

QIC

QIC JOINT MODERN SLAVERY STATEMENT

—
2020-21

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Acknowledgement of Country

QIC respectfully acknowledges the Traditional Owners and Custodians of Country throughout Australia and recognises their continuing connection to land, sea and community. We pay our respects to Elders past, present and emerging.

QIC JOINT MODERN SLAVERY STATEMENT 2020-21

INTRODUCTION FROM CHAIR, IAN MARTIN

Modern slavery is a global phenomenon and a serious issue for communities and investors. The best available data and information estimates more than 40 million people are victims of modern slavery today¹.

We continue to deepen our knowledge of the risk modern slavery presents and recognise the importance of addressing this risk through our operations, supply chains and investment portfolios. As a significant investor, QIC understands our opportunity to build wider awareness and contribute to addressing modern slavery risks for those most vulnerable globally. Through our efforts we continue to build an effective response to the risk of modern slavery over time.

The risk of modern slavery stems from 'risk to people', rather than 'risk to business'², and our efforts focus primarily on the likelihood of people being affected by modern slavery within the operations and supply chain of businesses. Our approach looks to determine where modern slavery risks are highest based on the potential impact to people as opposed to any impacts to our business.

Beyond the primary consideration of risk to people, there are also concerns of financial and reputational risk associated with the prevalence of modern slavery in the operations and supply chain of businesses. As modern slavery continues to become better acknowledged and understood across the globe, it becomes less socially and ethically acceptable to not take action to address this risk.

The Australian Strategic Policy Institute³ highlighted the increasing importance of modern slavery risk assessment measures that specifically target concerns relating to supply chains that may be linked to forced labour connected with the Xinjiang province in China.

We further became aware of the increasing evidence of the use of forced labour in the production of raw materials and other inputs in the global solar energy industry's supply chain⁴. Of particular concern is the solar panel industry. Initially we have taken steps over the reporting period to assess the modern slavery risks of the solar panel suppliers we engage with directly. We will continue to build our awareness of this issue in the context of net zero emissions targets across QIC's investment portfolios.

Highlights from our work over the financial year ending 30 June 2021 include:

- A modern slavery risk assessment of all our suppliers and investment portfolios
- Modern slavery considerations were incorporated into existing supplier monitoring programs and our tender processes
- The process to incorporate modern slavery requirements into our supplier contracts continued
- A tool was developed to assist QIC's investment teams to assess modern slavery risk as part of due diligence process
- A QIC Modern Slavery Awareness eLearning training module was developed and rolled out to employees
- An internal audit of our modern slavery approach was undertaken.

QIC aspires to carry out our business and investment activities responsibly and act with integrity in our dealings with clients, our people, our suppliers and the wider community. This Statement has been prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth) It describes the ongoing actions we have taken during the year ending 30 June 2021 to assess and address the risk of modern slavery occurring in our operations, supply chain and investment portfolios.

This Statement was approved by the QIC Limited Board of directors on behalf of QIC Limited and subsidiary entity QIC Private Capital Pty Ltd on 23 November 2021.



Ian Martin AM, QIC Chair

¹ The Global Slavery Index, 2018

² UN Guiding Principles on Business and Human Rights, 2011- Principle 24

³ Australian Strategic Policy Institute, *Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang*, February 2020.

⁴ T Murphy & N Elima, *In Broad daylight: Uyghur Forced Labour and Global Solar Supply Chains* (2021), Sheffield Hallam University

1.1 About this statement

This Modern Slavery Statement ('Statement') is prepared by QIC Limited and its subsidiary entities,⁵ to meet the reporting requirements that became law in the *Modern Slavery Act 2018 (Cth)* ('the Act') on 1 January 2019. QIC Limited and QIC Private Capital Pty Ltd have engaged in a full process of joint consultation in the preparation of this Statement, and in relation to our modern slavery response generally. All risk assessment, due diligence, and remediation measures described in this Statement have equal application across both mandatory reporting entities.

Recognising our opportunity to help build awareness and to improve transparency, we have produced one Statement for the QIC Group. This Statement is prepared and issued by both QIC Limited and QIC Private Capital Pty Ltd, which meet the mandatory reporting requirements of the Act, as well as other entities that are wholly owned ('QIC Group').

Through this Statement we provide information about how we are managing the modern slavery risks we may be exposed to through our business operations, supply chains and investments. We do this by outlining what we are doing to identify, assess and address the risk that modern slavery practices may be occurring in our global and domestic operations, supply chains and investments⁶.

The QIC Board, as the parent company of the QIC Group, and as an entity required to report under the Act, has approved this Statement. The Board of QIC Private Capital Pty Ltd, being a QIC subsidiary with a mandatory obligation to prepare and issue a statement under the Act has also approved this Statement.

1.2 About QIC

We are a long-term specialist in alternatives offering infrastructure, real estate, private capital, liquid strategies and multi-asset investment solutions. Our purpose is to deliver optimum investment outcomes with and for our clients.

QIC is one of the largest institutional investment managers in Australia, with A\$92.4 billion in funds under management⁷ that we invest on behalf of more than 115 clients. For more information, please visit: www.qic.com

1.2.1 Our structure

QIC is a Government Owned Corporation constituted under the *Queensland Investment Corporation Act 1991 (Qld)*. In accordance with the *Government Owned Corporations Act 1993 (Qld)*, QIC has a Board of Directors responsible for directing and controlling QIC's activities. The responsibility for QIC's day-to-day operation and administration is delegated by the QIC Board to the Corporate Management Committee which consists of the Chief Executive Officer and senior executives.

Our business comprises a number of different corporate entities with QIC Limited ACN 130 539 123 the ultimate parent company and QIC Private Capital Pty Ltd ACN 076 279 528 our largest subsidiary. Both entities meet the reporting threshold requirements of the Act and are required by law to lodge a Modern Slavery Statement annually.

1.2.2 Our operations and supply chain

QIC directly employs around 851 employees and a further 435 through contracted arrangements at 30 June 2021. Headquartered in Brisbane, Australia, QIC also has offices in Sydney, Melbourne, New York, San Francisco and London.

Our operations include investment and asset management and the operation of retail properties⁸. Primarily, this relates to engaging a workforce to provide and support QIC providing investment and asset management activities for our clients and investors.

⁵ Throughout this document, 'QIC', 'QIC Group', 'we', 'us' or 'our' refers to QIC Limited, QIC Private Capital Pty Ltd and the entities that are wholly owned.

⁶ Where this Statement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events, these statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

⁷ At 30 June 2021

⁸ Our operations include internally managed investment portfolios and assets as per the Commonwealth Modern Slavery Act – Guidance for reporting entities <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

Figure 1: QIC's workforce composition at 30 June 2021

	Contractual arrangement	Australia	USA	Europe	Total
Direct employees	Permanent contract	714	25	12	751
	Temporary contract	84	0	1	85
	Casual contract	15	0	0	15
Professional services consultants and independent contractors		228	4	0	232
Labour contracted through a property service company to provide asset management services ⁹		203	0	0	203
Total		1244	29	13	1286

QIC worked with approximately 10,000 suppliers¹⁰. These include other regulated financial institutions that provide fund and trade administration, investment management firms and corporate and operational suppliers such as cleaning, travel, office equipment and supplies. Through QIC's real estate operations in Australia and North America, QIC contracts with suppliers that enable the operations of commercial and retail properties.

1.2.3 Our Investment capabilities

QIC invests across a range of asset classes and regions across the world. The majority of investments are made directly through QIC's internal investment capabilities and we also invest externally through investment managers via discrete portfolios and pooled investment vehicles. QIC's operations also include making investments in non-operated joint ventures in real estate and infrastructure assets in Australia and the USA.

The following table and charts provide more information on QIC's investment capabilities and a breakdown of total investments by asset class, region and internal and external management.

Figure 2: QIC's investment capabilities

Global Real Estate	Global Infrastructure	Global Private Capital	Liquid Markets Group	State Investments
Invests in Australian and international retail and commercial properties with specialist experience in deal origination and execution through to asset and funds management, leasing, marketing and property development.	Actively invests in, and manages, a global diversified portfolio of infrastructure assets across transport, energy and utilities and PPP/social sectors, leveraging deep industry knowledge, relationships with strategic investors and a strong understanding of value drivers for each sub-sector.	The core objective of the global private capital strategy is to invest in buyout, growth, venture capital and other investments managed by unaffiliated managers across the globe.	Managing fixed income, absolute return and cash portfolios, and customised overlay solutions across currency management, implementation, asset rebalancing and portfolio protection.	Spanning whole-of and multi-asset portfolio management and liability hedging solutions. State Investments oversee Queensland Government whole-of-fund client portfolios, ensuring that each client's asset allocation is consistent with their investment objectives.

⁹ Through the retail properties which are operated by QIC Global Real Estate.

¹⁰ This includes suppliers to QIC's corporate offices and shopping centres as at 30 June 2020.

Figure 3: Total investments by asset class at 30 June 2021

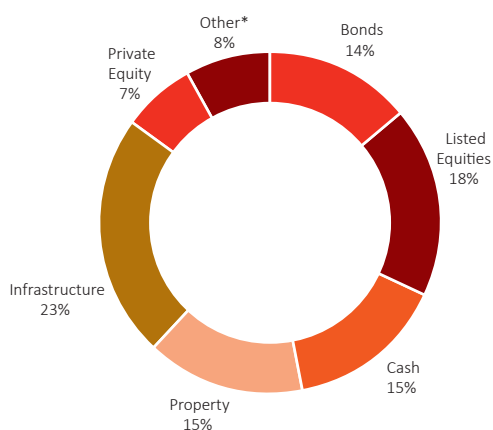


Figure 4: Total investments by geography at 30 June 2021

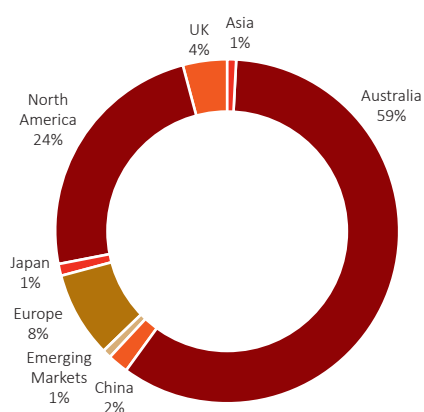
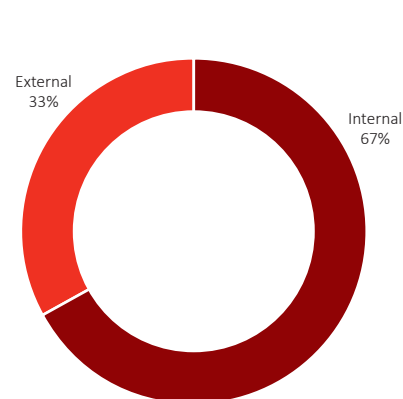


Figure 5: Total investments by internal and external management at 30 June 2021



* Other includes managed funds, incubator assets and other alternative assets

1.3 Identifying modern slavery risk

The term ‘modern slavery’ covers eight types of serious exploitation. These are trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour and deceptive recruiting for labour or services.

The ‘risks of modern slavery practices’ mean the potential for QIC to cause, contribute to, or be directly linked to modern slavery through our operations, supply chains and investment portfolios. In considering modern slavery risk, our approach focusses on a ‘risk to people’ rather than to a ‘risk to business’¹¹. We have again this year looked to determine and address those risks that would cause the greatest harm to people.

In this reporting period, we again undertook a detailed risk assessment of our supply chains and investment portfolios working with ESG data provider and professional services firm, Fair Supply. While this assessment does not confirm the existence or non-existence of modern slavery, it provides an important baseline estimate of risk exposure and enables us to understand where the risk of modern slavery may exist within the supply chains of these companies.

Operations

Our operations include investment and asset management and the operation of retail properties. Primarily, this relates to engaging a workforce to provide and support QIC providing investment and asset management activities for our clients and investors.

We believe that exposure to modern slavery practices is least likely to be present through our direct operations. This is based on workforce composition, business model and industry. Remuneration is award compliant, benchmarked and reviewed annually.

1.3.1 Supply Chain

QIC’s supply chain includes suppliers to our corporate, investment and real estate operations, as well as the external investment managers we appoint.¹² We worked with approximately 10,000 suppliers through our corporate and real estate operations¹³.

The majority of QIC’s operations are in Australia and QIC’s procurement activity occurs mainly with companies located in Australia¹⁴ (See Figure 8). QIC’s largest procurement spend was with companies in the Construction and Engineering, Insurance and Professional Services industries (see Figure 6).

¹¹ UN Guiding Principles on Business and Human Rights, 2011- Principle 24

¹² Our supply chain includes external managers we appoint as per the Commonwealth Modern Slavery Act – Guidance for reporting entities <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

¹³ All references and analysis in this section relates to suppliers paid during the financial year ending 30 June 2020

¹⁴ Over 79% of our supplier spend in the financial year ending 30 June 2020 was based in Australia (based on the location of the creditor and not necessarily where the supplier is headquartered or where services are supplied).

Figure 6: Top five supplier industries by amount paid

Insurance
Professional Services
Construction and Engineering
Commercial Services and Supplies, includes cleaning and security services
Capital Markets, includes externally appointed investment managers

Figure 8: Top five supplier countries by amount paid

Australia
United States
Singapore
United Kingdom
Bermuda

Figure 7: Top 5 supplier industries by highest potential for modern slavery risk exposure

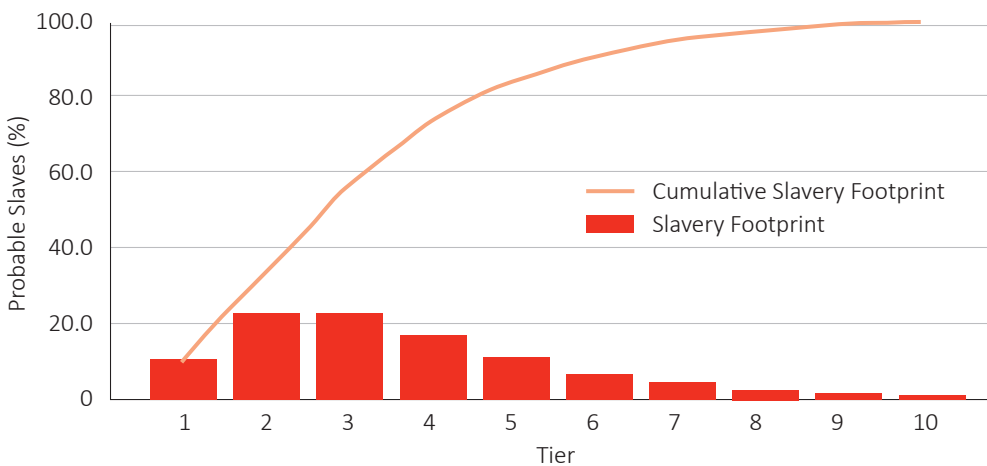
Construction and Engineering
Insurance
Professional Services
Commercial Services and Supplies, includes cleaning and security services
Capital Markets, includes externally appointed investment managers

Figure 9: Top 5 supplier countries by highest potential for modern slavery risk exposure

Australia
United States
Singapore
United Kingdom
China

Across QIC’s supply chain, the greatest potential for exposure to modern slavery risk is found in Tiers 2 and 3 as shown in Figure 10 below. This indicates the risk is greatest within the supply chains of our Tier 1 suppliers rather than the suppliers themselves. Our opportunity to address this risk lies in more deeply understanding the extent to which these suppliers understand and have visibility over the risks and the assurances in place in their own supply chains. Further, over time we will look to understand how we can collaborate with our suppliers to address these risks of modern slavery practices. This may include, for example, through raising awareness and potentially providing access to training materials or webinars on addressing modern slavery.

Figure 10: Modern slavery risk by supply chain tier



Source: Fair Supply Modern Slavery Risk Analysis based on supplier spend data for the financial year ending 30 June 2020

Understanding our suppliers' modern slavery risks

We identified four companies in our supply chain this reporting period that were listed in the Australian Strategic Policy Institute's (ASPI) 2020 Report *Uyghurs for sale: "Re-education", forced labour and surveillance beyond Xinjiang*. These companies are global household brands and operate in the industries of technology and clothing. In the next reporting period, we propose to review the modern slavery statements of these companies to understand the adequacy of their statements and approach, including adequacy of the controls in place. Where it appears that adequate steps are not being taken to address the risk, we will consider additional due diligence measures. Due to the global nature of these companies' operations, it is likely we are not the only entity contracting with these companies, and there may be further opportunity to address these risks through collaborative efforts with like-minded investors.

We will also further enhance our due diligence process to specifically ask new suppliers about their understanding of any Xinjiang or forced labour practices in their own operations or in their supply chains.

1.3.2 Investment portfolios

We have again estimated exposure to modern slavery risk of all physical investment holdings¹⁵ across internally and externally managed investment portfolios. This assessment extends to Tier ten of investee companies' supply chains.

This assessment enabled us to identify where the potential for modern slavery risk is greatest. While this analysis estimates where our modern slavery risk may lie, it is not necessarily indicative of modern slavery risk occurring in our portfolio companies, but rather risks that are embedded within a company's supply chain.

QIC invests across all sectors of the economy. Our assessment estimates the greatest potential for the risk of modern slavery within our investment portfolios is via exposure to the supply chains of companies in the Transportation Infrastructure, Metals & Mining, Oil, Gas & Consumable Fuels, Real Estate Management & Development, and Food & Staples Retailing.

By geographical location, our aggregated holdings are most exposed to Australia, the USA, the United Kingdom, Belgium and China by value.

The assessments of modern slavery risk are influenced by industry, geographical location and portfolio weighting. We have also performed this analysis from an intensity perspective to calculate the risk to people.

QIC's investment teams continue to address modern slavery risk from the perspective of their relative risk exposure to ensure we are concurrently managing this risk across all asset classes.

Figure 11: Top five industries by investment exposure – all QIC portfolios

Real Estate Management and Development
Transportation infrastructure
Banks
Software
Metals & Mining

Figure 12: Top five industry exposures with the highest potential for modern slavery risk – all QIC portfolios

Transportation Infrastructure
Metals and Mining
Oil, Gas & Consumable Fuels
Real Estate Management and Development
Food & Staples Retailing

Figure 13: Top five countries by investment exposure – all QIC portfolios

Australia
USA
United Kingdom
Belgium
China

Figure 14: Top five country exposures with the highest potential for modern slavery risk – all QIC portfolios

Australia
India
China
Belgium
USA

¹⁵ This initial assessment does not include derivative exposures, which we will consider over time as our approach matures.

1.4 Assessing and addressing modern slavery

Consistent with the aim of the Act, our Modern Slavery Framework seeks to build our capacity over time to effectively respond to the risk of modern slavery. This section provides an overview of our activity over the reporting period.

Overview of activity FY2020-21

- Developed our first Supplier Code of Conduct, which we have published on our website
- Assessed our operations, supply chains and investment portfolios for exposure to modern slavery risk
- Incorporated modern slavery considerations into existing supplier monitoring programs and our tender processes
- Continued incorporating modern slavery requirements into our supplier contracts
- Surveyed high risk suppliers on their maturity and awareness of modern slavery practices to help us inform the direction of our collaborative approach with suppliers for the financial year ending 30 June 2022
- Developed a tool to assist QIC's investment teams to assess modern slavery risk as part of due diligence process
- Surveyed all externally appointed investment managers
- Engaged at portfolio company level for highest exposed asset classes
- Developed a QIC Modern Slavery Awareness eLearning training module
- Required our existing QIC employees, and all new QIC employees being onboarded, to complete a mandatory firm-wide Modern Slavery Awareness eLearning training module. The module was first deployed to QIC employees in April 2021, and had a completion rate of 96.7% at 30 June 2021.
- Conducted an internal audit of our modern slavery approach to obtain an independent view that we were taking the appropriate steps to assess and address modern slavery risks

1.4.1 Governance structure

The QIC Board has responsibility for overseeing the management of Modern Slavery risk. The Board is assisted by the QIC Board Risk Committee, which oversees the implementation of the reporting requirements under the Act. A cross-functional Modern Slavery Advisory Group, chaired by the Chief Risk Officer and established in December 2018, continues to operate to implement and evolve our approach. The Advisory Group's responsibilities include:

- development and implementation of QIC's Modern Slavery Action Plan (refer section 1.6)
- review of KPIs designed to assess the effectiveness of our actions; and
- preparation of the Modern Slavery Statement;

Figure 15: QIC's Modern Slavery governance structure

Organisational Level	Roles	Governance				
Board	Risk governance and oversight	Board Governance				
Risk Committee	Delegated Risk governance and oversight	Risk Oversight				
Executive Management	Risk ownership	Executive Committee				
		Sustainability Advisory Committee				
Management	Responsible for day-to-day management	Modern Slavery Advisory Group				
	1st Line Specialist capability	Responsible Investment	Global Real Estate	Finance	Legal	HR

RMG
2nd Line Risk Oversight

1.4.2 Policy framework and enhanced grievance mechanisms

QIC's policy framework outlines and supports our approach to modern slavery primarily through our Modern Slavery Standard, in addition to a suite of existing policies that were amended to integrate modern slavery considerations.

In late 2020, we developed and published our first Supplier Code of Conduct. The Code includes our minimum expectations of our suppliers, including compliance with legislation and modern slavery and human rights responses.

A number of bespoke mechanisms exist through which people can report concerns and intervention can be taken on matters of modern slavery. QIC's relationship with the Cleaning Accountability Framework (CAF), ensures cleaning staff in our supply chain are supported to speak up and have their grievances addressed at centres which have obtained CAF certification. This process operates separately to QIC's other escalation and grievance mechanisms and ensures high-quality services are provided at our shopping centres, whilst employees' pay and conditions are maintained to Fair Work Australia standards.

We have a number of means to escalate modern slavery issues and to ensure that we have an appropriate response. This includes the ability for employees to lodge an incident form under QIC's Escalation Policy, raising a grievance either formally or informally under the QIC Grievances Standard, or by reporting anonymously using the Whistleblower hotline under the Whistleblowing Policy. This hotline is managed externally and is available to employees as well as our suppliers, investment counterparties and associates. The Whistleblowing Policy is referenced in our Supplier Code of Conduct, which we published in late 2020, and the Code is available to all of our suppliers on our website.

QIC did not receive any direct reports of potential modern slavery / human rights-related concerns via its grievance mechanisms during the reporting period. We believe this may be a reflection of the inherently low modern slavery risks that have a strong nexus with QIC's direct suppliers and operations. However, alternatively, this apparent lack of use may be a cause for reconsideration of the scope and operation of QIC's current grievance mechanism framework. As a result, as part of our commitment to continuous improvement, QIC will continue to refine the scope and operation of QIC's current grievance mechanism framework.¹⁶

QIC continues to develop and mature its processes to ensure that workers' rights are protected. During the reporting period, as part of an Integrated Services Tender (which included cleaning services), QIC requested CAF pre-qualification as a first step and positive intention to help address modern slavery in our supply chain. Under this requirement, contractors are expected to become CAF Prequalified within the first 18 months of contract commencement and maintain pre-qualification during the term of the contract. In addition, over the coming year, several other QIC property assets will be assessed for CAF certification.



¹⁶ This Statement does not include recent media coverage regarding contractor supply chains at the Canberra Centre which falls outside the reporting period. No allegations regarding modern slavery have been raised at the time this Statement was released.

About the Cleaning Accountability Framework (CAF)

CAF is a multi-stakeholder organisation that exists to end exploitation in property services and improve labour standards through education and advocacy. CAF stakeholders work together in a spirit of cooperation to drive responsible standards for the procurement, management and delivery of cleaning services. This occurs through CAF Certification, a worker-centric due diligence mechanism that assesses, addresses and mitigates the risk of labour exploitation by engaging workers and other supply chain stakeholders.

What is CAF Building Certification?

CAF Certification is an independent assessment of a building's cleaning supply chain against 3, 4 and 5 Star Standards. The assessment covers the following areas:

- Labour- wages, job security and the right to work in Australia.
- Responsible Contracting- ethical pricing, responsible subcontracting and transparency of contracts.
- Workplace Health & Safety – a safe working environment including relevant insurances and WH&S procedures.
- Financial Viability- the financial checks and balances undertaken when engaging cleaning contractors.
- Worker Engagement- education and consultation with cleaners including freedom of association.
- Remediation- investigation and resolution of compliance issues throughout the cleaning supply chain.

CAF Prequalification

Prequalification is a way for a cleaning company to demonstrate that it has the right systems in place to enable the provision of decent work to cleaners at a building level. However, assurance can only be provided through CAF Building Certification.

As such prequalification is not a certification or an endorsement of the cleaning company, rather it is designed to create efficiencies in the CAF audit process. This is particularly relevant where a cleaning contractor has contracts in place at several sites undergoing CAF Building Certification, or where a property owner will seek certification of a portfolio of assets. A CAF Prequalified Contractor can provide documents that apply across the organisation just once during the Prequalification assessment, so that Building Certification assessments can focus more specifically on the implementation of good and best practice policies and procedures at the site level.

1.4.3 Enhancing our diligence and ongoing monitoring

Our efforts focussed on further integrating our due diligence processes and enhancing our ongoing monitoring of our higher risk areas. The table below provides a summary of the initiatives implemented over the reporting period.

Enhancement	Rationale
Understanding likelihood of modern slavery risk from our Tier 1 supplier spend (including to Tier 10 of their supply chain) during the financial year ending 30 June 2020	Fair Supply (ESG data provider and professional services firm) independently analysed our Tier 1 or direct supplier spend from the financial year ending 30 June 2020. This enabled us to understand, to Tier 10 of each supplier's supply chain, where our likeliest highest risk of modern slavery existed in our overall supply chain. This information enabled us to prioritise our efforts on those categories of suppliers and target those areas of highest risk.
Developing and publishing our first Supplier Code of Conduct	Our Code, available on our website, clearly outlines that we only want to do business with ethically, environmentally and socially responsible suppliers, and that we reserve the right to prioritise doing business with suppliers who demonstrate compliance with the Code. The Code sets out our minimum expectations of suppliers, including in relation to legislative compliance, and suppliers acting against human rights abuses in their supply chain. The Code also includes mechanisms for our supplier's employees and own suppliers to report modern slavery.

Enhancement	Rationale
Modern Slavery survey	We issued a targeted modern slavery survey to the suppliers who we considered at higher risk of modern slavery, as well as those that are our most critical from a dependency perspective. The survey was focused on modern slavery maturity and implementation progress, and we have summarised the key outcomes in section 1.4.4 below. This will assist us with identifying where to focus our efforts in the next reporting period.
Independent ongoing monitoring	We commenced ongoing independent monitoring for ESG issues (including modern slavery) on those suppliers that we considered at higher risk via the ESG platform, RepRisk, as well as those suppliers that are most critical to us from a dependency perspective. Any issues identified via this monitoring will be provided to the employee responsible for managing the particular supplier, to determine any escalations or governance required under our modern slavery framework.
Tender processes	We incorporated modern slavery questions into our standard tender processes. This included in our QIC Global Real Estate team's Integrated Services Tender that was undertaken during the reporting period, and included the provision of cleaning and security services across our shopping centre portfolio.

In the coming year, QIC Global Real Estate plans to onboard their identified higher risk suppliers to the Property Council of Australia's modern slavery platform. This will enable closer monitoring of these suppliers' modern slavery practices and provide an avenue through which QIC can engage consistently with property sector peers. Our Global Real Estate team has also continued their participation in the CAF and maintained representation on both governance and technical advisory group settings. Working with CAF, the collective aim is to standardise practices and uphold labour rights within the cleaning industry. CAF's work extends to a range of activities including supplying tools for tendering for business, auditing assets and cleaning companies.

We also intend to enhance our modern slavery risk assessments to specifically understand our suppliers' visibility of their own supply chains, including awareness on whether their supply chain may be tainted by Uyghur forced labour and/or other modern slavery activities connected with the Xinjiang province in China.



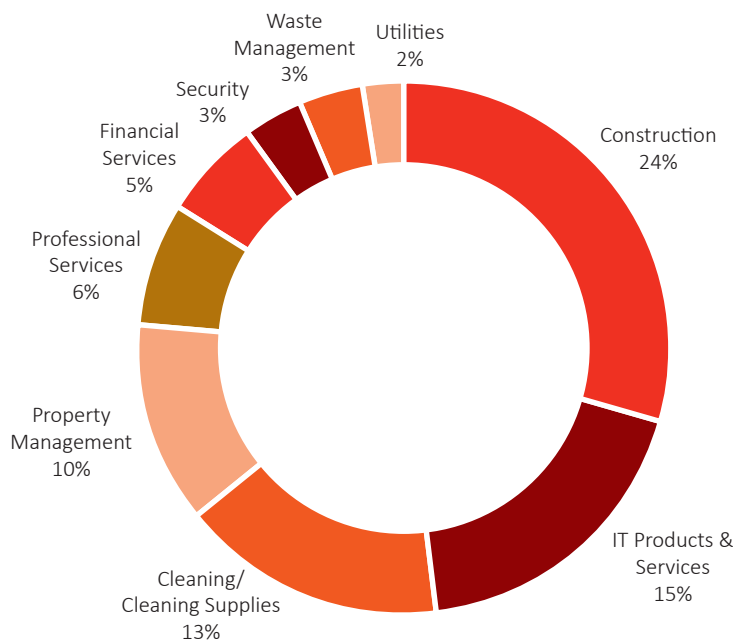
1.4.4 Supplier Modern Slavery Survey

In order to further understand our supplier's modern slavery maturity and implementation progress, we developed a survey to suppliers to gather information on the visibility they have over their supply chains and their approach to addressing modern slavery. The survey was distributed to our highest risk suppliers based on the risk assessment described above¹⁷. QIC's externally appointed investment managers were surveyed separately.

The survey was issued to 174 suppliers with a 36% response rate¹⁸.

We have set out below a summary of the responses we received, including a breakdown of supplier responses by industry. The results will assist us with identifying where to focus our efforts during the next reporting period.

Figure 16: Breakdown of supplier survey responses by industry



Summary of Supplier Survey Responses

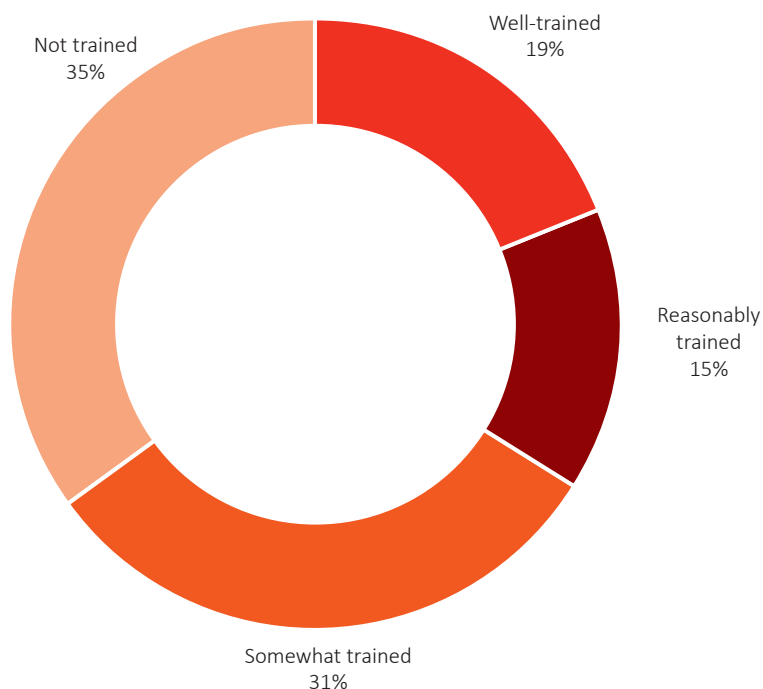
- The majority of the suppliers who responded (76%) were providing their services (including sub-contractors) via on-shore capabilities only
- The majority of these suppliers (77%) did not use any low skilled or migrant workers
- The level of visibility of their supply chain was generally good with:
 - 21% of suppliers saying that they had high visibility of their supply chain
 - 45% had moderate visibility of their supply chain; and
 - 34% had developing visibility of their supply chain
- Only 7% of the suppliers advised that they did not have some form of modern slavery policy or program. This meant that 93% of the suppliers had some form of program in place, whether that be a Modern Slavery Policy (22%), Supplier Code of Conduct (25%), Sustainable Procurement Policy (17%), or Modern Slavery Remediation Policy (5%). In addition, 24% of the suppliers surveyed had a Whistleblower Program in place.

Of particular opportunity for improvement was the large variance in the extent of staff training of our suppliers in identifying, assessing and responding to modern slavery risks.

¹⁷ We removed suppliers who we had not engaged during the reporting period at the time we issued the survey.

¹⁸ Survey responses received at 27 September 2021

Figure 17: Extent of staff training in identifying, assessing and responding to modern slavery risks



We intend to use this information to engage with those suppliers who advised that they had a lower degree of staff training and determine how we may be able to work with them in raising their staff’s awareness of modern slavery risks.

1.4.5 Integrating contractual controls

We take reasonable steps to negotiate for contract terms relating to modern slavery obligations to be incorporated into new and renewed supplier contracts as part of the QIC Legal Regulatory Affairs & Compliance team’s activities. These terms are designed to provide us with access to information in the event instances of modern slavery are identified in our supply chain. We also have operational processes requiring consideration and inclusion of modern slavery contract clauses in future supply contract negotiations.

We recognise we may have the potential to impact on modern slavery and human rights in our capacity as a landlord to retail tenants through the shopping centres we operate. We continue to seek the progressive integration of modern slavery clauses into new and renewed lease contracts. This is to ensure we have access to relevant and timely information to engage with tenants in the event modern slavery instances are identified.

1.4.6 Our approach to remediation

Our policy position is to take a case by case approach to remediation, due to the range of possible modern slavery scenarios that could be identified through our operations, supply chains and investment portfolios.

1.4.7 Employee training and awareness

All QIC employees were required to complete mandatory firm-wide Modern Slavery Awareness training, which further heightened awareness of modern slavery risks during supplier negotiations, as well as being a component of managing supplier relationships throughout their lifecycle.

The online training module further included information on the Modern Slavery Act, types of modern slavery and reporting obligations. It also included case studies to assist our employees in identifying risks of modern slavery and the processes involved in addressing and escalating instances of modern slavery through our governance mechanisms.

1.4.8 Addressing modern slavery risk in investment portfolios

As an investor we believe that ESG issues impact long-term investment outcomes. We integrate a range of ESG considerations into our investment decision-making and asset management processes. The QIC ESG Framework embeds human rights issues as a focus area for our business. We recognise that our leverage as an investor, and our ability to influence, varies across asset classes. In addressing modern slavery, we seek to implement approaches that are relevant to the asset class.

Real Estate

Across real estate portfolios we have direct operational control over the majority of assets and have therefore focussed efforts on gaining visibility over the supply chain and build assurances into relationships with commercial partners. Over the period modern slavery questions were incorporated into our standard tender processes. This included QIC Global Real Estate's Integrated Services Tender that was undertaken during the reporting period, covering the provision of cleaning and security services across our shopping centre portfolio. QIC published a Supplier Code of Conduct and enhanced our supplier monitoring program. QIC continues to work as a member of the Cleaning Accountability Framework to mature our processes to ensure that workers' rights are protected.

Infrastructure

QIC Global Infrastructure continues to engage with portfolio companies to better understand their visibility over supply chains and their approach to address the risk of modern slavery in their operations. Over the reporting period, we surveyed QIC's infrastructure portfolio companies to further inform our initial risk assessment. The survey was tailored to assess risk controls for infrastructure assets and focussed on issues such as training for 'eyes on the ground' employees and other site based initiatives to detect and address modern slavery risk.

In June 2021 the team held a Modern Slavery workshop for all portfolio companies, providing an update on trends and practical guidance to address the modern slavery risk specifically in infrastructure companies. The session also enabled valuable knowledge sharing and an opportunity to exchange practical advice.

Listed Equities

We invest in physical listed equities through externally appointed investment managers. As part of manager selection, we formally assess the ESG capability of external managers and monitor external managers' proxy voting policies on an ongoing basis to ensure alignment with QIC's responsible investment approach.

This is carried out through a combination of engagement and an annual ESG survey, which seeks to better understand how our managers are addressing ESG issues, including modern slavery risk, on behalf of QIC.

In 2020-21 we made enhancements to our proxy voting process to allow us to directly monitor resolutions relating to modern slavery and disclosures around supply chain risks. In 2021-22 we plan to extend our engagement activities to participate in collaborative investor initiatives to address modern slavery collectively.

Corporate Credit

Our investment process considers a range of social risks. At the portfolio level we continue to engage where modern slavery risks are elevated. Approximately 10% of corporate engagements carried out by QIC's LMG division were with issuers in sectors assessed to be more highly exposed to the risk of modern slavery. The outcome of these engagements was that no instances of slavery were identified however we continue to monitor the risk. We screen portfolio holdings on an ongoing basis and any issues identified are included in credit monitoring processes and form a point of engagement if warranted. A watchlist is maintained of issuers where ESG risks perceived are being elevated. Our investment process also supports the identification of investment opportunities relating to socially focussed projects and for issuers that show superior social awareness versus their competitors.

Private Equity

Our ESG due diligence process maximises our ability to understand modern slavery risk exposure early in the investment process and build in effective controls where we are able to. Modern slavery risk is considered in the initial screening and due diligence processes for all transactions. Where warranted this process entails engagement with prospective companies and General Partners (GP) to specifically understand their governance, controls and visibility over the supply chain.

We monitor underlying portfolio companies and our funds' overall exposure using the RepRisk database to provide daily updates on emerging issues. These monitoring activities can be the trigger to actively engage with GPs on a range of ESG matters, including modern slavery. We further engage with GPs directly and through our annual Global Private Capital ESG Survey to understand and benchmark current modern slavery practices and priorities in private equity investments.

Figure 18: Approaches to addressing modern slavery risk by asset class

	Corporate Credit	Private Equity	Infrastructure	Real Estate	Listed Equities
Investor leverage	<ul style="list-style-type: none"> • Low to Medium where there is no ownership interest, however active ownership approaches can be applied 	<ul style="list-style-type: none"> • Low to Medium leverage can vary for co-investments and fund investments 	<ul style="list-style-type: none"> • Medium to High where ownership interest is significant and there is access to governance rights, e.g. Board seat. 	<ul style="list-style-type: none"> • Medium to High where ownership full operational control is held, lower for non-operated joint-venture assets 	<ul style="list-style-type: none"> • Low to Medium typically low ownership interest, leverage amplified through investor collaboration
Due Diligence	<ul style="list-style-type: none"> • Assess issuers for all social-related issues that could impact an issuer's ability to repay debt and access markets 	<ul style="list-style-type: none"> • Assess exposure across a diverse range of industries and geographies • Direct engagement, with prospective companies and GPs 	<ul style="list-style-type: none"> • Assess exposure across a diverse range of industries and geographies • Direct engagement, with prospective assets 	<ul style="list-style-type: none"> • Modern slavery questions integrated into standard tender processes • Survey for higher risk suppliers as part of onboarding process 	<ul style="list-style-type: none"> • Assess maturity of approach through external manager selection and onboarding process
Controls & Monitoring	<ul style="list-style-type: none"> • Daily monitoring of funds for a range of ESG issues • Weekly screen of funds for modern slavery issues 	<ul style="list-style-type: none"> • Where risks are elevated, controls are negotiated via side letters and investment contracts • Daily monitoring of funds for a range of ESG issues 	<ul style="list-style-type: none"> • Direct engagement, with portfolio company management • Daily monitoring of funds for a range of ESG issues 	<ul style="list-style-type: none"> • Direct engagement, with asset management • Modern slavery terms progressively integrated into supplier contracts and lease agreements • Daily monitoring of funds for a range of ESG issues 	<ul style="list-style-type: none"> • Monitor opportunities to improve disclosure and practices through proxy voting activities
Engagement	<ul style="list-style-type: none"> • Engage where modern slavery risks are elevated, for example due to industry or geography. 	<ul style="list-style-type: none"> • Direct corporate and General Partner engagement • Annual ESG survey 	<ul style="list-style-type: none"> • Where risks are elevated, apply governance rights • Annual Infrastructure Modern Slavery Survey • Modern Slavery Workshop for portfolio companies in FY21 	<ul style="list-style-type: none"> • Direct engagement with suppliers and tenants • Annual ESG survey 	<ul style="list-style-type: none"> • Direct engagement with external managers • Annual ESG survey

CASE STUDY

Assessing modern slavery risks in the renewable energy supply chain

There is increasing evidence on the use of forced labour in the production of raw materials and other inputs in the global solar energy industry's supply chain¹⁹. Of particular concern for the solar panel industry, concerns exist for workers involved in the first stages of production as well as further along the supply chain.

QIC Global Real Estate is undertaking an onsite solar roll out program to achieve a goal of net zero carbon emissions by 2028 across our core retail portfolio. As part of our supplier assessment process, QIC engaged Fair Supply to undertake a review of potential solar panel providers to assess their modern slavery risk. On this basis we have been able to undertake a desktop assessment of each supplier and its supply chain, to understand the level of risk at different supply tiers, and country of origin of wafers and cells, as well as each suppliers' approach and maturity regarding modern slavery. In particular, we reviewed their employee training programs and whistleblowing and grievance mechanisms.

Supplier responses were varied and indicated that they are all at different stages of working towards managing modern slavery related risks. The supplier selected to provide solar panels for QIC was chosen because of their maturity in modern slavery response and strong whistleblowing and grievance mechanisms, in addition to their ability to deliver on a range of commercial and other selection criteria.

Our plans to onboard our identified higher risk suppliers to the Property Council of Australia's supplier modern slavery platform in the coming year will include the internal development of a framework through which to enable closer monitoring and risk assessment of these suppliers' modern slavery practices, which will include any identified higher risk suppliers associated with the delivery of our net zero carbon emissions target.

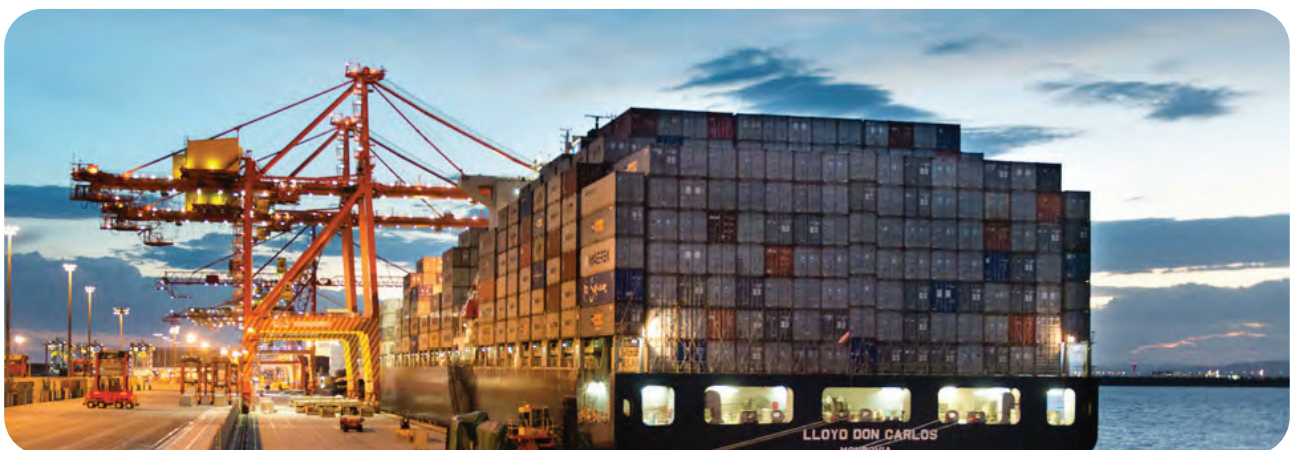
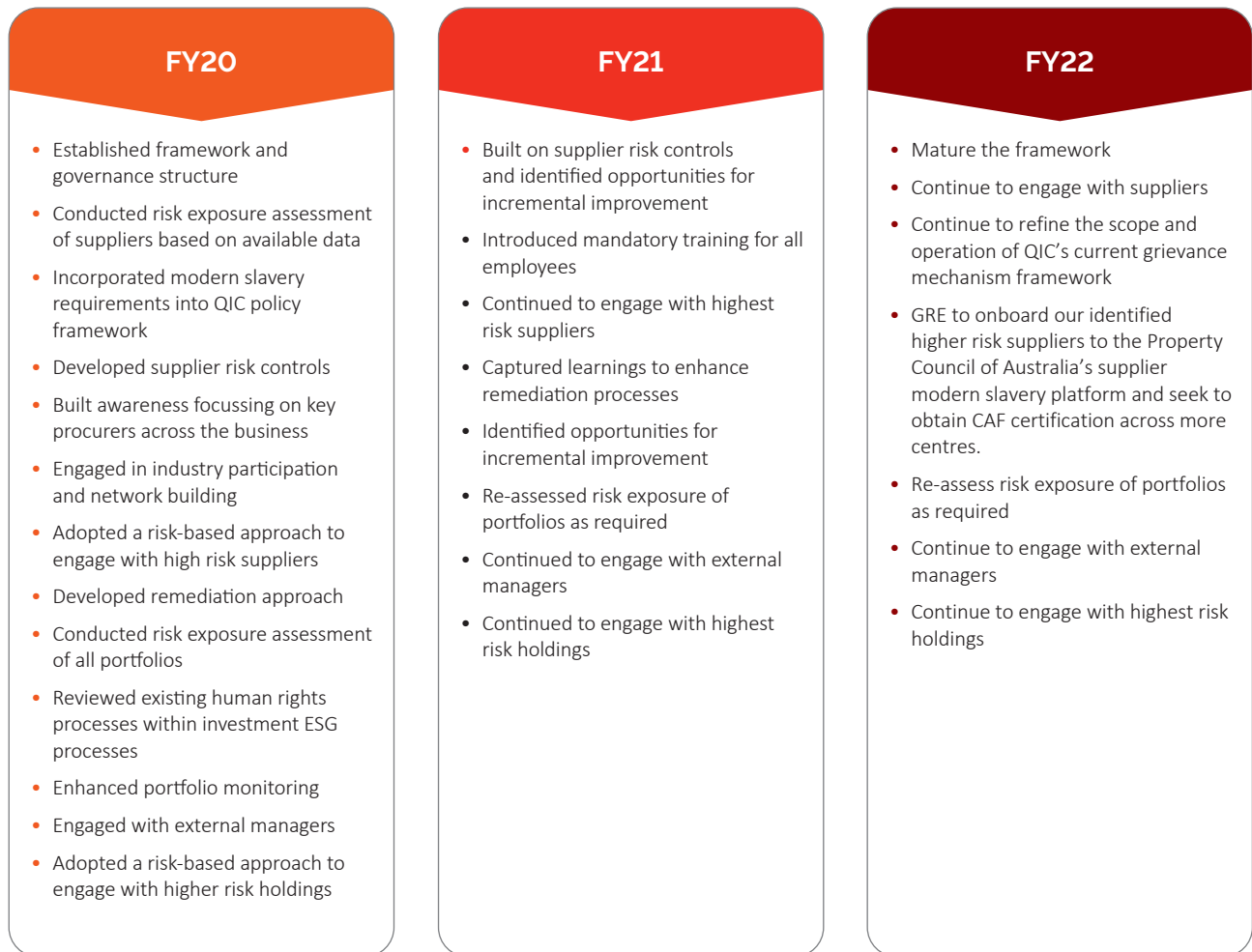


¹⁹ T Murphy & N Elima, In Broad daylight: Uyghur Forced Labour and Global Solar Supply Chains (2021), Sheffield Hallam University

1.5 A commitment to continuous improvement

Modern slavery is a complex issue, and we acknowledge that it takes time to build an effective response. The 2021-22 year will mark the end of the initial three year period that we have dedicated to building the foundations of our response to address modern slavery risk under our Modern Slavery Action Plan. Figure 19 below summarises the key actions under the plan and our progress against these.

Figure 19: QIC's Modern Slavery Action Plan



1.6 Assessing the effectiveness of our actions to address modern slavery

To assess the effectiveness of our actions to address the risks of modern slavery practices in our operations, supply chains and investment portfolios, we have developed a set of indicative Key Performance Indicators (KPIs) and intended next steps. These are outlined in the table below. Performance against these KPIs is assessed through QIC's Modern Slavery Advisory Group²⁰ and reported to the Executive Committee, QIC's Board Risk Committee and the Boards of QIC Limited and QIC Private Capital Pty Ltd.

Category	Description	KPIs	Status
Review of trends, policy and processes	Facilitate regular engagement, feedback, consideration of trends in cases via Modern Slavery Advisory Group	Meet as needed and feedback provided to business	Completed
	Formally review modern slavery policy requirements	Review Modern Slavery Standard formally as required under policy framework requirements	Not due until 2022
	Conduct internal audit or review of specific steps taken to assess and address modern slavery risks via QIC Risk Committee	Consider including in internal audit plan / undertake formal review and interim update	Completed
	Capturing and analysing any data patterns emerging from QIC's reporting channels, including e-Notes lodged and reports to the whistleblower hotline via Modern Slavery Advisory Group	Include in reporting to ExCo and Board Risk Committee as necessary, but at least annually on a formal basis	In progress
Measuring outcomes	<ul style="list-style-type: none"> Number of suppliers engaged Number of external managers engaged 	Ongoing, reported internally	Completed
Employee awareness and training	Requiring employees to complete MS training module	% of employees to complete MS training module	Completed
Comprehensive engagement with higher risk suppliers/companies	Report on ongoing engagement with high risk suppliers and companies to track progress of approach	Ongoing, reported internally	Completed
Partnerships	<ul style="list-style-type: none"> Identify NGO / service provider to provide advice and independent assessment of practices and consider if appropriate to include in membership of the QIC Modern Slavery Advisory Group Identify and engage with NGO entities to support our modern slavery journey 	Ongoing, reported internally	In progress

1.7 Consultation with related entities

This Statement is made by QIC Limited and QIC Private Capital Pty Ltd. We have described our governance structure for managing modern slavery risk in section 1.4.1 and this Statement has been prepared incorporating that structure.

The QIC Board, as the parent company of the QIC Group, and as an entity required to report under the Act, has approved this Statement. The Board of QIC Private Capital Pty Ltd, being a QIC subsidiary with a mandatory obligation to prepare and issue a statement under the Act has also approved this Statement.

Before approval, the QIC Board Risk Committee, the QIC Sustainability Advisory Committee, the Executive Committee and the Modern Slavery Advisory Committee have each reviewed and approved this Statement. These forums have responsibilities across the QIC Group business.

²⁰ The Modern Slavery Steering Committee was renamed the Modern Slavery Advisory Group during the reporting period.

Appendix

Principal Governing Body Approval

This Modern Slavery Statement was approved by the principal governing body of QIC Limited as defined by the Modern Slavery Act 2018 (Cth) on 23 November 2021. This Modern Slavery Statement is signed by a responsible member of QIC Limited as defined by the Act.

Mandatory Criteria set out in section 16 of the Modern Slavery Act 2018	Modern Slavery Statement 2021
Identify the reporting entity	About this Statement (page 4)
Describe the reporting entity's structure, operations and supply chains	About QIC (section 1.2 – page 4)
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Identifying modern slavery risk (section 1.3 – page 6)
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Assessing and addressing modern slavery (section 1.4, page 9)
Describe how the reporting entity assesses the effectiveness of these actions	Assessing the effectiveness of our actions (section 1.6, page 19)
Describe the process of consultation on the development of the statement with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Consultation with related entities (section 1.7 page 19)

IMPORTANT INFORMATION

QIC Limited ACN 130 539 123 ("QIC") is a wholesale funds manager and its products and services are not directly available to, and this document may not be provided to any, retail clients. QIC is a company government owned corporation constituted under the Queensland Investment Corporation Act 1991 (QLD). QIC is regulated by State Government legislation pertaining to government owned corporations in addition to the Corporations Act 2001 (Cth) ("Corporations Act"). QIC does not hold an Australian financial services ("AFS") licence and certain provisions (including the financial product disclosure provisions) of the Corporations Act do not apply to QIC. QIC Private Capital Pty Ltd ("QPC"), a wholly owned subsidiary of QIC, has been issued with an AFS licence and certain other wholly owned subsidiaries of QIC are authorised representatives of QPC. QIC's subsidiaries are required to comply with the Corporations Act. QIC also has wholly owned subsidiaries authorised, registered or licensed by the United Kingdom Financial Conduct Authority ("FCA"), the United States Securities and Exchange Commission ("SEC") and the Korean Financial Services Commission.

For more information about QIC, our approach, clients and regulatory framework, please refer to our website www.qic.com or contact us directly.

The statements and any opinions in this document (the "Information") do not take into account any investor's personal, financial or tax objectives, situation or needs. The Information is not intended to constitute and should not be relied on as personal legal or investment advice and it does not constitute, and should not be construed as, an offer to sell or solicitation of an offer to buy, securities or any other investment, investment management or advisory services.