



Modern slavery statement

2019/20

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Introduction

At Vision Super, we pride ourselves on being a fund that invests and operates responsibly for the environment and our community. Our responsible investment practices strongly support diversity and respect internationally proclaimed human rights and ethical labour practices.

Environmental, social and governance (ESG) factors are not only embedded within our beliefs but are analysed as part of our internal processes and governance due diligence assessment framework of the Fund.

Vision Super recognises that prosperity of the economy and the wellbeing of our members depend on a healthy environment, social cohesion and good governance within our operations, supply chains and the companies in which we invest.

Vision Super supports efforts to end modern slavery. We believe that businesses and companies have a key role to play in tackling this issue by strengthening the protections in their own supply chains.

Explaining modern slavery

Modern slavery is an extreme form of human rights exploitation commonly used to refer to several coercive labour practices. These include forced labour, human trafficking, debt bondage, forced marriage and the exploitation of child labour.

Modern slavery is a widespread, criminal activity that has a significant economic impact globally. It is estimated that forced labour generates US\$150 billion (A\$220.5 billion) in profits annually. Playing into this exploitation are a growing number of global migrants in search of prosperity, more complex supply chains (brought about by globalisation) and weak enforcement by regulators.

Poor, vulnerable and low-skilled workers, as well as migrant workers, are at high risk of human trafficking. However, it's not an issue limited to certain geographies or sectors. Modern slavery is a global systemic issue – and virtually all industries have risks, although some pose a higher risk than others.

For more information please refer to the Global Slavery Index at: www.globallslaveryindex.org/2018/findings/global-findings/

Vision Super overview

Vision Super Pty Ltd (RSE L0000239; ABN 50082924561) (VSPL) is the trustee company and Administrator of the Local Authorities Superannuation Fund (LASF) (ABN 24496637884) and is domiciled in Australia located at Level 15, 360 Collins Street, Melbourne.

Vision Super has a long history as a superannuation fund and has been providing superannuation and retirement services to local government authorities and related industries including water, libraries, cemeteries, crematoria and community services for over 70 years. Today, Vision Super has around 88,000 members, around 100 employees and approximately \$A11.4 billion in assets under management. The Fund also provides pensions to members within both the accumulation and defined benefit sections of the Fund.

Here to help

Telephone 1300 300 820 (8:30am to 5:00pm)

Monday – Friday (not including Victorian public holidays)

email memberservices@visionsuper.com.au

visit www.visionsuper.com.au

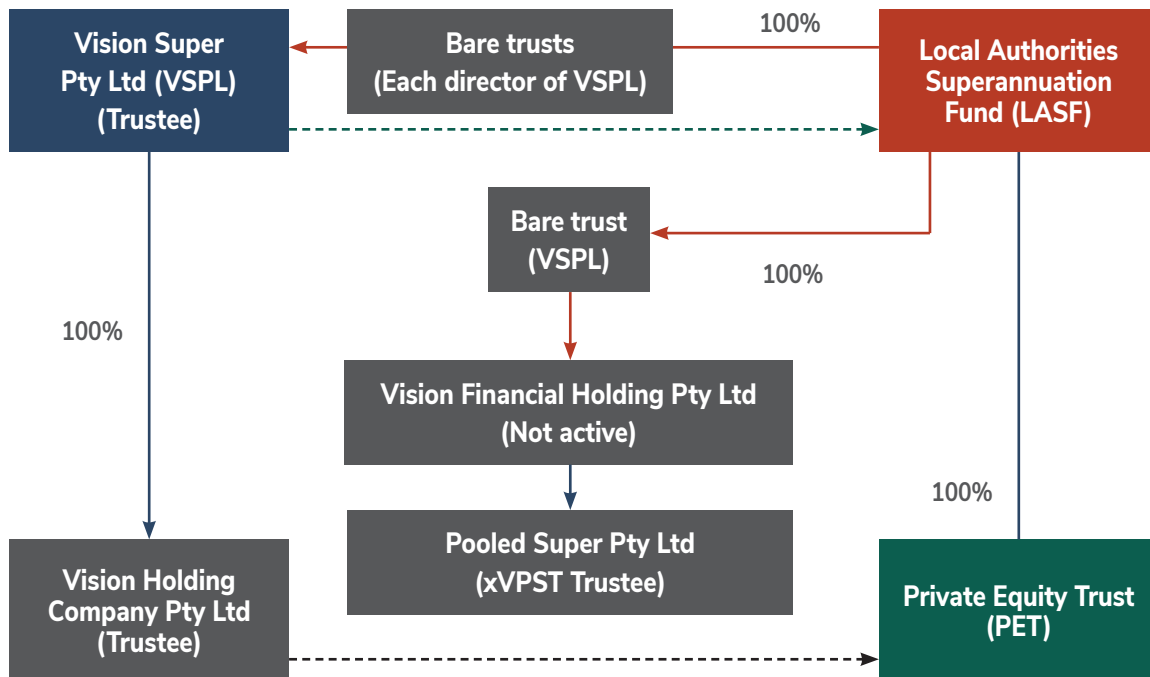
write PO Box 18041, Collins Street East, VIC 8003

ABN 50 082 924 561 AFSL 225054

RSE L0000239 USI 24496637884020

Fund organisational structure

Vision Super Pty Ltd (VSPL) is 100% owned by Local Authorities Superannuation Fund (LASF) and ownership of shares for Directors are beneficially held by LASF and so are part of a corporate group as a result. There are no controllers who directly or indirectly exercise control through the capacity to determine decisions about financial and operating policies.



More information can be located at www.visionsuper.com.au/about/fund-details/

The services we provide

Our main business is the investment of members' funds for the benefit of members in their retirement. For more information about our services, which include superannuation products, retirement products, insurance and financial planning please see our website www.visionsuper.com.au/about

For details of our Directors and executive team, please see www.visionsuper.com.au/about/directors-and-executives/

Supply chains and risk assessment process

Vision Super has a range of products and services that underpin the operations of the Fund. Some of these are provided by external parties, including investment services, master custody arrangements, information technology vendors and products, building facilities management, human resources, marketing and merchandise, office equipment and other financial service providers. These services are guided by the Fund's procurement and outsourcing policies, which outline the fundamental frameworks to ensure effective controls and processes around these activities.

Due diligence

Vision Super addresses modern slavery risks through due diligence and remediation processes that ensure we identify, prevent, mitigate and account for actual and potential adverse human rights impacts in operations and supply chain processes, including modern slavery.

The due diligence process focuses on:

- > Identifying and assessing actual and potential human rights impacts (ie new screening and enhanced due diligence on new fund managers and third-party service providers)
- > Integrating findings across the organisation and taking appropriate and measured steps to address impacts (ie internal training or introducing processes for internal reporting)
- > Tracking progress to check whether impacts are being addressed (ie annual questionnaires sent to third-party service providers and fund managers on modern slavery risks)
- > Publicly communicating actions via the Modern slavery statement, the annual report or the Vision Super public website.

Vision Super is aware that some areas within the Fund's supply chain may have some exposure to modern slavery risk, and as we understand the issues better going forward, will take appropriate steps to reduce these risks.

Processes in place

Management established an internal steering group which meets on a regular basis to evaluate the Fund's outsourced business supply chains and risks to modern slavery. The steering group determined that potential modern slavery risk within our external investment portfolios required in-depth analysis and evaluation, along with a risk assessment of information technology vendors, building management and marketing merchandise.

Investments

External fund managers

We sent our external fund managers a detailed questionnaire to help us evaluate modern slavery risk on a manager by manager basis. Our external fund managers all acknowledged that in the first instance, they were not aware of any current cases of modern slavery within their operational supply chains and investment activities.

In assessing the responses, management used a sector by sector approach to identify 'leaders', so we can use those examples with 'laggards' in ongoing fund manager dialogue and as part of our internal sector reviews.

We performed a risk assessment ranking the Fund's investment portfolios in equities, debt, property, infrastructure (and to a lesser extent investments in private markets) as no risk; low risk; medium risk or high risk. In performing this assessment, it was determined that a good number of fund managers already produce a modern slavery statement and have robust policies and procedures in place. Others indicated that they will be producing a modern slavery statement and have policies that support or reference modern slavery inclusive of ethical sourcing and some adoption of the UN Guidelines on Human Rights, whistle blower provisions and codes of conduct.

The rating system also determined that we had more holdings exposed to some form of risk to modern slavery for our offshore portfolios in equities, alternative debt and for global real estate investment trusts.

Furthermore, we determined that there was a group of fund managers that do not have any policy with respect to the Modern Slavery Act.

Another aspect of the assessment identified managers operating in either high-risk jurisdictions or sectors, namely for offshore emerging and some developed markets for equities and debt portfolios.

Property & Infrastructure portfolios

Vision Super's property portfolios are managed by Australian fund managers and our evaluation has determined that these assets are generally lower risk in terms of the segments they are invested in (office, industrial and retail). We have previously written to our property investment managers to assess the risks of cleaning services using exploited labour, and have ascertained that the managers are accredited through the Cleaning Accountability Framework (CAF). Our own office manager is also a signatory to the CAF. We believe that our property managers generally have strong approach to embedding modern slavery considerations into their operations, systems and processes.

Our infrastructure exposures also integrate modern slavery risk assessment and are subject to ongoing refinement and improvement with all direct assets required to report on a suite of ESG indicators on an annual basis, with additional requirements on modern slavery risk management to be included in the annual reporting.

Information technology and merchandise

The Fund's information technology vendors and marketing merchandise vendors were also reviewed, and were determined to be of a low risk category within our supply chains.

Remediation

Where Vision Super identifies that we have caused or contributed to adverse impacts such as modern slavery, we will cooperate in the remediation of the impact. Where possible Vision Super will also strive to use our leverage with the third-party service providers and fund managers that caused the impact to prevent or mitigate the harm and its recurrence. Where this is not successful, Vision Super will review and consider ending business relationships with the entity that caused the impact.

Vision Super has in place a robust grievance process (both internally and externally) that addresses a range of adverse human rights impacts, including modern slavery. This sits alongside other internal policies and processes that enable concerns to be identified and/or addressed. Vision Super will annually reviews these grievance processes to ensure they remain effective and assist in identifying issues, better manage risks, ensure strong compliance culture and strengthen the organisation's reputation.

Effectiveness of our actions


- > Establishing a process to regularly review actions we have taken
- > Annual reviews of risk assessment processes to ensure they are up to date
- > Setting up annual questionnaires to provide regular engagement and feedback from third party service providers and fund managers
- > Conducting internal audits and monitoring of risk processes
- > Tracking actions taken and measuring impacts.

Vision Super is committed to:

- > Advocating for companies we invest in to improve their human rights records and working conditions
- > Continuing to engage with our fund managers to better understand their ESG processes and their assessment of modern slavery risk within their supply chains
- > Continuing to engage with fund managers identified as medium to high risk
- > Implementing a modern slavery reporting clause within managed investment management contract agreements and within side letters for new unlisted portfolios
- > Reflecting modern slavery considerations where appropriate within our procurement, outsourcing and ESG policies and processes
- > Providing appropriate training to staff on modern slavery
- > Monitoring that modern slavery risks within the organisation are understood.

Approval of Statement

The Statement was approved by the Board of Vision Super Pty Ltd on 19 February 2021.



Geoff Lake
Chair of the Board



Stephen Rowe
Chief Executive Officer