

Modern Slavery Statement 2023/24

17 December 2024

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**) and outlines the actions taken by Brighter Super to assess and address modern slavery risks in our operations and supply chain. This Statement covers the financial year, 1 July 2023 to 30 June 2024.

Brighter Super ABN 23 053 121 564 is a reporting entity for the purposes of the Act¹.

This Statement was approved by the Board of Directors of Brighter Super Trustee, as trustee of Brighter Super, on 17 December 2024.

¹From 1 July 2024, the Fund and Trustee's names changed from 'LGIAsuper' and 'LGIAsuper Trustee' to 'Brighter Super' and 'Brighter Super Trustee', respectively. Accordingly, from 1 July 2024 the name of the reporting entity under the Act changed from LGIAsuper to Brighter Super (the Fund).



Our structure, operations and supply chain

Brighter Super (**Fund**) is a Queensland-based superannuation fund that has provided trusted and reliable investment, advice and insurance to our members for almost 60 years. We are 100% member owned. We do not have any shareholders, which means we are a not-for-profit fund. We work hard to keep our fees and costs as low as possible, and our members come first in everything we do. We are also an open fund, welcoming members from the local government and energy sectors, and the wider community.

As of **30 June 2024**, Brighter Super managed around \$32.01 billion in investments on behalf of approximately 228,000 members.



Our structure

Brighter Super comprises a number of entities, including several wholly-owned entities. The following table provides an overview of the key activities of the entities within the Brighter Super Group in the reporting period:

Entity	Description
Brighter Super Trustee	Trustee of Brighter Super Trustee of SPSL Pooled Superannuation Trust (since 1 October 2023)
Brighter Super	Superannuation fund
ESI Financial Services Pty Ltd	Provides financial services to Brighter Super members and employers under a services agreement
LGIA CE Foods Pty Ltd	Trustee of LGIASuper (CE Foods) Investment Trust
Brighter Investment Services Pty Ltd²	Trustee of LG Super Asian Infrastructure Investment Trust Trustee of investment trusts (associated with former SPSL Master Trust)
LGIASuper Corporate Services Pty Ltd	Service provider to LGIASuper Trustee
Globe Hold Co Pty Ltd	Investment entity for Brighter Super
SPSL Limited	Trustee of SPSL Pooled Superannuation Trust (until 1 October 2023)
SPSL Pooled Superannuation Trust	Registered superannuation entity
SPSL Services Pty Ltd	Provides trustee administration services to Brighter Super

Table 1: Key activities of Brighter Super entities

² De-registered as of 6 November 2024.



Brighter Super is governed by a Board of Directors who is responsible for managing the Fund for the benefit of all members, in accordance with our Trust Deed and relevant legislation. As a superannuation fund trustee, our reputation and standing with our stakeholders is important to us, and we take risks and obligations 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

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

The Fund's financial investments span a range of asset classes, including Australian and international equities, fixed income, infrastructure, property, alternatives, and cash. Financial investments in listed markets are managed in active portfolios as well as passive, index-tracking portfolios.

Assets are located in Africa, Australia, North America, South America, Europe and Asia. Further details of our investments are set out in our *Brighter Super Year in Focus 2023/24* document, which is available on our website at <https://www.brightersuper.com.au/about-us/governance/annual-reports>.

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, financial advice and operating a contact centre.

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

As of **30 June 2024**, Brighter Super had 272 employees.

The registered office for Brighter Super and its wholly-owned entities is Level 20, 333 Ann Street, Brisbane, Queensland, Australia.



Our supply chain

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

These include our investment managers, custodian, insurers, technology and business process service providers, 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).

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 <https://www.brightersuper.com.au/about-us/governance>.

Risk of exposure to modern slavery

Brighter Super 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, Brighter Super 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 guidance³ on modern slavery risk indicators – *geographic, products and services, sector and industry*, and *entity* – as well as industry research on high-risk areas for financial services supply chains⁴, we have identified the following key areas of potential modern slavery risk:

- 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 or with operations in a high-risk geographic area (e.g., Asia).

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

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

⁴ 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 in 2023/24

Modern slavery action plan

KEY ACTIONS DELIVERED

Brighter Super has continued to implement our Modern Slavery Action Plan, which is designed to continually improve how we identify, assess, manage and remediate our exposure to modern slavery. In FY2023/24, these activities included:

Supplier due diligence, focussing on high-risk suppliers, and considering taking further action as required (e.g., engagement, escalation, review or termination of the contract)

Ensuring all new investment management agreements and 'material'⁶ supplier contracts have contractual provisions that address modern slavery requirements

Acquiring access to more data to conduct a screening exercise of our directly-held listed equity assets to identify companies deemed to be in breach of the UN Global Compact Labour Standards, and establishing a process where, if appropriate, we can exclude such companies from our equity portfolios

Appointing a Head of Corporate Affairs to oversee the introduction of an enterprise-wide ESG framework and publishing our first Sustainability Report, which considered, amongst others, modern slavery risks and our approach to our people

Continuing to build our people's awareness of modern slavery risks in our business and supply chains through annual mandatory modern slavery risk training, and of our Code of Conduct, which requires our people to observe the highest standards of ethics, integrity and behaviour.

Brighter Super 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 four Statements.

Between September to November 2024, we completed an assessment process to map Brighter Super's 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 framework⁵ to determine their 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 indicates that Brighter Super's modern slavery risk profile has not substantially changed from previous years and is consistent with the modern slavery risk profiles of our 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.

General suppliers

The assessment identified 138 direct 'general suppliers' (an increase from 111 in the previous reporting period), of which 10 were assessed to have a potentially high-risk profile (a decrease from 13 in the previous reporting period). The decrease in high-risk general suppliers despite the increase in these suppliers overall is a good outcome.

The suppliers are Australian entities or large, well-known multinational technology entities which have operations in high-risk regions (e.g., Asia). The high-risk suppliers provide products and services such as information technology equipment, cleaning services, office and kitchen consumables, and promotional materials. Our due diligence on these suppliers is ongoing and we will report any required engagements in our next Statement.

Investment suppliers

Brighter Super recognises the potential for indirect involvement in modern slavery through our investment activities. This can occur when companies we invest in, via our external investment managers (our suppliers), are exposed to modern slavery practices either directly or through their own supply chain. To mitigate this risk, we conduct an annual assessment of our investment managers using our modern slavery risk assessment framework. Each manager is assigned a risk rating from 'very low' to 'very high'.

We recognise that our global and domestic investment managers across nearly all asset classes may at some point acquire assets or hold positions in companies that expose them to high-risk sectors or industries (e.g., agricultural operations in timber and fresh food production), or geographic areas (e.g., Asia, Africa). Accordingly, our due diligence places a large emphasis on the extent and quality of governance and risk management

⁵ Based on the Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities.

⁶ As defined by APRA Prudential Standard SPS 231 Outsourcing.

procedures that investment managers employ to mitigate modern slavery risk.

For example, during the reporting period, Brighter Super appointed a new investment manager to provide access to a global fixed interest index. The manager has strong risk governance, a well-resourced stewardship team, and the mandate is investment-grade quality with a material allocation to high-quality government bonds. Given the maturity of the investment manager's governance and risk management procedures, a 'low' risk rating was assigned to this manager, subject to a period of monitoring.

A summary of our FY2023/24 assigned risk ratings is shown in the table below.

Modern slavery risk-rating	No. of rated investment managers	%
Very low	17	42.5%
Low	20	50%
Medium	3	7.5%
High	0	0%
Very high	0	0%
Total	40	100%

Table 2: Summary of investment managers modern slavery risk ratings

Across Brighter Super's investment managers, 92.5% were rated very low or low on our investment supplier modern slavery risk scale. Brighter Super had no managers that were rated 'very high' or 'high' in this year's assessment. 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. We are working with these managers and will review their risk rating in the next reporting period (FY2024-25). This distribution of modern slavery risk ratings is consistent with those of the last reporting period.

In previous Statements, we noted that there has generally been limited or no screening of non-investment factors (including modern slavery risks) in relation to our passive portfolios. During the reporting period, we remedied this gap by undertaking a screening exercise of our directly-held listed equity assets using access to data to identify companies deemed to be in breach of the UN Global Compact Labour Standards.

We also established a process where, if appropriate, we can exclude such companies from our equity portfolios. This process identified and excluded

ten companies, which resulted in a downgrade of the relevant investment manager from high risk to medium risk. We will continue to embed this new process throughout the next reporting period.



Governance and risk management

Brighter Super is a strong advocate of good corporate governance, not only within our own operations but within those of our external service providers. The Brighter Super Trustee Board of Directors is ultimately responsible for governance and oversight of Brighter Super's actions in addressing modern slavery risks. The Board oversees and monitors material risk management activities through its Risk and Compliance Committee.

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.

Further, we recently appointed a Head of Corporate Affairs to oversee the introduction of an enterprise-wide ESG framework, which considers amongst others, modern slavery risks. The Head of Corporate

Affairs also led the development of Brighter Super's first Sustainability Report for FY2023/24, which was recently published, and which considered, among others, modern slavery risks and our approach to our people. Brighter Super's *Sustainability Report* is available on the Brighter Super webpage at <http://www.brightersuper.com.au/about-us/governance/annual-reports>.

Under Brighter Super's people, governance, and risk management frameworks, our employees' rights and wellbeing 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 Contracts Management and Procurement Policy and Outsourcing Policy require us to assess the risks of procurement and 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 noted above, during the reporting period, our focus was on continuing to develop our understanding of our modern slavery risks and how such risks present in our operations and supply chains.

We have assessed the effectiveness of our actions as follows:

- Monitored and reported on compliance with relevant controls through our assurance plan (e.g., investment manager due diligence, contract reviews).
- Required all employees to complete annual mandatory modern slavery risk training, and monitored and reported completion of this training to executive and Board committees.
- Continued to review the design of the modern slavery risk management framework to continuously improve it.

Looking forward

Looking ahead, we will embed a continuous improvement approach to establishing our modern slavery risk management framework. As part of this, we plan to progress the following actions:

- Further strengthening our due diligence process, focussing primarily on high-risk suppliers, such as embedding screening for modern slavery risks into our general supplier outsourcing due diligence process.
- Considering what further actions we can take in relation to the high-risk Australian general suppliers.
- Continuing to provide annual modern slavery risk training for all employees to equip our people to identify human rights risks connected with the work they perform and the suppliers they engage.

- Continue to uplift executive governance over modern slavery risks.
- Signing Brighter Super's first Enterprise Agreement, which includes significant initiatives such as:
 - establishing a competitive, sustainable and transparent approach to remunerating our people fairly and at market value
 - providing a flexible approach to working at Brighter Super, including specific cultural leave, parental leave and an enhanced commitment to hybrid (work at home) options.

Consultation with Brighter Super entities

Management and staff of all Brighter Super entities were consulted and considered in compiling this Statement.

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



John Smith

Chair, Brighter Super Trustee as trustee of Brighter Super

Date: 17 December 2024

This Important Modern Slavery Statement has been produced by Brighter Super Trustee (ABN 94 085 088 484 AFS Licence No. 230511) as trustee for Brighter Super (ABN 23 053 121 564). Brighter Super products are issued by the Trustee on behalf of the Fund. Any questions regarding this statement can be referred to Brighter Super by calling us on 1800 444 396 or by emailing us at info@brightersuper.com.au.