



Modern Slavery Statement 2021

Your local industry fund



Disclosure Note

This statement has been made on behalf of Statewide Super. This statement covers all entities owned or controlled by Statewide Superannuation Pty Ltd 62 008 099 223 (AFSL 243171) Trustee and RSE Licensee of Statewide Superannuation Trust ABN 54 145 196 298 including:

- WPPEX SW Holdings Pty Ltd ACN 128 549 557 as trustee for the WPPEX SW Unit Trust
- Pisco SW Pty Limited ACN 130 532 197 as trustee for the Pisco SW Unit Trust No. 2
- Statewide Superannuation Fund (STAR II) Utilities Pty Ltd ACN 120 380 850 as trustee for the SW Star II Trust



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About Statewide Super

(as at 30 June 2021)

Average pension
member account
balance:

\$259,858



% MEMBERS INSURED:

44%

FUNDS UNDER
MANAGEMENT:



\$11.4 billion



**143,943
MEMBERS**

and growing



**AVERAGE
MEMBER AGE:
43 YEARS OLD**



38%

Male employees



62%

Female employees

AVERAGE
ACCUMULATION MEMBER
ACCOUNT BALANCE (\$):

\$65,532



Statewide Super is privileged to service more than 143,000 members, 24,000 employers and manage over \$11 billion in funds under management. As an industry super fund, Statewide Super welcomes new members, regardless of location or industry.

We have been awarded the highest 5-Star Rating from Australia's largest consumer financial comparison site, Canstar, for our Account Based Pension product in 2020 and our Accumulation (MySuper) in 2021.

According to Canstar, we are one of the top five percent in our field, with only three out of 63 funds awarded this rating for both product categories. We've now received the 5-Star Rating for Accumulation (MySuper) product for four years in a row. This 5-Star Rating recognises the high value Statewide Super provides to our members.

²Canstar 5-Star Rating for MySuper awarded in March 2021 www.canstar.com.au/star-rating-reports/superannuation and Account Based Pension products in September 2020 www.canstar.com.au/account-based-pensions. Ratings are only one factor to be taken into account when deciding whether to invest in a financial product. For more information visit www.canstar.com.au.

Our Values and Behaviours

At Statewide Super, we believe in a member only focus, integrity, collaboration and respectful relationships. We believe in engagement with our community, connecting with our members and acting in our members' best financial interests. This includes putting ourselves in the 'shoes' of our members and continuously working towards improving our service standards and support for our members to ensure we are fair, inclusive and responsive to our members' needs.

We strive to make educated decisions which benefit all our members, by gathering evidence of the potential impact of our actions. We also strive to act with integrity, by playing an active role in standing up for the best interests of our members and the broader community.

How our Values and Behaviours impact our views on modern slavery risk

It is important that we not only make educated decisions regarding our own actions and decisions with respect to modern slavery risk, but that we extend this to having active conversations with our suppliers, across our supply chain and the organisations and industries we invest in. As part of the process we have undertaken so far, and will continue to undertake, to assess and address modern slavery risk within our supply chain, we strive to be courageous and have open conversations, acknowledging how our actions, directly or indirectly, may impact our global community.

We will also collaborate with our suppliers and investment managers to increase awareness and engagement with the issue of modern slavery to help those who contribute to delivery of goods and services across our supply chains to have access to safe, secure and rewarding work.

At the core of our operations is our value of respectful relationships and our commitment to ensuring that our impact on the community is positive. We endeavour to contribute to the creation of an inclusive and diverse society, where people's different opinions, backgrounds, personalities and interests are celebrated. We consider it is important that we take action to ensure that our investment and procurement decisions are informed, respectful, sensitive and positive for those involved, whether locally or across our global community.



2021 Modern Slavery Risk Management Initiatives

In FY21 we focused on enhancing our baseline understanding of our modern slavery risks, implementing priority actions and continuously improving efforts to assess and address risks.

Our Modern Slavery Working Group (MSWG), comprised of senior managers from key areas of our business, continued to coordinate the implementation of our Modern Slavery Action Plan and provide updates to our Leadership Team, Risk Committee and Board on issues relevant to addressing modern slavery risk.

Our Board of Directors approved Statewide Super's Modern Slavery Policy in November 2020 which requires us to have a governance framework that ensures there is transparency in our operations and supply chain and outlines how we will address risks of modern slavery.

Modern slavery risk management considerations were incorporated into other key policies and procedures including our employee Code of Conduct, Risk Management Strategy, Contract Management Policy, Investment Policy Statement, Expenditure and Procurement Policy & Guidelines.

We have enhanced the ability for members, staff and stakeholders to report on suspicious or actual incidents of modern slavery through our public complaints, independent whistle-blower hotline and internal incident reporting procedures. We have included a specific category for modern slavery risk in our risk register and incident reporting platforms.

With the support of external experts, we continued to review and improve our modern slavery risk management systems and processes. Our MSWG undertook a second modern slavery gap analysis (first undertaken in FY20) to map our progress. Results of the gap analysis highlighted improvements across all five business areas assessed and enabled us to prioritise and refine actions to further manage operational and supply chain risks.

The MSWG refined key aspects our Modern Slavery Action Plan and three-year road map that continues to inform our risk management approach. We have provided information to the Board and Extended Leadership Team on progress implementing our Modern Slavery Program.

We repeated the process of prioritising our Tier 1 (direct) suppliers and supply categories against internationally recognised modern slavery risk indicators first undertaken for our FY20 statement to gain a better understanding of trends and changes in our 2021 supplier risk profile. This will enable us to undertake a detailed assessment of our potentially highest risk supplier(s) in FY22, using a tailored Self Assessment Questionnaire.

Our Plans for 2022 and beyond

We will continue to review, evaluate and continuously improve our Modern Slavery Action Plan and strive to broaden its depth and reach. Extending our understanding of risk into our supply chain and investment portfolio will underpin actions to manage potential and actual risk. Incorporating modern slavery due diligence into our investment processes will be a key focus, as will engaging internal managers and external investors in our modern slavery risk management program.

Raising awareness amongst our staff and increasing understanding of the issue amongst our stakeholders – and the measures we have in place to manage risk - will be a priority area of action. Reviewing and updating our three-year action plan will enable us to maintain momentum and move towards proactively managing risk in our operations, supply chains and investment portfolios.



Statement from our CEO and Chair

Modern slavery is a major issue globally, with more than 40 million people estimated to be trapped in modern slavery worldwide. Many Australians may think it doesn't happen in our backyard, but the fact is it can happen anywhere and anytime, with severe consequences for victims.

At a surface level, it may seem the financial services sector in Australia is far away from modern slavery, but the industry is connected to risks both internationally and domestically, especially through investment portfolios.

As this statement outlines, we have made a commitment to respect and protect human rights in our operations and supply chains. We are working to ensure our policies and practices align with Australian and international standards, as well as our internal values of **member-only focus, integrity, collaboration, and respectful relationships**.

These values guide everything we do. We acknowledge that we are early in our journey, but we are taking action to identify, reduce, and mitigate against modern slavery risks at every level of our operations and supply chain.

This is our 2021 Modern Slavery statement. Since we first reported regarding our Modern Slavery program in March of this year, we are pleased to confirm we've made progress on our action plan and 3 year roadmap.

At Statewide Super, we take a holistic approach to matters of responsibility, both to our members and our communities. Managing the potential risks of modern slavery in our organisation is just one element of this.

We believe that ensuring our operations are low risk for modern slavery not only serves our members' best interests, but also serves the communities in which we operate and invest.

We hope this gives our members peace of mind that Statewide Super is a fund that truly cares about its members, its communities, and our collective future.



Tony D'Alessandro
Chief Executive Officer



Kenneth Williams
Independent Chair



**Reporting
Criteria 1 & 2**



Our Governance Framework

As an Australian Prudential Regulatory Authority (APRA) regulated superannuation fund under the *Superannuation Industry (Supervision) Act 1993* (Cth) (SIS Act) and an Australian Financial Services License (AFSL) holder, the legal and governance frameworks which govern the activities of Statewide Superannuation Pty Ltd (Trustee) as trustee of the Statewide Superannuation Trust (Fund) are designed to ensure that the organisation operates solely to benefit members of the Fund.

To support the Trustee in achieving positive outcomes for the Fund’s members, the Trustee has in place a Governance Framework which includes the Trustee’s Board committees – the Risk, Audit & Governance, Remuneration & Nomination, Member Services and Investment Committees, comprised of three to four directors each.

Reporting on the progress of the MSWG to identify and put in place measures to monitor and address modern slavery risk within Statewide Super’s supply chain, is provided to the Risk Committee quarterly, and, through a Risk Committee reporting mechanism, also reported to the Trustee Board.

The Board has oversight of the Risk Management Framework and this includes the risk of modern slavery within the Trustee’s supply chain.

The Risk Committee has oversight of Statewide Super’s policies and has overseen the MSWG’s

development of a Modern Slavery Policy and Modern Slavery Policy Statement during year 2 of MSWG’s Modern Slavery Action Plan.

Improvements have also been made to the reporting mechanisms to allow instances of modern slavery to not only be identified internally, but to allow for reporting of modern slavery risk by members of the public where there is risk to persons within Statewide Super’s operation or within our supply chain.

Our Operations

As a profit for member superannuation fund, Statewide Super:

- invests and manages member funds as authorised under the SIS Act and the *Corporations Act 2001* (Cth),
- administers member accounts, which includes receiving member and employer contributions and acting on instructions to pay superannuation benefits to members,
- provides financial advice services under an AFSL pursuant to the *Corporations Act 2001* (Cth),
- provides information and education to our members and contributing employers,
- engages in miscellaneous small-scale charitable activities as part of our Corporate Social Responsibility Program, including implementation of the Trustee’s Reconciliation Action Plan.

Material Outsourced Provider	
Westpac Banking Corporation	Brandywine Global Investment Management, LLC
PwC	Janus Henderson
Mesirow Financial Currency Management	PIMCO Australia Pty Ltd
Barings LLC	Financial Synergy Holdings Pty Ltd (owned by IRESS Ltd)
State Street Bank and Trust Company	Cooper Investors Pty Limited
Your DC Pty Ltd	Greencape Capital Pty Ltd
MetLife Insurance Limited	Vinva Investment Management Limited
National Australia Bank Limited	Allan Gray Australia Pty Ltd
Selector Funds Management Limited	Paradice Investment Management Pty Ltd
Ubique Asset Management Pty Ltd	Loomis, Sayles & Company, L.P.



Statewide Super is a South Australian based organisation with members across Australia. It does not operate overseas.

Statewide Super employs approximately 135 employees within South Australia and the Northern Territory and has an office and member facing centre located in both jurisdictions.

As a superannuation fund, Statewide Super’s suppliers enable the organisation to manage and administer member superannuation accounts. There are approximately 20 material outsource suppliers who provide services to the Trustee and support the Trustee’s operations.

Relationships with our material outsource providers are governed under an APRA issued prudential standard SPS 231 Outsourcing and the Trustee’s Board approved Material Outsourcing Policy.

The MSWG has continued addressing modern slavery risk with some of the Trustee’s material outsource suppliers. How that risk is potentially being monitored and addressed by these material outsource suppliers will be formally incorporated into the annual review of each supply arrangement.

In 2021 Statewide Super’s Investment Team has been working closely with asset consultancy company JANA to assess modern slavery risks of our material outsource providers. Self-assessment questionnaires were sent to thirteen (13) providers to better understand their modern slavery reporting obligations, governance and due diligence processes, operational and supply chain risk assessment outcomes, and importantly

risks associated with their investment activities. Refer to the Case Study under Criteria 3 for more information.

Aside from material outsource supplier arrangements, the majority of supply arrangements of the Trustee are short-term and changeable, to the extent that there are substitute suppliers available. All day-to-day administration activities are conducted in South Australia by a dedicated Administration Team. However, these activities are supported by the services of material outsource suppliers such as:

- Software providers and developers
- Gateway services
- Insurance claims assessment services.

The investment arrangements of the Trustee are managed by the internal Investment Committee and the internal Investment Team, with oversight of the Chief Investment Officer. There is a dedicated resource on the Investment Team who is also a part of the MSWG and who ensures that ESG related risk, including risk of modern slavery, is considered and integrated into the investment supply chain of the Trustee.

Our Supply Chain

Statewide Super’s organisational procurement spend for the year ended 30 June 2021 (excluding credit card payments, salaries, depreciation, amortisation and other minor expenditure) was approximately \$19 million with 240 suppliers across a large range of goods and services categories.

Much of our high spend procurement is with professional, financial and ICT software providers which support the Trustee’s administration and investment activities. Our ICT software service provider, Financial Synergy Holdings Pty Ltd, is a material outsource supplier undertaking material business activities on behalf of the Trustee (as determined under Prudential Standard SPS 231).

The main categories of goods and services procured from our direct suppliers are included in the table below. Whilst many of our direct suppliers are based in Australia, the source country of many of the products we procure is currently unknown. Further work will be undertaken to better understand our extended supply chain and any inherent modern slavery risks associated with source countries of our goods and services.

<i>Goods</i>	<i>Services</i>
ICT equipment	Property and facility management
Office supplies and services	ICT Software and services
Marketing and merchandise	Banking
Event equipment hire	Investment management & advisory and professional services
Printing and signage	Insurance
Catering, food and beverage	Advertising & Communications
	Accommodation



Reporting Criteria 3:

Modern slavery risks
in operations and
supply chain





Our focus in FY21 was to build upon our baseline understanding of modern slavery risks in our operations, supply chain and investment portfolio, implement key actions included in our Modern Slavery Action Plan and Roadmap and improving our efforts to assess and address risks.

Operational Risks

With the support of external expertise, our MSWG repeated the modern slavery gap analysis undertaken for our FY20 statement.

The purpose of the assessment was to:

- Identify gaps in our systems and processes that may increase our exposure to modern slavery risks in our operations and supply chains.
- Identify opportunities to improve and enhance our systems and processes
- Inform the development of our modern slavery risk management program.

Repeating the gap analysis enabled us to document our progress over the last 12 months and identify where more effort is required.

Internally management investment portfolio risks

A high-level analysis of our largely internally managed infrastructure asset portfolio indicated potential modern slavery risk within each of our investments. We continue to work with our internal portfolio managers to develop a practical modern slavery risk framework and questionnaire

and a consistent materiality review process for use by our investment managers (internally and externally). We are working to better align our modern slavery risk management process with our ESG reporting requirements supported by a recently- appointed ESG manager within our investments team.

Externally management investment portfolio risks

Questionnaires on potential modern slavery risk were sent to managers responsible for 90% of funds under management, representing approximately \$10.5B of investments. Based on responses to the survey, we will continue to work with fund managers to identify risks based on country and sector risk and continuously improve risk management systems and processes. Annual risk surveys of our external investment managers will enable us to track performance and identify emerging modern slavery risk within our portfolio.

Supply Chain Risks

In FY20 we engaged external expertise to assist us document, assess and prioritise our direct (Tier 1) suppliers against modern slavery risk indicators. We repeated the prioritisation process in FY21 to refresh our supplier risk profile based on an updated data set and to help us identify emerging patterns or trends in modern slavery risk across our supply chain.

OPERATIONAL RISKS

Modern Slavery Gap Analysis

The Modern Slavery Working Group repeated the gap analysis undertaken for our 2020 statement to track our progress and help us identify areas of improvement across five key categories:

- Management systems
- Human resources and recruitment
- Procurement and supply chain
- Risk management
- Customers and stakeholders

The 2020 gap analysis enabled us to better understand the essential elements of an effective modern slavery risk management program, engage key internal stakeholders and expand our existing ESG program to better capture and respond to these risks. Undertaking the same gap analysis enabled us to identify where we have improved our risk management processes, what has remained the same and where we need to focus our efforts moving forward.



The following table provides the results of the FY20 and FY21 modern slavery gap analysis:

	FY20	FY21	Movement
Management systems			
1. Governance	Red	Orange	Improved
2. Commitment	Red	Orange	Improved
3. Business Systems	Red	Orange	Improved
4. Action	Orange	Orange	No change
5. Monitor / report	Orange	Orange	Improved
Human Resources			
6. Awareness	Red	Orange	Improved
7. Policies and systems	Red	Orange	Improved
8. Training	Red	Orange	Improved
9. Labour hire	Red	Red	No change
Supply chain			
10. Policy / procedures	Red	Orange	Improved
11. Contract management	Red	Orange	Improved
12. Screening / traceability	Orange	Orange	Improved
13. Supplier engagement	Red	Red	No change
14. Monitoring / corrective action	Red	Orange	Improved
Risk management			
15. Risk framework	Red	Red	No change
16. Operational risk	Red	Orange	Improved
17. Identifying external risk	Red	Orange	Improved
18. Monitoring / reporting	Red	Red	No change
Customers and stakeholders			
19. Customer attitude	Red	Orange	Improved
20. Information provision	Red	Red	No change
21. Feedback mechanisms	Red	Red	No change
22. Worker voice	Red	Red	No change

Legend:

Red: At the starting line

Orange: Making progress



The MSWG identified improvements in 14 of the 22 key action areas analysed in the gap analysis. Management Systems, Human Resources and Risk Management all showed the greatest levels of improvement between 2020 and 2021. The Risk Management and Customers and Stakeholders sections both showed lower levels of improvement over the last 12 months. Overall, the FY21 analysis indicated that we are making steady progress in assessing and addressing our modern slavery risk.

Our Policies

Statewide Super has several policies and processes to help identify and manage potential modern slavery and labour rights risks. While we are working to refresh several policies and procedures to better reflect modern slavery legislative requirements, the following public facing policies reference our commitment to responsible and ethical business practices, protecting human rights generally and promoting diversity:

- Whistleblower Policy
- Gender Equity Report
- Code of Conduct
- Conflicts of Interest Policy

Our Board approved Statewide Super's *Modern Slavery Policy* in November 2020. The policy requires us to implement a governance framework that ensures firstly, there is transparency in our operations and supply chain and secondly, how we will address any risks of modern slavery identified in its operations and throughout its supply chains. The policy applies to all Board Members, officers and employees of Statewide Super, cross references to other policies and procedures and can be accessed on our intranet site. Our Policy has been reviewed and updated during the second reporting period. We anticipate Board approval of the updated policy in late 2021.

A range of other internal policies and supporting guidance documents have been updated to reflect the requirements of our *Modern Slavery Policy*.

SUPPLY CHAIN RISKS

Red: High risk
 Amber: Medium risk
 Green: Low risk



High level findings

- Analysis of spend data indicates that overall there is a low level of modern slavery risk in our supply chain
- Approximately 12% of spend analysed for FY21 is potentially high risk for modern slavery
- Around 49 or 21% of suppliers are considered potentially high risk for modern slavery
- Nine of our 18 spend categories are potentially high risk for modern slavery

\$19.2m

Total Spend Analysed

Supplier spend data provided by Statewide Super was analysed for modern slavery risk.

Total Suppliers Analysed

Spend data was provided for 240 suppliers providing goods and services to the business.

240

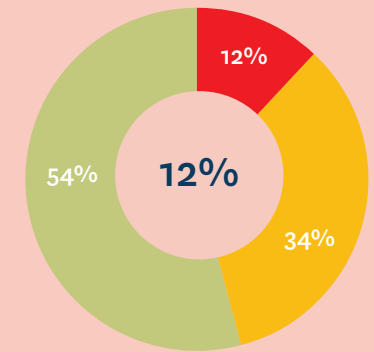
#18

Spend Categories Analysed

Eighteen spend categories were analysed for potential modern slavery risk. The largest high-risk category by spend was Property and Facility Maintenance.

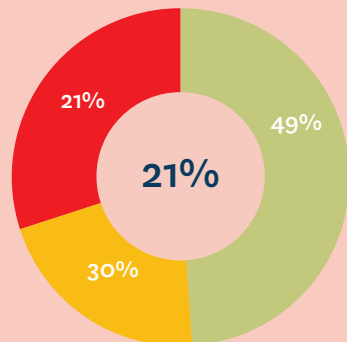
% Spend High Risk

12 percent of aggregated spend was ranked as potentially high risk for modern slavery.



% Suppliers High Risk

49 or 21% of the 240 suppliers assessed were ranked as high potential risk for modern slavery.



Top 5 Categories by Spend

Spend categories were ranked for modern slavery risk based on geography (country of manufacture), industry sector and commodity/raw materials.



Highest Risk Categories

The top five risk categories by spend for Statewide Super are listed below.





Supply Chain Overview

Our Finance team, supported by external experts, analysed \$19 million of procurement spend against four key modern slavery risk indicators:

- Industry sector – Specific industry sectors (for example manufacturing, ICT, construction) deemed as high risk in international and national guidance documentation.
- Commodity/product – Specific products and commodities deemed as high risk by the US Department of Labor’s 2018 List of Goods Produced by Child and Forced Labor, the Global Slavery Index (GSI) and other international guidance materials.
- Geographic location – Based on estimated in-country prevalence of modern slavery determined by a custom risk index developed by the external experts engaged to support our program. While we predominantly use Australian suppliers, we recognise that our goods and services may come from countries other than those of our suppliers’ headquarters which may have elevated risk of poor labour standards and modern slavery.

- Workforce profile – In undertaking our supplier analysis we considered the type of labour involved in the production of our goods and services, particularly where children, low skilled, vulnerable, or migrant labour is used. We recognise that poor labour practices are present in some parts of the financial services sector and as outlined in our Code of Conduct, Statewide Super is committed to conducting our business according to the highest standards of honesty, integrity, respect and fairness, in our day to day conduct, and also when dealing with all of our stakeholders.

Important note:

As for the 2020 reporting period, our focus has been on understanding risks posed by higher spend suppliers, identifying trends and establishing a baseline risk level. We recognise that there may be significant risk amongst our extended supply chain and will incorporate these into future risk assessments.

DATA at a Glance

Statewide Super entities and sub-entities analysed:	1
Total Spend:	\$19,249,146
Total Suppliers:	240 (excluding investment supply chain)
Supplier Spend range analysed (largest to smallest)	\$2.8M - <\$100
Number of spend categories (goods and services)	18
Category spend range (largest to smallest)	\$5.54M - \$892

The Trustee holds interests in the following special purpose investment vehicles: Local DIT Investments Pty Ltd ACN 077 306 604, Statewide/Westscheme MIP Nominee Pty Ltd ACN 119 582 188, WPPEX SW Holdings Pty Ltd ACN 128 549 557, Pisco SW Pty Limited ACN 130 532 197 as trustee for the Pisco SW Unit Trust No. 1, South Australian US Parking Company Pty Ltd ACN 116 833 811, Statewide Athens Investment Company Pty Ltd ACN 116 833 777, Statewide Superannuation Fund (STAR II) Utilities Pty Ltd ACN 120 380 850 as trustee for the Statewide Superannuation Trust (Star II) Utilities Trust, FP Consortium Pty Ltd ACN 144 794 132.

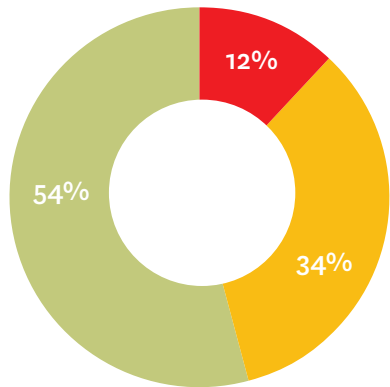
The Trustee holds interests in these special purpose vehicles for investment purposes. These entities do not undertake any business operations themselves. As part of the further analysis of modern slavery risk within Statewide Super’s supply chain during year 2 of the 3 year Action Plan, further analysis of the modern slavery risk associated with investments made through these special purpose vehicles will be undertaken along with the further analysis regarding Statewide Super’s modern slavery risk within its broader investment supply chain.



Risk by spend

Analysis of just over \$19 million of spend across our operations identified 12% of spend as potentially high risk for modern slavery. This is largely due to our spend on property and facility management services.

A further 34% of spend was categorised as medium risk for modern slavery and includes spend on ICT software. Our potential risk profile by spend is almost identical to findings in the FY20 reporting year.

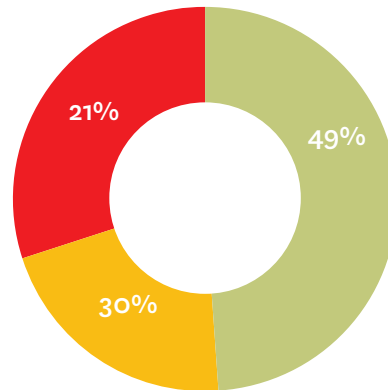


Red: High risk
Amber: Medium risk
Green: Low risk

Risk by supplier number

Analysis of supplier risk indicates that 49 of the 240 suppliers analysed are potentially high risk for modern slavery with a further 118 suppliers considered to present a medium risk of modern slavery (based on category of supply).

Whilst many of our direct suppliers are based in Australia and represent a lower risk for modern slavery, we acknowledge that many of the goods procured from these suppliers may be manufactured in higher risk countries or regions.



Risk by spend category

Based on the four risk indicators, nine of our 18 spend categories are potentially high risk for modern slavery.

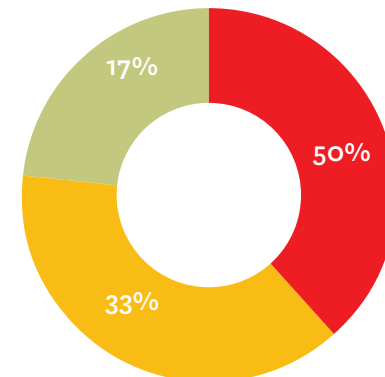
Our highest risk categories for modern slavery include:

- Property and facility maintenance services
- Office and building supplies and service
- Travel expenses, parking and accommodation
- Food, catering and hospitality
- Building, construction and office fit outs

These five categories account for 98% of our high risk spend.

Higher levels of modern slavery risk associated with these spend categories is due to country of manufacture (primarily China and other parts of Asia), the industry sectors involved (manufacturing, hospitality, travel, security and cleaning) and commodities (food and office supplies).

A further five spend categories represent medium risk for modern slavery, with 62% of this spend being for software and ICT support services.





Comparison of findings: 2020/2021 Modern Slavery Statements

Findings of our modern slavery Tier 1 supplier risk analyses in FY20 and FY21 are summarised below.

	FY20	FY21
Total spend analysed	\$17.08M	\$19.2M
Total suppliers analysed	103	240
High risk spend (% of total spend)	13%	12%
High risk suppliers (%)	10%	21%
High risk categories	5	9

Overall, the percentage of potentially high risk spend across the two years was almost identical, despite an increase in procurement spending of two million dollars in FY21. The increase in percentage of potentially high risk suppliers was mainly due to spend with a larger number of smaller suppliers. High risk spend categories are consistent with findings in our 2020 statement with most of our potential risk associated with one supplier providing property management services.

Risk in our Investment Portfolio

There is an increasing level of recognition in the financial services industry of the potential for modern slavery risk in investment portfolios. ESG considerations are increasingly incorporated into investment decisions, however, the focus has predominantly been on environmental and governance issues. Whilst social issues such as modern slavery have seldom had the same level of scrutiny, increasing levels of understanding of risk, requirements to undertake due diligence and the rise of ‘responsible investing’ and a focus on corporate social licence generally is driving change across the financial services sector.

From a financial perspective, we believe that ESG considerations can reduce investment risk – that is, companies that perform well in a range of ESG areas may create greater value and sustainability over the longer term through sound management practices, reduced resource usage/costs and lower likelihood of reputational damage.

Fund managers were asked to provide information on high-risk countries for modern slavery they may have exposure to, potentially high-risk industries or industry sectors they invest with and the associated domicile country and how modern slavery risks are being identified, assessed and managed within their portfolio. Responses highlighted:

- Many fund managers consider risk within their portfolios and supply chain to be low.
- Almost all fund managers are reporting entities under the Australian Modern Slavery Act (and some under the UK Modern Slavery Act) and have published Modern Slavery Statements outlining how they are managing risk in their respective portfolios.
- Many align modern slavery risk management with Environment, Social and Governance (ESG) plans and strategies.
- Responsibility for overall management of risks generally sits with governance, legal or compliance teams with day-to-day management of risk with many operational and supply chain teams throughout their organisation.
- A diverse range of management controls are being implemented by fund managers such as contract clauses and codes of conduct, training for key staff, engagement of expert advisors and undertaking risk assessments both internally or by third party auditors.

A hand is shown from the left side, holding a vertical stack of seven wooden blocks. Each block has a letter on it, spelling out the words 'CASE STUDY' from top to bottom. The blocks are light-colored wood with black letters. The hand is pointing towards the blocks.

C A S E S T U D Y

Understanding Modern Slavery Risks of our Material Outsource Providers

Our Investment Team has been working closely with asset consultancy company JANA to assess modern slavery risks of our material outsource providers. Self-assessment questionnaires were sent to thirteen (13) material outsource providers to better understand their modern slavery reporting obligations, governance and due diligence processes, operational and supply chain risk assessment outcomes, and importantly risks associated with their investment activities.

Of the providers assessed, less than one-quarter (23%) are themselves reporting entities under the Modern Slavery Act 2018 (Cth) or similar legislation elsewhere. Survey responses indicate that while many of our material outsource suppliers have ESG policies, systems and processes in place (which include some high level assessment of modern slavery risks), targeted modern slavery due diligence is limited. Most material outsource providers have not undertaken specific modern slavery risk assessments of their operations, supply chains, or investments. While the risks in their own operations and procurement of goods/services is regarded as low, survey responses indicate that there is potentially significant risk associated with investments in high risk sectors and across high risk geographies.

We will prioritise our ongoing due diligence efforts on those material outsource providers who invest in high risk sectors or geographies, as identified using the RIAA Investor Toolkit and the ACSI Modern Slavery Risks, Rights and Responsibilities Guide. As a result of our 2021 self-assessment questionnaire, we have identified five material outsource providers with whom we will engage more closely in 2022.



Reporting Criteria 4:

Actions taken to
assess and address
risk



Modern Slavery Action Plan and Road Map

The updated modern slavery gap analysis continues to inform our Modern Slavery Action Plan and road map. The Modern Slavery Action Plan includes actions for enhancing our approach to modern slavery governance, due diligence, risk and compliance, procurement and supply chain systems and processes, supplier engagement and monitoring, investment portfolio risk assessment and management, awareness, training and communications.

The following actions were completed in this reporting period:

Modern Slavery Working Group and Governance

Our MSWG continued to meet to track progress of our Action Plan, providing updates to our Risk Committee, Leadership Team and Board on issues relevant to the program. All key functional areas of our organisation are represented in our MSWG and we will continue to develop the knowledge and skills of the group to deliver our program. We continued to explore opportunities for building on our governance framework to ensure actions for measurement and reporting on modern slavery risks are documented, communicated and verified.

Updated Gap Analysis and Action Plan

With the support of external experts, we continued to review and improve our modern slavery risk management systems and processes. Our MSWG undertook a second modern slavery gap analysis to review our progress. We identified improvements in 14 of the 22 key action areas analysed in the gap analysis. Management Systems, Human Resources and Risk Management all showed the greatest levels of improvement between FY20 and FY21. Results of the gap analysis highlighted where improvements had been made and enabled us to prioritise and refine actions to further manage operational and supply chain risks (see previous section).

Policies and Procedures

To better reflect the requirements of our Modern Slavery Policy, we updated key internal policies and supporting documents such as our Investment Policy, Supplier Management Policy, Contract Management Policy and our Expenditure & Procurement Policy. Policies and procedures will continue to be developed and/or refreshed in collaboration with policy owners.

Supplier Risk Prioritisation

We repeated the process of prioritising our Tier 1 (direct) suppliers and supply categories against internationally recognised modern slavery risk indicators to gain a better understanding of trends and changes in our supplier risk profile.

Modern Slavery Supplier Questionnaire

We developed a Supplier Questionnaire to assist our employees to assess suppliers' policies and practices to identify, assess and mitigate modern slavery risks within their operations and supply chains. The questionnaire is designed to facilitate collaborative two-way engagement between Statewide Super and our suppliers. The questionnaire will be integrated into the tender and procurement processes.

Supplier Deep Dive Assessment

We invited our highest risk, highest priority supplier to complete a Self-Assessment Questionnaire to better understand their approach to modern slavery risk management. Responses to the questionnaire, along with supporting documentation will be assessed by external experts and a corrective action plan will be developed.



Investment Portfolio Risk Management

Appointment of a dedicated ESG Manager in our investments team strengthened our capacity to manage modern slavery risk in our portfolio. Members of the MSWG worked with investment managers and external financial advisors to collect information on potential risk within our investment portfolio. Questionnaires on potential modern slavery risk were sent to managers responsible for 90% of funds under management, representing approximately \$10.5B of investments.

An additional two Australian infrastructure assets in which we are directly invested plus banking institutions with which we have term deposits representing a further 9.5% of our portfolio have published Modern Slavery Statements (*NB: 0.5% of our Portfolio consists of legacy investments that will not be sent a questionnaire*). Based on responses to the survey, we will continue to work with fund managers to identify modern slavery risks based on country and sector risk and continuously improve risk management systems and processes. Annual ESG surveys of external investment managers and directly-held assets will enable us to track performance and identify emerging modern slavery risk within our portfolio.

Training and Awareness

All new staff undertake modern slavery awareness training as part of our induction and onboarding processes. We undertook a training needs analysis to identify training requirements for key internal and external stakeholders including our Board and Executive Leadership Team, procurement staff, support staff and other staff. The analysis informed a program of work to roll out training across operational areas over the next six to twelve months.

Management Team Engagement

Our 2021 modern slavery gap analysis workshop re-engaged key decision makers across our organisation. We also continued to engage other key stakeholders including the Board, the Risk Committee, and the Audit & Governance Committee through providing updates at Committee meetings which then flow through reporting lines to the Board.



Year 1 (April 2019 – March 2020) Establish Framework	Year 2 April 2020 – March 2021 Implement Priority Actions	Year 3 April 2021 – March 2022 Review, Extend, Evaluate & Improve
<ul style="list-style-type: none"> • Conducted broad modern slavery gap analysis to build Statewide Super baseline awareness and engagement for reporting purposes. • Undertook supplier risk prioritisation (for Tier 1 suppliers). • Formalised MSWG. • Developed a Modern Slavery Action Plan (and started to implement actions). • Engaged Leadership Team and Board. • Developed standardised questionnaire for investment managers. • Developed and delivered internal employee awareness survey. • Developed Modern Slavery Risk Awareness Training videos. • Undertook introductory training (eLearning) on modern slavery risks and reporting requirements (MSWG). 	<ul style="list-style-type: none"> • Included modern slavery risk review into enterprise risk management policies, procedures and framework. • Developed modern slavery supplier questionnaire. • Engaged our highest risk, highest priority supplier. • Incorporated modern slavery risk considerations into investment and procurement due diligence processes. • Modern slavery added as incident category in our Complaints Register and Incident Management Process. • Undertook Modern Slavery Training Needs Analysis. 	<ul style="list-style-type: none"> • Include KPIs and contract evaluation criteria in high-risk contracts and in material outsource agreements (including supplier attestations) • Incorporate achievement of modern slavery KPIs into supplier annual review process. • Extend modern slavery eLearning to all relevant employees. • Conduct due diligence on our highest risk, highest priority supplier and extend supplier risk assessment to highest risk Tier 2 suppliers. • Develop consistent modern slavery risk materiality review for use by investment managers. • Conduct ongoing assessment of internal and external stakeholder awareness. • Develop external survey to gauge customer/ member attitudes and understanding of modern slavery. • Review and update road map and strive for continuous improvement. • Review worker voice data collection opportunities. • Continue to review and report on modern slavery risk management initiatives (operations, supply chain, investment portfolios).



Reporting Criteria 5: Effectiveness Assessment



Statewide Super identifies, assesses and monitors risk, including modern slavery risk, in accordance with the Board's approved Risk Management Strategy (RMS). The RMS supports Statewide Super in achieving its strategic objectives by clearly articulating the approach to managing risk in a way that is consistent with the Board's risk appetite.

Roles and Responsibilities

Statewide Super adopts a three lines of defence approach to risk management in which all employees are responsible for identifying and managing risk, including modern slavery, and operating within the Board's risk appetite. Statewide Super's risk governance is based on the three lines of defence approach to risk management as follows:

First line of defence

Business Units

- Business Units are the first line of defence and ultimately the owners of the modern slavery risks of the business. They are responsible within the risk appetite and policies of the Board for identifying, evaluating and managing the modern slavery risks relating to all their areas of responsibility. They are required to establish and maintain appropriate controls, resources and self-assurance processes.

Second line of defence

Risk Services

- Risk Services are the second line of defence and provide independent oversight of the risk profile and risk management framework; provide a reporting structure independent of the risk generating business areas and are responsible for overseeing the design, maintenance and on-going development of the risk management strategy and framework, including the modern slavery program. A key function of the Risk Services Team is to independently challenge the activities and decisions that materially impact Statewide Super's risk profile.

Third line of defence

Outsourced internal audit function

- The outsourced internal audit function is the third line of defence and provides independent review and assurance over the appropriateness, effectiveness and adequacy of the risk management framework. This includes ensuring that the framework is adequately embedded and providing the Board and Leadership Team with comfort that Statewide Super's modern slavery governance, risk management and internal controls are operating effectively.



Effectiveness Assessment Framework

As outlined in our 2020 Modern Slavery Statement, key controls have been identified and Control Owners assigned within RiskNet (Statewide Super’s Governance, Risk and Compliance system) to address the key modern slavery risks across Statewide Super. In 2021 we assessed the effectiveness of our actions against the following measures:

Focus area	Example activity	Effectiveness Assessment
Risk and governance	Board and executive engagement Modern Slavery Policy Updated Risk Management Framework	Regular oversight on progress against modern slavery risk management plan by the MSWG and legal/compliance function Quarterly reports to executive and board committees
Procurement and supply chain	Supplier risk prioritisation Updated procurement policies Contract evaluation criteria Supplier modern slavery questionnaire Supplier due diligence	Update of supplier risk profile year on year Building greater understanding of potential modern slavery risks in our supply chain
Investment portfolio	Investment portfolio modern slavery risk analysis	Updated investment portfolio risk assessment and report Building greater understanding of potential modern slavery risks in our internally and externally managed portfolios Percentage of corrective actions effectively addressed
Awareness and Training	Modern slavery training needs analysis Awareness raising communications	Percentage of staff completing modern slavery training module Increased awareness and training to staff and senior managers
Grievance and Reporting	Updated Complaints Register and Incident Management Process to include specific category for modern slavery grievances	Review of number of issues raised and percentage of issues effectively addressed

Continuous Improvement

Statewide Super is committed to our responsibility to assist in identifying, assessing and monitoring the risks of modern slavery within our supply chain. The work undertaken by the MSWG during this reporting year has focused on integrating modern slavery risk management into our operational policies and procedures, repeating the supply chain risk assessment and gap analysis and gaining a better understanding of potential risk in our investment portfolio.

We will continue to educate our Board and senior management team, key managers and all our staff and contractors on the modern slavery risks facing our organisation and develop practical tools and resources to enable them to manage it. A key focus will be to build on efforts to engage our portfolio managers – particularly those with investments in higher risk countries and industry sectors - to effectively assess and address both potential and actual modern slavery risks.

Statewide Super will encourage, through its procurement processes and as far as is reasonably possible, its investment governance framework, its suppliers and investment managers to adhere to labour, health, safety and employment laws and put in place measures to assess, monitor and address modern slavery risks within their own operations and supply chains.

Statewide Super is committed to progressing the actions identified in its Modern Slavery Action Plan and to continuously improving the level of awareness and actions taken by Statewide Super to address modern slavery risk.



Reporting Criteria 6:

Process of consultation
with entities owned
or controlled



Statewide Super does not own or control any entities which operate on a going concern basis but holds interests in special purpose investment vehicles through which the Trustee invests.

These special purpose vehicles do not generally procure a high level of services or goods and are part of the Trustee's investment supply chain. Members of the Finance Team and the Investments Team are directors of these entities.



**Reporting
Criteria 7:
Other**





Statewide Super ensures that sustainability principles and practices are factored into the way it carries on its business and the investment of members' retirement savings. The Trustee believes that focussing on ESG considerations as part of the investment process may reduce investment risk. For this reason, Statewide Super is a signatory to the United Nations Principles for Responsible Investment (UNPRI), which is a collective international framework for institutional investors, investment managers and service providers to integrate ESG considerations into investment decision-making and analyses. Statewide Super is committed to working towards the implementation of the six principles of the UNPRI framework.

Statewide Super is also a member of the Australian Council of Superannuation Investors (ACSI), which provides independent research, engagement, proxy voting and advocacy services to member super funds to manage ESG investment risk. Statewide Super also maintains an ESG Investment and Proxy Voting policy which describes Statewide Super's approach to incorporating ESG and responsible investing practices, including the risks of modern slavery.





STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the principal governing body of

the Statewide Superannuation Trust, Statewide Superannuation Pty Ltd ACN 008 099 223

as defined by the Modern Slavery Act 2018 (Cth) ("the Act") on 25 November 2021

Signature of Responsible Member

This modern slavery statement is signed by a responsible member of The Board of Directors of Statewide Superannuation Pty Ltd ACN 008 099 223 as defined by the Act

Ken Williams

Chair of the Board of Statewide Superannuation Pty Ltd ACN 008 099 223

25 November 2021

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number
a) Identify the reporting entity	4
b) Describe the reporting entity's structure, operations and supply chains.	8
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	11
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	20
e) Describe how the reporting entity assesses the effectiveness of these actions.	24
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	27
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	29

Statewide Super

Your local industry fund

Member Services: 1300 65 18 65
Website: statewide.com.au
Email: info@statewide.com.au
Address: 211 Victoria Square, Adelaide, SA 5000
Postal address: GPO Box 1749, Adelaide SA 5001

Statewide Superannuation Pty Ltd ABN 62 008 099 223 (AFSL 243171) Trustee and RSE Licensee of Statewide Superannuation Trust ABN 54 145 196 298 ("Statewide Super"). In deciding whether to acquire, or continue to hold, a Statewide Super product, please consider the applicable Product Disclosure Statement (PDS) and Target Market Determination available at statewide.com.au or by calling 1300 65 18 65.

The information provided contains general advice which does not take into account your specific objectives, financial situation or needs. Before investing, you should consider the appropriateness of this general advice with regard to your personal circumstances. You may also wish to obtain independent financial advice. This brochure is not intended to be, and should not be construed in any way as, investment, legal, or personal advice.

Statewide Super holds an Australian Financial Services Licence (AFSL) that allows it to provide general and personal financial advice. Statewide Super Financial Planners are employees and Authorised Representatives of Statewide Super, who is responsible for any advice given to you by them.

Statewide Super also has an associated network of financial advisers ("Associated

Advisers") based locally and regionally. Advice provided to you by these Associated Advisers will be provided under the AFSL held by a third party. That third party is responsible for the financial advice given to you by an Associated Adviser.

For further information and a copy of the applicable Statewide Super Financial Services Guide (FSG), visit statewide.com.au or call 1300 65 18 65. A copy of the relevant FSG for an Associated Adviser can be obtained by contacting the Associated Adviser directly.

Canstar 5-Star Rating for MySuper awarded in March 2020 www.canstar.com.au/star-rating-reports/superannuation, Chant West 5 Apples Ratings 2021 – for further information about the methodology used by Chant West, see www.chantwest.com.au and SuperRatings Platinum Rating 2021 – www.superratings.com.au/ratings-and-awards. Ratings are only one factor to be taken into account when deciding whether to invest in a financial product.

Statewide Super's insurer is MetLife Insurance Limited ABN 75 004 274 882 (AFSL No. 238 096).

SWS0032 issued in November 2021.

