



# Modern slavery statement

## 2022/23

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Vision Super Pty Ltd ABN 50 082 924 561 AFSL 225054 RSE licence number L0000239 is the Trustee of the Local Authorities Superannuation Fund ABN: 24 496 637 884 (together 'Vision Super', 'the Fund', 'we', 'us' or 'our'). Level 15, 360 Collins Street, Melbourne. PO Box 18041, Collins Street East, Victoria 8003. [www.visionsuper.com.au](http://www.visionsuper.com.au). Member hotline 1300 300 820, Employer hotline 1300 304 947, Retirement hotline 1300 017 589.

## Introduction

Vision Super recognises that prosperity of the economy and the wellbeing of our members depend on a healthy environment, social cohesion and good governance within our operations, supply chains and the companies in which we invest.

We believe that businesses and companies have a key role to play in tackling modern slavery by strengthening the protections in their own supply chains.

Vision Super has signed a Heads of Agreement to merge with Active Super. Vision Super and Active Super share our origins in local government and have a similar membership and funds under management. If the members' best financial interests and equivalent rights tests are satisfied, we intend to merge in the second half of 2024. The merged fund will continue our focus on identifying, preventing, mitigating and accounting for actual and potential adverse human rights impacts in operations and supply chain processes.

## Explaining modern slavery

Modern slavery is an extreme form of human rights exploitation commonly used to refer to several coercive labour practices. These include forced labour, human trafficking, debt bondage, forced marriage and the exploitation of child labour. Worldwide, it is estimated 49.6million people were living in modern slavery on any given day in 2021, an increase of 10 million people since 2016. Women and children remain disproportionately vulnerable. Most cases of forced labour (86%) are found in the private sector. Forced labour in sectors other than commercial sexual exploitation accounts for 63% of all forced labour, while forced commercial sexual exploitation represents 23% of all forced labour. Almost four out of five of those in forced commercial sexual exploitation are women or girls. An estimated 22 million people were living in forced marriage on any given day in 2021. This indicates an increase of 6.6 million since the 2016 global estimates. For more details please refer to their website: [www.ilo.org/global/topics/forced-labour/lang--en/index.htm](http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm)

Poor, vulnerable and low-skilled workers, as well as migrant workers, are at high risk of human trafficking. However, it's not an issue limited to certain geographies or sectors. Modern slavery is a global systemic issue – and virtually all industries have risks, although some pose a higher risk than others.

For more information please refer to the Global Slavery Index at: [www.globallslaveryindex.org/2018/findings/global-findings/](http://www.globallslaveryindex.org/2018/findings/global-findings/)

## Vision Super overview

Vision Super Pty Ltd (RSE L0000239; ABN 50082924561) (VSPL) is the trustee company and Administrator of the Local Authorities Superannuation Fund (LASF) (ABN 24496637884) and is domiciled in Australia located at Level 15, 360 Collins Street, Melbourne.

Vision Super has a long history as a superannuation fund and has been providing superannuation and retirement services to local government authorities and related industries including water, libraries, cemeteries, crematoria and community services for over 76 years. Vision Super has around 84,600 member accounts, around 110 employees and approximately \$A12.5 billion in assets under management as of 31 October 2023. The Fund also provides pensions to members within both the accumulation and defined benefit sections of the Fund.

## Here to help

**Telephone** 1300 300 820 (8:30am to 5:00pm)

**Monday – Friday** (not including Victorian public holidays)

**email** [memberservices@visionsuper.com.au](mailto:memberservices@visionsuper.com.au)

**visit** [www.visionsuper.com.au](http://www.visionsuper.com.au)

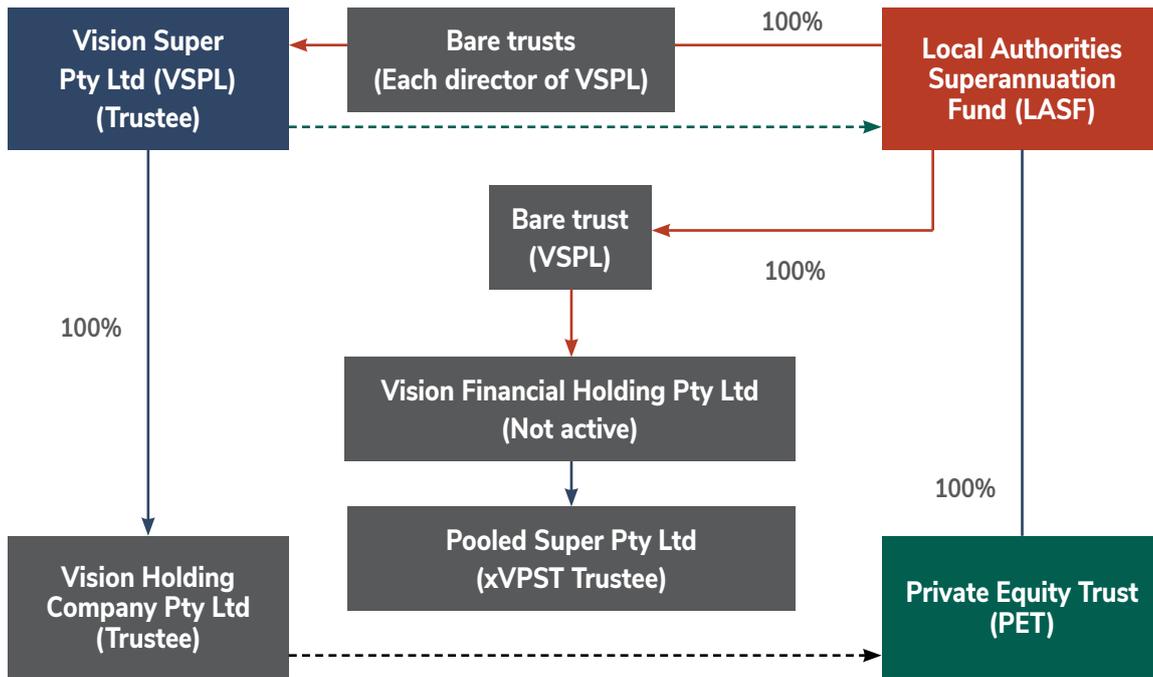
**write** PO Box 18041, Collins Street East, VIC 8003

ABN 50 082 924 561 AFSL 225054

RSE L0000239 USI 24496637884020

## Fund organisational structure

Vision Super Pty Ltd (VSPL) is 100% owned by Local Authorities Superannuation Fund (LASF). Each employer/ member representative Director legally holds one VSPL share beneficially on behalf of LASF. There are no controllers of VSPL who directly or indirectly exercise control of the decisions of the company and more specifically decisions of the company in respect of its financial and operating policies. The Vision Super group is made up of the following entities:



More information can be located at [www.visionsuper.com.au/about/fund-details/](http://www.visionsuper.com.au/about/fund-details/)

## The services we provide

We invest members' funds for the benefit of members in their retirement. For more information about our services, which include superannuation products, retirement products, insurance and financial planning please see our website [www.visionsuper.com.au/about](http://www.visionsuper.com.au/about)

For details of our Directors and executive team, please see [www.visionsuper.com.au/about/directors-and-executives/](http://www.visionsuper.com.au/about/directors-and-executives/)

**We do not own or control any other entities.**

## Supply chains and risk assessment process

Vision Super has a range of products and services that underpin the operations of the Fund. Some of these are provided by external parties, including investment services, master custody arrangements, information technology vendors and products, building facilities management, human resources, marketing and merchandise, office equipment and other professional and financial service providers. These services are guided by the Fund's procurement and outsourcing policies, which outline the fundamental frameworks to ensure effective controls and processes around these activities in understanding and responding to modern slavery risks.

## Due diligence

Vision Super monitors modern slavery risks through due diligence and remediation processes that aim to ensure we identify, prevent, mitigate, and account for actual and potential adverse human rights impacts in operations and supply chain processes.

The due diligence process focuses on:

- > Integrating findings across the organisation and taking appropriate and measured steps to address impacts (ie internal training or introducing processes for internal reporting)
- > Tracking progress to check whether modern slavery and human rights risks are being addressed (ie annual questionnaires sent to third-party service providers, including fund managers on modern slavery risks)
- > Publicly communicating actions via the Modern slavery statement, the annual report, or the Vision Super public website.

Vision Super is aware that modern slavery is prevalent in many industries and geographies, and while we consider the risk of modern slavery within our business operations to be relatively low, there may be potential risk that Vision Super could be exposed to modern slavery practices in some of our supply chains, financial activities and or other third-party services. Our annual due diligence assessments integrate modern slavery risks within our ESG framework to evaluate our procurement and operational activities, our external investment portfolio supply chain across all asset classes, and other external service providers associated activities.

## Processes in place

Vision Super's Modern Slavery Working Group meets on a regular basis to evaluate the Fund's outsourced business supply chains and risks of being exposed to modern slavery. The working group determined that potential modern slavery risk within our external investment portfolios required in-depth analysis and evaluation, along with a risk assessment of information technology vendors, building management and marketing merchandise.

Management has implemented across the Fund's material outsourced investment management agreements, a modern slavery clause in line with the *Modern Slavery Act 2018 (Cth)* for listed equities and side letters for unlisted equities.

The clause and side letters aim to address the fund manager's business operations, to ensure they have adequate processes concerning the risk of modern slavery practices in the supply chains for the portfolio they manage. This will assist the Trustee with due diligence/evaluation and reporting.

## Investments

### Investment managers

As per the previous year, we sent our investment managers a detailed questionnaire specific to the asset class mandate they manage on our behalf to help us to evaluate and assess modern slavery risk and update us on progress they have made since our last modern slavery risk assessment. Generally, modern slavery risk occurring within our investment managers' business/operations and supply chains continues to be low. Although most investment managers do not hold any companies headquartered in, or listed in, any of the high risk countries named in our questionnaire. They generally continue to review and develop their modern slavery approach to improve their due diligence and responses in this area.

In 2023 we again performed a risk assessment ranking the Fund's investment portfolios in equities, debt, alternative debt, property and infrastructure as no risk; low risk; medium risk or high risk. Our desktop assessment demonstrated that a good proportion of managers have continued to progressively improve their frameworks and processes in identifying modern slavery risk, resulting in either some improvements in their rating assessments or no change because they already have a robust investment and engagement process that incorporates modern slavery risk. This included updates to operations and supply chain exposures, building their procurement governance frameworks, continuing to improve and evolve their risk management and due diligence processes and seeking to engage with the entity or suppliers in a specific area (ie issue of labour rights in supply chains) to develop an action plan for management and further mitigation. According to our assessment, no investment manager received a downgrade on their supplier self-assessment or investment activities rating for the last 12 months.

Some of our investment managers also aim to prioritise engagements based on materiality of the underlying ESG issue where materiality is assessed based on the severity of the issue and their exposure to it across the portfolios.

As part of risk management activities, modern slavery risks may be subject to further review by our investment managers and where appropriate, action plans may be developed and implemented as a continuous process as part of the supplier performance management framework.

Our modern slavery qualitative risk rating assessment continues to demonstrate that we are exposed to some level of risk (low, medium or high risk) across our portfolios. Some of these investment managers, where risks have been identified, are either currently exploring and engaging with a consultant to conduct modern slavery due diligence on their high-risk suppliers or use direct engagement with company management and board members to gain a better understanding of the issue and to communicate their stance directly.

Furthermore, some investment managers identify modern slavery risks within the investment portfolio through their bottom-up, stock specific research. These managers consider this on a case-by-case basis and this process is aligned with their approach to analyse all investee companies. There is no one quantitative indicator which the manager feels is sufficiently robust for a modern slavery risk assessment. As a result, the key ESG issues will vary depending on the industry sector, geographic region, and core business activities of each company.

For portfolios where investment managers believe there are relatively low exposure to sectors and industries that have historically been more susceptible to human rights issues, the investment manager is cognisant that to some degree, most industries will be impacted at some level. For other investment managers, ESG risks, including human rights risks are part of their investment process. To identify these risks, they utilise meetings with top level management, subscribe to third-party ESG research, carry out checks with competitors, and monitor trade publications.

## Property and infrastructure portfolios/commitments

Vision Super's property portfolios continue to rate as very low risk in terms of the segments they are invested in (commercial/office, industrial and retail).

Our core property investment manager is generally focused on ensuring modern slavery risk is assessed prior to entering operational and development procurement contracts through engagement in their supply chains. This engagement includes spot checks, interviews, audits, and other continuous improvement strategies to monitor and mitigate risk over the contract term.

In 2023, our core property manager led another pilot scheme to pre-qualify cleaning contractors under the Cleaning Accountability Framework (CAF) Contract Prequalification program. The prequalification assesses their cleaning contractors at a high level to ensure their management systems, policies, and processes are aligned with the CAF Star Standards. Through regular engagement, they have been able to apply strategies appropriate for the operating environment of their suppliers. These priorities have been on higher-risk sectors, with many initiatives developed to focus on people.

Our core property investment manager also aims to use wider measures through their active industry involvement with CAF and Property Council of Australia to influence and promote good labour practices in the cleaning industry.

This year we again wrote to our property investment managers to assess the risks of cleaning services using exploited labour and have ascertained that the managers remain accredited through the CAF.

Our own office manager is also a signatory to the CAF. We believe that our property managers generally have a strong approach to embedding modern slavery considerations into their operations, systems and processes.

Our infrastructure investment managers continue to improve and evolve their risk management and due diligence processes concerning modern slavery risk.

All direct assets are required to report on a suite of ESG indicators annually, with additional requirements on modern slavery risk management to be included in the reporting. As part of their due diligence considerations, our investment manager requires consideration around identifying whether there is a process in place to monitor new laws such as the *UK Modern Slavery Act*, *Australian Modern Slavery Act* or the *French Devoir De Vigilance provision*, and if the asset has considered the eight fundamental International Labour Organisation Conventions (freedom of association and protection of the right to organise convention, right to organise and collective bargaining convention, forced labour convention, abolition of forced labour convention, minimum age convention, worst forms of child labour convention, equal remuneration convention, and the discrimination (employment and occupation) convention).

## Information technology and merchandise

The Fund's material information technology vendors and marketing merchandise vendors have been reviewed and were determined to continue to be in a low-risk category.

## Remediation

Where Vision Super identifies that we have caused or contributed to adverse impacts such as modern slavery, we will cooperate in the remediation of the impact. Where possible, Vision Super will also strive to use our leverage with the third-party service providers and fund managers that caused the impact to prevent or mitigate the harm and its recurrence. Where this is not successful, Vision Super will review and consider ending business relationships with the entity that caused the impact.

## Effectiveness of our actions

- > Establishing a process to regularly review actions we have taken
- > Annual reviews of risk assessment processes to ensure they are up to date
- > Established annual questionnaires to provide monitoring, review, and engagement from third party service providers and investment managers
- > Tracking actions taken and measuring impacts via the Modern Slavery Working Group. The Working Group consists of representatives from Investments, Quality and Risk, and Communications, and considers and monitors modern slavery risk across the business and our material outsourced service providers.

## Vision Super is committed to:

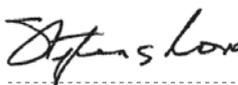
- > Inclusion of modern slavery risk clauses in any new investment manager agreements
- > Continuing to engage with our investment managers to better understand their ESG processes and their assessment of modern slavery risk within their supply chains
- > Continuing to monitor, review and engage with investment managers identified as medium to high risk
- > Reflecting modern slavery considerations where appropriate within our procurement, outsourcing and ESG policies and processes
- > Providing appropriate training to staff on modern slavery.

## Approval of Statement

The Statement was approved by the Board of Vision Super Pty Ltd on 15 December 2023.



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Lisa Darmanin  
Chair of the Board



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Stephen Rowe  
Chief Executive Officer