

Modern Slavery Statement

6 December 2022

This Modern Slavery Statement is made pursuant to the Modern Slavery Act 2018 (Cth) ('Act') and outlines the actions taken by the Brighter Super Group (as defined below) to assess and address modern slavery risks in our operations and supply chain. This Statement covers the financial year, 1 July 2021 to 30 June 2022.

While LGIASuper Trustee is considered the reporting entity for the purposes of the Act, this Statement is made on behalf of the Brighter Super Group, including:

- LGIASuper Trustee ABN 94 085 088 484 as trustee for LGIASuper ABN 23 053 121 564 (trading as Brighter Super); and
- SPSL Limited (SPSL) as trustee of SPSL Pooled Superannuation Trust ABN 14 099 548 418 and SPSL Master Trust ABN 98 350 952 022.

Throughout this Statement, 'the Group', 'we', 'us' or 'our' refers to the Brighter Super Group.

This Statement was approved by the Board of Directors of LGIASuper Trustee, the principal governing body for the Brighter Super Group, on 6 December 2022.



Our structure, operations and supply chain

Brighter Super is a Queensland-based superannuation fund that has helped its members and their families achieve a comfortable retirement for more than 57 years. Brighter Super is a not-for-profit industry, public-offer open fund, welcoming members from government and private sectors, many different industries, and the wider community.



On **1 July 2021**, LGIAsuper merged with Energy Super, creating a single Queensland-based fund that is managed by LGIAsuper Trustee (and now operating under the Brighter Super brand).

On **1 April 2022**, Brighter Super completed its acquisition of SPSL, which currently operates as a wholly-owned subsidiary of LGIAsuper.

As of **30 June 2022**, the Brighter Super Group managed around \$30 billion in investments on behalf of approximately 255,000 members.



Our structure

The Brighter Super Group is comprised of LGIAsuper Trustee and its controlled entities. The following table provide an overview of the key activities of the entities within the Brighter Super Group:

Entity	Description
LGIAsuper Trustee	Trustee of LGIAsuper
LGIAsuper	Superannuation fund
ESI Financial Services Pty Ltd	Provides financial services to LGIAsuper members and employers under a services agreement with LGIAsuper Trustee
LGIA CE Foods Pty Ltd	Acts as trustee for the LGIAsuper (CE Foods) Investment Trust
Brighter Investment Services Pty Ltd	Acts as trustee for the LG Super Asian Infrastructure Investment Trust and as trustee for the Group Investment Trusts. Also acts as investment manager and consulting service provider to SPSL Limited
LGIAsuper Corporate Services Pty Ltd	Provides trustee administration services to LGIAsuper Trustee
Globe Hold Co Pty Ltd	Investment entity for LGIAsuper Trustee at LGIAsuper
SPSL Limited	Trustee of SPSL Master Trust and SPSL Pooled Master Trust
SPSL Master Trust	Superannuation fund
SPSL Pooled Superannuation Trust	Superannuation fund
SPSL Services Pty Ltd	Provides trustee administration services to SPSL Limited

Table 1: Key activities of the entities within the Brighter Super Group



Both LGIAsuper Trustee and SPSL are governed by a Board of Directors. Each Trustee Board is responsible for managing their respective fund(s) for the benefit of all members, in accordance with the relevant Trust Deed and legislation.

As superannuation trustees, LGIAsuper's and SPSL'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.



Our operations

The Brighter Super Group provides financial services to our members, including superannuation, life insurance and financial advice.

Financial investments are 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 2021/22](#), which is available on our website.

Operational activities include the direct employment of workers, to engage in the provision, production, processing and delivery of financial products and services.

These activities include marketing, communication, relationship management and operating a contact centre.

The Brighter Super Group also undertakes business support functions, such as technology, investment operations, people and culture, finance, legal, risk management, and compliance.

As of 30 June 2022, the Brighter Super Group employed approximately 296 workers.

The registered office for all entities within the Group is 333 Ann Street, Brisbane, Queensland, Australia.



Our supply chain

The Brighter Super Group also undertakes a wide range of activities through our supply chains, sourced in Australia and overseas.

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

Following the acquisition of SPSL from Suncorp on 1 April 2022, we entered into a number of transitional service agreements with Suncorp to enable a number of suppliers to SPSL at the time to continue to provide services for the benefit of SPSL members.

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

A list of our key suppliers (such as investment managers and other material service providers) is also available on the Brighter Super website at brightersuper.com.au/about-us/governance/annual-reports and the SPSL website at suncorp.com.au/content/dam/suncorp/super/documents/about-us/governance/spsl-governance-statement.pdf

Risk of exposure to modern slavery risk

The Brighter Super Group seeks to do business with suppliers that have similar values and ethics, 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, the Brighter Super Group 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, we recognise that through our supply chain, there is a risk we may contribute to or be directly or indirectly linked to modern slavery and other human rights violations.

Having considered the Commonwealth Government guidance on modern slavery risk indicators – *geographic, products and services, sector and industry, and entity*¹ – as well as industry research on high-risk areas for financial services supply chains²,

we have identified the following key areas of potential modern slavery risk for the Group:

- 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.

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

² 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.17, *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

Modern slavery action plan

139 suppliers
86 general suppliers
53 investment suppliers

KEY ACTIONS DELIVERED

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).

We have followed through on our commitment to review our contractual and due diligence procedures to ensure they explicitly address modern slavery risks. As a result of this review, all new investment management agreements and supplier contracts are required to have contractual provisions that address modern slavery requirements.

We continued to build our people's awareness of modern slavery risks in our business and supply chains by introducing mandatory modern slavery risk training for all employees. This was in addition to the requirement that new employees complete Code of Conduct induction training, and all employees complete mandatory Code of Conduct refresher training annually.

We continued to build on the expertise of our Investments team through the recruitment of additional staff with a particular focus on ESG matters.

The Brighter Super Group 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 that we have reported on in our previous two Statements.

In November 2022, we again completed an extensive due diligence and assessment process to map the Brighter Super Group's entire internal operations and direct supply chain to understand the areas of potential modern slavery risk in our business operations.

We identified 'general suppliers' and 'investment suppliers' and assessed them against our modern slavery risk assessment framework³, to identify those with a potentially high-risk profile.

The framework utilises our modern slavery risk assessment questionnaires, internal and external research, and the suppliers' own modern slavery statements and policies to assign a risk rating to each supplier.

The assessment identified approximately 136 direct suppliers, of which about 86 were 'general suppliers' and 50 were 'investment suppliers'. Of these, 19 general suppliers were assessed to have a potentially high-risk profile and due diligence was then conducted on these suppliers.

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 summary of risk-ratings assigned to our primary investment managers are highlighted in Table 2 on the following page.

The responses indicate that the Brighter Super Group's modern slavery risk profile has not substantially changed from previous years and is consistent with the modern slavery risk profiles of its peer superannuation funds, as publicly reported in their own modern slavery statements.

This is to be expected as our business operations did not materially change over the reporting period, notwithstanding the merger of Energy Super and LGIA Super in July 2021, and the acquisition of SPSL and April 2022.

³ Based on the Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities.



Investment management

The Brighter Super Group has identified the risk that it may be directly linked to modern slavery practices through its investment activities, where the investee engages in modern slavery practices.

Using our risk assessment framework, we assigned a risk rating to each primary investment manager ranging from 'very low' to 'very high'. A summary of assigned risk-ratings is shown in the table below.

Modern slavery risk-rating	No. of investment managers
Very low	25
Low	23
Medium	2
High	0
Very high	0
Total	50

Table 2: Investment Manager Modern Slavery Risk Rating

For example, one of Brighter Super's international equity managers is invested in a Chinese manufacturer/distributor of dairy products (the Company) which has a facility in a region flagged as being at high risk of modern slavery.

While it could be argued that holdings in companies such as this might warrant the manager a higher risk rating, the strength of the investment manager's modern slavery risk management processes – which encompass detailed due diligence and active engagement – gives us comfort that related risks are sufficiently mitigated.

For reference, the Company has a Supplier Code of Conduct that prohibits forced and child labour; all employees of the Company's suppliers are subject to labour contracts, which per the People's Republic of China (PRC) law guarantees a minimum wage as well as health and work insurance; and ESG-related Key Performance Indicators, including supplier violations of the Code of Conduct, are tied to senior management compensation.

The manager also encouraged the Company to conduct an independent external audit of the plant located in the high-risk region, and to make the results publicly available to investors.

The managers that were assigned a 'medium' risk rating have governance and risk management procedures in place, though they are not as stringent as those who have been assigned a 'low' or 'very low' risk rating.

For example, one of our infrastructure asset managers that was assigned a 'medium' risk rating, 'expects' suppliers to meet certain standards with regards to combating modern slavery, but the actual implementation and governance of related procedures is less clear.

Pleasingly, the manager recently introduced a new Supplier Code of Conduct which better governs modern slavery risk within their business. We believe this will enable us to re-rate them as 'low' risk in our next assessment.



Governance and risk management

The Brighter Super Group is a strong advocate of good corporate governance, not only within its own operations but within those of its external service providers.

The Group is governed by two Boards of Directors, which have ultimate responsibility for governance and oversee the Group's actions in addressing modern slavery risks.

The Boards oversee and monitor material risk management activities through their respective risk and compliance committees.

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 the Group'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

During this reporting period, the focus continued to be on developing our understanding of our modern slavery risks and how such risks present in the Group's operations and supply chains.

We assess the effectiveness of our actions as follows:

- Report the updated Action Plan and progress of completion to executive and Board compliance committees.
- Monitor and report on compliance with relevant controls through our assurance plan, e.g., investment manager due diligence, contract reviews.
- Continue to require all employees to complete mandatory modern slavery risk training and monitor and report completion of this training to executive and Board compliance committees.
- Continue to review the design of the modern slavery risk management framework and ensure it remains relevant and appropriate to the Group.

Looking forward

Looking ahead, we will continue to implement a continuous improvement approach to establishing our modern slavery risk management framework, which will be updated and aligned with the Group's organisational structure as it evolves over the coming 12 months.

As part of this, we plan to progress the following actions:

- Continue to focus on strengthening our due diligence process, 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 changes in the Group's organisational structure.

- Applying the approach under our ESG Policy for any high risk managers to uplift our advocacy and engagement with them to ensure that they improve their governance and risk management of modern slavery risks in their direct investments.
- We will review and monitor the effectiveness of the modern slavery provisions which we seek to insert into all new supplier contracts.
- Ongoing delivery of a broad training program for our team and directors to increase their understanding and awareness of modern slavery risks in our operations and supply chain.

Consultation with entities within the Brighter Super Group

To the extent that SPSL operates separately from the Brighter Super Group, SPSL has been consulted and considered in compiling this Statement. This Statement has been reviewed by the SPSL Board of Directors.

Signed on behalf of the Brighter Super Trustee Board of Directors by



John Smith
Chair, LGIAsuper Trustee Board of Directors
Date: 6 December 2022