



ESSSUPER MODERN SLAVERY STATEMENT - 2022

ESSSuper
EMERGENCY SERVICES SUPERANNUATION BOARD
ESSSUPER MODERN SLAVERY STATEMENT - 2022

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1. Purpose of the Statement

This Statement expresses the Emergency Services Superannuation Board's (ESSB) approach to Modern Slavery for the year ended 30 June 2022.

This Statement is the second Modern Slavery Statement issued by the ESSB, the first having been issued for the year ended 30 June 2021.

2. Scope of the Statement

ESSSuper is an exempt public sector superannuation fund, whose members include emergency services employees and state government employees within the state of Victoria.

ESSSuper issues this Statement to reflect the requirements of the Modern Slavery Act 2018 (Cth) (MSA).

The Emergency Services Superannuation Board (ESSB) has established an internal working group to develop and apply a foundational model, designed to:

- Identify ESSSuper's exposure to modern slavery in its operations and supply chains;
- Educate staff and suppliers to recognise potential risks and apply mitigation strategies and practices; and
- Increase awareness of modern slavery in the Fund's business activities.

3. Reporting Entity

Since 1924, ESSSuper and its preceding funds have acted as trustees on behalf of the Victorian Government, its employer agencies and their employees. These organisations have administered the State's complex statutory defined benefit superannuation funds and obligations and, in addition to this, they administer the ESSSuper Accumulation Plan.

Our members are active or retired public servants who provide essential services to the community. They include Victoria Police, Fire Rescue Victoria, Ambulance Victoria, State schools and State Government employees who began employment before 1994.

Our mission is to help members achieve their superannuation and retirement goals, while meeting stakeholder responsibilities. With more than 128,000 members holding over \$33 billion in defined benefit and accumulation assets (as at 30 June 2022), we are one of Australia's largest super funds.

ESSSuper's participating employers are:

- Victoria Police
- Fire Rescue Victoria
- Country Fire Authority
- Ambulance Victoria
- Rural Ambulance Victoria
- Transfield
- Metro Trains Melbourne
- Department of Education & Training
- Department of Human Services
- Department of Justice

- Department of Primary Industries
- Department of Sustainability & Environment
- Vic Roads

ESSSuper aims to help its members grow their superannuation savings to achieve the retirement income that matches their lifestyle goals. To achieve this the Fund provides options, information and advice to ensure members can make the best choices to meet their retirement goals.

ESSSuper is administered under the laws of the State of Victoria (including the Emergency Services Superannuation Act 1986, the State Superannuation Act 1988, the State Employees Retirement Benefits Act 1979 and the Transport Superannuation Act 1988).

Reporting Entity Structure and Values

ESSSuper (Emergency Services & State Super) is the registered business name of the Emergency Services Superannuation Board (the Board) (ABN 28 161 296 741).

The Board manages and administers the Emergency Services Superannuation Scheme and all other administered schemes (the Fund) (ABN 85 894 637 037).

The Fund is governed by the Emergency Services Superannuation Act 1986 (Vic) and provides benefits for current and former Victorian emergency services employees, certain public sector employees and their partners

ESSSuper has over 100 employees all of whom are based in Australia and all of whom have or will be provided with MSA awareness training. The Fund recognises the contribution each employee makes to the organisation and has identified four fundamental values expected of every staff member, which are based upon Accountability, Trust, Collaboration and Courage.



In addition to staff, the business had over 200 suppliers in the 2021-22 financial year. These include general service providers, consultants, fund managers, investment advisors, and specialist service providers directly associated with the superannuation industry.

All investment managers are assessed on a number of business, personnel and commercial factors, including the robustness with which they consider ESG issues in processes. Management work with the Fund's Investment Advisor to assess the ESG credentials of prospective investment managers prior to investment. The Fund's Investment Advisor employs a number of dedicated ESG focussed staff, which are leveraged by ESSSuper as a source of specialist ESG advice.

ESSSuper seeks to invest all Accumulation Plan assets in accordance with its Responsible Investment Policy to ensure that the Fund develops a comprehensive understanding of relevant ESG issues.

Supply chains

ESSSuper's exposure to Modern Slavery risks in its activities and supply chain are considered low. It only operates within Australia, primarily employing the services of Australian based suppliers. Service providers predominantly supply technical expertise, advice and IT software. Purchases of equipment, materials and office supplies are through approved supplier contracts.

ESSSuper's primary supply chains relate to the administration of account balances and the investment of employer and member contributions. Service providers are mostly based in Australia and operate under contracts that meet the Victorian Government's procurement requirements, which include social as well as financial targets.

Additionally, ESSSuper is required to comply with Victorian Government social procurement directives regarding the organisation's use of its buying power to generate social value above and beyond the value of the goods, services or construction being procured. This closely aligns with the MSA approach to social and community awareness in its activities and operations.

Investments

All investments undertaken by ESSSuper are made in accordance with the Board's investment goals, the Borrowing and Investment Powers Act 1987 and the Victorian Treasurer's Prudential Statement investment guidelines.

Investment responsibilities for the defined benefit assets were transferred to the Victorian Funds Management Corporation (VFMC) on 1 July 2006. As at 30 June 2022, the amount managed by VFMC is \$26.1B. However, the Board retains investment responsibilities for the accumulation assets and is responsible for setting investment objectives for both the accumulation and defined benefit assets.

For defined benefit assets, the Board has a framework for setting investment objectives which involves an external advisor and VFMC. The Board has a framework for setting investment objectives which involves an external advisor and VFMC.

Accumulation fund assets are managed by an internal Investments team supported by specialist service providers. External specialist investment managers (Investment Managers) are contracted to manage ESSSuper's investments in line with the guidelines set by the Investment Committee. The performance for individual Investment Managers, asset classes and products are measured against agreed performance benchmarks and monitored and reported to the Investment Committee and Board. As at 30 June 2022, the amount managed by Investment Managers is \$7.6B.

ESSSuper acknowledges the importance of environmental, social and governance (ESG) factors and that they have the potential to affect the financial performance of investments. Accordingly, the Fund observes the principles for responsible investing to integrate the consideration of these factors with the investment process.

Environmental	Social	Governance
Climate Change	Management of labour relations	Company Board composition
Pollution	Workplace health and safety	Executive remuneration
Sustainable real estate	Supply chain management	Proxy voting
Cleantech energy	Workplace diversity	Conflict of Interest

ESSSuper's responsible investment approach seeks to integrate the analysis of ESG risks and opportunities through our broader investment processes. The Fund also seeks to maximise alignment

with the companies we invest in by voting on company resolutions and promoting responsible investment through collaboration on responsible investment initiatives with our peers and industry bodies.

ESSSuper is a signatory to the United Nation’s supported Principles for Responsible Investment (PRI) initiative, the Investor Group for Climate Change and CDP (previously known as the Carbon Disclosure Project).

The PRI are a voluntary and aspirational set of investment principles that provide a framework for possible actions for incorporating ESG issues into practice. As a signatory to the PRI the Fund aspires to incorporate the principles-based framework into its investment decision-making process. The PRI principles include:

- Incorporate ESG issues into investment analysis and decision-making processes;
- Be active owners and incorporate ESG issues into ownership policies and practice;
- Seek appropriate disclosure on ESG issues from invested entities;
- Promote acceptance and implementation of the Principles within the investment industry;
- Work together to enhance the effectiveness of implementing the PRI principles; and
- Report activities and progress towards implementing the Principles.

4. Risk assessment and due diligence

In consideration of the MSA, ESSSuper undertakes an annual examination of the risk characteristics of its suppliers, with a focus on areas of known vulnerability and risk exposure. This has been supplemented by questionnaires to selected suppliers. This approach follows the principles used in the UK Civil Service supply chain guide which are relevant to Australia’s modern slavery requirements.

The types of goods and services procured by ESSSuper are:

Type	Purpose
Administrative services	Administration system services, risk and compliance, call centre
Technology	Hardware (PCs, printers, servers) and software (security, operating system licensing)
Service Contracts	Fund Managers, Data, Telecoms
Workplace	Building lease, cleaning contract, office equipment
Professional Services	Internal audit, investment advisory, legal, taxation
Marketing	Marketing analytics, seminar venues
Labour hire	Consultants
Other	Accommodation, travel, incidentals

As a foundation process in the identification of modern slavery, ESSSuper focused on its procurement practices and suppliers. Procurement practices at ESSSuper comply with Victorian Government Purchasing Board standards and guidelines.

Contracts have been reviewed relative to known categories of at-risk groups to allow efforts to be directed to the areas where the most risk or uncertainty was identified.

Groups	At risk group examples
Industry Type	Textile production, electronics manufacture, cleaning services
Supplier location	As per Global Slavery Index
Commodity type	Garments, electronics
Nature of workforce	Low skilled, low paid, seasonal workers, in isolated locations, vulnerable to exploitation
Supplier operating condition	Inadequate labour laws, absence of grievance mechanisms or worker organizations and workers' representatives
Supply chain model	Sub-contracted workers, complex supply chains, complex employment relations with reliance on agency
Labour hire	Consultants
Other	Accommodation, travel, incidentals

Ref: UK Civil Service: Tackling Modern Slavery in Government Supply Chains

Assessment and actions to address modern slavery risks

The reviews in 2021 and 2022 did not identify any occurrences of Modern Slavery and all suppliers were identified as low risk. This reflects the nature of the business they operate, service they supply and country of operations. The use of questionnaires and their responses helped to explain the approach taken by individual suppliers and indicate their awareness of Modern Slavery and ability to identify potential exposure.

In 2021-22 reporting period the number of ESSSuper's suppliers with modern slavery statements, policies or practices was 66.

In 2022 Modern Slavery training was provided to all staff.

5. Future commitments

In 2022-23 the focus will be:

- continue to incorporate standard modern slavery clauses into the contracts of major suppliers;
- review the principles and practices in place to review modern slavery risks within the business operations and supply chains of our major suppliers;
- further analysis of MSA exposure in investments; and
- further staff training and awareness and understanding of MSA; and
- continuous improvement will be undertaken that promotes good management, environmental, social and governance principles and investment practices.

6. Approval

This modern slavery statement was approved by the Emergency Services Superannuation Board on 8 December 2022.

A handwritten signature in blue ink, appearing to read 'Joan Fitzpatrick', with a stylized flourish at the end.

Joan Fitzpatrick
President

7. Appendix

This statement was prepared to meet the mandatory reporting criteria set out under the Modern Slavery Act 2018. The table below identifies where each criterion is disclosed within the different sections of the statement.

Mandatory criteria for modern slavery statements	Reference page
Identify the reporting entity	3
Describe the structure, operation and supply chains of the reporting entity	4
Describe the risk of modern slavery practice in the operation and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	6
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	7
Describe how the reporting entity assesses the effectiveness of such actions	7
Describe the process of consultation with: <ul style="list-style-type: none">• any entities that the reporting entity owns or controls; and• in the case of a reporting entity covered by a statement under section 14 of the Act – the entity giving the statement	N/A
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	7