers, we have not identified any material changes to the risk exposures in the portfolio. The outcome of the analysis is summarised in the following table by asset class and indicates the following risk areas:

- **Australian equities** – listed Australian companies with operational or supply chain exposure to high-risk countries, sectors, employment practices and business models
- **International equities** – listed international companies with operational or supply chain exposure to high-risk countries, sectors, employment practices and business models
- **Property** - cleaning, security and construction associated with property assets and a small number of assets located in high-risk countries
- **Infrastructure** - transport, warehousing and construction associated with infrastructure assets and a small number of assets located in high-risk countries
- **Fixed income** - government bonds of high-risk governments
- **Credit** - private credit exposure to high-risk countries and sectors.



## Modern Slavery risk in our investments

Asset Class	Risk Level	Manager Approach	Risk Summary
<b>Australian Equities</b>	Moderate	Hostplus' Australian equity managers had in place basic modern slavery mitigation processes which they were in the process of enhancing. Almost all incorporated modern slavery within their responsible investment policies, were explicitly factoring modern slavery risk as a part of investment due diligence, undertook significant company engagement and drew on external data sources.	Risk is focussed on a limited number of Australian listed companies that have operational or supply chain exposure to high risk countries, sectors, employment practices and business models. These include mining and energy companies with operations in high risk countries, the major supermarkets and their listed suppliers through exposure to food supply chains, and companies with supply chain exposure to timber, cotton and rubber. Almost all such listed companies are themselves subject to Australia's Modern Slavery legislation.
<b>International Equities</b>	Moderate	Some investment managers demonstrated an industry leading approach to identification and management of modern slavery risk, while others focussed only on financially material labour risks or provided limited information and risk assessment.	Risk relates primarily to the supply chains of companies headquartered in lower risk geographies but that through their supply chains have exposure to high-risk sectors such as electronics manufacturing, mining (particularly conflict minerals) and apparel. There is also a small exposure to companies headquartered in high-risk countries.
<b>Private Equity</b>	Low	These companies are generally smaller, tend to be earlier in their development and are unlikely to have direct obligations under Modern Slavery legislation. As a result, their policies and processes are often less developed but their operations and supply chains are also significantly less complex. Hostplus private equity portfolio has a strong innovation and technology focus and therefore has less exposure to use of unskilled labour which is at higher risk of modern slavery.	While risk is generally low, there is a small exposure to high-risk countries.
<b>Property</b>	Moderate	Hostplus' Australian property managers had implemented robust modern slavery risk assessment processes, as well as commenced significant mitigation practices including implementation of the sector's Informed 365 Modern Slavery prequalification program and participation in initiatives such as the Cleaning Accountability Framework.  Further work will be undertaken to assess risk for international property managers (which are predominantly US-based).	Risk relates primarily to cleaning, security, maintenance and facilities management and construction. This risk is somewhat mitigated by property assets being located in lower risk countries, predominantly Australia and the US. There are a small number of assets located in high-risk countries.
<b>Infrastructure</b>	Moderate	Hostplus' major infrastructure managers had implemented a robust modern slavery risk assessment processes.  Further work will be undertaken to assess risk for smaller infrastructure managers, though the location of the underlying investments makes them lower risk.	Risk relates primarily to transport, warehousing and construction. This risk is somewhat mitigated by infrastructure assets being located in lower risk countries, predominantly Australia, the US and UK. There are a small number of assets located in high-risk countries.
<b>Fixed Income</b>	Moderate	Hostplus' fixed interest investments are passive (index-following).	Risk relates primarily to exposure through global bonds to high-risk governments through government securities.
<b>Credit</b>	Moderate	Hostplus credit investments are largely structured credit which, like alternatives, use financial instruments only. Hostplus has a smaller exposure to private debt.	Risk relates primarily to small private debt exposures in high-risk countries and high-risk sectors.

# Engagement with companies via specialist service providers

Through research, engagement, advocacy and voting recommendations, ACSI and EOS supports Hostplus to exercise active ownership to strengthen investment outcomes for our members through genuine and permanent improvements to the environmental, social and governance (ESG) practices of the companies in which we invest. The engagement that ACSI and EOS conducts on behalf Hostplus ensures that companies are encouraged to continually improve their ESG practices, which includes their approach to identifying and managing the risks of modern slavery. Engagement outcomes may include addressing particular modern slavery risks identified within a company's supply chain or improved disclosure on the risks companies are exposed to, which ultimately helps Hostplus identify and manage the overall exposure to modern slavery risk within our investment portfolio.

## Hostplus' engagement with Australian companies through membership of ACSI

Hostplus is a member of ACSI which provides a strong voice on financially material ESG issues. As an ACSI member, Hostplus has an active input into ACSI's priority engagement themes and target companies each year.

ACSI conducts a year-round engagement program with ASX300 company boards and executives on material ESG issues and pursues a priority work program on behalf of its members such as Hostplus. ACSI's priority themes include workforce issues, incorporating modern slavery and supply chains. ACSI has adopted a risk-based approach, using both sectoral and geographic exposures of ASX-listed companies to derive a list of priority companies in respect of modern slavery.

In FY21, ACSI's engagement prioritised 10 high-risk ASX300 companies, in the Consumer Staples, Consumer Discretionary and Health Care sectors. Overall, ACSI held 92 meetings with 74 ASX300 companies where modern slavery and supply chains were raised.

For companies with predominantly Australian-based businesses, ACSI's core focus has been on direct or indirect connections to the following business activities:

- Horticulture and fresh food supply chains – modern slavery risks in these sectors have been well documented, including cases where the seasonal workers have been underpaid, exploited or subjected to inappropriate conditions.
- Cleaning and security – workers performing these roles are at an elevated risk of exploitation. Worker vulnerability stems from the nature of contracting arrangements and the high representation of migrant workers, many of whom have precarious visa conditions.
- Franchise business models – poor labour practices attributable to franchise arrangements have become well-known in recent years. Issues such as wage underpayments, while not constituting modern slavery itself, raise red flags. Workforces here are, again often vulnerable in terms of residency status, language or awareness of rights.

For those companies with international operations and supply chains, ACSI's engagement has focused on companies that are either running, or sourcing from, operations in countries with poor labour conditions or governance.

## Modern Slavery risk in our investments

ACSI commissioned a research report which identified a number of opportunities for improvement to strengthen modern slavery risk management and reporting processes within the ASX200 companies which Hostplus invest in. ACSI will engage with companies to drive meaningful change to improve their reporting going forward.

Now that the first reporting cycle under Australia's Commonwealth Modern Slavery Act 2018 is complete, ACSI has provided a comprehensive research report which evaluates the quality and compliance of reporting by ASX200 companies against the Modern Slavery Act. This research includes benchmarking of companies against 41 quality indicators and eight legal compliance indicators for the Modern Slavery Statements that were publicly available.

ACSI is proud to be a co-convenor of the investor-led initiative Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) which has identified a group of ASX200 companies most at risk of modern slavery manifesting in their operations. ACSI has been assigned as engagement lead for three companies as part of the IAST APAC initiative.





## Hostplus' engagement with international companies through EOS at Federated Hermes (EOS)

Hostplus has appointed EOS, a leading stewardship service provider offering specialist capability in responsible investment with global reach.

EOS' engagement activities enable long-term institutional investors such as Hostplus, to be more active owners of their assets through dialogue with companies on environmental, social and governance issues.

Human rights are a priority theme within EOS' engagement program with international companies, including assessing exposure to various forms of modern slavery risk.

In FY21, EOS engaged with 341 companies within Hostplus' international equities portfolio on 1672 specific engagement objectives, which includes modern slavery, as part of its core engagement program.

# Our Modern Slavery framework

Modern slavery practices, as outlined in the Modern Slavery Act, are illegal. As a result, they are unlikely to be in plain sight. Hostplus' response, underpinned by clear governance and accountability, has sought to address these risks through our modern slavery framework.

## Actions

### **Hostplus Governance and Policies:**

Our Risk team, together with our Head of Responsible Investments, has the overall responsibility for managing the Hostplus modern slavery response. The activities that support this function lie with the relevant Hostplus Business Units. In addition, Hostplus has a governance structure and policies in place that guide our commitments and priorities.

### **Board and Risk & Compliance Committee:**

Ultimate accountability and oversight of modern slavery risks sits with the Hostplus Board. The Board has been engaged in Hostplus' efforts to identify, assess and mitigate modern slavery risks within our operations, and oversees the modern slavery framework and activities through the Risk & Compliance Committee. In addition, investment managers are appointed by the Board after thorough due diligence and with the endorsement of the Fund's investment adviser.

### **Modern Slavery Working Group:**

The working group, with Group Executive sponsorship, manages and oversees Hostplus' response to the Modern Slavery Act and addressing modern slavery risks. The working group seeks to enhance the understanding of modern slavery risks within our supply chain (including investments) and designs and implements appropriate actions in response.

### **Third Party Management Framework:**

The Framework, together with supporting policies, including the Material Outsourcing Policy, sets the standards required for the selection, appointment and ongoing monitoring of all third parties. This includes ensuring that modern slavery risks are assessed prior to entering into new or renewed agreements with suppliers.

### **Hostplus' Responsible Investment Policy:**

The Policy outlines the principles that direct Hostplus' approach to responsible investment. It specifically identifies human rights and labour rights, including modern slavery, as part of Hostplus' approach to responsible investment.

### **Whistle-blowing Program:**

The Policy helps to identify unacceptable workplace practices and to assist in remedying any improper conduct. All Hostplus employees, contractors and others are provided access to our whistle-blower Hotline Service. The whistle-blowing program provides a confidential, secure, 24/7/365 service through an independent organisation with whistle-blower protections provided under the law.

### **Code of Conduct Policy:**

The Policy sets out Hostplus' expectations and requirements of its directors and staff including contractors. It covers their responsibilities and obligations relating to various matters including confidentiality, privacy, conflicts of interest and other principles and behaviours.

# Looking forward

The Boards and senior management of the companies within our supply chain in which we invest are best positioned to detect, prevent and rectify Modern Slavery practices within their operations and supply chains. As a super fund with significant outsourcing of both operational and investment activities we believe our role is to:

- Conduct periodic Modern Slavery risk assessments in relation to our supply chain and investment portfolio
- Design and practice appropriate escalation and consequence management where suppliers are unable to meet Hostplus expectations
- Play our role in making a positive change to labour rights practices both at a company/asset level and broader industry and regional level primarily through engagement
- Monitor progress on commitments and achievements.



## Looking forward

Looking forward, our priorities will evolve from risk assessment to embedding strong labour practices within our operations, supply chain and investments. We have the following priorities moving forward:

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### **Governance and Policies**

- Develop a Supplier Code of Conduct and Sustainable Procurement Policy to incorporate into our Third Party Management Framework
- Implement policies and required oversight to monitor the supply chain
- Detail responsibilities, reporting and communication, training, and escalation
- Incorporate modern slavery formally into Hostplus' Risk Management framework.

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### **Assessments**

- Continue annual risk assessment of suppliers including investment managers
- Review risk assessments of suppliers and engage further as required to understand their approach to addressing modern slavery risk.

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### **Supplier engagement**

- Continue to work with suppliers to amend key contractual clauses to ensure these align with the Modern Slavery Act and with Hostplus expectations for addressing modern slavery risks
- Continue to work with suppliers to understand controls in place to address modern slavery risk and the effectiveness of those controls.

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### **Training and awareness**

- Develop internal training and communication to assist staff in taking appropriate action where modern slavery risks are suspected or identified
- Engage with our suppliers and staff to ensure they are well equipped to identify and manage the risks associated with modern slavery.

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### **Assessing effectiveness**

- Ongoing review of the effectiveness of our program through review of our Third Party Management Framework as part of the internal audit plan.

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### **Grievance and remediation**

- Enhance grievance and remediation processes to address modern slavery incidents that arise.
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### Investments

#### Australian Equities

- Continue to engage with higher risk companies regarding modern slavery and broader workforce issues through the ACSI
- Engage with relevant investment managers to engage those portfolio companies with exposure to high risk and include modern slavery risk as part of any direct engagement we have with companies.

#### International Equities

- Continue to engage with higher risk companies regarding modern slavery through EOS
- Encourage relevant investment managers to engage those portfolio companies with exposure to high risk factors regarding modern slavery risk.

#### Property and Infrastructure

- Encourage Hostplus Australian property managers to continue to lead and participate in relevant initiatives to mitigate modern slavery risk eg. Informed365 Modern Slavery prequalification and the Cleaning Accountability Framework
- Encourage Hostplus US property managers to develop or participate in similar initiatives focused on high-risk sectors

#### Fixed Income and Credit

- Discuss with the relevant manager whether there are any opportunities for information gathering focused engagement to better understand any modern slavery risks associated with the specific bonds held.
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This statement was approved by the Board of Host-Plus Pty Limited in its capacity as trustee of the Fund and in its capacity as trustee of the PST on 3 December 2021. David Elmslie, Chair of the Board.

A handwritten signature in black ink, appearing to read 'David Elmslie'.

**David Elmslie**  
Chair of the Board

**Mail** Locked Bag 5046, Parramatta NSW 2124  
**Phone** 1300 467 875  
**Email** [info@hostplus.com.au](mailto:info@hostplus.com.au)

**[hostplus.com.au](http://hostplus.com.au)**

