



ESSSUPER MODERN SLAVERY STATEMENT - 2024

ESSSuper
EMERGENCY SERVICES SUPERANNUATION BOARD
ESSSUPER MODERN SLAVERY STATEMENT - 2024

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1. Purpose of the Statement

The Emergency Services Superannuation Board (Board) acknowledges its responsibility to protect human rights. We do not tolerate modern slavery or human trafficking in our organisation or supply chain. This statement is made pursuant to the criteria outlined in section 16 of the Modern Slavery Act 2018 (Cth) (MSA). It describes our present and ongoing commitment to minimise the risk of modern slavery and human trafficking occurring within our supply chains and business. It covers the period the financial year ending 30 June 2024.

2. Scope of the Statement

The Board has issued this Statement to reflect the requirements of the Modern Slavery Act 2018 (Cth) (MSA).

The Board has established an internal reviewing process to:

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

3. Reporting Entity

Emergency Services Superannuation Scheme (ESSSuper) is an exempt public sector superannuation scheme under the Commonwealth's Superannuation Industry (Supervision) Act 1993 (SIS) and related superannuation legislation, whose members include emergency services employees and state government employees within the State of Victoria.

The Board acts as the administrator of ESSSuper. The Board administers the State's complex statutory defined benefit superannuation funds and all other administered schemes and is responsible for meeting its obligations under the Emergency Services Superannuation Act 1986 (Vic).

The Board employs over 150 people, all of whom are based in Australia. Our workforce consists of predominantly permanent employees across a variety of professional roles.

Our members are active or retired public servants who provide essential services to the community. The majority of ESSSuper members are staff of Victoria Police, Fire Rescue Victoria, Ambulance Victoria, and Victorian Government schools.

Our mission is to help members achieve their superannuation and retirement goals, while meeting stakeholder responsibilities. With more than 124,500 members holding over \$37 billion in defined benefit and accumulation assets (as at 30 June 2024), we are one of Australia's largest super funds.

ESSSuper's participating employers are:

- Victoria Police
- Fire Rescue Victoria
- Country Fire Authority
- Ambulance Victoria
- Metro Trains Melbourne
- V/Line
- Department of Education & Training
- Department of Family, Fairness, and Housing / Department of Human Services

- Department of Justice
- Corrections Victoria
- Court Services
- Department of Environment, Land, Water and Planning
- Department of Jobs, Precincts, and Regions
- Department of Transport / VicRoads

ESSSuper aims to grow and protect our members' superannuation and support them throughout their lives. To achieve this the Fund provides options, information and advice to ensure members can make the best choices to meet their retirement goals.

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

ESSSuper is the reporting entity for this statement, and it does not own or control any other entities for the purpose of consultation relating to this statement.

Reporting Entity Structure

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

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

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

Values

The Board has over 150 employees, all of whom are based in Australia and all of whom are provided with MSA awareness training. The Fund recognises the contribution each employee makes to the organisation and has identified four fundamental values expected of every staff member, which are based upon Accountability, Trust, Collaboration and Courage.

Suppliers

In addition to staff, the business had 283 suppliers of goods and services in the 2023/24 financial year. These include general service providers, consultants, investment managers, investment advisors, and specialist service providers directly associated with the superannuation industry.

The suppliers provide services that directly relate to the administration and investment of members funds. Purchases of material and equipment are minimal and are undertaken within the Victorian Government Procurement principles and guidelines.

Assessing the risks and opportunities arising from Environmental, Social and Governance (ESG) issues forms an important part of ESSSuper's investment principles and Investment Governance Framework.

ESSSuper appoints external investment managers based on a number of factors, one of which is the extent to which their consideration of the risks and opportunities associated with ESG issues is consistent with our Responsible Investment Policy. Appointed external managers are monitored via an annual questionnaire to ensure the continued integration of ESG issues into their investment

processes. Manager responses inform ESSSuper's yearly review to decide if the appointed managers are still a good fit. ESSSuper also considers non-ESG factors when deciding whether to keep working with these managers.

Supply chains

ESSSuper's exposure to Modern Slavery risks in its activities and supply chain are considered low as:

- it does not operate in or directly acquire services from industries subject to known high risks;
- it only operates within Australia, primarily employing the services of Australian based suppliers;
- service providers predominantly supply technical expertise, advice and IT software; and
- purchases of equipment, materials and office supplies are through approved supplier contracts.

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

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

ESSSuper had 242 business services suppliers in 2023/24, (excluding 41 investment services suppliers such as Fund Managers) and the top 20 suppliers represent more than 73% of total expenditure on suppliers. Of the top 20 suppliers, 12 had their own Modern Slavery Statements and the remainder did not meet the threshold for the mandatory issuance of an MSA statement. Of the 242 business services suppliers, 93 (38%) had issued Modern Slavery Statements. ESSSuper had a further 41 investment services suppliers in 2023/24 of which 39 had their own Modern Slavery Statements or policies addressing modern slavery in their supply chains. The two suppliers with minimal modern slavery information ceased to operate during the year.

Investments

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

Investment responsibilities for the defined benefit assets were transferred to the Victorian Funds Management Corporation (VFMC) on 1 July 2006. As at 30 June 2024, the amount managed by VFMC was \$27.4B. However, the Board retains investment responsibilities for managing the accumulation assets and is responsible for setting investment objectives for both the accumulation and defined benefit assets. VFMC issues its own Modern Slavery Statement.

In order to encourage better corporate practices that align with members' best interests, the Fund exercises its right to vote on shareholder resolutions. The Fund has appointed a specialist proxy voting adviser to vote on its behalf and manage most operational aspects of the proxy voting process. The goal of the proxy voting advisor is to protect and enhance shareholder value through active communication with companies in regard to ESG risks

4. Risk assessment and due diligence

In consideration of the MSA, ESSSuper undertakes an annual examination of the risk characteristics of its suppliers, with a focus on areas of known vulnerability and risk exposure and review of adoption of modern slavery risk policies and practices. This examination involves a review of the type of services provided, the nature of the suppliers' workforces and their location and any public statements or policies that detail the suppliers' actions in regard to addressing and preventing modern slavery risks in their supply chain. This is supplemented by a questionnaire to selected suppliers with potentially higher risk or less public information available regarding their approach to modern slavery compliance. The questionnaire assists ESSSuper in assessment of the awareness of and actions taken by these suppliers in regard to modern slavery risk exposure in their supply chain.

The types of goods and services procured by ESSSuper are:

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

In the process of identifying modern slavery exposure, ESSSuper focused on its procurement practices and suppliers. Procurement practices at ESSSuper are undertaken having regard to the Victorian Government Purchasing Board standards and guidelines.

Contracts are reviewed relative to known categories of at-risk groups to allow efforts to be directed to the areas where the most risk or uncertainty was identified. These groups and the products they relate to are outlined in the following table.

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

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

Assessment and actions to address modern slavery risks

The supplier review undertaken in relation to supplier contracts in place during the 2023/24 financial year has not identified any occurrences of modern slavery and all suppliers were identified as either low risk or taking action in areas of potential exposure in their supply chains, such as those shown in the table above. This reflects the nature of the businesses they operate, services they supply and countries in which they operate.

The use of questionnaires over the past four years and examination of the responses have provided useful information on the approach taken by individual suppliers and assists the Board to understand their level of their awareness of Modern Slavery and their ability to identify potential exposure. This also allows ESSSuper to identify businesses with room for improvement and to encourage them to take actions which will demonstrate their commitment to MSA principles. These actions reinforce ESSSuper's expectations of its suppliers to continue developing their own modern slavery practices and values that are aligned with those of ESSSuper.

In the 2023/24 financial year ESSSuper used 283 suppliers, of which 119 (42%) had issued their own modern slavery statements, policies or practices, which is an increase of 27 from 92 in 2022/2023. It was notable that more businesses that were below the threshold for producing their own Modern Slavery statement were making efforts to apply policies to address exposure to Modern Slavery in their business.

In the 2023/24 financial year Modern Slavery training was provided to all staff through an online course which is part of ESSSuper's compliance training program.

5. Future commitments

In 2024/2025 ESSSuper's focus will be to:

- continue to incorporate standard modern slavery clauses into the contracts of major suppliers;
- undertake projects to support our investment stewardship activities, such as modern slavery;
- recruit a dedicated procurement manager to strengthen procurement processes and to work with the business and vendors to address potential modern slavery risks in the supply chain;
- collaborate with other investors to influence change across the market at a systemic level, and sharing information with our clients, peers, and key industry groups to strengthen the industry as a whole; and
- provide further staff training and awareness and understanding of areas of risk exposure to modern slavery in operational activities.

6. Approval

This modern slavery statement was approved by the Emergency Services Superannuation Board on 5 December 2024.



Joan Fitzpatrick
President

7. Appendix

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

Mandatory criteria for modern slavery statements	Reference page
Identify the reporting entity	3
Describe the structure, operation and supply chains of the reporting entity	4
Describe the process of consultation with: <ul style="list-style-type: none"> any entities that the reporting entity owns or controls; and in the case of a reporting entity covered by a statement under section 14 of the Act – the entity giving the statement	4
Describe the risk of modern slavery practice in the operation and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	6
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	7
Describe how the reporting entity assesses the effectiveness of such actions	7
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	8