

# Modern Slavery Statement

14 December 2021

This Modern Slavery Statement is made pursuant to the Modern Slavery Act 2018 (Cth) ('Act') by LGIAsuper Trustee ABN 94 085 088 484 as trustee for LGIAsuper ABN 23 053 121 564. LGIAsuper is a reporting entity under the Act. LGIAsuper Trustee and LGIAsuper are also referred to in this Statement as 'LGIAsuper', 'Fund', 'we', 'us' or 'our'. This Statement covers the financial year, 1 July 2020 to 30 June 2021.



# Our structure, operations and supply chain

LGIAsuper is a Queensland-based superannuation fund that has helped its members and their families achieve a comfortable retirement for more than 56 years. LGIAsuper is a profit-for-members fund. We are an open fund, welcoming members from government and private sectors, many different industries, and the wider community. As of 30 June 2021, LGIAsuper had around 72,500 member accounts and \$15 billion in funds under management.



On 1 July 2021, a merger with Energy Super was successfully completed, creating a single Queensland-based superannuation fund which is now managed by LGIAsuper Trustee. The merger increased our membership to approximately 123,000 member accounts and to around \$24 billion in funds under management (as of 1 July 2021). The outcomes of our actions as it relates to any new or continuing business operations and suppliers from the merger will be reported in the next Statement (for FY2021/22).



## Our structure

LGIAsuper is constituted as a trust and is managed by a Board of Directors. The Trustee Board is responsible for managing LGIAsuper for the benefit of all members, in accordance with the Trust Deed and relevant legislation. LGIAsuper Trustee is established under the Local Government Act 2009 (Qld) as a body corporate<sup>1</sup>.

LGIAsuper Trustee's primary responsibility is to act as trustee of LGIAsuper<sup>2</sup>. As a Trustee established by law, LGIAsuper's reputation and standing with our stakeholders is important to us, and we take risks such as modern slavery seriously in designing our operations and contracting with our suppliers.

The term 'modern slavery' is used to cover a range of exploitative practices including human trafficking, slavery, forced labour, child labour and other slavery like practices.

LGIAsuper Trustee as trustee of the Fund, wholly owns LGIAsuper Services Pty Ltd which was established solely to provide certain services to LGIAsuper's members and employees. LGIAsuper Services Pty Ltd is not a reporting entity for purposes of the Act.



## Our operations

LGIAsuper provides financial services to our members, including superannuation, life insurance and financial advice.

Financial investments are internally and externally managed across a range of asset classes, including Australian and international equities, fixed income, infrastructure, property, alternatives, and cash.

Assets are located in Australia, North America, South America, Europe and Asia. Further details of our investments are set out in our [Annual Report 2020/21](#), which is available on our website.

Operational activities include the direct employment of workers, to engage in the provision, production, processing and delivery of products and services. These activities include marketing, communication, relationship management and operating a contact centre.

LGIAsuper also undertakes business support functions, such as technology, data and omnichannel, investment operations, people and culture, finance, legal, risk management, and compliance.

As of 30 June 2021, we employed approximately 101 workers and operated solely from our premises at 333 Ann Street, Brisbane, Queensland, Australia.



## Our supply chain

LGIAsuper also undertakes a wide range of activities through our supply chains, sourced in Australia and overseas.

These include investment managers, our custodian, our insurers, our technology and business process service provider, consultants (e.g., actuary, auditors, tax and legal advisors, media and communications, training), print providers, property and facilities managers, providers of promotional material, and office and stationery supplies (including information technology equipment).

Our suppliers are located in Australia and overseas, as detailed in this Statement.

A list of LGIAsuper's key suppliers (such as investment managers and other material service providers) is also provided in our [Annual Report 2020/21](#), which is available on our website.

<sup>1</sup>s.208(2) Local Government Act 2009

<sup>2</sup>s.209(1) Local Government Act 2009

## Risk of exposure to modern slavery risk

LGIAsuper seeks to do business with suppliers that have similar values and ethics to ourselves, including employing sustainable business practices such as those related to human rights and modern slavery.

We are committed to acting ethically in our operations and throughout the supply chain, and this includes continually evolving how we integrate environmental, social and governance (ESG) issues into our investment process and broader operations.

Mitigating the risk of modern slavery in our business, supply chains and assets is an important part of this process, and how we do this is set out further in this Statement.

As a financial services organisation with an adult professional workforce, LGIAsuper considers the risk of modern slavery within our direct business operations to be low.

All our workers are employed in compliance with Australian labour laws.

However, LGIAsuper recognises that through our supply chain, we may contribute to or be directly or indirectly linked to modern slavery and other human rights risks.

Having considered the Commonwealth Government guidance on modern slavery risk indicators – *geographic, products and services, sector and industry, and entity*<sup>4</sup> – as well as industry research on high-risk areas for financial services supply chains<sup>5</sup>, we have identified the following key areas of potential modern slavery risk for LGIAsuper:

- investing in high-risk sectors and industries, e.g., agriculture, apparel
- investing in assets in high-risk geographic areas, e.g., emerging markets in Asia and South America

- investing in assets in which we have a material level of ownership, control or influence, which procure high-risk products and services, e.g., cleaning in real estate assets
- procurement of high-risk products and services within our direct operations, e.g., information technology equipment, cleaning, catering and promotional materials
- procurement of services from a supplier based in a high-risk geographic area, e.g., Asia.

Further actions taken to understand and address our potential modern slavery risks are set out further in this Statement.

**“ LGIAsuper seeks to do business with suppliers that have similar values and ethics to ourselves**

<sup>4</sup> Risk indicators as set out in Table 6, Appendix 1, *Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities*.

<sup>5</sup> High-risk areas for the financial services supply chain include IT procurement, logistics and property and building services (such as facilities management, utilities, cleaning, waste management and security and print and promotional goods): p.22, *Modern Slavery Risks, Rights & Responsibilities – A Guide for Companies and Investors* (Australian Council of Superannuation Investors, Feb 2019).

## Actions taken to assess and address modern slavery risk

112 suppliers  
74 general suppliers  
38 investment suppliers



### Modern slavery action plan

As noted above, LGIAsuper recognises that we may be exposed to modern slavery risk through our operations and supply chain.

To understand, identify and assess the potential for modern slavery risk, we first implemented an Action Plan in July 2020 which we reported on in our previous Statement (for FY2019/20).

In December 2020, we completed an extensive due diligence and assessment process to map our entire internal operations and supply chain to understand the areas of potential modern slavery risk in our business operations.

We identified 'general' and 'investment suppliers' and assessed them against our modern slavery risk assessment framework<sup>6</sup>, to identify those with a potentially high-risk profile. Due diligence of these suppliers identified the following:

- the vast majority of general suppliers are Australian entities or multinational entities based in Australia, with one significant supplier based in Asia
- we identified general suppliers of high-risk products and services for information technology equipment, cleaning services, office / kitchen consumables, office and promotional materials
- the majority of investment suppliers are investment managers who are Australian entities or multinational entities who operate out of Australia, although there were also some managers from the US, UK and Europe, and from Asia
- we identified investment managers who invested in high-risk sectors or industries (e.g., agricultural operations in timber and fresh food production), higher risk geographic areas (e.g., Asia, South America), and infrastructure and property assets which may procure high risk products and services such as cleaning
- we also identified infrastructure and property assets in which we directly held a material level of ownership, which may procure high risk products and services such as cleaning.

The Action Plan is continually implemented and in November 2021, we conducted another assessment of our suppliers from which we identified approximately 112 suppliers, of which about 74 were 'general suppliers' and 38 were 'investment suppliers'.

Of these suppliers, 77 were assessed to have a potentially high-risk profile and due diligence was then conducted on these suppliers.

The responses to date indicate LGIAsuper's modern slavery risk profile to be substantially the same as set out above, which is expected as our operations did not materially change from the previous assessment in December 2020.

### KEY ACTIONS DELIVERED

Since our April 2021 Modern Slavery Statement, we have continued our due diligence, focussing primarily on high-risk suppliers where appropriate, and have considered whether further action is required (e.g., engagement, escalation, review or termination of the contract).

LGIAsuper has been actively addressing its *Modern Slavery Action Plan* which has included a review of contractual and due diligence procedures to explicitly address modern slavery risks. For all new supplier contracts, LGIAsuper seeks to include contract provisions to address modern slavery requirements.

We have also delivered general awareness training to all employees across prioritised risk, supplier-facing and customer-facing roles to build capability to manage and report modern slavery risk on an ongoing basis.

<sup>6</sup>Based on the Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities

## OUR MODERN SLAVERY STATEMENT



### Moving forward

We will continue our due diligence, focussing primarily on certain

types of high-risk suppliers and seek to mature our supplier screening processes for modern slavery risks, including enhancing our assessment questionnaire.

This ongoing process will assess any new or continuing business operations and suppliers due to the merger with Energy Super.

We will review and monitor the effectiveness of the modern slavery provisions which we seek to insert into all new supplier contracts.

We will seek to expand the modern slavery training we deliver to ensure continuous awareness and knowledge for all employees.



### Investment strategy and policy

LGIAsuper's ESG and responsible investing capabilities are a major

part of who we are and what we stand for.

LGIAsuper has a long-standing commitment in this area, demonstrated by offering two socially responsible investment options which prioritise ESG considerations such as labour standards when making investment decisions.

The managers of these investment options are chosen not only for the social responsibility standards within the process they apply to investment allocation, but also for their own corporate ESG credentials.

LGIAsuper integrates ESG considerations across all of its managers. We consider incorporating sustainable and socially just practices as BAU and encourage our managers to do the same.

In doing this we believe we can go part of the way to ameliorating the risk of poor standards or actions in relation to modern slavery.

To document and support this we review the modern slavery submissions of all managers annually.



### Governance and risk management

Good governance is essential to operating

as a responsible and sustainable fund for our members.

LGIAsuper Trustee is governed by the Board of Directors, which has ultimate responsibility for governance, including approval of this Statement.

The Board oversees and monitors material risk management activities through the Risk and Compliance Committee (RCC).

The Chief Executive Officer oversees implementation of the Action Plan, including through the Executive Compliance Committee (ECC) as required.

At LGIAsuper, we believe that identifying and managing risk, including modern slavery risk, is central to achieving our strategic objectives and living our values.

Our risk management framework and internal controls aim to identify, evaluate and manage risks in line with our risk appetite, which is reviewed and approved by the Board at least annually.

Under LGIAsuper's governance and risk management frameworks, our employees are protected by policies such as our Values, *Code of Conduct*, *Risk Appetite Statement* and *Whistleblower Policy*, through which modern slavery concerns can be reported.

Our risk culture strategy highlights escalation of risks and issues as desired behaviours, and staff are encouraged to escalate or report any unlawful or unethical business practices.

When dealing with suppliers, our *Outsourcing Policy* requires us to assess the risks of material outsourcing arrangements, including any legal, regulatory and reputational risks of suppliers.

We also conduct due diligence on all new investment managers, which includes modern slavery risk.



## Assessing the effectiveness of our actions

As part of a phased approach to establishing a modern slavery risk management framework, LGIASuper is still early in its journey of managing its modern slavery risks, and we understand that this will be an ongoing improvement process.

Our focus continues to be assessing our modern slavery risks and improving the frameworks for addressing those risks. We will assess the effectiveness of our actions as follows:

- continue to review the Action Plan to ensure current and remaining actions are commensurate with our modern slavery risk exposure, based on the business operations and supplier risk assessments
- report the updated Action Plan and progress of completion to the ECC and RCC
- monitor and report on compliance with relevant controls through our assurance plan, e.g., investment manager due diligence, contract reviews
- continue to require new employees to complete Code of Conduct induction training, and all employees to complete mandatory Code of Conduct refresher training annually
- continue to review the design of the modern slavery risk management framework.

### Consultation with entities which LGIASuper owns or controls

LGIASuper Services Pty Ltd was not consulted in the preparation of this statement as the directors and officers of LGIASuper Services Pty Ltd are from LGIASuper Trustee Board members and employees. LGIASuper Services Pty Ltd is wholly owned by, and adopts the policies of, LGIASuper Trustee as trustee of the Fund.

This statement was approved by the principal governing body of LGIASuper on 14 December 2021.

Signed on behalf of the LGIASuper Trustee Board of Directors by



John Smith  
Chair, LGIASuper Trustee Board of Directors  
Date: 14 December 2021



LGIASuper Trustee (ABN 94 085 088 484, AFS Licence No. 230511) as trustee for LGIASuper (ABN 23 053 121 564).

This Important Modern Slavery Statement has been produced by LGIASuper Trustee ABN 94 085 088 484 AFS Licence No. 230511 as trustee for LGIASuper ABN 23 053 121 564 and provides general information. Any questions can be referred to LGIASuper by calling us on 1800 444 396 or by emailing us at [info@lgiasuper.com.au](mailto:info@lgiasuper.com.au).