# Modern Slavery Statement

BUSS (Queensland) Pty Ltd

Financial Year 1 July 2019 to 30 June 2020.

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# Contents


| | | |
|---|---|---|
| 1 | Purpose of Statement | 2 |
| 2 | Reporting Entity | 2 |
| 3 | Reporting entity's structure, operations and supply chain | 2 |
| 4 | Risks of modern slavery practices in the entity's operations and supply chain | 4 |
| 5 | Actions taken to assess and address modern slavery risks, including due diligence and remediation processes | 5 |
| 6 | Assessing the effectiveness of these actions | 6 |
| 7 | Process of consultation with entities that the reporting entity owns or controls | 7 |
| 8 | Other relevant information | 7 |
| 9 | Approval of Statement | 7 |

# 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 2019/20 financial year addresses the seven mandatory reporting criteria in the Act.
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 aim to operate responsibly with respect for human rights.

# 2 Reporting Entity

BUSSQ (BUSSQ Fund ABN 85 571 332 201) is the reporting entity for this Statement.
BUSSQ is the Building Unions Superannuation Scheme (Queensland).

BUSS (Queensland) Pty Ltd (ABN 15 065 081 281), as the Trustee of BUSSQ, is the principal governing body for the reporting entity.

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

### Our Structure

BUSSQ is an employer sponsored public offer Fund which is operated to comply with the Superannuation Industry (Supervision) Act 1993 (SIS). It operates in Australia as a profit for members superannuation Fund, with 70,000 members and $5.3 Billion funds under management.

BUSSQ believe that every worker deserves dignity and support through their working lives and in retirement.

The Trustee of BUSSQ is BUSS (Queensland) Pty Ltd and it is responsible for managing the Fund on behalf of its members. The Board of the Trustee company has six directors comprising an equal number nominated by employers and members.

The Construction, Forestry, Mining and Energy Industrial Union of Employees (CFMEU) Queensland nominates three directors to represent the members and the Queensland Master Builders Association, Industrial Organisation of Employers, nominates three directors to represent employers to the Fund. These two organisations are the shareholders of BUSS (Queensland) Pty Ltd.

The Fund has 45 staff, with offices in Brisbane, Darwin, Townsville and ACT. The registered office of all entities is 299 Coronation Drive Milton.

### Our Operations & Supply chain

For over 35 years BUSSQ have been supporting workers in the building, construction and civil industries. We understand the unique challenges of the industry and everything we do, from developing products to providing services, is focused on delivering solutions tailored to our members, whether they're just starting out, retired or in between.

BUSSQ provides superannuation products for members in:

- the accumulation phase (MySuper and Choice product)
- the retirement phase (BUSSQ income accounts); and
- Child Income Accounts (to support eligible minor beneficiaries of a death insurance benefit).

Key components of these products are the investment of retirement savings and the provision of group life insurance.

**Investments:** The Trustee has responsibility for the Fund's investments, and employs a professional investment advisor, Frontier Advisors, to assist it in meeting this responsibility. The Trustee also appoints investment managers to manage the funds within each asset class. Our fifty investment managers, listed in our 2019/20 Annual Report, are required to report to the Trustee regularly and are continuously monitored.

Custodian services for our assets are provided by BNP Paribas Securities Services.

Whilst most investment and custody services are provided from Australia, some services are delivered offshore.

**Insurance:** Death, Total & Permanent Disablement, and Income Protection insurance is offered to members though a Group Risk insurance policy held with OnePath Life Limited (OnePath). Insurance cover is tailored for workers in the building, constructions 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, and marketing material. BUSSQ also supports employers in meeting their legislated superannuation obligations.

**Subsidiary companies:** BUSSQ has established the following subsidiary companies for the operational purposes outlined below:

- BUSSQ provides advice via Skylight Financial Solutions ABN 46 076 835 848 AFSL 450 139, a fully owned entity of BUSS (Queensland) Pty Ltd ABN 15 065 081 281. Advice is provided to BUSSQ members in relation to their superannuation needs.

- BUSSQ Properties Pty Ltd trading as BUSSQ Property Trust. BUSS(Queensland) Pty Ltd is the sole investor in BUSSQ Properties Pty Ltd. The BUSSQ Property Trust was set up as an investment vehicle to purchase the office building at 299 Coronation Drive, Milton.

**Other components of our supply chain:** The administration of member accounts is an important member service which is provided by Australian Administration Services Pty Ltd (a subsidiary of Link Group), who have operations in Australia and overseas.

The fund has other professional services in its supply chain to support the operations of the fund. These include:

- Internal auditor (Deloitte);
- Tax agent (Ernst & Young); and
- Professional indemnity insurer (Lloyds London and Liberty).

The fund also has a wide supply chain to support the normal operations of a successful business, including: IT equipment and support; maintenance of office premises and supplies; 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 beneficiaries. The fund's Risk Management Framework / 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.

Risk Management forms part of the strategic and business planning and is embedded in all policies and procedures throughout the business. The fund culture includes strong emphasis on modelling good risk behaviours.

In addition to our Risk Management Framework, existing fund policies relevant to the management of human rights' risks include:

- Whistleblower Policy
- Outsourcing Policy (which includes details of our material outsourced services)
- Remuneration Policy
- Responsible Investment Policy
- Code of Conduct Policy.

BUSSQ understand the management of human rights now includes the assessment of the specific risks of modern slavery practices, which may be in our operations or supply chains. This assessment includes a focus on:

1. Sector and industry risks: Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes

2. Product and services risks: Certain products and services may have high modern slavery risks because of the way they are produced, provided or used

3. Geographic risks: Some countries may have higher risks of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty; and

4. Entity risks: Some entities may have particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.

Where these risks are identified in our operations or supply chain, we will give consideration to how we may have caused, contributed to, or being directly linked to the modern slavery.

For this 2019/2020 reporting period, BUSSQ completed a high-level desktop risk assessment of its operations and supply chain. We considered a low/medium/high risk assessment across a combination of the four risk factors above. The initial focus was on any high-risk assessments withing our own operations or our material outsourced services.

BUSSQ's own operations were assessed low risk as a result of finding no evidence of any practices that had the potential to cause or contribute to modern slavery. All BUSSQ staff have terms of employment that meet or exceed requirements under the relevant award or Australian Fair Work Act.

When assessing the higher value material components of our supply chain, we identified one higher risk supplier, primarily due to a geographic risk.

Our initial desktop assessment did not include the lower value components of our supply chain. The arrangements with these suppliers are subject to a lower level of governance which may not include the formal relationships and contracts that exist in our material relationships.

# 5 Actions taken to assess and address modern slavery risks, including due diligence and remediation processes

The BUSSQ Board and management have being preparing for the requirements of the Modern Slavery Act through the ongoing management process for regulatory change. The main initial actions focussed on awareness of the requirements of the Act.

During 2019/2020, this awareness component was expanded to:

- A high-level desktop assessment of the risk assessment of its operations (including Skylight Financial Solutions) and supply chain
- Identification of the key internal policies impacted by the introduction of the Act; and
- Collaborating with our Investment Adviser to consider how the 'social' component of ESG within our Responsible Investment Policy can be leveraged to supplement the existing human rights' considerations with a modern slavery assessment.

In relation to higher risk outsourced functions, one item identified from the initial risk assessment had subsequent due diligence including a site visit to assess policies and practices and view operations. The Trustee was satisfied that the entity was conducting their business in a manner that addressed modern slavery risks and that there were no apparent modern slavery practices.

### 5.1 Responsible Investing

During the 2019/2020 financial year BUSSQ has continued to focus on responsible investing. As part of the Fund's Environmental, Social and Governance (ESG) progress we have adopted a subset of the United Nations Sustainable Development Goals (SDGs) that we consider to be directly relevant to the competitiveness and value of investments and that can be contributed to via capital allocation.

The SDGs are global goals to achieve a better and more sustainable future. 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.

BUSSQ has adopted four of the 17 UN Sustainable Development Goals, including Goal 8 (Decent Work & Economic Growth) The purpose of this goal is to promote inclusive and sustainable economic growth, employment and decent work for all. Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards. In this reporting period, 12.5% of the Fund's assets positively impact SDG8.

Our Responsible Investment Policy recognises that the 'Social' component of ESG comprises issues including the human and labour rights of employees.

# 6 Assessing the effectiveness of these actions

BUSSQ recognise that we are in the early stages of our program for management of the risks of modern slavery. We are committed to the continuous improvement envisaged in the guidelines supporting the Act.

In relation to the effectiveness of our actions in 2019/20, we are satisfied that we have established awareness within our organisation. We understand our role to assess the risk of modern slavery existing in our operations and supply chain. Our initial desktop risk assessment was focussed on the key risks and provides a good base for our ongoing program.

Our effectiveness in future reporting periods will be improved as a result of rolling out the following key aspects of our ongoing program.

BUSSQ will continue to enhance the human rights component of its risk management framework to include a focus on the risk of modern slavery existing in our operations and supply chain. Key actions include:

- ensuring our Risk Management Strategy and relevant company policies reflect the requirements of the Act in managing the risk of modern slavery in our operations and supply chain. Our Outsourcing Policy and any associated contracts will reflect these requirements
- maintaining a focus on awareness through ongoing training
- issuing a supplier questionnaire to our material suppliers (including Investment Managers) to help identify, assess and mitigate modern slavery risks in their operations and supply chains; and
- embedding suitable risk management actions into the lower-level range of our procurement activities and supply chain.

In relation to our responsible investment activities, we will work with our advisers to directly assess the risk of modern slavery in our investments. We will reflect our commitment to management of this risk with appropriate updates to our Responsible Investment Policy.

# 7 Process of consultation with entities that the reporting entity owns or controls

We previously highlighted that Skylight Financial Solutions and BUSSQ Properties Pty Ltd are BUSSQ subsidiary companies. Of these two subsidiaries, only Skylight has staff and operations. These staff are governed by the same policies and processes that apply to BUSSQ staff and are co-located in the same premises. The Skylight team were included in the actions reflected in the Statement in relation to modern slavery. Skylight will provide evidence to BUSSQ annually. The oversight of any services to BUSSQ Property Trust is provided by the BUSSQ staff.

# 8 Other relevant information

We are committed to the continuous improvement of our mechanisms to assess and address the risks that modern slavery practices may be occurring in our operations and supply chains.

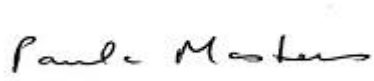
# 9 Approval of Statement

The reporting entity for this Statement is BUSSQ (BUSSQ Fund, ABN 85 571 332 201).

BUSS (Queensland) Pty Ltd (ABN 15 065 081 281), as the Trustee of BUSSQ, is the principal governing body for the reporting entity.

The Board of the Trustee approved this Modern Slavery Statement on 24 February 2021.

Signed by



Paula Masters

Chair