

Fiducian Superannuation Fund



Modern Slavery Statement

FY2021

December 2021

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1 Introduction (Mandatory criteria 1)

About this Report

This modern slavery statement is prepared and issued by Fiducian Portfolio Services Limited ABN 13 073 845 931, AFSL 231101 RSE Licence Number L0001144 (**FPSL, Trustee**), as the trustee of the Fiducian Superannuation Fund, ABN 57 929 339 093, SPIN FPS0101AU (the **Fund**), the sole reporting entity.

It covers the financial year ended 30 June 2021.

This document is our first modern slavery statement under the *Modern Slavery Act 2018 (Cth)* (the **Act**) and explains our actions taken to identify, assess and address modern slavery risks in our operations and supply chains.

This statement was approved by the Board of Fiducian Portfolio Services Limited in its capacity as the trustee of the Fiducian Superannuation Fund on 16 December 2021.

2 About Our Business (Mandatory criteria 2)

Our Structure

FPSL is an Australian incorporated company and the trustee of the Fund. The Fund is a resident regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993*.

The Fund is the reporting entity for the purposes of this modern slavery statement.

FPSL is a subsidiary of the Fiducian Group Limited (ASX code: FID) (**FGL**). FPSL does not own or controls any other entity.

FPSL does not directly employ any staff but has engaged the Administrator to undertake its day-to-day operations, including the development and application of the modern slavery obligations.

Our Operations

The Fund is distributed to the public through the Fiducian Superannuation Service (the **Service**), which is a public offer superannuation fund. The Service allows you to accumulate your superannuation savings and obtain a pension in retirement. Investing in superannuation can help you generate a flexible, tax effective income stream during retirement.

The Service encourages Members to seek financial advice prior to investing in the Service, where the Service provides Members with the ability to select from over 60 externally managed investment products.

Our Supply Chains

FPSL, as the trustee of the Fund, is responsible for the operations of the Fund. To ensure that the operations of the Fund are undertaken in a manner consistent with its legislative obligations, FPSL has outsourced all of the operations of the Fund, where it has a direct relationship with the following entities who provide material services to the Fund (**Tier 1 Entities**):

- (1) The National Australia Bank Limited ABN 12 004 044 937 (**NAB** or **Custodian**) acts as the custodian of the assets of the Fund. The Custodian's role is limited to holding the assets of the Fund as agent of the Trustee. The Custodian has no supervisory role in relation to the operation of the Fund.
- (2) Fiducian Services Pty Limited (**FSL**) ACN 602 437 892 (**Administrator**) has been engaged to provide administration and support services to the Fund. The Administrator provides a range of services to the Fund, including administration, systems, client services, marketing, finance, legal and compliance, risk and distribution opportunities. FSL is a related entity to FPSL as it is also a subsidiary of FGL.

- (3) TAL Life Limited ABN 70 050 109 450 AFSL 237848 (**TAL**) provides members of the Service the option to take out personal insurance through a master policy taken out by the Trustee with.
- (4) Superchoice Services Pty Limited ABN 78 109 509 739 provides clearing house services to the Fund to facilitate the receipt and transfer of member's monies.
- (5) Ernst & Young ABN 75 288 172 749 has been engaged by the Trustee to perform internal audit activities in respect of the Funds implementation of suitable compliance measures and operations consistent with the superannuation prudential standards.

All entities that are Tier 1 Entities have their operations within Australia. When engaging with these entities, FPSL has applied its Outsourcing Policy which requires the implementation of a formal contractual arrangement and appropriate due diligence to be undertaken based upon the size, risk and nature of the services being provided to the Fund by the outsourced provider.

Tier 2 Entities have been assessed to be entities that (a) provide goods and services to the Tier 1 entities; and (b) investment products that are included within the Fund. As we further develop and enhance our modern slavery response, further analysis of Tier 2 entities will be undertaken in future years.

3 Modern Slavery Risks (Mandatory criteria 3)

Risk Assessment Processes

We are committed to upholding human rights and acknowledge that modern slavery practices and the risks of these could breach our Modern Slavery Policy. We are developing a pro-active approach to modern slavery risks in our operations and supply chains by mapping out our supply chains and undertaking due diligence in identifying, assessing, managing and reporting to mitigate these risks.

Risk Management Framework

Our Risk Management Framework (**RMF**) brings together systems, structures, processes and people that identify, manage and monitor risks within Fiducian. The RMF identifies risks associated with achieving strategic objectives and conducting business operations. In formulating RMF, the Board considers optimising risk by having regard to its business strategy, growth plans, resources and the interests of its stakeholders. The RMF includes a Risk Management Strategy, a Risk Appetite Statement, a Risk Register, a designated Risk Management Function and a Quality Control Assurance Program.

The Chief Risk Officer (**CRO**) conducts risk workshops with each Business Unit Head on a quarterly basis. During these workshops, the risks, risk descriptions, the risk controls, inherent risk ratings, residual risk ratings, risk tolerances and risk appetite are discussed. Amendments are made to the risk register to keep the risk register current. In addition, any emerging risks are also discussed. Risk Workshops are also conducted with the Investment Committee, the Audit, Risk and Compliance Committee (**ARCC**) and the Board.

Each Risk Owner also review risks on our risk and compliance system (**TICKIT**). This is where the risk owners confirm that the risk controls remain effective to mitigate the risks and that the risk ratings are appropriate.

The CRO conducts Quality Control Assurance where evidence is sighted to verify that the controls are operating effectively. The CRO monitors and reports risk activities to an independent ARCC who oversees compliance with the RMF.

The Three Lines of Defence Model is fully operational which details essential roles and duties of staff, Risk Function and Internal Audit to implement an effective RMF. A risk-aware culture is fostered and facilitated at the Board Level and cascaded down through all levels of Fiducian, supported by the embedment of the Three Lines of Defence model. There is a clear expectation that all management and employees within Fiducian are responsible for playing their respective roles in risk management effectively.

Modern Slavery Risk Assessment

In our first year of considering modern slavery risks, we have separately considered how such risks indicators may impact our business operations. In future years, we will further develop our risk

assessment approach to incorporate modern slavery risks when Risk Owners review the risks within their business unit.

Our initial risk assessment has indicated that our Tier 1 Entities supply chains has a low potential for modern slavery risks. Our risk profile assessment is summarised below.

Risk exposure by:	Risk Management Assessment
Sector and industry risks	All of our Tier 1 Entities are professional services suppliers within the IT or financial services industry in Australia. These sectors carry a low level risk associated to modern slavery practices.
Product and services risks	As our suppliers specialise in technology, software, professional services and financial services, the risks associated with these was deemed to be low.
Geographic risks	As all of our Tier 1 Entities are located in Australia, this risk was deemed to be low.
Entity risks	There were no specific entities identified during the period that we deemed as having significant risks associated with modern slavery practices.

4 Actions to Address Modern Slavery Risks (Mandatory criteria 4)

As this is our first reporting period, and due to the uncertainty of whether the Fund would qualify as a reporting entity (greater than \$100 million revenue), the Fund (through FPSL) undertook a high level review of its Tier 1 Entities to assess whether modern slavery risks exists and their ratings (being a Low rating, as identified in section 3) when engaging these entities. This included a review of each Tier 1 Entity's:

- (a) Business operations;
- (b) How the Fund interacts with the Tier 1 Entity and if it may facilitate modern slavery practices; and
- (c) Their most recent modern slavery statement (if available).

We plan to enhance our actions in the forthcoming financial year by:

- (a) Incorporating modern slavery risks within the Outsourcing Policy, which considers the engagement of external service providers;
- (b) Formulating a cascading questionnaire for the completion by suppliers;
- (c) The mapping of Tier 2 Entities and completing a preliminary risk assessment of their modern slavery risks;
- (d) To develop a reporting mechanism to the Audit, Risk and Compliance Committee in respect of modern slavery risks.
- (e) To facilitate training for FPSL to better understand what is modern slavery and the risks associated with such practices.

5 Assessing the Effectiveness (Mandatory criteria 5)

The operations of the Fund are monitored by the following Boards and Committees:

- (a) FPSL Board; and
- (b) Audit Risk and Compliance Committee.

To date, the Fund and FPSL have not been required to consider the effectiveness of the approach taken to modern slavery as there has been no review or reconsideration of arrangements with our Tier 1 Entities.

We are committed to undertaking further analysis of the effectiveness of our processes once modern slavery risks are included in the Risk Management Framework in the coming financial year and as further consideration of Tier 1 and Tier 2 Entities in the future.

As noted earlier, the Fund and FPSL has implemented a three lines of defence model and we will incorporate within our internal audit cycle, as our practices mature, a review of our modern slavery framework, processes and controls.

6 Consultation Process (Mandatory criteria 6)

The Fund (or FPSL) does not own or control and other entities, and therefore, we are not required to respond to this matter at this time.

7 Other Information (Mandatory criteria 7)

We acknowledge that we have taken our first steps in our incorporation of modern slavery risks within our organisation and these will continue to evolve as we broaden our review in the coming years.

In FY2022 our focus areas are anticipated to be:

- (a) enhancing the Fund's modern slavery framework and policy;
- (b) engaging with our Tier 1 Entities and Tier 2 Entities to better identify whether there are any modern slavery risks associated with their businesses;
- (c) incorporating modern slavery risks within our Risk Management Framework, especially when Risk Owners are considering risks within their Business Units; and
- (d) providing formal training to Risk Owners to be equipped with the understanding of how to identify/consider modern slavery practices when engaging with our suppliers.

This statement was approved by the Board of Fiducian Portfolio Services Limited in its capacity as the trustee of the Fiducian Superannuation Fund on 16 December 2021.



Drew Vaughan

Chairperson

Fiducian Portfolio Services Limited as trustee of the Fiducian Superannuation Fund