



Commonwealth
Superannuation
Corporation

Modern Slavery Statement

For the reporting period 1 July 2024 - 30 June 2025

Acknowledgement of Country

Commonwealth Superannuation Corporation (CSC) respectfully acknowledges the traditional owners and custodians of country throughout Australia and their continuing connection to land, waters and community.

We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Statement approval

This statement was prepared by the reporting entity Commonwealth Superannuation Corporation ('CSC', 'the Company') (ABN 48 882 817 243). Commonwealth Superannuation Corporation makes this single statement on behalf of all reporting entities in the CSC Corporate Group, and all other owned and controlled entities, as outlined in the Appendix. The Company's principal place of business and registered office is 7 London Circuit, Canberra, ACT 2601. This statement has been prepared in accordance with the *Modern Slavery Act 2018* (Cth) ('the Act') and outlines the actions taken by CSC to identify, assess and address modern slavery risks across our operations, investments and supply chains for the year ending 30 June 2025.

This statement was approved by a resolution of the CSC Board on 10 December 2025.

Janet Torney
Chair of the Board

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1. A message from the Chief Executive Officer

At CSC we pride ourselves on serving those who serve. For more than 100 years we've been taking care of the retirement savings of government employees and ADF members, and in this time have seen a century's worth of change. Through this there has been the one constant, and that is our commitment to ensuring our members are at the heart of everything we do.

Our primary purpose is to build, support and protect better retirement outcomes for all our members. This includes considering risks (including potential modern slavery risks) that can impact the sustainability and value of the businesses that we invest in on behalf of our members.

Our key observations as stewards of our members' retirement savings are that:

- Modern slavery is a systemic investment risk—to effectively and efficiently reduce this risk, regulators, industry, investors and other stakeholders need to collaborate globally.
- A risk-based approach prioritising higher-risk geographies, business models and sectors should be adopted.
- As investors, risks should be priced and integrated into the investment decision-making process via investment hurdles and transparency levels.
- Investors should carefully consider the long-term impact on affected workers and businesses across the supply chains if investors divest from companies, rather than engage them to improve their governance and risk management.

We're committed to improving our visibility of modern slavery risks in our supply chains and to encouraging our suppliers to improve their due diligence practices.

Since the inception of modern slavery reporting requirements in Australia, we've observed policy and process improvements in those suppliers who support our investments, operations and administration functions. We now find that the larger companies that we do business with have developed policies and practices to combat the risk of modern slavery. As we continue to engage with new companies and investment partners, we continue to assess their risk, seek additional information and ask them to develop policies where they are lacking.

I'm pleased to present our 2025 Modern Slavery Statement, which, like all elements of our business operations, is continually improving to ensure it reflects our values and our vision. As always, we welcome your feedback: csc.gov.au/feedback

2. Criteria 1 and 2: About our business

2.1 Our structure

CSC is a Corporate Commonwealth Entity. We're part of the Australian superannuation industry, which is regulated by the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC).

Our primary functions are to:

- administer government and military superannuation schemes
- manage and invest the funds in the best financial interests of all our members.

In more detail, our objectives and functions under the *Governance of Australian Government Superannuation Schemes Act 2011* are to:

- supervise the schemes and manage and invest the funds
- receive payments from employers and customers into the funds in accordance with the schemes' legislation or trust deeds
- pay superannuation benefits to customers
- provide information about scheme benefits or potential benefits
- provide advice to the Minister for Finance on proposed changes to schemes' legislation or trust deeds.

We manage 11 superannuation schemes, including 5 regulated by APRA, where we are also the trustee.

We directly employ around 620 employees in 3 main functions: Investments, Customer, and Corporate. We have stand-alone units too: Transformation and Technology, and Legal, Risk, and Governance which report directly to the CEO.

Our purpose is to build, support and protect better retirement outcomes for all our customers and their families, being current and former Australian Government employees and members of the Australian Defence Force (ADF). We do this through 3 core functions, supported by 5 core capabilities (see Figure 1). This approach directly helps our customers, and we assess and monitor how well it is working using our member outcomes framework.

Figure 1: Our operating model

Core Functions

Achieve member outcomes

Adequate retirement savings

Informed and engaged decisions

Ease, efficiency, effectiveness

Core Capabilities

Demonstrate sound and prudent business management

Organisational Governance

Risk Management

People and Culture

Data Management

Corporate Effectiveness and Infrastructure



2.2 Our operations

Most of our workforce is employed directly by us under individual contracts, while some contractors are engaged through third-party recruitment agencies. We require our recruitment agencies to sign agreements to comply with our Supplier Code of Conduct, including obligations to monitor and report modern slavery risks and incidents. Our staff are predominately based in Canberra, Sydney and Melbourne with others located in other states of Australia and a few expats located overseas. We assess the locations of any staff residing overseas prior to approving their employment from that location.

Our remuneration policy meets the requirements of APRA's Prudential Standard CPS 511 Remuneration and Prudential Standard SPS 510 Governance. We benchmark the salaries of our people annually to ensure they're paid at competitive market rates.

2.3 Our supply chains

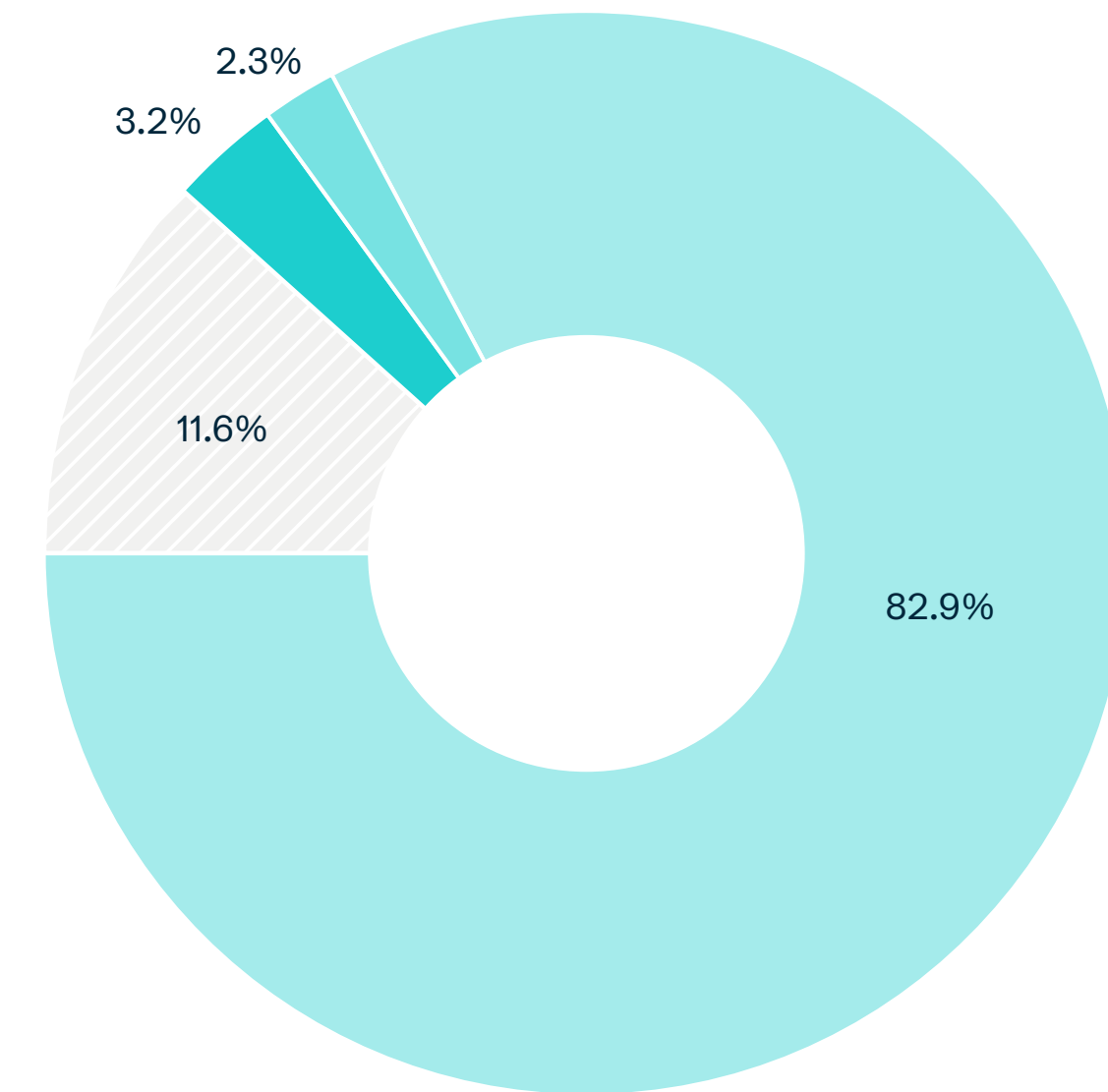
External investment management—our partnership approach

We're required by law to employ external investment managers to manage our funds rather than manage them in-house.¹ We seek strategic relationships with external specialists to leverage and engage their expertise, so they're 'outcome owners', rewarded by the outcomes they deliver for our customers. We partner with approximately 103 managers, managing approximately 31 discrete mandates and 172 pooled investment mandates.

We expect these specialists to do in-depth research and explain their insights into the underlying risks and opportunities they see in the assets they manage on our behalf. This includes any risks to the future value of the assets from inadequate management of any issues relating to their ecosystem, such as employees, suppliers, customers, environment, community and other stakeholders.

As at 30 June 2025 we had varying degrees of influence ranging from majority control to some influence over 88.4% of our portfolio as shown in Figure 2. The remaining 11.6% of assets were managed within pooled investments where exposures are opaque or invested for fixed terms in closed funds where CSC has minimal influence, hence they are excluded from review.

Figure 2: CSC's Level of influence over FUM as at 30 June 2025



- Majority ownership and/or control
- Some influence
- Limited influence
- Minimal influence

¹ The supply chains of a superannuation fund include its external investment managers who provide a service by managing its portfolios. See page 34 of the Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities (May 2023).

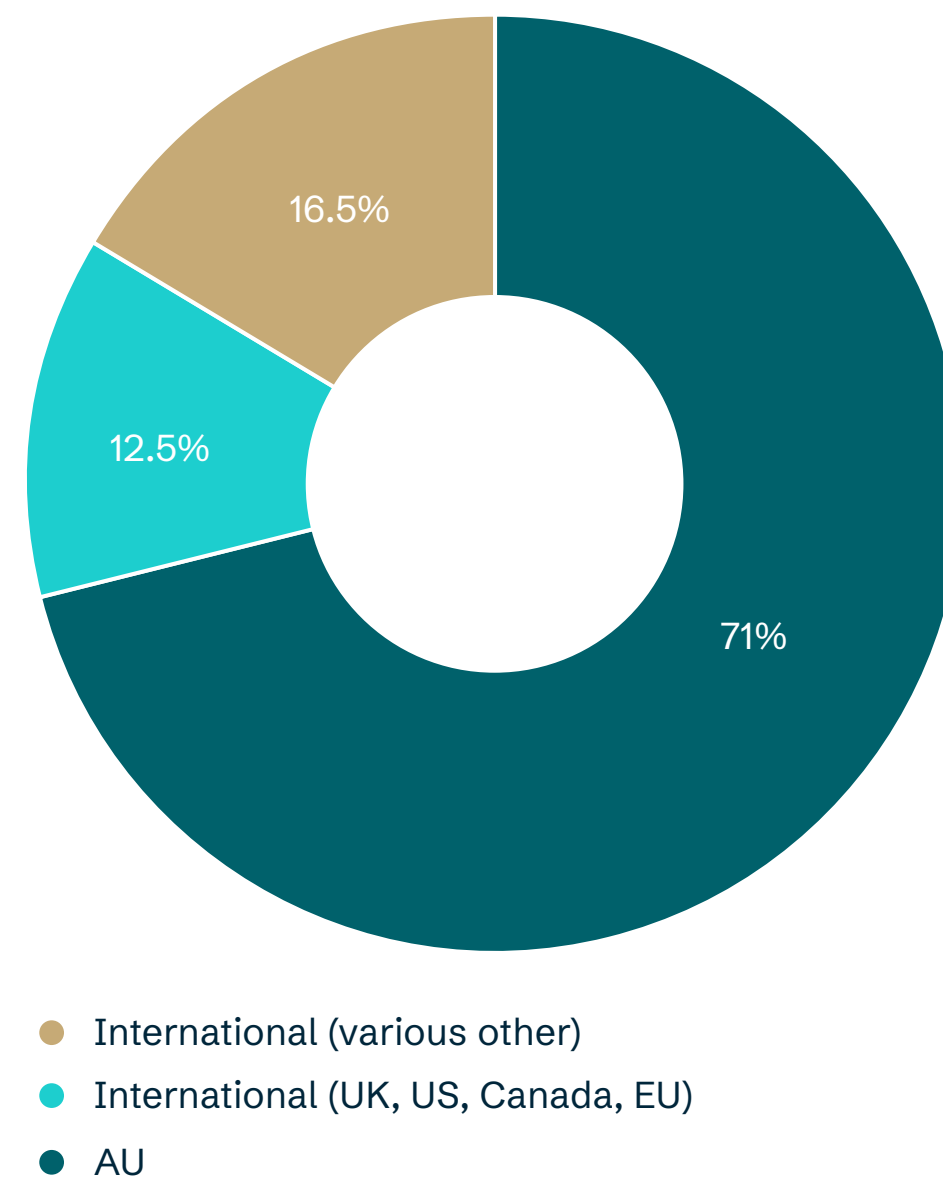


Our buying of products and services

In FY 2024-25 we sourced goods and services to support our corporate operations and scheme administration functions from 293 corporate suppliers. The majority of these (200) are still ongoing suppliers to CSC. . Additionally, we source a small number of goods and services to support our investments, covering the provision of investment-related data, software services and specialist investment advice. Based on materiality and risk based principles, we assess our exposure through these suppliers to be generally low. This allows us to focus our modern slavery review efforts with our custodian.²

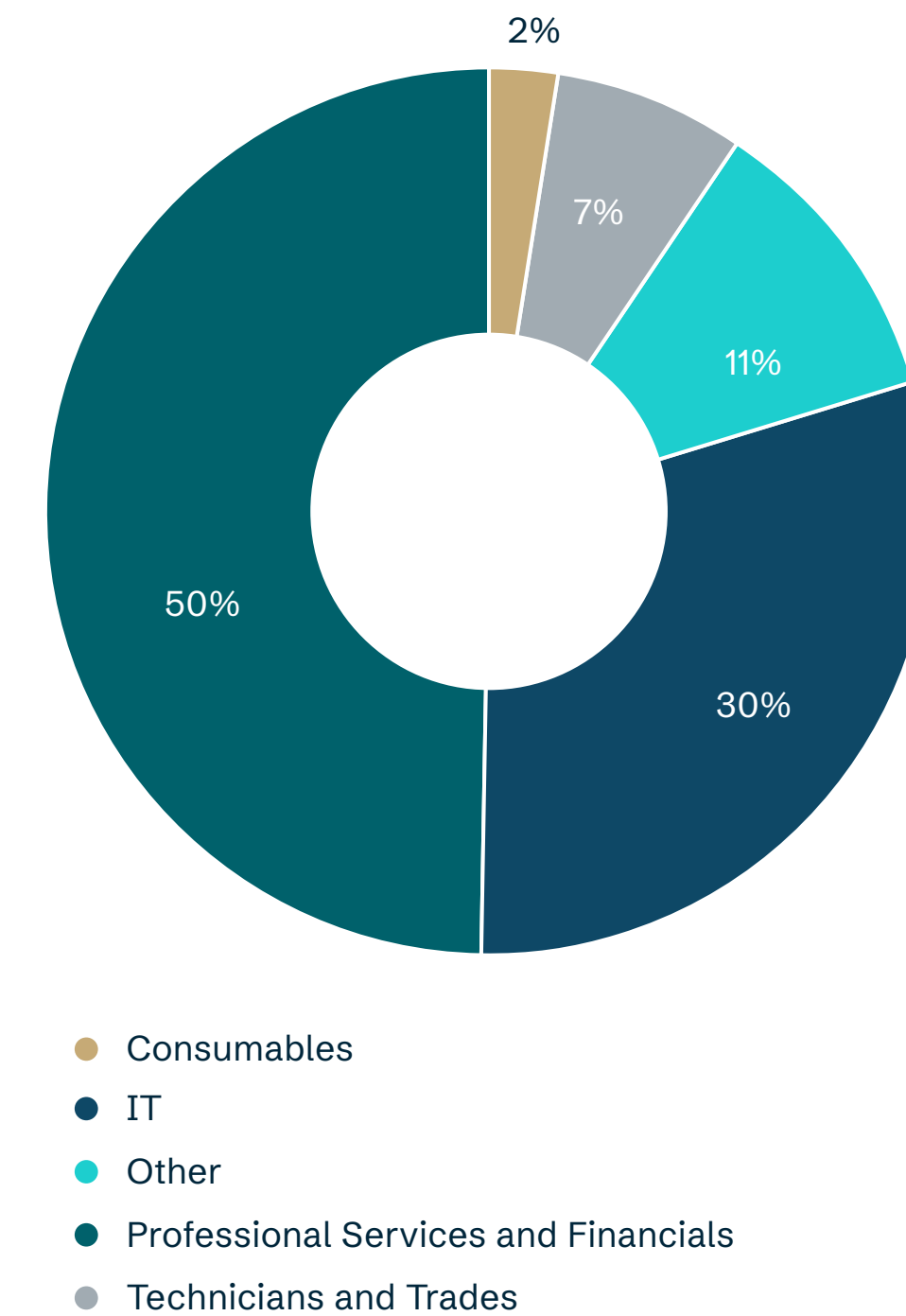
Measured by dollars spent in FY 2024-25, almost 71% of our corporate suppliers operate exclusively in Australia and New Zealand (see Figure 3). A further 12.5% operate in locations that include the United Kingdom (UK), United States (US), Canada, or a country within the European Union (EU). The remaining 16.5% operate in one or more locations outside of these countries, and as such may expose CSC to higher risk of modern slavery.³

Figure 3: Location of our corporate supply chain by spend (FY 2024-25)



Half of our corporate suppliers operate in the ‘professional services and financials’ sector (50%) (see Figure 4), and a further 30% operate in information technology (IT), predominately supplying us with software subscriptions, licences and support. Our other corporate suppliers provide services such as utilities, health and wellbeing services, advertising and postage services (11%); ‘technician and trade’ services such as cleaning and building management services (7%); and providers of ‘consumables’ such as office stationery (2%).

Figure 4: Our corporate supply chain by sector (FY 2024-25)



² This approach is consistent with the Commonwealth Modern Slavery Act: Guidance for Reporting entities Section 2 and Appendix 2 ‘large entities with the capacity to meaningfully comply and leverage to influence change in their supply chains’.

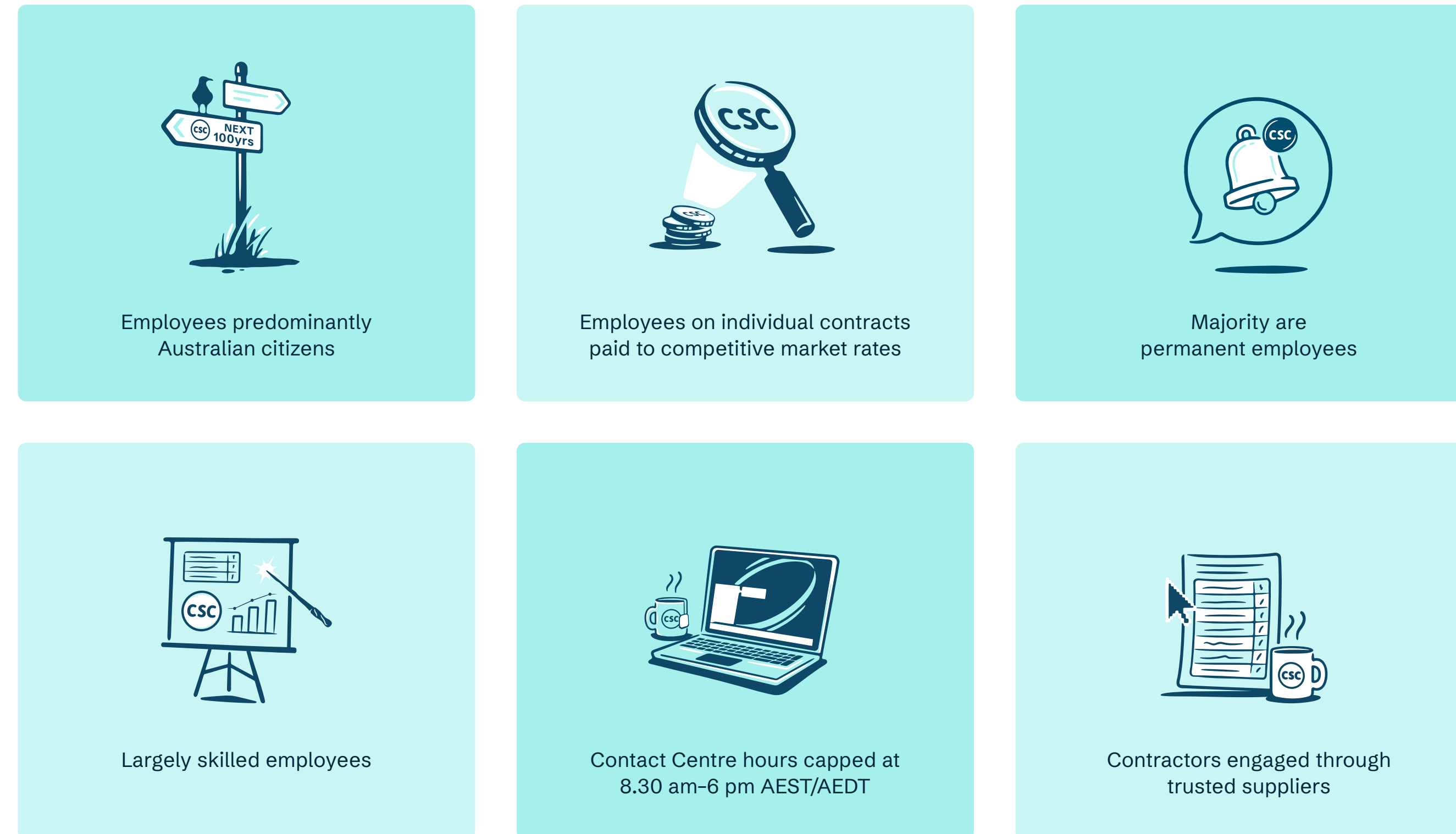
³ Location risk is determined using the Global Slavery Index 2023.

3. Criterion 3: Risks of modern slavery practices in our business

3.1 Risks in our operations

We've assessed the modern slavery risk within our direct workforce, and we categorise it as 'low'. This is based on several reasons, as shown in Figure 5.

Figure 5: Factors indicating low risk in our operations





3.2 Risks in our investments

Review of our investment partners

We continue to seek greater clarity on how our investment partners approach potential exposure to modern slavery risks in their portfolio businesses and own operations. We aim to:

- promote transparent identification of where the highest risks might be;
- encourage the systematic monitoring and documentation of where it's possible to remediate and prevent future risks; and
- recognise where it's not yet possible to effect remediation or mitigation of risks at an individual asset/investor level due to global systemic issues that are the underlying causes of forced labour/modern slavery, and consider alternative collaborative approaches to remediate and mitigate risks.

Our objective is to gain honest insight into the impediments, as well as the successes in this endeavour.

In our view, insufficient attention is given to what we as asset owners collectively, are unable to do. This potentially leads to misrepresentations of the capacity of capital markets to rectify systemic issues.

As awareness of modern slavery develops across the globe, the focus is moving from identification—to reporting, remediation and future mitigation.

In summary, transparency in the overarching governance process undertaken by CSC and our investment partners—acting as our agents—enables stakeholders to understand areas we prioritise for engagement, in line with the resources available to deliver sustainable retirement outcomes to all our customers.

Risk exposure in investments

We invest our funds across a wide range of local and international investment markets, assets, and strategies. This includes investments in cash, fixed income, public and private equity, property, infrastructure and hedge fund strategies. This means we invest across a range of industries and businesses that operate all over the world.

Our exposure to the following higher-risk sectors is approximately 10.5%, which is below the MSCI All Country World Index (ACWI) benchmark of 14.8%.

Sectors	CSC (%)	MSCI ACWI (%)	Difference
Mining	3.8%	1.1%	2.7%
Construction and building materials	0.2%	0.4%	-0.1%
Apparel	0.4%	0.7%	-0.3%
Agricultural and fishing	0.1%	0.1%	0.0%
Electronics manufacturing and electronics recycling	1.7%	6.1%	-4.4%
Food and Beverage	1.0%	2.1%	-1.1%
Health care	1.1%	1.2%	-0.1%
Forestry	0.0%	0.0%	0.0%
Hospitality	1.3%	1.9%	-0.6%
Housekeeping/Facilities	0.0%	0.0%	0.0%
Transport and Warehousing	0.7%	1.1%	-0.4%
Total	10.5%	14.8%	-4.3%

CSC's investment portfolios have approximately 1.6% of funds under management (as at 30/06/25) exposed to countries identified in the Global Slavery Index as potentially higher risk for modern slavery incidents. This is notably lower than those countries' combined share of global GDP, which stands at 21.0% (as at 30/06/25). This disparity partly reflects CSC's focus on developed and emerging markets, rather than frontier markets where risks are more opaque and difficult to price.

3.3 Risks in our corporate supply chains

Review of our corporate suppliers

We conduct an inherent risk assessment of the companies we purchase goods and/or services from support our general operations and our scheme administration services. We then assess their residual risk after factoring in self-reported details of how the supplier addresses modern slavery in their own operations and supply chains. We supplement these assessments with desktop research (supported by AI) to identify actual incidents of modern slavery and potential concerns in their operations.

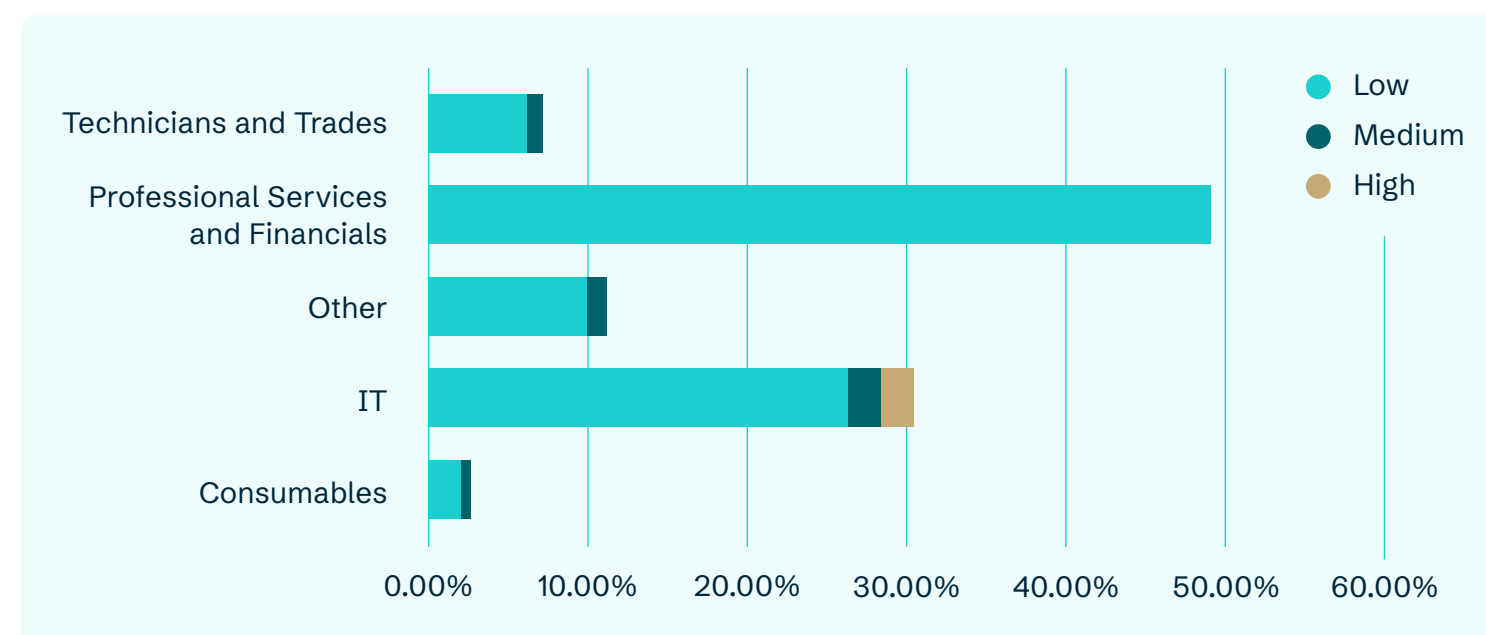
We find that 94% of our corporate suppliers present a low risk of modern slavery in our supply chains.⁴

Nine of our suppliers were found to present a medium risk of modern slavery. These suppliers appear to have policies and procedures commensurate with their risk of modern slavery, however due to the overall scale of their operations and their potential risk exposure, we consider that their residual risk remains moderate.

Three suppliers were rated as having high risk of modern slavery. Two of these suppliers remain residually high risk because of a high degree of potential exposure to modern slavery in their supply chains, irrespective of the appropriateness of their policies. One of these suppliers is new to CSC, and being a smaller company, hasn't yet developed policies and procedures commensurate with their risk exposure. As such, they are rated as high risk. Both companies are large suppliers to government and corporate businesses within Australia. Refer to 4.3 for actions assigned to the high-risk suppliers.

See Figure 6 for a breakdown of our residual risk exposure, categorised by sector.

Figure 6: Residual risk analysis of different supplier industry categories

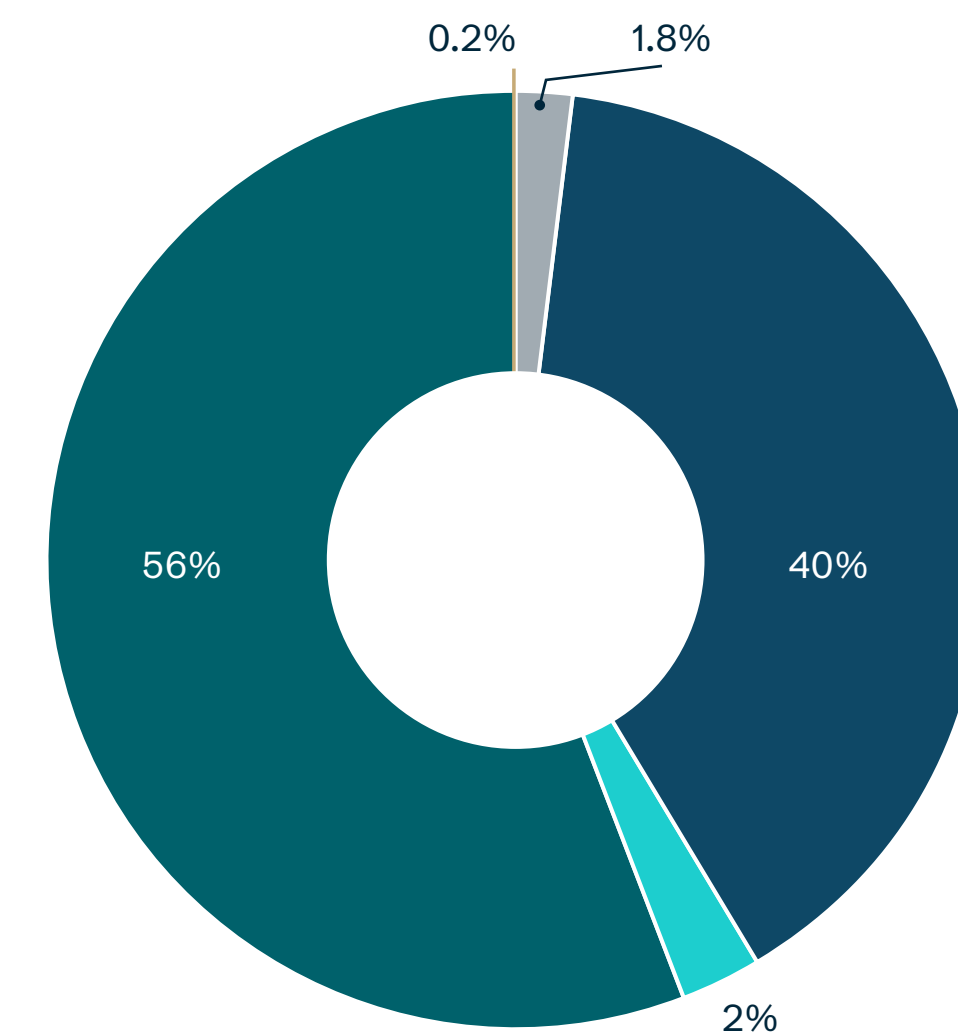


⁴ Our findings in the statement cover the period 1 July 2024 to 30 June 2025.

Risk exposure via parent companies

We investigate the parent companies of subsidiaries operating in Australia to identify those operating in higher-risk locations overseas. The majority (~56%) of spend is on suppliers of IT services, including higher-risk IT hardware, peripherals, and the storage and disposal of these goods. Around 40% of spend is on suppliers of professional services, a category that inherently carries a lower risk of modern slavery.

Figure 7: Suppliers operating in higher-risk locations (by category of spend A\$)



- Consumables
- Professional Services and Financials
- Other
- IT
- Technicians and Trades

Risk exposure via our IT suppliers

Within CSC’s supply chains, IT hardware and electronics consumables pose a higher potential risk of modern slavery. This is largely due to the complexity of these supply chains and reported difficulties in monitoring operations within the countries where the component parts and minerals are typically sourced.

Our research identified 7 corporate suppliers that may also on-sell IT hardware or electronics items sourced from higher risk locations.

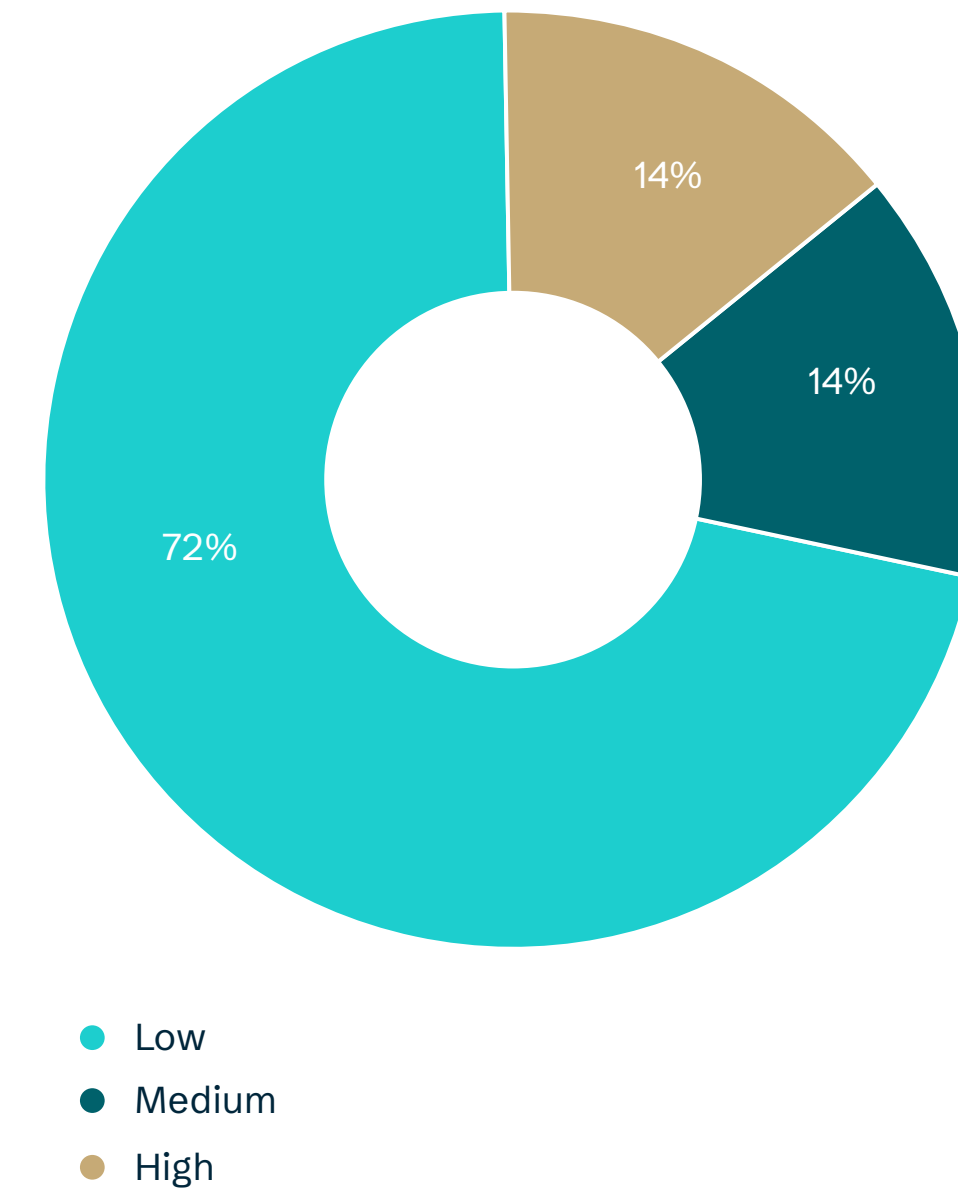
Of these 7 suppliers, one is assessed to have a medium risk exposure due to the locations they operate in globally and the types of products they sell.

One supplier is assessed as high risk of exposure to modern slavery. This company maintains a comprehensive modern slavery policy statement. Their 2024 public statement shows a high degree of transparency concerning their potential risk exposure and their efforts to monitor their suppliers. Nonetheless, we rate them high due to the size of their global operations and potential exposure via their electronics supply chains. As a result of their higher risk rating CSC ensures this supplier is subject to ongoing monitoring. CSC considers that no additional improvements to policies or procedures are required at this time but will continue to assess.

The other 5 suppliers maintain adequate policies and procedures that reduce their residual modern slavery risk to low. A review of these companies’ operations indicates that they’re unlikely to source goods from higher-risk locations.

Figure 8: Suppliers also trading in computer hardware and electronics (by category of risk)

Residual Ratings for Hardware Suppliers



4. Criterion 4: Actions taken to address our risks

4.1 Actions taken in our operations

Maintaining our policy framework

We maintain a robust policy framework that addresses modern slavery risks, supported by the following policies. The most recent review date for each policy is listed. We typically review all policies every 3 years or following a trigger event.

Policy title	Objective	Last reviewed
Modern Slavery Policy	Sets out our modern slavery standards and approach. This helps us identify, manage and mitigate modern slavery risks. We regularly review this approach so it continues to develop and improve.	2023
Employee Code of Conduct	Clearly communicates our expectation that employees and those engaged with us observe the highest standards of ethics, integrity and behaviour—acting with honesty, treating others with respect and courtesy, complying with all Australian laws, and upholding our values.	2025
Whistleblower Protection and Public Interest Disclosure	Whistleblowers must be protected against potential personal and financial risk. We have a culture of disclosure, and we strongly support and encourage staff, suppliers and other partners to disclose and report any incidents and breaches of law. This leads to early prevention and detection of issues.	2025
Diversity and Inclusion	Helps us support and encourage a diverse and inclusive workplace culture and an environment of equity, respect, courtesy, honesty and integrity. It also helps to remove barriers so all employees can contribute to their full potential, have equal access to opportunities and be equitably remunerated.	2025
Procurement Policy	Aims to achieve good governance in procurement, which involves acquiring goods and services by or on behalf of us, and effectively managing contracts. Procurement must be in members' best financial interests and align with our strategic objectives. It must be defensible, i.e. fair, accountable, transparent and free from conflicts of interest, actively manage risk in line with our policies; and achieve value for money.	2024
Supplier Code of Conduct	Outlines the standards we expect our suppliers to meet. The code includes modern slavery concerns, is based on best practice, and aligns with several Australian company codes.	2024
Supplier Management Policy	Sets out our approach to supplier management at CSC. The policy establishes the requirements for identifying, assessing and managing supplier risk, and who is responsible for these actions.	2025

Recruitment and employment practices

We screen all potential employees during our recruitment process. This includes obtaining a Nationally Coordinated Criminal History Check from the Australian Criminal Intelligence Commission (ACIC). Working rights are also checked as required through the Visa Entitlement Verification Online (VEVO) system, before our direct employees or contractors can commence work.

All CSC staff are employed under individual contracts underpinned by the Australian Government Industry Award. As a member of the Financial Institutions Remuneration Group, we conduct annual salary benchmarking to ensure employee roles and salaries remain fair and align with market rates.

Staff education and awareness

We continue to offer a mandatory learning suite that includes modern slavery training. This training is mandatory for new employees and is refreshed annually for existing staff. It aims to provide clearer context in the CSC environment by addressing:

- key aspects of modern slavery including its impact on our community and CSC
- team members' roles and responsibilities in identifying and combating modern slavery
- how employees can source policy and procedure to support them in their day-to-day delivery of work.

4.2 Actions in our investment supply chains

Understanding our investment actions in context

CSC's investment objective is to maximise long-term returns above inflation to provide a reliable income for customers in retirement. To achieve this, we consider traditional financial matters as well as many that are less-widely recognised as financially relevant, for example trends disregarded by investors with short term objectives. Many environmental (E) and social (S) risks fall into this category. Together with the governance (G) features that enable these risks to be managed, these are often referred to as 'ESG'.

Examples of common ESG issues include:

- pollution
- occupational health and safety
- modern slavery
- climate change.

However, critical to our objective is to see beyond the issues recognised by financial markets at any given time, because not every relevant risk is properly valued by markets. Rather than focusing solely on specific ESG issues or goals, we broaden our sources of insight and foster diverse thinking to enrich our analysis—while maintaining the rigour of our disciplined investment and risk management framework.

This applies equally to issues that some do not consider to be 'ESG', for example:

- pandemic and other global shocks
- geopolitical tensions
- the threats and opportunities of technology
- changes in economic, regulatory and financial market conditions
- vulnerability in supply chains
- how well a business is managed, including how its management team:
 - understands its competitive environment
 - supports, trains, manages and aligns its employees to its purpose and values
 - considers and manages its impact on the environment; and the community in which it operates.

We consider ESG factors to support our investment objectives, integrating them into risk management and stewardship activities where doing so is both cost-effective and in the best financial interests of our customers.

Due diligence on our investment partners

When selecting and onboarding new investment managers, we assess their risk management capabilities including modern slavery via questionnaires.

Following initial due diligence, we conduct annual modern slavery reviews as part of our continuous improvement across each reporting period. These reviews focus on investment partners and access routes to underlying investments where we hold greater influence or control.

We also apply a comprehensive and objective qualitative and quantitative scoring system to assess investment manager performance. Among other things, this assesses how our managers incorporate (ESG) factors in their portfolios, particularly those related to modern slavery.

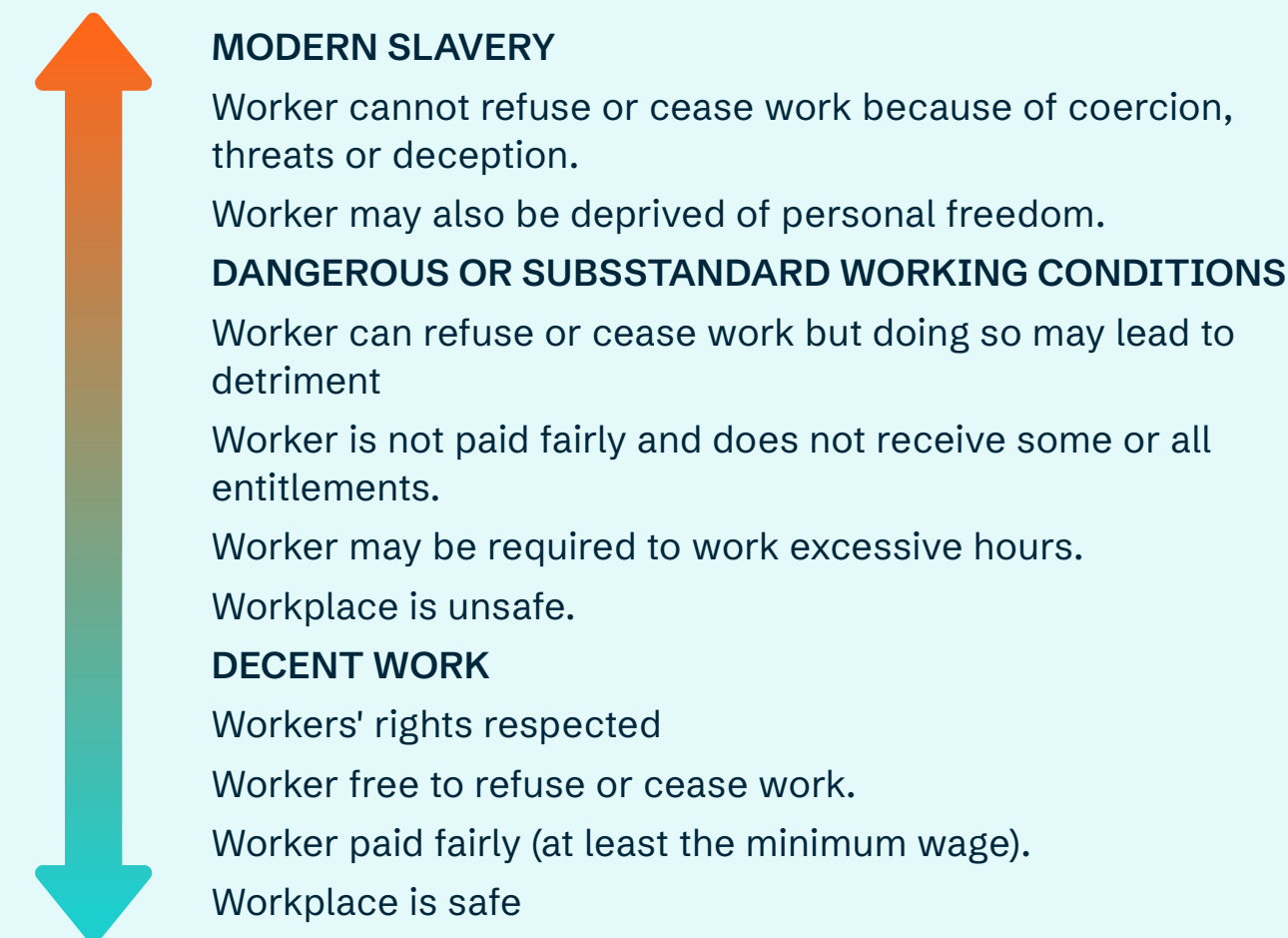
Expectation-setting with our investment partners

CSC expects our investment partners to identify, evaluate and manage exposures to all sources of investment value and risk (including intangible and unconventional ESG related risks), as set out in our Guidance for CSC's Investment Managers. One of these sources of investment value is the promotion of sustainable labour management practices, which in turn is expected to reduce the risks of modern slavery incidents and improve risk-adjusted returns for our customers' retirement savings.

We've established a set of Modern Slavery Risk Management Requirements which require our investment managers and investment suppliers to manage their own modern slavery risks and, in turn, reduce CSC's exposure to these risks. These are:

- a policy to address modern slavery risks addressed as part of other policies, e.g. ESG policy
- fit-for-purpose governance and ownership of modern slavery risks
- a process for identifying and assessing modern slavery risks pre-investment or pre-engagement
- a process for identifying risks in their operations, i.e. their investment activities, and supply chain, i.e. any third-party suppliers of our investment managers or investment suppliers, post investment or post engagement, i.e. on an ongoing basis
- a process for managing identified modern slavery risks
- a process for reporting modern slavery risks (internally and externally).

Modern slavery happens at the most extreme end of a spectrum that ranges from decent and safe work to serious criminal exploitation.



Source: Commonwealth Modern Slavery Act: Guidance for reporting entities Section 1, May 2023.

We expect managers to seek information relating to ESG risks and opportunities, assess the materiality of that information, and integrate information deemed material into investment analysis and decisions. This includes risks that are not currently fully reflected in asset prices, such as poor labour practices. Conversely, strong governance and labour management can contribute to more resilient and favourable supply chain relations⁵, more productive workforces and talent retention, brand reputation and stronger businesses models.

⁵ Build supportive, transparent and collaborative relationships with suppliers.



CSC contributes to collaborative efforts (including those of companies, investment partners, industry peers, market standard setters, and collaborative initiatives) through thought leadership, insights or other support where this is in our customers' best interests. In particular, we continue to participate in regular IAST-APAC information sharing sessions with human rights specialists, and remain ready to participate in the next stage of the Forced Labor Open Risk Estimation Tool (FLORET).

The IAST-APAC information sharing sessions provide critical insights into remediation practices, stakeholder engagement, and legislative developments. Through case studies, survivor perspectives, and expert guidance, the sessions emphasize the importance of human-centric remediation, collective action, and investor alignment. These discussions highlight legislative shifts impacting corporate obligations, and amplified survivor voices and civil society concerns, ensuring we understand real-world risks and ethical responsibilities.



Development of Forced Labor Open Risk Estimation Tool (FLORET)

FLORET is a global open-source tool designed to measure forced labour risk. It grew out of The Rockefeller Foundation and Brookings Institution's 17 Rooms Initiative in 2021, in which CSC participated.

The tool aims to improve institutional investors' access to reliable forced labour risk data. It is a multi-stakeholder initiative hosted by the McCain Institute at Arizona State University, with support from partners including the Office of the NSW Anti-slavery Commissioner, Google, Dun & Bradstreet, and one of CSC's investment partners, Bridgewater.

Currently in its prototype stage, FLORET is being developed to deliver consistent and reliable data on exposure to forced labour at the company or investment level. It seeks to avoid duplication and improve the effectiveness of industry-wide information transparency. CSC continues to follow its development in support of its future application across the investment sector.



Investors Against Slavery and trafficking (IAST-APAC)

This year, CSC continued to be a member of and take part in the leading Asia Pacific collaboration related to modern slavery: (IAST-APAC).⁶

We initially joined this collaboration in 2021 because we recognise that more meaningful and effective change can be achieved together with other institutional investors and modern slavery experts, as well as by engaging with our suppliers individually.

IAST-APAC is strongly focused on industry collaboration, including sharing knowledge and tools to address risk. It is inspired by the UK's 'Find It, Fix It, Prevent It' investor initiative.

IAST-APAC partners with experts, including the Walk Free organisation (based in Western Australia) and the Liechtenstein Initiative for Finance Against Slavery and Trafficking (FAST), as well as investor briefings on specific risks by labour rights specialists.

We joined IAST-APAC to:

- raise concerns about modern slavery risk with companies systematically and consistently
- create more meaningful and effective change by joining forces with others to protect people from modern slavery, labour exploitation and human trafficking
- avoid duplication of effort among investors working to address modern slavery risks
- increase awareness of modern slavery, trafficking and labour exploitation risks amongst the investor and business community
- provide a framework for investors to address risks to meet legal and other requirements, including the requirement to enable effective remedy
- share information and knowledge about modern slavery risks.

⁶ The secretariat and knowledge partner of IAST-APAC is Walk Free, a not-for-profit organisation seeking to strengthen systems and eradicate slavery from all supply chains and the publisher of the Global Slavery Index, along with the Liechtenstein Initiative for Finance Against Slavery and Trafficking (FAST).

4.3 Actions taken in our Corporate Supply Chains

Understanding our actions in context

CSC's Supplier Management Policy establishes our overarching framework to supplier management, ensuring we use fit for purpose suppliers subject to appropriate due diligence, approval, and ongoing assurance and monitoring.

The Supplier Management Framework is a key component of CSC's overall Risk Management Framework and addresses the following regulatory requirements:

- Prudential Standard CPS 220 Risk Management
- Prudential Standard CPS 230 Operational Risk Management
- Prudential Standard CPS 234 Information Security
- *Modern Slavery Act 2018*
- *Privacy Act 1988*

We use our enterprise risk management system to assess and track various risks associated with the purchase of services and products that support our operations. Modern slavery risk assessment results are recorded in this system. Specific risk incidents related to modern slavery concerns are captured in the system for monitoring and further remediation, where appropriate.

Due diligence on our corporate suppliers

We conduct due diligence reputation checks for modern slavery risk when onboarding new suppliers. A questionnaire is used to gather suppliers' self-reported approaches to modern slavery and their risk exposure. Information about a supplier's geographical location and main industry is recorded in our financial information management system to assist the efficient assessment of inherent risk. Suppliers assessed as high inherent risk are subject to further desktop reviews assisted by AI searches to identify specific incidents.

Suppliers that are critical to our operations are also subject to annual reputation checks, supported by AI assisted internet searches. These suppliers are also expected to report any 'fourth party suppliers'⁷ to us. We conduct risk assessments on these suppliers where they are identified to us.

Actions in our corporate supply chains

Based on our risk assessment results this year, we have assigned specific actions to 3 suppliers. These actions are:

- Continue to track the progress of active court proceedings for a long-term corporate supplier.⁸
- Monitor our new corporate supplier who is yet to develop policies and procedures and actively encourage their adoption in the next 12-months.
- Continue to conduct periodic AI assisted reputation checks of one supplier and their parent company which owns a global retail marketplace with an extensive supply chain of products of high risk of exposure to modern slavery.

Expectation-setting with our corporate suppliers

Our expectations on our corporate suppliers are outlined in our Supplier Code of Conduct made available on our corporate website. Our Procurement Policy prioritises the use of standard form contracts which include modern slavery clauses, along with requirements to comply with our Supplier Code of Conduct. CSC negotiates such clauses into all higher-risk contracts. These contractual terms require our suppliers to report relevant risk incidents to us, including modern slavery concerns.

⁷ A fourth party supplier is a company that our third-party supplier relies on to provide us with services or products.

⁸ First reported in our last Modern Slavery Statement. The company is not alleged to have engaged in modern slavery, but to have supplied services to a company that has since been found guilty of such claims. Our supplier is a large corporation, supplying to many government and corporate businesses within Australia and is otherwise found to maintain a good standard of policies related to finding and addressing modern slavery concerns.

5. Criterion 5: Progress and effectiveness of actions

5.1 Assessing actions in our operations

The Australian Government has set an overarching performance framework to review its approach to modern slavery. As a separate corporate Commonwealth entity, CSC does not contribute data towards the Australian Government's performance framework. However, we have aligned our own performance metrics to ensure best practice.

The Australian Government framework covers the following 4 key areas.⁹ We've assessed our performance against each of these areas, setting similar measures to assess how we perform in our corporate activities.

Area	Key performance indicators	Our performance
Training and awareness activities	<p>New employees to CSC complete the Modern Slavery Awareness training within their first few weeks of commencement.</p> <p>All employees recomplete training 12 months thereafter.</p> <p>All employees pass awareness tests on completion of the training.</p>	<p>Mandatory requirement introduced in 2021, with system generated metrics to track compliance.</p> <p>The training is based on the Australian Government's initial training module and is currently under full review in 2025.</p>
Procurement and contract management processes	<p>All CSC standard procurement template contracts include compliance with our Supplier Code of Conduct and modern slavery clauses.</p>	<p>In 2021-22 we incorporated our Supplier Code of Conduct and modern slavery clauses into our standard contract terms. Last year, we reviewed and updated our standard contracts for currency.</p> <p>CSC actively promotes the use of these template contracts in procurement forms and online resources. Additionally, our modern slavery clauses must be reviewed by our General Counsel wherever the supplier wishes to negotiate a change.</p> <p>Significant tenders required full compliance with our standard terms, including modern slavery and our Supplier Code of Conduct, as a condition of participation.</p>
	<p>CSC embeds supplier risk management and due diligence procedures, including the identification and management of modern slavery risk into procurement processes.</p>	<p>Decisions on appropriate contractual terms are informed by our supplier risk assessments.</p> <p>Last-line-of-defence compliance checks are performed via the submission of mandatory Spending Proposals for procurements valued above \$10,000.</p> <p>CSC implemented Phase 2 of its supplier management system in October 2024, embedding requirements for supplier due diligence and risk assessment into our procurement practices.</p>
	<p>All corporate procurement contracts valued over \$10,000 (incl. GST) are assigned a Contract Manager responsible for their active management.</p>	<p>Roles and responsibilities for contract management are articulated within our Procurement Policy.</p> <p>'Contract Manager' is a defined user-group within our financial system, allowing CSC to monitor performance.</p>
Supplier activities	<p>Number of suppliers found to have had an actual modern slavery incident/concern reported within the last 5 years, or to have an outstanding ethical concern under investigation.</p>	<p>CSC's Supplier Module in our risk management system was first introduced in 2022. It includes an annual reputation check for high/extreme risk suppliers. Search parameters are supported by AI and include modern slavery concerns, as well as broader ethical concerns such as the fair payment of workers.</p>

⁹ Performance metrics does not specifically include use of the Australian Government's Modern Slavery Toolkit for Government Procurement Officers and the Risk Screening Tool. As an APRA-regulated entity, CSC does not specifically refer to these documents, though they may inform our approach to compliance with our broader supplier management framework.

5.2 Assessing actions in our investments

Observing the work of our investment partners

The following examples highlight our investment partners' various approaches to modern slavery risk management. Investment partners are choosing to:

- Engage with underlying investee companies to promote strong corporate practice and disclosure with respect to supply chain human rights, through benchmarks such as the *2024 Know the Chain's Good Practice Guide*¹⁰ and best practice purchasing, grievance and remediation mechanisms such as *Modern Slavery & Remediation – An Investor's Guide*, October 2024¹¹
- Use tools specifically to identify and manage modern slavery risks such as:
 - Supply chain tracing for risk identification: FairSupply; RepRisk; EcoVadis; MSCI ESG; ISS ESG; Sustainalytics; Bloomberg; Ethixbase360; Informed365
 - Industry frameworks for prioritising focus: PRI guidance; UN Guiding Principles on Business and Human Rights; OECD (Organisation for Economic Cooperation and Development) guidelines; Walk Free Global Slavery Index; SASB (Sustainability Accounting Standards Board) Materiality Map
- Participate in industry collaborations for knowledge sharing and influence including:¹²
 - Cleaning Accountability Framework (CAF) certifications
 - Property Council of Australia (PCA)
 - Labour Behind the Label (global garments)
 - Conflict Affected and High-Risk areas (responsible minerals initiative)
 - Responsible Investment Association Australasia (RIAA) Human Rights Working Group
 - Emerging Markets Investors Alliance
 - Slave-Free Alliance
 - UN Global Compact's Business and Human Rights Accelerator program
 - Investors Against Slavery and Trafficking (IAST) - see following page
 - Modern Slavery Disclosure Quality Ratings for ASX100 Companies published by Monash University
- Make enhancements to investment managers' risk controls including to:
 - Integrate modern slavery risks into the investment decision-making process through identification of high-risk countries and sectors.
 - Incorporate ESG scoring into their proprietary tools and dashboards. In this context, a poor ESG score leads to non-investment or increases the hurdle for investment.
 - Undertake comprehensive risk assessments and enhanced due diligence questionnaires for companies to focus on human rights and social responsibility.
 - Update their Supplier Code of Conduct to manage expectations and risks and conduct risk assessments.
 - Develop incident registers to record adverse media scans, controversies, engagement actions and escalations to the Board.
 - Enhance processes to ensure stronger risk management practices, such as internal and external audits.
 - Provide modern slavery education to key staff, portfolio companies and suppliers.

¹⁰ KnowTheChain: Good Practice Guide 2024 – Business & Human Rights Resource Centre.

¹¹ Walk-Free-SII-Modern-Slavery-and-Remediation-Investor-Guide.pdf

¹² Both CSC and our investment partners recognise the importance of collaboration to address modern slavery together. The following page has more details on the two collaborations CSC has been involved in.

Drawing insights from our observations

Reflecting on our engagement with CSC’s investment partners over the last 6 years, the table below summarises our insights, examples and learnings about what investment stewardship actions can effectively achieve.

Learnings	Examples
<p>Investors and regulators</p> <p>CSC’s own investment governance framework appreciates the complexity and interconnected nature of global supply chains and the fact that some system risks are difficult to identify, manage or remediate effectively.</p> <p>Modern slavery risk is an example of one of these risks. Where such risks are identified, investors can mitigate the impact on their portfolios, e.g. divestment or diversification. Although this does not necessarily help to alter the real-world modern slavery networks it is still a beneficial step.</p> <p>Importantly, we recognise the crucial role of regulators (domestic and global) to implement policies, such as laws and fines, to regulate industry practices and deter harmful behaviour.</p>	<p>Multiple investment partners noted the following trends:</p> <ul style="list-style-type: none"> • Due to international concerns about forced labour incidents in Xinjiang, businesses have diverted sales of products manufactured in Xinjiang to consumers more concerned about cost than labour origins. • On the other hand, products manufactured outside of Xinjiang with higher labour standards/regulations are sold to consumers who are willing to accept higher prices in order to prioritise ethical sourcing of labour. • One of the investment managers highlighted that compounding global crises, including disease outbreaks, armed conflicts, and climate change, have intensified the systemic risks of modern slavery. These risks can apply across supply chains, ometimes extending beyond the scope of investor influence alone (though this remains relevant).
<p>Acknowledging limits on influence</p> <p>Modern slavery risk is more prevalent in lower tiers of supply chains. Currently this is harder to influence though steps can still be taken to mitigate risks.</p>	<p><i>“Lower tiers of the supply chain are more likely to involve businesses with a strong reliance on migrant, informal and base-skilled workers; and complex supply chain networks located in regions with lower labour standards and costs, and lower enforcement levels. Identifying modern slavery practices here is particularly challenging, and more likely to occur beyond our direct visibility.”</i></p> <p>- Public equity & bond managers</p>
<p>Education and engagement with investment partners</p> <p>In previous annual modern slavery reviews of our investment partners, CSC has focused on raising awareness, scoping, and gaining transparency of where potential modern slavery risks lie in investee companies (and their supply chains where possible).</p>	<p>Since the release of our inaugural Modern Slavery Statement 6 years ago, the proportion of investment managers with documented modern slavery policies has risen.</p> <p>For more details, please refer to Section 4.2 on how our influence has increased awareness of Modern Slavery amongst our investment partners, and encouraged them to adopt best practice policies and processes.</p>

<p>CSC’s engagement specialist works with prioritised international companies on human rights and supply chain labour rights.</p> <p>They expect:</p> <ul style="list-style-type: none"> • Companies to develop a business model and purchasing practices (including supplier social compliance due diligence) aligned to the elimination of human rights abuses, including modern slavery. • Near-term corporate objectives to include carrying out dynamic due diligence across supply chains to identify impacts such as forced labour, modern slavery, child labour, non-payment of living wages and gender-specific issues (e.g. lower pay, vulnerability to exploitation) and facilitate supply chain grievance mechanisms which incorporate the opinions of workers and ensure access to remedies. 	<p>Our engagement specialist, along with 3 of CSC’s investment partners, have identified weak labour and safety practices at a jointly held emerging market manufacturer in our portfolio.</p> <p>All parties are currently engaging with the company to improve standards and strengthen labour oversight within their supply chains. We will continue to monitor and require the company to report on its progress.</p>
<p>Risk integration</p> <p>CSC engages investment managers to identify, evaluate and manage exposures to all applicable sources of investment value and risk, as fundamental asset management competencies.</p> <p>CSC’s due diligence, monitoring and review of our managers throughout the year encompasses an assessment of their efforts to ensure a complete view of value and risk, including intangible value and unconventional (including ESG- related) risk.</p>	<p><i>“ESG factors, including modern slavery risks, are important for informing investment opportunities and decision-making, guiding stewardship activities integrated across multiple stages of investment process, spanning idea generation, fundamental analysis of shareholder wealth creation, valuation analysis, investment monitoring, and risk analysis at both stock and portfolio levels.”</i></p> <p>- Public equity manager</p> <p>One of our public equity managers sought to capture systematic data to identify and monitor potential social issues. Proxy voting and engagement are the key tools that the manager uses to promote greater transparency and stronger risk management in investee companies.</p>
<p>Investment pipeline hard hurdles vs valuation adjustments</p> <p>In this year’s review, managers reported more explicitly about how they integrate the transparency (or lack of) of modern slavery risks into overall investment decisions. This is achieved via including a hurdle in relation to the level of uncertainty surrounding the investment and its supply chains.</p> <p>For example:</p> <ul style="list-style-type: none"> • where risks were identified pre-investment and considered to be too high or processes were insufficient to reduce risks, the investment was avoided • some managers explicitly added anti-slavery clauses in contracts, addressed modern slavery risks in pre-investment sustainability assessments, and engaged independent audits of key contractors • where risks were material, they were incorporated into company valuations and investment return hurdles, i.e. specific change to cash flows or an adjustment to the weighted average cost of capital. 	<p><i>“Each investment is assessed against criteria including sustainability and if the manager rates management’s ability to handle ESG risks poorly, this will be reflected in proxy voting and portfolio positioning.”</i></p> <p>- Public equity manager</p> <p>For another public equity manager, ESG scores are integrated into investment decisions as follows:</p> <ul style="list-style-type: none"> • poor scoring companies automatically excluded from portfolio • strong scoring companies given “ESG premium” to target price • mid scores are considered for portfolio inclusion if there is an opportunity for value creation through engagement.

<p>CSC's efforts focused on differentiating manager responses into two categories.</p> <p>Divestment: Where investment managers identify high modern slavery risks in their investee companies, they divest their exposure to that company. Most of CSC's managers do not do this, consistent with CSC's principles on divestment, see Frequently asked questions.</p> <p>Engagement: Where investment managers identify high modern slavery risks in their investee companies, they seek to engage with those companies to improve their supply chain awareness and management. Many of CSC's managers do this. CSC's focus is on understanding how these investment managers measure the success or otherwise of their engagement programs.</p>	<p><i>"The nature of each engagement will vary based on the scale, longevity and corporate response to the issue. Additionally, the specificity and quality of the source reporting on the issue will be an important factor in analysis. In cases where the corporate response is insufficient, an escalation strategy will be developed which may include further engagement, proxy voting and/or divestment."</i></p> <p>- Fixed income manager</p> <p><i>"In cases where it is identified that there has been contribution to an adverse human rights impact via an investee or supplier relationship, engagement with the firm would be undertaken and, where concerns persist, further action as appropriate to understand their remediation processes will be pursued. Leverage will be used to mitigate any remaining impact, where possible. Where a company's remediation efforts are considered unsatisfactory, terminating agreements is also a consideration."</i></p> <p>- Public equity manager</p>
<p>Prevention</p> <p>Multiple managers, companies and NGOs reported using AI to identify potential indicators of modern slavery, e.g. through job advertisements. Managers using AI introduced detailed prompts as additional input to augment research (in addition to review by external experts).</p> <p>Managers also reported on supply chain worker grievance mechanisms. These should be accessible in workers' languages and available outside working hours, predictable, equitable, transparent, confidential, protect workers' privacy and address gaps in supply chain visibility.</p>	<p><i>"Following concerns about child labour risks at a third-party supplier, a company has since implemented measures such as education, face ID verification, and a labour supplier risk classification system. Suppliers deemed high-risk must complete corrective action plans. The company was encouraged to implement its own remediation policies if instances of modern slavery are found, rather than rely on the policies of its suppliers."</i></p> <p>- Public equity manager</p>
<p>Remediation</p> <p>Two investment managers discussed relocating affected workers and facilitating their repatriation home to avoid unintended consequences (e.g. loss of income for vulnerable families).</p>	<p><i>"If adverse human rights impacts arise, it is important to assess remediation and avoid unintended consequences (e.g. loss of income of vulnerable families)."</i></p> <p>- Fixed income manager</p>

5.3 Assessing actions in our corporate supply chains

Improvements in our due diligence

Since the inception of our modern slavery corporate supplier risk review in 2019-20, we've continued to enhance our processes and expand our assessment scope to better identify the risk of modern slavery in our supply chains.

We started by refining our questionnaire to ensure we got the right information from our suppliers. Over the years, we've added more detail to the information we hold about our suppliers. We now hold this information in a central risk management system and use the system to monitor high risk suppliers. This year, we supplemented our desktop research into our supply chains by using AI search terms to detect modern slavery concerns and possible breaches of our Supplier Code of Conduct.

Improvements in our suppliers' due diligence

Since the inception of the legislated Australian Modern Slavery scheme, we've encouraged our corporate suppliers to develop their modern slavery due diligence. Last financial year, 6% of our corporate suppliers were rated as residually medium risk. This has decreased to 4.5% this year. Additionally, there was a 0.5% increase in the residually low-risk suppliers compared to last year. The percentage of corporate suppliers rated as high risk has remained under 2% since 2023.

Improvements under the scheme

With the introduction of the modern slavery reporting scheme in Australia in 2019-2020, we surveyed 74 of our corporate suppliers deemed to have a high inherent risk of modern slavery. Just over half of these suppliers responded to the survey, with ~13% of those surveyed remaining at high residual risk of modern slavery, predominately due to a lack of formal policies and procedures. This financial year, we found that only 3 suppliers of 52 remained at high residual risk of modern slavery. Only 1 of these is still at high residual risk due to insufficient policies and procedures. This represents a reduction from ~13% in the inaugural year of the scheme, to just ~2% in 2024-2025. We have written to the supplier who still does not have sufficient policies and procedures to encourage the adoption of suitable policies and procedures and will continue to engage with this supplier and the other two suppliers with high residual risk to encourage them to make further improvements.

Table 3: Number (#) of high and medium risk suppliers that improved policies and practices in 2024-25

	Total # 2024	Total # 2025	Earmarked for Improvement: # 2024	Evidence of Improvement: # 2025
High risk	2	2	1	1
Medium risk	15	9	3	2
Total suppliers	17	11	4	3

6. Criterion 6: Consultation with our entities

7. Appendix: Entities controlled by CSC in this statement

This Modern Slavery Statement covers, and has been developed through engagement in connection with, the entities listed in the Appendix: CSC, its wholly owned subsidiary ARIA Co Pty Ltd, and the superannuation schemes and investment trusts of which CSC and ARIA Co are trustees. CSC and ARIA Co do not own or control any other entities. Jointly, we are committed to developing a consistent group-wide response to the Act, so all actions apply to all reporting entities listed in the Appendix.

This statement is prepared on behalf of CSC and its associated entities. These are:

- Commonwealth Superannuation Corporation ('CSC') (ABN 48 882 817 243)
- The Public Sector Superannuation Scheme ('PSS') (ABN 74 172 177 893)
- The Commonwealth Superannuation Scheme ('CSS') (ABN 19 415 776 361)
- The Public Sector Superannuation Accumulation Plan ('PSSap') (ABN 65 127 917 725)
- The Military Superannuation and Benefits Scheme ('MSBS') (ABN 50 925 523 120)
- The Australian Defence Force Superannuation Scheme ('ADF Super') (ABN 90 302 247 344)
- The ARIA Investments Trust ('AIT') (51 484 956 137)
- The ARIA Property Fund ('APF') (44 682 603 202)
- The PSS/CSS A Property Trust ('PCA') (ABN 53 508 925 207)
- The PSS/CSS B Property Trust ('PCB')
- ARIA Co Pty Ltd ('ARIA Co.') (ABN 49 123 399 057)
- PSS/CSS Investments Trust ('PCIT'), comprised of PSS International Investments Fund (ABN 65 440 705 775), CSS International Investments Fund (ABN 77 190 699 383) and Combined Investments Fund (ABN 88 991 028 460) ARIA Alternative Assets Trust ('AAAT') (ABN 84 599 839 363)



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