

Modern Slavery Statement

BUSS (Queensland) Pty Ltd
Financial year 1 July 2023 to 30 June 2024

Published: 27 November 2024

This Modern Slavery Statement ("Statement") was prepared and issued by BUSS (Queensland) Pty Ltd ABN 15 065 081 281 AFSL 237860 Trustee for Building Unions Superannuation Scheme (Queensland) (BUSSQ) ABN 85 571 332 201 for the purpose of compliance with section 14 of the Australian Modern Slavery Act 2018 (Cth).

All Fund and investment data is as at 30 June 2024, unless otherwise stated.

This Statement may include general information only and does not take into account your personal financial situation or needs. Before acting, you should review the Product Disclosure Statement (PDS) to ensure you have all the information about the relevant BUSSQ product and how it works and consider the appropriateness of the information to your needs or obtain financial advice tailored for your personal circumstances. The PDSs, and Target Market Determinations for BUSSQ products can be found at bussq.com.au.

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1. Purpose of statement

The *Commonwealth Modern Slavery Act 2018* ("the Act") established Australia's national Modern Slavery Reporting Requirement (reporting requirement). This BUSSQ Modern Slavery Statement ("Statement") for the 2023/24 financial year addresses the mandatory reporting criteria in the Act.

BUSSQ aims to operate responsibly with respect for human rights, and the Statement explains what BUSSQ is doing to assess and address the risks that modern slavery practices may be occurring in its global and domestic operations and supply chains. BUSSQ believes that every worker deserves dignity and support through their working lives and in retirement.

2. Reporting entity

Building Unions Superannuation Scheme (Queensland) ABN 85 571 332 201 ('Fund') is an employer sponsored public offer superannuation fund which is operated to comply with the *Superannuation Industry (Supervision) Act 1993* (SIS), and is the reporting entity for this Statement.

BUSS (Queensland) Pty Ltd ABN 15 065 081 281 ('Trustee') is the Trustee and the principal governing body for the reporting entity and is responsible for managing the Fund on behalf of its members.

The Fund will be referenced throughout this statement as 'BUSSQ', 'the Fund', 'we', 'us' or 'our' (as relevant).

3. Reporting entity's structure, operations and supply chain

Our structure

BUSSQ operates in Australia as a profit for members superannuation fund, with 74,029 member accounts and \$6.66 billion funds under management¹. The Trustee of the Fund has 47 staff, with offices in Brisbane and Townsville. The registered office of all entities is 299 Coronation Drive, Milton, Queensland.

The BUSSQ structure is made up of:

- BUSS (Queensland) Pty Ltd ABN 15 065 081 281 as the Trustee for BUSSQ and the Pooled Superannuation Trust
- Building Unions Superannuation Scheme (Queensland) ABN 85 571 332 201 as the Fund
- BUSS (Queensland) Pooled Superannuation Trust ABN 31 303 906 148 'PST'

¹ Information correct as at 30 June 2024.

Most investments of BUSSQ are made via the PST. No other entities invest money in the PST.

BUSSQ's Trustee ensures that the Fund is governed and managed appropriately and in the best financial interests of all Fund members. The Trustee Board has eight directors comprising an equal number of directors appointed by employers and members.

The Construction, Forestry, Mining and Energy Industrial Union of Employees, Queensland in respect of its State Construction and General Division (CFMEUQ) appoints four directors to represent the members and the Queensland Master Builders Association Industrial Organisation of Employers (QMBA) appoints four directors to represent employers. The CFMEUQ and QMBA are equal shareholders of BUSS (Queensland) Pty Ltd.

The Trust Deed governs the operation of BUSSQ. The Company Constitution and relevant legislation governs the Trustee.

Our operations and supply chain

For over 39 years BUSSQ have been supporting workers in the building, construction and civil industries.

BUSSQ provides superannuation accumulation and pension products. Key components of these products are the investment of retirement savings and the provision of group life insurance.

Investments: The Trustee has responsibility for BUSSQ's investments, and employs a professional investment advisor, Frontier Advisors to manage the funds within each asset class. Frontier Advisors continues to progress their approach to modern slavery by continuous enhancement to their modern slavery risk assessment; and continued engagement and the attendance at regular external briefings and seminars to understand emerging and key developments specific to modern slavery risk as well as continued integration of modern slavery risks as part of ongoing research and engagement activities.

The Trustee directly appoints investment managers to manage the funds within each asset class. Approximately 64% of investment managers are located in Australia, and the remaining 36% are located offshore in North America and Europe. Investment asset classes include agriculture, Australian and international shares, Cash, fixed interest, property, infrastructure, and alternatives.

Custodian services for assets is provided from Australia by BNP Paribas Fund Services Australasia Pty Ltd.

Insurance: Death, Total & Permanent Disablement, and Income Protection insurance are offered to members through Group insurance policies held with Zurich Australia Limited.

Insurance cover is tailored for workers in the building, construction and civil industries. All insurance services operate from Australia.

Member and employer services: BUSSQ supports members in understanding and transacting on their superannuation products through the direct provision of members services, online portals, educational seminars, advice, and marketing material. BUSSQ also supports employers in meeting their legislated superannuation obligations.

Australian Administration Services Pty Limited (AAS) provides administration, accounting, contact centre, banking, anti-money laundering and clearing house services.

Industry Fund Services Limited ("IFS") provides financial product advice services. In 2023/24 advice was provided by Link Advice up to May 2024 and IFS was engaged from December 2023 to provide general advice and limited personal advice by financial planners as Authorised Representatives of IFS but employed by BUSSQ. The Trustee is responsible for general advice, limited to BUSSQ products, provided by its employee representatives.

Professional and operations support: BUSSQ has other professional services in its supply chain to support the operations of the Fund which are listed in the BUSSQ Annual Report and website, and a supply chain that supports the normal operating activities of a business: including IT equipment and support; maintenance of office premises and supplies; print providers; promotional material; uniforms; cleaning; marketing and payroll services.

4. Risks of modern slavery practices in the entity's operations and supply chain

BUSSQ is strongly committed to the identification and management of risk in the best interests of its members. The BUSSQ risk management strategy details its approach for identifying, assessing, managing, mitigating and monitoring material risks. The Board is committed to adequately managing risk and has a risk management sub-committee to support this. The Board has structures in place in each of its sub-committees to assist in managing risk.

Our relevant policies make reference to the management of human rights' risks. BUSSQ understands the management of human rights includes the assessment of the specific risks of modern slavery practices, which may be in our operations or supply chains. Our governance policies also recognise this.

Modern slavery risk factors include geographic risk; sector and industry risk; product and service risk; entity risk and assessments have been undertaken across each of these categories within our supply chain to identify high, moderate, and low risk suppliers.

Where modern slavery risks are identified in the BUSSQ supply chain, consideration will be given to how BUSSQ may have caused, contributed to, or is directly linked to the modern

slavery, or if external to BUSSQ what action could be taken to reduce this risk. These actions could include further investigation, questions, onsite visits, desktop reviews and online meetings.

Should issues regarding modern slavery risks remain, further actions may include further interaction and monitoring, updated contracts and/or service level agreements, or updated key performance indicators.

Where risk of modern slavery is high, and the ability to influence (leverage) is also high, action will be prioritised with these suppliers.

BUSSQ's own operations were assessed low risk, finding no evidence of any practices that had the potential to cause or contribute to modern slavery and the overall assessment of low risk in the supply chain is consistent with modern slavery risk in the Australian superannuation industry.

5. Actions taken to assess and address modern slavery risk, including due diligence and remediation processes

Actions in the first three years focussed on:

- Building awareness
- Embedding governance requirements
- Incorporating modern slavery risk assessment when contracts started or renewed for outsourced services
- Embedding modern slavery risk assessments into the operations and material components of the BUSSQ supply chain.

During 2023/24, BUSSQ's fourth year of reporting, we continued to build on this base by:

- Maintaining focus on staff awareness and good governance of the human rights (including modern slavery) component within the BUSSQ risk management program.
- Continuously monitoring professional and material service providers and any suppliers where modern slavery risk has been identified or its industry is known to be higher risk, including further assessment of uniform and cleaning services.
- Maintain monitoring of Goal 8 "Decent Work and Economic Growth" of the UN Sustainable Development Goals, supporting the obligation to identify and assess the risks of modern slavery practices.

As part of ongoing monitoring, the BUSSQ uniform supplier was re-assessed for modern slavery risk due to the textiles and clothing industry having a higher exposure to this risk. This supplier also considered their immediate suppliers of the base garments purchased for the uniforms. The BUSSQ assessment of this supplier was noted overall as medium risk due to the sector, industry, and product risks but no further action was required as the supplier network effectively managed these risks.

Our investments suppliers

The BUSSQ Responsible Investment Framework includes the assessment of Environmental, Social and Governance (ESG) considerations when selecting, retaining, or redeeming the investments of BUSSQ. The broad investment objective is to maximise investment returns, after considering the risks associated with various types of investments.

ESG considerations are one of several factors that form part of the risk assessment when appointing external investment managers or investment strategies and include (but are not limited to) the consideration of climate change, human capital management and labour standards (including modern slavery in our supply chain) and governance practices (including transparent reporting).

Our investment managers, listed in our 2023/24 Annual Report, are required to report to the Trustee regularly and are continuously monitored.

United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs are global goals that aim to provide a better quality of life and more sustainable future for everyone across the globe. They cover social and economic development issues such as poverty, health, education, climate change, gender equality, clean water and sanitation, affordable clean energy, urbanisation, and social justice.

Annual mapping of investments to our four chosen UN SDSs continued in 2023/24 and forms part of our monitoring of modern slavery risk within BUSSQ investments. This includes Goal 8 - Decent Work and Economic Growth (SDG8).

SDG8 aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all². Sustainable and inclusive economic growth can drive progress, create decent jobs and improve living standards.

² sdgs.un.org/goals

In this reporting period, 16.75% of the Fund's assets positively impacted SDG8³. These results are reviewed annually as part of BUSSQ's investment strategy to determine if aligned to our overall ESG objective. Modern slavery risk forms part of the overall ESG objective.

While SDG8 has specific underlying targets with regards to child labour and forced labour, these are part of a broader list of targets, with some unrelated to modern slavery. The assessment data rates the total alignment of companies to SDGs at the headline level and does not include data on specific underlying targets.

The BUSSQ Responsible Investment Policy recognises that the 'social' component of ESG comprises issues including the human and labour rights of employees. The 'social' component of the policy incorporates modern slavery practices as an issue and the ongoing monitoring of investment managers is the most effective way to manage this risk.

Investment advisor

As part of the BUSSQ Investment Advisors' ESG assessment process, investment managers are required to advise which ESG factors have been determined as financially material to their investment strategy.

If an investment manager has specified that modern slavery is a financially material ESG factor for their investment strategy, modern slavery is considered on a case-by-case basis as part of the overall ESG assessment process, based on materiality. This is undertaken through a due diligence process that includes consideration and information regarding the identification, assessment, and management of the related financial risks and opportunities.

Some assets are invested in pooled funds and the responsible investment decision making is determined by the investment managers of those funds, with BUSSQ advising the views and preferences where appropriate. BUSSQ will otherwise rely on investment managers to take modern slavery risks into account as they consider appropriate. BUSSQ is not actively consulted and does not control the investments held.

To provide further understanding of modern slavery risk in our investments, BUSSQ requests a modern slavery questionnaire to be completed annually by all investment managers and completes its own risk assessment which incorporates SDG data.

These questionnaires show that overall, the majority of investment managers are being more proactive in their engagement with underlying companies and there are some improvements to the approach should modern slavery practices be identified.

³ For further information on the SDGs, how the percentages are calculated and recent changes to the calculation method, go to bussq.com.au/investments/understanding-investments/responsible-investing. We have not set a specific percentage target, and this percentage may increase or decrease over time. The results inform BUSSQ of investment performance in each category and is not a determining factor when selecting new investments.

An instance of modern slavery practices within our investments supply chain was identified in June 2024. Company A was subject to media scrutiny on its employment practices with regards to modern slavery. This asset was held by two BUSSQ investment managers who were contacted for feedback on their approach.

The risk was effectively identified through investment manager research, and managed through a combination of actions, including direct escalation with the underlying company, as well as the review and improvement of supply chain practices, company structure, and overall governance. This provided the appropriate assurance that any risks were being appropriately addressed.

We will continue to collaborate with our investment adviser and managers to consider the risk of modern slavery practices in our investment portfolio. Where these risks are identified, we will work with our investment adviser and managers with the aim to affect change within these companies to display those desired human-rights practices that help deliver long term sustainable value.

6. Assessing the effectiveness of these actions

BUSSQ are committed to the management of the risks of modern slavery and the continuous improvement envisaged in the guidelines that support the Act.

In relation to the effectiveness of actions in 2023/24, BUSSQ is satisfied that awareness and governance practices have been maintained within the organisation. The Trustee understands the role to assess the risk of modern slavery that may exist in the operations and supply chain and note that the risks relating to modern slavery has not significantly changed from previous reporting periods. This is expected as the operations and supply chain has not materially changed.

Effectiveness will continue to be sustained and built on by:

- Maintaining focus on staff awareness and good governance of the human rights (including modern slavery) component within the BUSSQ risk management program and our supply chain
- Completing additional awareness training for the identification of modern slavery practices relating to members in the workplace for all member facing staff
- Continuously monitoring professional and material service providers and any other suppliers where modern slavery risk has been identified.

7. Other information

BUSSQ primarily provides superannuation services to the building, construction and civil industries and these industries are considered more high risk. While modern slavery risk is low in BUSSQ's own operations and supply chain, due to the sector risk there is the potential of modern slavery practices directly impacting BUSSQ members. This risk has not been identified for any members to date and is noted as lower risk in Australia.

BUSSQ shareholders, the CFMEUQ and QMBA are engaged with identifying and resolving any modern slavery practices that may be identified.

To support this identified risk further, in 2024/25 tailored training will be provided to staff that engage with BUSSQ members to ensure that they are equipped to identify signs of modern slavery when completing on-site visits or in other interactions that may occur, including face to face, over the phone or via email.

Training will include identification, and what action to take if modern slavery is suspected.

8. Process of consultation with entities that the reporting entity owns or controls

All relevant directors and executive managers of BUSSQ and its controlled entities were consulted and provided with an opportunity to review the Statement throughout its review and approval.

9. Approval of statement

BUSS (Queensland) Pty Ltd ABN 15 065 081 281 AFSL 237860 Trustee for Building Unions Superannuation Scheme (Queensland) (BUSSQ) ABN 85 571 332 201, is the principal governing body for the reporting entity.

The Board of the Trustee approved this Modern Slavery Statement on 27 November 2024.

Signed by



Christopher Taylor
Chair

BUSSQ Building Super

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Other important details

USI: BUS0002AU (MySuper and Premium Choice products)

USI: BUS0005AU (Income Account products)

Fund's Registration Number R1055870

Trustee's Registered Superannuation Entity

(RSE) licence number L0002158

BUSS (Queensland) Pty Ltd ABN 15 065 081 281

AFSL 237860 Trustee for Building Unions

Superannuation Scheme (Queensland)

(BUSSQ) ABN 85 571 332 201

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