

# FY2021 Modern Slavery Statement

## Contents

1. Identify the reporting entity	1
2. Describe the reporting entity's structure	1
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	2
4. 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	4
5. Describe how the reporting entity assesses the effectiveness of these actions	5
6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultations with the entity giving the statement)	6
7. Any other relevant information	6

## 1. Identify the reporting entity

The Commonwealth Modern Slavery Act 2018 (the 'Act') established Australia's national Modern Slavery Reporting Requirement applicable to entities with annual consolidated revenue of \$100 million and above.

This modern slavery statement is prepared and issued by Prime Super Pty Ltd ABN 81 067 241 016 as the Trustee of Prime Super ABN 60 562 335 823. For the purposes of this statement, Prime Super Pty Ltd and Prime Super are referred to as 'Prime Super', 'our' or 'we'.

## 2. Describe the reporting entity's structure

Prime Super is an Australian superannuation and pension fund operating under Australian Financial Services License ('AFSL') no. 219723. It is licenced to deal in and provide general financial product advice in relation to superannuation products.

Prime Super was incorporated in Melbourne and our head office is located at 500 Collins Street, Melbourne VIC 3000. Prime Super operates out of offices in Melbourne, New South Wales and Queensland. Prime Super is not part of a group of companies, nor does it own or control other entities for the purposes of the Act.

As at 1 November 2021 Prime Super employed a total of 45 employees and had a total of approximately \$6.3 billion in assets under management.

Our supply chain is made up of:

- operations
- administration
- insurance
- professional services and consultancy
- investments (externally managed)
- marketing and communications
- commercial leasing
- staffing
- information technology ('IT') and software
- catering
- accommodation and travel.

### **3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls**

According to the Global Slavery Index, in 2016 40.3 million people were living in modern slavery. Prime Super supports the protection of fundamental human rights and the global fight against modern slavery.

The Act defines modern slavery as including eight types of serious exploitation:

- trafficking in persons
- slavery
- servitude
- forced marriage
- forced labour
- debt bondage
- deceptive recruiting for labour or services
- the worst forms of child labour.

Prime Super's supply chain consists primarily of professional services to enable us to service our members and to operate as a regulated superannuation fund. Professional services attract a lower modern slavery risk than manufacturing and /or unskilled labour. Overall, Prime Super has assessed our risk of modern slavery within our operations and direct supply chain as low.

The table below outlines categories used as part of our modern slavery risk assessment framework and methodology:

<b>Risk category Prime Super's modern slavery risk</b>	
Country-based labour	With an increased global supply chain, Prime Super recognises the importance of combatting modern slavery and in turn supports localised supply. It is also noted that Australia's supply chains proved generally resilient in response to the COVID-19 pandemic <sup>1</sup> . Prime Super's direct suppliers operate out of Australia. According to the 2020 Trafficking in Persons Report, and Global Slavery Index's country data, Australia's modern slavery risk has been categorised as low risk.
Offshoring and manufacturing	Within the relevant reporting period, two of Prime Super's suppliers reported offshoring of services. One of the suppliers offshores IT and telephony services to India which is a country that attracts a medium to high modern slavery risk.
Labour	The work profile of Prime Super attracts a very low labour risk. Prime Super complies with all applicable Australian labour laws and does not employ unskilled, temporary or migrant workers in the provision of financial services to our members and in operating the fund. Due to the wide reaching impacts of the COVID-19 pandemic, Prime Super was committed to supporting its employees in flexible work arrangements.
Commodity	According to the Global Industry Classification Sectors and Walk Free Foundation, particular commodities carry greater risk of modern slavery and human rights violations due to the way that they are produced. Risk is determined by the presence of the commodity; country of origin of the commodity and relevant certification. Prime Super does not engage in any direct manufacturing activities.
Category	The Department of Home Affairs outlines that certain sectors and industries have higher modern slavery risks because of their characteristics, products and processes. For example, extractives, textiles, fashion, fishing, electronics, cleaning, construction and agriculture are recognised as high-risk industries globally.  Prime Super utilises electronics and facilities management (which includes an indirect supply of cleaning services) as part of commercial leasing arrangements.

<sup>1</sup> Vulnerable Supply Chains Report.

<http://www.pc.gov.au/inquiries/completed/supply-chains/interim/supply-chains-interim.pdf>

Risk category Prime Super's modern slavery risk	
Entity	Prime Super will not directly engage any suppliers with a record of treating workers poorly or human rights violations.
Investments	<p>Our investment portfolio spans Australian and international equity markets, including direct property, infrastructure, and private equity investments. Prime Super have investments across a number of sectors including energy; IT; material; financial services; property; healthcare and telecommunications.</p> <p>The Asia-Pacific region is identified by the Responsible Investment Association Australasia (RIAA) as having the largest concentration of people in slavery-like conditions in the world. The RIAA also outlines higher risk industry sectors such as agriculture and fishing, apparel, construction and building materials, mining, and electronics and electronics recycling.</p> <p>Prime Super invests internationally and across different commodities and works closely with our investment managers to have a better understanding of how modern slavery commodity risks are being addressed.</p> <p>Prime Super is aware that emerging markets represent a greater level of risk for modern slavery. The majority of Prime Super's investments in emerging markets are held in the Asia-Pacific region.</p>

#### 4. 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

Utilising the categorisations above, Prime Super has created a modern slavery framework to assess and address our modern slavery risks and has undertaken the following actions:

- updated and linked modern slavery questionnaires to our modern slavery risk assessment matrix
- due diligence (including issuing questionnaires and company research) on suppliers to enable us to "get to know" our supply chain
- conducted a deep dive into our investments supply chain to understand and address modern slavery risks
- continued to work with our suppliers to help them understand their own modern slavery risks within their direct and indirect supply chains and have incorporated modern slavery questions into our annual supplier review
- updated policies and procedures to include modern slavery risk considerations
- set up an anonymous method for stakeholders to raise any concerns that they have about modern slavery risks as part of our whistleblower program published externally on Prime Super's public website

- strengthened our risk and compliance framework in relation to modern slavery controls in our risk and compliance program
- integrated modern slavery risk analysis into our environmental, social and governance ('ESG') processes and undertake regular ESG assessments of each asset
- continued to consider manager skill in identifying, engaging and managing ESG risks (of which modern slavery risk is one) as a key control in mitigating this type of risk.

### Investments

A risk assessment of Prime Super's investment portfolio was conducted and considers the highest risk of modern slavery to be within emerging markets predominantly due to inherent country-based and labour risks.

Prime Super has identified the following investments with a higher risk of modern slavery within extended supply chains:

- investments in the Asia-Pacific region
- investments in Russian domiciled companies
- high-risk sectors
- emerging markets.

Prime Super has engaged with our investment partner to respond to the identified modern slavery risks and to develop a plan to address such risks.

Our investment partner is in the process of amending its practice in relation to its investee companies to focus on addressing modern slavery and human trafficking risks.

Prime Super's direct property assets are entirely located in Australia, which is considered a low risk jurisdiction in relation to modern slavery. Prime Super is a part-owner of an infrastructure asset located in Singapore and has conducted due diligence on this asset regarding the risks of modern slavery. This monitoring will be ongoing.

Prime Super adopts a continuous improvement approach to the management of modern slavery risks and will continue to work closely with our investment managers to monitor and address modern slavery risks.

## 5. Describe how the reporting entity assesses the effectiveness of these actions

While Prime Super has assessed our modern slavery risk within our operational and direct supply chain as low, Prime Super recognises that modern slavery risks can be hidden by indirect suppliers.

Since the first year of modern slavery reporting, Prime Super has conducted a deep dive into its investments supply chain, and as a result, was able to identify 17 potential modern slavery risks in our indirect investment supply chain.

Additionally, Prime Super assesses the effectiveness of its actions in response to modern slavery by:

- working with suppliers to check how they are progressing with any actions that they have put into place to address modern slavery risks. This is undertaken with material suppliers through our annual supplier review process
- undertaking periodic review of our modern slavery risk assessment framework to ensure that it remains up to date

- tracking internal compliance with modern slavery obligations
- mandatory staff training and engagement regarding modern slavery risks on a regular basis
- undertaking a deeper dive into modern slavery risks in our investment portfolio (including indirect investments)
- regular monitoring of investment governance frameworks (including ESG) which includes an annual stewardship survey that requests access to the relevant policy frameworks
- including where necessary contractual inclusions in support of our modern slavery framework
- our investment manager selection process assesses the strength of a manager's relevant frameworks and are subject to quarterly review as part of risk monitoring processes each year
- monitoring any medium to high-risk suppliers and supply chains
- reviewing cases reported through mechanisms (such as the anonymised whistleblower hotline).

## **6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultations with the entity giving the statement)**

Prime Super does not own or control any other entities for the purposes of the Act.

## **7. Any other relevant information**

Prime Super recognises the unprecedented impact that the COVID-19 pandemic has had on the global economy. Prime Super is committed to playing our part in reducing the risk of vulnerable workers in their operations and supply chains becoming exposed to modern slavery as a result of the COVID-19 pandemic. We have encouraged our suppliers to communicate with us about any modern slavery impacts on their supply chain given the COVID-19 pandemic.

This statement has been approved by Prime Super's Board of Directors.



Nigel Alexander, Chairman