

HESTA Modern Slavery Statement

FY25

HESTA FY25 Modern Slavery Statement

HESTA acknowledges the Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

Principal governing body approval

This Modern Slavery Statement for the financial year ending 30 June 2025 has been prepared in accordance with the Modern Slavery Act 2018 (Cth) ("the Act"). It was approved by our Trustee Board, the principal governing body of HESTA (ABN 64 971 749 321) on 4 December 2025.¹

Signature of Responsible Member²

This Modern Slavery Statement is signed by the Chair on behalf of the HESTA Trustee Board, HESTA's responsible member as defined by the Act:

**The Honourable Nicola Roxon,
Chair**



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¹ Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity

² Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.

Introduction

HESTA is pleased to release its Modern Slavery Statement, which details progress made from July 1 2024-June 30 2025 (FY25) and ongoing commitments towards addressing the risk of modern slavery in our operations and supply chain (including the investment portfolio).

FY25 was the second year of our Modern Slavery Roadmap FY24-FY26. The focus for this year was on continued integration of our approach and processes across the fund.

Our highlights for FY25 include:

- Enhancing the use of risk assessment tools to enhance our understanding of risk:
 - In our investment portfolio – ISS Stoxx Modern Slavery Scorecard
 - In our supply chain – Fair Supply
- Continuing the operation of the Modern Slavery Working Group, including a review of its roles and responsibilities.
- Continuing to build education and awareness of modern slavery through e-learning for all employees
- Continuing development of a remediation framework and process
- Continuing collaborative engagement and advocacy through Investors Against Slavery & Trafficking (IAST APAC), the Australian Council of Superannuation Investors (ACSI) and the Responsible Investment Association Australasia (RIAA).

³ Systemic risks are those that threaten the functioning of the economic, financial and wider systems on which investment performance relies (United Nations Environment Project Finance Initiative).

⁴ To learn more about our approach to responsible investment, read our Responsible Investment Policy at https://www.hesta.com.au/content/dam/hesta/Documents/Responsible_Investment_Policy.pdf

⁵ United Nations 2030 Agenda, Goal 8, read more here United Nations 2030 Agenda, Goal 8, read more <https://sdgs.un.org/goals/goal8>

⁶ https://sdgs.un.org/goals/goal8#targets_and_indicators



United Nations Sustainable Development Goal 8: Decent Work and Economic Growth

We endorse the ambitions of the UN Sustainable Development Goals (SDGs) as an ambitious framework to address systemic risks³ and identify areas of opportunity, and we prioritise a number of SDGs through our responsible investment program⁴.

The SDGs are ambitious goals established by the United Nations in 2015 to transform the world by 2030 and we recognise the important role that long-term investors, like super funds, can have in contributing towards outcomes aligned with the SDGs. We aspire to contribute to outcomes aligned with the aims of our priority SDGs through our capital allocation and active ownership. Taking steps to address modern slavery is aligned with SDG 8: Decent work and economic growth⁵.

SDG 8 includes a target to take immediate and effective measures to eradicate and address modern slavery, forced labour and the worst forms of child labour⁶. At HESTA, we seek to address systemic issues, such as decent work, that pose a risk to the retirement security of our members. Companies that respect basic rights, promote job security, provide freedom from discrimination and fair and equal wages are likely to perform better over the long-term and therefore support our ability to deliver strong, long-term returns to members. This is why decent work has been a focus area for HESTA for a number of years. Our priorities related to SDG 8 are not considered in isolation as we believe this issue intersects with SDG 13 Climate Action, SDG 5 Gender Equality, and other systemic risks.

About HESTA

HESTA (ABN 64 971 749 321) is the reporting entity for this statement and is a public offer superannuation fund, the trustee of which is H.E.S.T. Australia Limited ('the Trustee', 'we', 'us', 'our') (ABN 66 006 818 695, AFSL No. 235249), a public company limited by guarantee. The Trustee is governed by a Board of Directors and the Trustee's address is Level 20, 2 Lonsdale Street, Melbourne, VIC 3000.

HESTA invests in a number of wholly-owned investment vehicles, ordinarily in the form of unit trusts, which are managed by third-party investment managers. These vehicles are 'controlled entities' that have been established for the purpose of holding specific investments. The investments held by these vehicles are subject to HESTA's ordinary due diligence investigations (including with respect to modern slavery), as prescribed in its Investment Due Diligence Policies. Further, the third-party investment managers that manage these vehicles are also subject to HESTA's operational due diligence (as described on page 16 of this Statement).

HESTA undertakes ongoing engagement with these controlled entities, and the relevant external investment managers that manage them, regarding modern slavery risk. HESTA's due diligence investigations and ongoing engagement with these controlled entities with respect to modern slavery have contributed to the preparation of this Statement. Given that the nature of these vehicles (being investment vehicles with no operations other than to hold specific investments), HESTA may not consult directly with these vehicles specifically with respect to this Statement.

During the development of this statement, subject matter experts representing teams across HESTA were given the opportunity to provide information for inclusion. Feedback was sought from key stakeholders including relevant members of the Executive Team and Modern Slavery Working Group, prior to obtaining Board approval and submission to the Australian Government's Modern Slavery Statements Register.

What we do

HESTA is a specialist profit-to-member industry superannuation fund with deep connections to the health and community services sector. We invest in and for people who make our world better. This is our purpose. We are focused on serving our more than 1.05 million members by delivering our purpose through Super with impact™ which is the positive outcome we create by supporting our members to face the future with confidence, being a gutsy advocate for a fair and healthy community and delivering investment excellence with impact. For more information see hesta.com.au/super-with-impact.

Our business activities are primarily focused on the management of members' retirement savings. This includes investment management and procurement, and the operations and corporate functions that support the organisation. We have dedicated advice and member service teams that help members take action to improve their retirement readiness. The national office is based in Melbourne, Victoria, with seven other offices across every state and territory in Australia. HESTA is subject to the regulatory and statutory requirements covering financial services entities regulated by the Australian Securities and Investment Commission (ASIC) and the Australian Prudential Regulation Authority (APRA).



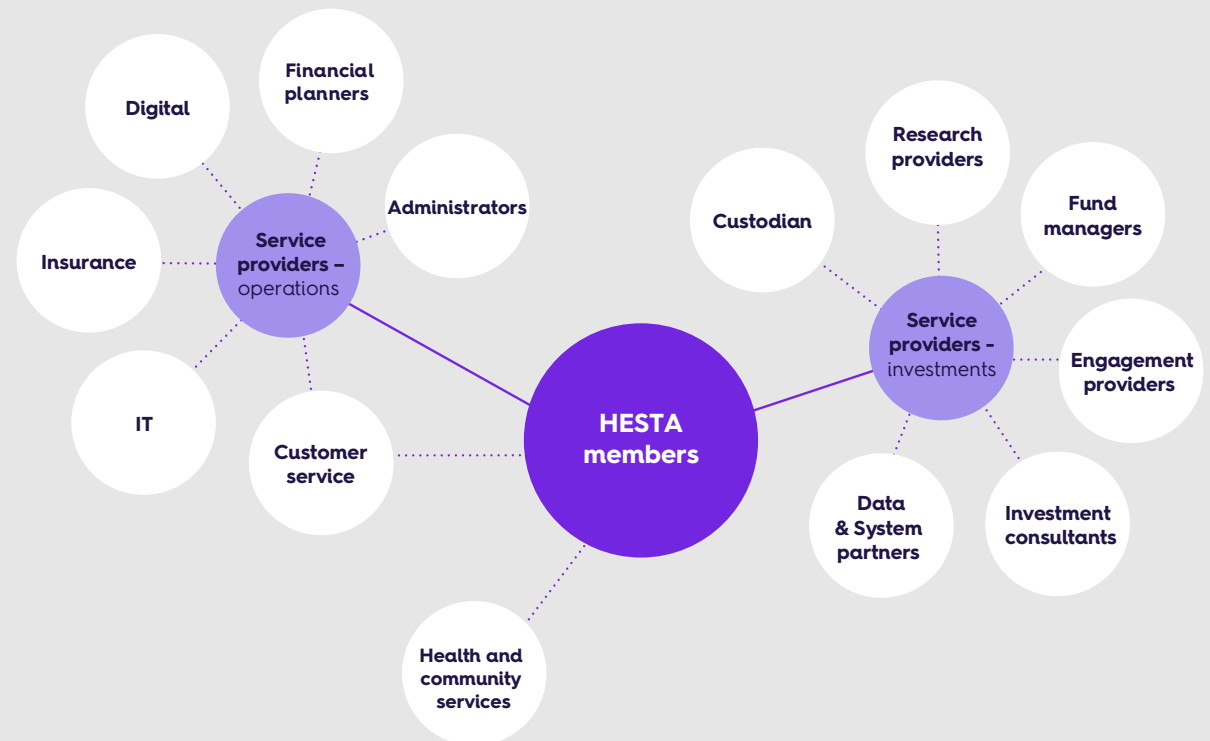
Operations and Service Providers

HESTA's own operations are based in Australia and encompass the provision of services associated with a financial services entity. As illustrated on the right, this includes executing investment functions, a financial advice offering, and marketing and digital functions to provide members with a seamless customer experience. We offer insurance to our members using external service providers. Given the highly regulated nature of our business, we also have risk and control frameworks that support the corporate functions and the daily administration of a superannuation fund. These include processes for managing risks in external service providers throughout our supply chain. More information on risk management in relation to service providers is provided on page 9.

A list of the Material Service Providers on which HESTA relies to undertake a critical operation or that expose it to material operational risk is available in our Annual Report at hesta.com.au/reports.

At the end of FY25, the Trustee for HESTA directly employed 689 people in its own operations, the majority of whom are permanent.

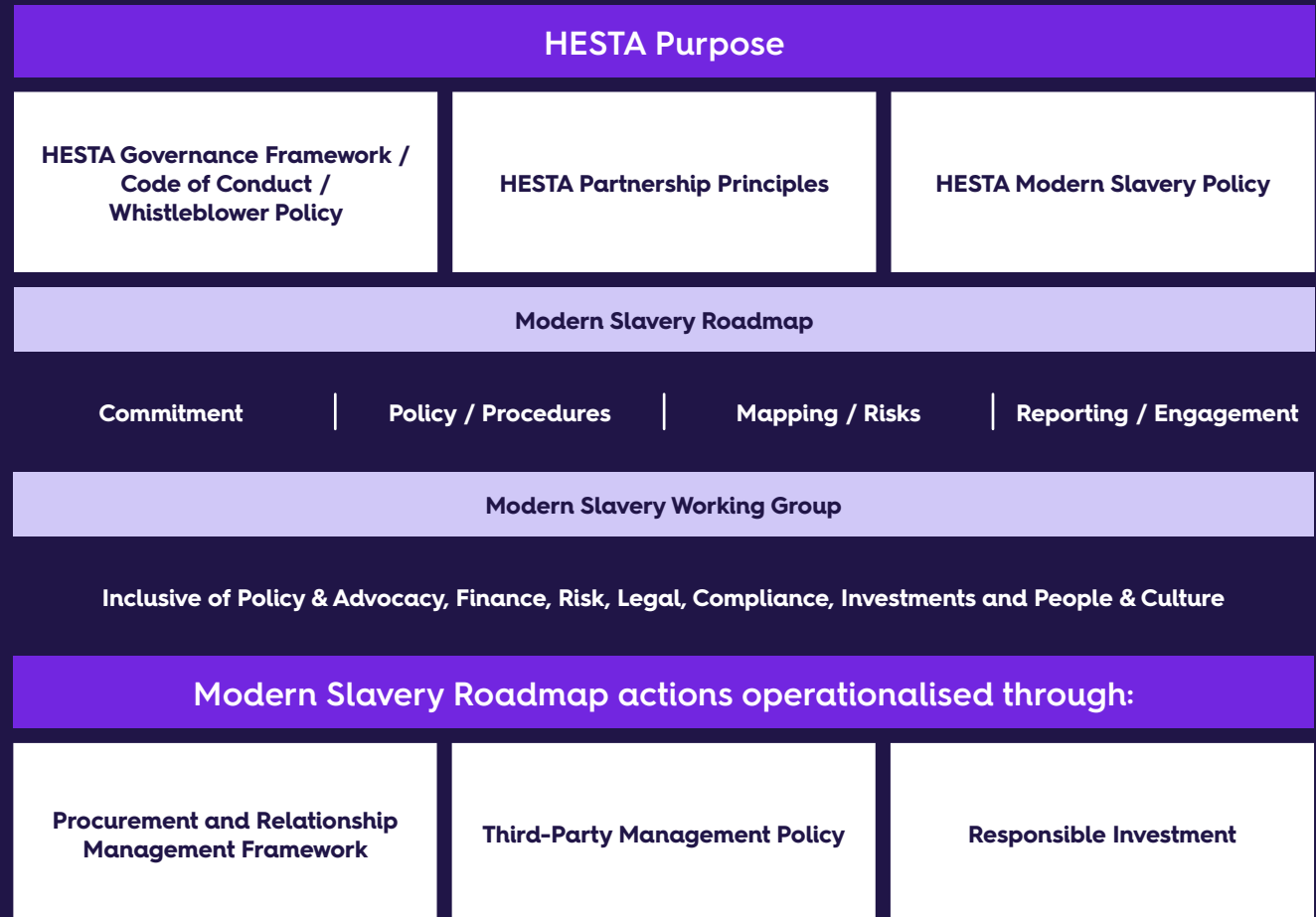
How HESTA Provides Services:



HESTA's modern slavery oversight framework

The Board is responsible for approving the Modern Slavery Statement in accordance with the Act.

The table on the right illustrates HESTA's modern slavery oversight framework, which is supported by the Modern Slavery Working Group.



Policies and Principles supporting the modern slavery oversight framework

In addition, the following documents act as guardrails to the framework:

Modern Slavery Policy *	The Modern Slavery Policy sets out our approach in response to the Australian Modern Slavery Act 2018 and applies to HESTA's direct operations, our supply chains, and our investments. The policy defines the roles and responsibilities with oversight for compliance with the Act across our operations, investments, and procurement and outsourcing.
HESTA Code of Conduct	The HESTA Code of Conduct applies to all employees (including agency hire and daily rate contractors) and directors and sets out expectations for appropriate and lawful behaviour and conduct.
Whistleblower Policy	The purpose of the Whistleblower Policy is to set out how to report concerns of potential or actual misconduct, as well as the approach taken by HESTA to manage these disclosures. HESTA has a confidential, secure service in place with an external entity, Grant Thornton Australia Limited, for whistleblowers to contact and make disclosures anonymously and outside business hours. Reports can be made any time via Telephone: 1300 573 929 or Email: hestadisclosures@myvault.net.au .
Partnership Principles	We believe that strong partnerships with organisations who demonstrate alignment with our values, culture, and purpose deliver better member outcomes. Information on the areas where we seek alignment with partners is set out in HESTA's Partnership Principles, which are publicly available and which suppliers can request as part of the onboarding process. These principles reference our expectations in relation to human rights and workplace standards.
Responsible Investment Policy	The Responsible Investment Policy outlines the principles and commitments that direct our approach to responsible investment. Responsible investment is an approach to investing that incorporates the consideration of environmental, social and governance (ESG) risks and opportunities into investment decision making and active ownership, to promote the best financial interests of members.
Investment Due Diligence Policy *	The Investment Due Diligence Policy sets out the requirements for initial due diligence on proposed new investment managers as well as monitoring of existing investment managers. It includes assessment of investment managers' processes to identify, assess and address risks of modern slavery.

* The Modern Slavery and Investment Due Diligence Policies are internal documents.

Modern Slavery Working Group

During the reporting period, HESTA operated a cross-functional Modern Slavery Working Group.

This group meets quarterly and includes representatives from Legal, Risk, Compliance, Finance, Investments, Policy and Advocacy, and People and Culture. The Working Group oversees the implementation of the Modern Slavery Roadmap, monitors the effectiveness of HESTA's approach to modern slavery, identifies ways to embed modern slavery policies and procedures into our daily practices and shares learnings and insights on trends in modern slavery risks and management.

The effectiveness of the Working Group is periodically reviewed by a General Manager who is not a member of the Working Group. This review was undertaken in November 2024. It found that the group was meeting expectations regarding roles and responsibilities, and recommended some areas for improvement regarding ways of working, tracking action items and continuous monitoring of effectiveness. These recommendations have been shared to the Working Group for incorporation into future practice.

Our approach to identifying modern slavery risks

We have continued to mature our approach to identifying modern slavery risks across both our supply chain and our investment portfolio. During the reporting period we onboarded two additional external risk assessment tools. We discuss those tools in detail on pages 10 and 12.

We continue to review expert guidance and research to evolve our understanding of modern slavery risks, keeping across new information as relevant.

We have embedded the following methodology across relevant teams to guide our approach to identifying modern slavery risk in our operations and supply chains:

Inherent risk of modern slavery ⁷	Our relationship to the risk ⁸	Our ability to influence the risk
Likelihood and severity of modern slavery risk are determined through risks inherent to different geographies and industries across our operations, purchases, and investments.	Informed by the United Nations Guiding Principles (UNGPs), we consider our relationship with the relevant entity to determine level of impact, response and engagement with risks as caused, contributed or linked.	Type of ownership or relationship with the portfolio company or influence with the vendor. We consider our highest leverage in our own operations and the first tier of goods and services. Our ability to influence management of the risk for investments will vary with other leverage factors, such as the size of our investment and whether the investment is direct or indirect.

Once inherent risk has been established, steps are taken to better understand controls and mitigants that are in place to assess the residual risk of modern slavery. This assessment will vary depending on the nature of the relationship with the entity. Further information about these steps for each area of our operations is contained in pages 11-15.

⁷ Note that risk according to the Modern Slavery Act refers to risk to people rather than risks to our entity, although these risks may intersect.

⁸ As defined by the United Nations Guiding Principles on Business and Human Rights 2011.

Third Party Providers and Supply Chains

HESTA operates a central procurement function integrated within the finance team, which works with teams across the Fund to standardise tendering and contract development.

All teams across HESTA make low-value purchases where goods and services are one-off, low risk or low value⁹. We procure goods and services from third parties, with 92% of our vendors (by amount spent) headquartered in Australia, as represented in the below table.

Country	No. of Vendors	% of Spend
Australia	366	92%
United Kingdom	11	3%
United States of America	21	4%
Canada	4	1%
Netherlands	2	<1%
Sweden	1	<1%
Switzerland	1	<1%
Cayman Islands	1	<1%
Ireland	3	<1%
Germany	1	<1%
Singapore	2	<1%
Total	413	100%

Our Material Service Provider list is available in our Annual Report at hesta.com.au/disclosures.

Our largest purchasing categories¹⁰ for FY25 were:

Category	% of Spend
Administration Services	34%
Professional Services	22%
Technology	11%
Marketing	10%
Leasing	6%
Other	17%
Total	100%

⁹ Low risk in this context refers to low business and entity risk.

¹⁰ Excluding arrangements with external investment managers.

Modern slavery risks in our procurement and third party supply chain

We acknowledge that modern slavery risks may exist in any activity provided through a third-party supplier through procurement and outsourcing, and that these risks are heightened for geographies with higher inherent risk than Australia¹¹. We continue to recognise the following goods and services in HESTA's supply chain as identified in previous reporting periods as being relatively higher risk:

- Cleaning contractors
- Stationery
- Promotional products and merchandise
- Leasing & maintenance of IT equipment (including computers and smartphones)
- Office maintenance and security
- Catering.

As previously reported, we have identified that our outsourced call centres do not constitute a heightened risk as these contracts are fulfilled using Australian operations, with employee conditions of work governed by the Fair Work Act and other supporting workplace-related legislation.

Under the UNGP framework, the connection between our engagement of third-party service providers and potential impacts may be considered as contributing or linked. This means we are one of a range of entities that may exercise our influence to lower the risks.

¹¹ Modern Slavery Risks, Rights and Responsibilities: A Guide for Companies and Investors, ACSI 2019 <https://acsi.org.au/wp-content/uploads/2020/01/ACSI-Modern-Slavery-Report.Feb19.pdf>

Our vendor engagement and risk approach

In FY25 we reported that we were continuing to refine our methodology to take action where it can be most effective in our supply chains. We also reported that we were actively considering new tools for future assessments and reporting.

In FY25, to continue in the development of our understanding of the risks associated with our vendor supply chains, we have continued the engagement of the services of Fair Supply¹², a cloud-based ESG risk management tool to help our internal risk ratings. This tool provides an additional layer of validation to our vendor self-assessment questionnaires, for those vendors with whom we spend a minimum of \$5,000. This enables HESTA to identify inconsistencies and gaps in the information provided by our suppliers. These risk assessments include consideration of geography and industry as inherent risk factors, in addition to vendor-specific considerations to determine residual risk. This residual risk assessment considers vendor materiality, contract length, whether a contract included our modern slavery clause, whether the vendor has a modern slavery policy, and whether the vendor is exposed to modern slavery in selected high-risk geographies and industries.

Of the 413 suppliers uploaded into the Fair Supply database, 343 were rated 'Low' and 70 were rated 'Moderate Low'. None were rated 'Moderate', 'Moderate High' or 'High'. We determined that no further action was required based on these risk levels.

In addition to the Fair Supply assessment, in the reporting period we issued 33 vendor self-assessment questionnaires (SAQs) to newly on-boarded vendors to understand more detailed modern slavery risk exposure and due-diligence activity. The questionnaire includes metrics covering:

- Compliance with the *Modern Slavery Act 2018*
- Exposure to selected high-risk industries and work with children
- Location of operations and supply chains, exposure to highest risk geographies
- Employment of vulnerable groups or high-risk contracting arrangements
- Due diligence, verification, and remediation activities
- Existing policies and processes to mitigate modern slavery risks.

The assessments are manually assigned a risk grading based on the responses given. The final grade then determines whether the vendor will be subject to further due diligence activity and, if so, the cadence of further risk assessments.

¹² <https://www.fairsupply.com/>

Internal Operations

Modern slavery risks in internal operations

The modern slavery risks within our direct business operations remain low, as determined in prior years, due to the organisation operating in a low-risk industry with relatively low geography risk and a highly skilled professional workforce.

We maintain our zero-tolerance approach to modern slavery within our internal operations and continue to provide strong protections to seek to ensure we do not cause any risks.

While modern slavery risks in our internal operations remain low, we continue to rely on our governance controls for the effective ongoing management of modern slavery risks within investments and our broader internal operations.

Capability

HESTA has developed an internal modern slavery training module for our workforce, delivered via HESTA's online learning platform. FY25 was the third full year of this module's operation. Staff are required to either complete the module annually, or else take a short pre-assessment quiz to test if they have retained knowledge from their previous completion of the module.

As of 30 June 2025, over 98% of staff had completed the course during the financial year.

We believe ongoing collaboration, education and training is important for all HESTA employees to identify potential modern slavery risks and areas for improvement. This module forms part of our annual risk and compliance program.

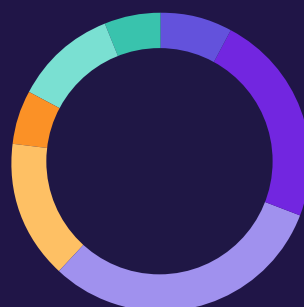


Investments

Our investment approach

As at 30 June 2025, HESTA managed over \$96 billion of our members' retirement savings. In FY25, HESTA primarily maintained the same investment management structure and allocation of investments and assets as the previous year. We have continued to grow our internally managed Australian direct equities and internally managed Australian debt portfolios, which operate as part of a hybrid model alongside our allocation to external managers. We continue to invest through over 80 external investment managers, who manage approximately 90% of HESTA's portfolio, with personnel and offices based in Australia and globally. Investment managers and portfolio holdings are listed on our website at hesta.com.au/portfolio-holdings.

Total portfolio asset allocation – 30 June 2025



Cash	8%
Australian shares	23%
International shares	31%
Global debt	15%
Property	6%
Infrastructure	11%
Private Equity	6%
Derivatives	0%
Alternatives	0%

Responsible Investment

At HESTA, our purpose is to invest in and for people who make our world better. We recognise the importance of pursuing a growing, sustainable and inclusive economy to deliver on that purpose.

As long-term investors we manage a broad range of environmental, social and governance risks and opportunities that have the potential to affect the performance of our investment portfolio and the returns we can deliver to members.

As a large and diversified superannuation fund, invested across the global economy, we believe that taking action in response to systemic risks is in the best financial interests of members. Factors like decent work and gender equality support strong economic growth that drives member returns, while risks such as climate change can threaten them.

Modern slavery risks in our investment portfolio

HESTA's investment portfolio is invested globally across a range of asset classes, with the majority of funds managed by external investment partners. Using the framing of the UNGPs (cause, contribute, link) to understand our relationship to the potential risk, we believe we have the greatest opportunity for influence in our Australian shares portfolio and our unlisted assets portfolio.

ISS Stoxx Modern Slavery Scorecard

In FY25 we continued to utilise the ISS Stoxx Modern Slavery Scorecard tool to understand our risk exposure in the Australian equity portfolio. The methodology of this scorecard assesses modern slavery risk (according to location, sector, supply chain), readiness to address these risks and controversy exposure.

Using this tool, we were able to enhance our understanding of a company's exposure to modern slavery risks, as well as understand the source of risk, relating to either supply chain risk, geography, or the sector in which the company operates. We are also able to compare the proportion of HESTA's Australian shares portfolio that rated 'high', 'medium' or 'low' risk for modern slavery risk compared to the ASX300 benchmark.

Australian shares

Modern slavery risk in Australian shares is likely due to operational or supply chain exposure to high-risk countries, sectors, or employment practices, rather than a company's domestic operations.

Using the ISS Stoxx Modern Slavery Scorecard tool, we identified the Global Industry Classification Standard (GICS) sectors in our Australian shares portfolio with the greatest number of holdings identified as 'high risk'. These are:

- Consumer discretionary
- Industrials
- Information technology
- Materials

Materials
This includes companies involved in the production of raw materials and components, and includes metals and mining companies. Risk exposure in this sector may come from sourcing and/or extraction of high-risk commodities, the location of mining operations in countries potentially affected by conflict or instability, or the reliance on third-party contracted labour. Australian listed companies in this sector include BHP, James Hardie and Bluescope Steel.
Industrials
This includes companies involved in the manufacturing and distribution of goods and services such as machinery, engineering, electrical equipment, transportation, industrial machinery and building products. This sector may have exposure to higher-risk countries and supply chains, as well as contracted or sub-contracted labour which may limit oversight of working conditions. Australian listed companies operating in this sector include Qantas and Brambles.
Consumer discretionary
This includes companies that sell non-essential goods and services such as electronics, apparel, entertainment, luxury goods and hospitality. These companies are likely to be exposed to modern slavery risk through their complex and global supply chains, and high-volume manufacturing. They also may be particularly sensitive to economic cycles and fluctuating demand, impacting supply chain. Australian listed companies in this sector include JB Hi-fi, Lovisa and Breville.
Information technology
This may encompass companies engaged in providing software and IT services, and manufacturing and distributing technology hardware and equipment. This includes companies involved in software development, IT consulting, internet infrastructure, and the production of communication equipment, computers, and semiconductors. Australian listed companies in this sector include Computershare, NEXTDC and Xero.

Modern slavery risk exposure in the HESTA investment portfolio

Referencing the UNGP framework, we have determined that the relationship between HESTA's investment activities and any potential impacts is most likely to be considered as "linked to". Our investments in direct assets, where we have governance representation, may be assessed as "contributed to".

Our relationship to the risk often means we do not have significant influence over risk management practices. We continue to exercise our influence to encourage our investment managers and service providers to engage with portfolio companies and assets to mitigate any known risks.

International shares

Modern slavery risk in the international shares portfolio primarily relates to the supply chain of companies headquartered in lower-risk geographies (e.g. North America or Europe) that are exposed to high-risk sectors, geographies or business practices through their supply chains.

HESTA's top 20 international shareholdings at 30 June 2025 included companies in the following sectors:

- information technology
- communication services
- healthcare
- financial
- consumer discretionary and consumer staples

This includes companies such as Microsoft, Nvidia, Apple, Alphabet Inc, Visa and Johnson & Johnson.

These companies may have exposure to modern slavery risk due to their strong reliance on technology and electronics, as well as their global operations and supply chains.

Debt and credit

HESTA has some exposure to companies with comparatively higher modern slavery risk exposure, primarily in the financial and industrials sector, in line with the benchmark. Approximately 45% of this portfolio is in Australia and 55% international, predominantly in the US and EU.

HESTA also has exposure to sovereign debt which includes issuing countries identified by the Global Slavery Index as having comparatively higher modern slavery risk exposure.

Property

HESTA has a diversified property portfolio across a range of sectors including office, retail, industrial, health, storage, housing and digital. Approximately 63% of our property portfolio is in Australia/New Zealand and 37% international in regions including North America, Asia and Europe.

HESTA's largest property sector exposure to modern slavery risk is in the office and retail sectors which rely on cleaning, security, construction (labour and materials) and maintenance services. The sector continues to make significant progress to mitigate these risks. Some of the tools used by our property managers include the Property Council of Australia modern slavery supplier platform and the Cleaning Accountability Framework certification process.

Infrastructure

HESTA's infrastructure assets span airports, seaports, energy and water utilities, transportation and communications. Approximately 36% of HESTA's infrastructure portfolio is in Australia, with the remainder international including 30% in North America and 15% in Europe.

Like property, these assets are exposed to modern slavery risk through a reliance on cleaning, security, construction and maintenance. That risk is somewhat mitigated by the countries in which the assets are located. A small number of assets may be held in higher-risk geographies.

HESTA also has a range of renewable energy investments in Australia and globally, including in Europe and North America. HESTA has continued to implement its due diligence framework to assess modern slavery risk in renewable energy investment opportunities.

Private Equity

HESTA's private equity assets operate primarily in the financial and information technology sectors.

Approximately 80% of the portfolio represents the IT, healthcare and financial services sectors and the remaining in other sectors such as industrials and consumer discretionary. The portfolio includes a small number of assets with exposure to higher-risk industries and/or higher-risk countries.

All data as at June 2025.

Taking action

During FY25, our investment related modern slavery actions included:

ISS Stoxx Modern Slavery Scorecard
Continuing use of ISS Stoxx Modern Slavery Scorecard and application to our Australian shares portfolio. We continue to integrate insights from these risk assessments and focus on those sectors and companies that have been identified as high risk.
IAST APAC initiative
Continued advocacy and investor collaboration through the IAST APAC initiative. HESTA has increased the number of companies it engages through this initiative. Through IAST APAC, it leads engagement with two ASX companies on modern slavery, and acts as support investor for an additional three companies (an increase from two in the previous year).
Working groups and forum
Participated in working groups and forums through representative peak groups including RIAA, and in engagement through specialist service providers such as the ACSI and EOS.
Due diligence process
Continued the implementation of our enhanced due diligence process for renewable energy assets in the unlisted infrastructure portfolio.



Investment managers

HESTA seeks to partner with external investment managers that are aligned with our corporate values, including our commitment to responsible investment, as outlined in the HESTA Partnership Principles. The Partnership Principles include reference to human rights, modern slavery, honest and transparent business conduct and good governance. We encourage our partners to influence their supply chain to operate in a manner consistent with these principles. Our investment manager selection process includes due diligence in which we review a manager's application of responsible investment factors, including those related to modern slavery, and how these factors are integrated into portfolio management.

At the appointment stage, we seek to include responsible investment requirements, including modern slavery provisions, into external investment manager appointment documentation.

Our manager monitoring program includes using external data sources, such as alerts for labour rights controversies and media reports. This data is used to inform escalations, where appropriate.

Our annual Responsible Investment monitoring program collects information from investment managers about relevant policies and procedures, risks and/or incidents of modern slavery or human rights breaches in their operations or portfolio that have been identified during the financial year, and how they responded to those identified risks and/or incidents. The information collected helps inform our ongoing engagement with managers on modern slavery related risks. For the majority of the investment portfolio that is held through external investment managers, it is the underlying investment holdings where potential risks are more likely to exist, rather than in the operations of the investment managers. Via ongoing engagements, we seek to encourage investment managers to disclose further information about how they identify and respond to human rights and modern slavery risks in the portfolios they manage on behalf of HESTA.

Active ownership

Active ownership is an important part of how HESTA manages responsible investment risks, including modern slavery. By actively engaging with our investment managers, portfolio companies, regulators and policy makers, we seek to influence the management of material issues that may impact long-term returns at both the company and market level. Our FY25 Responsible Investment Report contains more information on our active ownership approach.

HESTA pursues active ownership through the tools of advocacy, voting and engagement.

Advocacy

HESTA is a member of the RIAA Human Rights Working Group and an IAST APAC policy advocacy sub-working group.

HESTA is also a member of ACSI and is represented on its governing bodies. Since 2023, ACSI has been a member of the Government’s Modern Slavery Expert Advisory Group. The Group’s membership comprises a cross section of business, civil society, union, and academics, and provides expert advice to the Attorney-General’s Department on the operation of the Modern Slavery Act. During the financial year 2025, ACSI provided input on a range of matters including implementing the government’s response to the review report of the Modern Slavery Act and guidance materials on good practice reporting and effective remediation in modern slavery.

In July 2024, ACSI also submitted to the Australian Competition and Consumer Commissioner (ACCC) on its proposed guidance on sustainability-related collaborations, encouraging clarification that the principles apply in the context of modern slavery. Consistent with this feedback, the ACCC’s final guidance confirmed the broad application of the guidance and included a specific case study on collaborative supply chain mapping to identify modern slavery risk.

Australia’s inaugural Anti-Slavery Commissioner was appointed in November 2024. Since then, ACSI has sought to support the Commissioner’s work including our submission to the Commissioner’s consultation on his Strategic Plan 2025-2028. In May 2025, ACSI also participated in a consultation workshop advocating for higher standards of action and disclosure to prevent, mitigate and respond to modern slavery.

Voting

During the reporting period, HESTA supported several shareholder resolutions seeking greater transparency and action related to human rights. Notably, in the financial year HESTA supported over 40 shareholder resolutions filed at companies held in our international shares portfolio relating to human rights, including labour issues.

We will continue to exercise our voting rights on shareholdings where we can use our influence to minimise risks of modern slavery and other human rights violations.

Engagement

HESTA believes that the provision of decent jobs and equal opportunity can contribute to strong long-term company value and economic prosperity. We prioritise SDG8: Decent Work and Economic Growth in our responsible investment program and have developed an engagement plan to support this work. In FY24 HESTA released research and developed a framework to assess the factors of decent work across four pillars – job security, flexibility, work conditions and stress. In FY25 we have continued to use this research to further inform our work program and engage priority companies. You can read more about this in our FY25 Responsible Investment Report.

We primarily engage on modern slavery risk with other investors through collaborative organisations, as detailed on page 18. This enables us to amplify our voice and drive action while using our resources efficiently. Following are highlights from engagement in FY25.

Collaboration

Investors Against Slavery and Trafficking (IAST APAC)	<p>Through our collaborative work with the IAST APAC initiative, HESTA is lead investor for engagement with two ASX listed companies and has increased the number of companies we engage as a support investor from two to three. IAST APAC utilises investor representatives in a targeted manner to maximise investor impacts through shared representation to investee companies. This framework encourages a minimum of two annual meetings to meet with and drive investee engagement on salient modern slavery and trafficking initiatives.</p> <p>Through the IAST engagement program, HESTA is lead investor for a company with widely publicised human rights concerns, operating in a high-risk industry. The engagement with this company is ongoing and HESTA will continue the targeted and collaborative IAST engagement to seek change in company behaviour.</p> <p>In FY25 HESTA joined as an IAST APAC support investor for an international company operating in a high-risk sector with exposure to high-risk supply chains in renewable energy.</p> <p>For more information on engagement, review the IAST APAC report at https://www.iastapac.org/tools-resources/</p>
ACSI	<p>HESTA participates in select ACSI engagement meetings on modern slavery and the decent work thematic. In FY25, ACSI engaged with 24 companies across eight sectors. ACSI's engagement focused on improvements in risk assessments, auditing practices and outcomes, consequence reporting, worker education, supply chain mapping and progress regarding resolution following allegations of modern slavery. ACSI is also a member of IAST APAC and has directly led and participated in engagement with companies as part of this initiative. In FY25, ACSI participated in four engagement meetings with ASX300 companies as part of IAST APAC.</p>
EOS at Federated Hermes	<p>EOS at Federated Hermes (EOS), our specialist engagement service provider for international shares, has targeted almost 25% of its corporate engagement in FY25 with international companies on social issues. Of those social engagements, almost 50% was focused on human and labour rights.</p>

Assessing Effectiveness

We continue to assess our effectiveness through our Modern Slavery Roadmap strategy, tracking the progress of our Roadmap actions, and our Modern Slavery Scorecard.

Modern Slavery Scorecard

HESTA uses a Modern Slavery Scorecard to consistently track our year-on-year progress. The scorecard includes effectiveness criteria to assess our progress in relation to our operations, procurement and investments. The results below summarise our key activities in FY25.

Measure	Quantity
Operations	
Employee e-Learning module	673 of 685 (98%) eligible staff members completed the e-Learning module during FY25.
Procurement	
Vendors issued self-assessment questionnaires	33 vendors were issued and completed Modern Slavery self-assessment questionnaires.
Vendor contracts including modern slavery clause	382 contracts in place with active modern slavery clauses. 158 vendors remain with existing agreements which are to be transitioned to new contracts at next renewal.
Vendors declaring a Modern Slavery Policy or equivalent	294 vendors have declared that they have a Modern Slavery Policy.
Investments	
Investor engagement meetings held	4 IAST APAC meetings held relevant to our priority companies. In addition to direct engagement, HESTA's service providers ACSI and EOS engaged investees on modern slavery: <ul style="list-style-type: none"> • 24 ASX companies engaged by ACSI. • 318 EOS meetings held on human and labour rights.
Quantity of external investment managers who completed HESTA's responsible investment survey.	A responsible investment attestation survey was completed by all investment managers and included questions on modern slavery.

Modern Slavery Roadmap FY24-FY26

HESTA's Modern Slavery Roadmap FY24-FY26 was developed in FY23 with guidance from an external consultant. The goal of the Roadmap is to embed modern slavery risk management into business as usual processes by the end of FY26.

The roadmap contains the following thematic areas:

Governance

- Clarity on organisational aspirations – to deliver a focused approach that aligns with organisational strategy and purpose, and to concentrate efforts in areas where we can have the most impact.
- Review the operation and governance of the Modern Slavery Working Group to ensure efficiency and membership with appropriate accountability for deliverables, supported by sound governance and implementation mechanisms.
- Review of the Modern Slavery Policy and associated policies to ensure they continue to be fit-for-purpose in a changing environment.
- Measure the effectiveness of our approach.

Risk Assessment and Responses

- Improved risk-based approaches that allow us to focus on areas not only where risk exposure is higher, but also where we are more directly linked and have the most potential for impact.
- Further development and formalisation of remediation approaches and responses, in line with any relevant external or regulatory guidance.

Capability and Engagement

- A foundational approach that aims to consolidate capability across the fund. This will include embedding and automating business as usual approaches to modern slavery, as well as implementing improvements where possible.
- Organisational alignment so that all business areas can leverage progress made in other areas of the fund.
- Improved training and capability building that is more directly relevant to our operations and investments, including fit-for-purpose engagement for the Board where appropriate.

These thematic areas are designed to be implemented over the course of the roadmap, with each year building on progress from the previous year.










Year 1 (FY24)	Year 2 (FY25)	Year 3 (FY26)
Articulation of pragmatic approach to risk assessment, and formalisation of remediation processes.	Continued integration of approach and processes across whole-of-fund.	Embedding into business as usual.

Progress on the roadmap is regularly monitored by the Modern Slavery Working Group, which meets quarterly. Concerns arising from the Modern Slavery Working Group are escalated according to the Risk Management Framework and Strategy.

Roadmap

progress update

 Complete
  Continuous

Set	Commitment	Change type	Status FY25
Governance			
FY24	Policy review Review policies to ensure they are fit for purpose	New	
FY24	Develop in-house capability Bring annual preparation and submission of the Modern Slavery Statement in-house	Continue	
FY24	Refine governance Enhance effectiveness of Modern Slavery Working Group	Evolve	
Risk assessment and response			
FY24	Improve supplier risk assessment Develop and implement an improved risk-based assessment of suppliers and service providers, using more tailored approaches to collecting information	Evolve	
FY24, FY25, FY26	Further develop investment due diligence Continue modern slavery due diligence (pre and post investment), focusing on investments where a heightened risk and an ability to influence have been identified	Continue	
FY24 & FY25	Remediation approach Develop and formalise remediation/response processes based on agreed risk assessment methods, with staged roll-out to different fund areas	Evolve	
Capability and engagement			
FY24	Build capability Develop and distribute internal content and resources to increase awareness of modern slavery risks and how HESTA is acting to address them	New	
FY24, FY25, FY26	Active ownership Continue to evolve our company engagement program, focusing where modern slavery risk and ability to influence the risk is higher	Evolve	
FY24, FY25, FY26	Investor collaborations Continue to be an active participant in investor collaborations on modern slavery and seek	Evolve	



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