



Modern slavery statement

2023/24

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Vision Super Pty Ltd ABN 50 082 924 561 AFSL 225054 RSE licence number L0000239 is the Trustee of the Local Authorities Superannuation Fund ABN: 24 496 637 884 (together 'Vision Super', 'the Fund', 'we', 'us' or 'our'). Level 15, 360 Collins Street, Melbourne. PO Box 18041, Collins Street East, Victoria 8003. visionsuper.com.au. Member hotline 1300 300 820, Employer hotline 1300 304 947, Retirement hotline 1300 017 589.

Introduction

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.

We believe that businesses and companies have a key role to play in tackling modern slavery by strengthening the protections in their own supply chains.

Vision Super has signed a Heads of Agreement to merge with Active Super. Vision Super and Active Super share our origins in local government and have a similar membership and funds under management. We have set a merger date of 1 March 2025 at which point the two funds will come together in a successor fund transfer of Active Super into Vision Super. The merged fund will continue our focus on identifying, mitigating and accounting for actual and potential adverse human rights impacts in operations and supply chain processes.

Explaining modern slavery and global findings

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. Worldwide, it is estimated 50 million people were living in modern slavery on any given day in 2021 according to the latest global estimates of modern slavery. The findings report that from these figures, an estimated 28 million were in forced labour and 22 million were in forced marriages.

More than half (52%) of all forced labour and a quarter of all forced marriages can be found in upper-middle income or high-income countries.

More than 12 million of all people in modern slavery are children, and women and girls account for slightly over half of them (54%). Migrant workers were three times more likely to be in forced labour than non-migrant workers. The latest findings in the Global Slavery Index for 2023 revealed a decline since they last measured the data in 2016. Since then, the number of men, women, and children reported as being forced to work against their will or in a forced marriage has risen by ten million.

The statistics show 63% of forced labour happens in the private sector and it's estimated across the board that US\$236 billion is generated in illegal profits each year.

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 on the modern slavery global findings above, please refer to the following:

cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf

ilo.org/global/topics/forced-labour/lang--en/index.htm

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 77 years. Vision Super has around 85,366 member accounts, around 120 employees and approximately \$A14.3 billion in assets under management as of 31 October 2024. The Fund also provides pensions to members within both the accumulation and defined benefit sections of the Fund.

Here to help

phone 1300 300 820 (8:30am to 5:00pm)
Monday – Friday (except Victorian public holidays)

email memberservices@visionsuper.com.au

visit visionsuper.com.au

write PO Box 18041, Collins Street East, VIC 8003

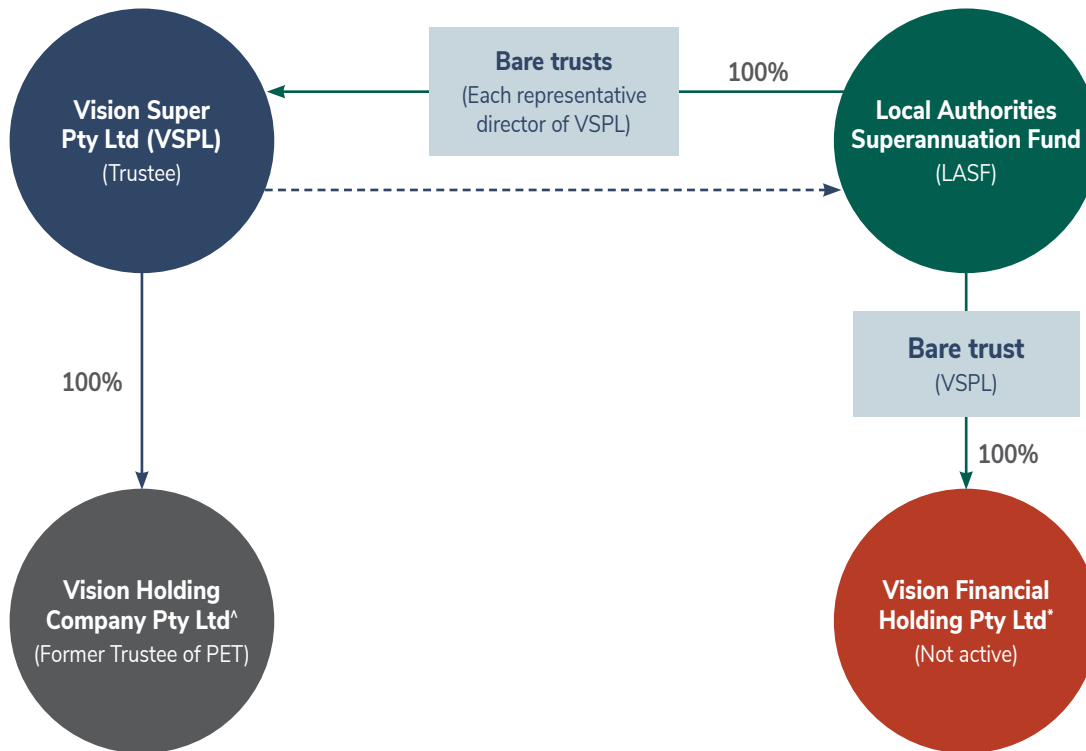
ABN 50 082 924 561 AFSL 225054

RSE L0000239 USI 24496637884020

Fund organisational structure

Vision Super Pty Ltd (VSPL) is 100% owned by Local Authorities Superannuation Fund (LASF). Each employer/ member representative Director legally holds one VSPL share beneficially on behalf of LASF. There are no controllers of VSPL who directly or indirectly exercise control of the decisions of the company and more specifically decisions of the company in respect of its financial and operating policies.

The Vision Super group is made up of the following entities:



^ To be wound up

* Currently in the process of being wound up

Last reviewed May 2024

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

The services we provide

We invest 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 visionsuper.com.au/about

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

We do not own or control any other entities.

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 professional and financial service providers.

These services reflect the Fund's procurement and outsourcing policies, which outline the fundamental frameworks to ensure effective controls and processes around these activities in understanding and responding to modern slavery risks.

Due diligence

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

The due diligence process focuses on:

- 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 modern slavery and human rights risks are being addressed (ie annual questionnaires sent to third-party service providers, including fund managers and other investment service providers 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 modern slavery is prevalent in many industries and geographies, and while we consider the risk of modern slavery within our business operations to be relatively low, there may be potential risk that Vision Super could be exposed to modern slavery practices in some of our supply chains. Our annual due diligence assessments integrate modern slavery risks within our ESG framework to evaluate our procurement and operational activities, our external investment portfolio supply chain across all asset classes, and other external service providers associated activities.

Processes in place

Vision Super's Modern Slavery Working Group meets on a regular basis to evaluate the Fund's outsourced business supply chains and risks of being exposed to modern slavery. The working group determined that potential modern slavery risk within our external investment portfolios required in-depth analysis and evaluation, along with a risk assessment of other procurement areas.

Management has implemented across the Fund's material outsourced investment management agreements, a modern slavery clause in line with the *Modern Slavery Act 2018 (Cth)* for listed equities and side letters for unlisted equities.

The clause and side letters aim to address the fund manager's business operations, to ensure they have adequate processes concerning the risk of modern slavery practices in the supply chains for the portfolio they manage. This will assist the Trustee with due diligence/evaluation and reporting.

Investments

Investment managers

As we have done in previous years, we sent our investment managers a detailed questionnaire specific to the asset class mandate they manage on our behalf to help us to evaluate and assess modern slavery risk and update us on progress they have made since our last modern slavery risk assessment. Generally, modern slavery risk occurring within our investment managers' business/operations and supply chains continues to be low and the managers continue to review and develop their modern slavery approach to improve their due diligence and responses in this area.

In 2024, we again performed a risk assessment ranking the Fund's investment portfolios in equities, debt, alternative debt, property and infrastructure as no risk; low risk; medium risk or high risk. Our desktop assessment demonstrated that the majority of managers have once again continued to progressively improve their frameworks and processes in identifying modern slavery risk, resulting in either some improvements in their rating assessments or no change because they already have a robust investment and engagement process that incorporates modern slavery risk. This included updates to operations and supply chain exposures, building their procurement governance frameworks, continuing to improve and evolve their risk management and due diligence processes and seeking to engage with the entity or suppliers in a specific area (ie issue of labour rights in supply chains) to develop an action plan for management and further mitigation. In some cases a few investment manager's received a downgrade on their investment activities rating as a consequence of the updated 2023 Global Slavery Index (previously 2018) which was applied within our latest assessment.

Some of our investment managers also aim to prioritise engagements based on materiality of the underlying ESG issue where materiality is assessed based on the severity of the issue and their exposure to it across the portfolios. For some investment managers, engagement is preferred rather than divestment so they can deepen their understanding of a company's approach to human rights and so seek to engage with the company as a first step.

As part of risk management activities, modern slavery risks may be subject to further review by our investment managers and where appropriate, action plans may be developed and implemented as a continuous process as part of the supplier performance management framework.

Procurement protocols for our investment managers incorporate due diligence checks when engaging with high value or high-risk suppliers to assist with identifying any potential risks and impacts of modern slavery. Supply chain analysis forms part of their investment research and due diligence process, with attention for a few of our investment managers focused on companies with long, complex supply chains that are fundamental to the operation of the business.

Investment managers seek businesses they invest in to conduct third-party auditing of the supply chain on a regular basis. When they have reason to believe the company is not adequately managing supply chain standards, they will engage the company to advocate for improved oversight and compliance with accepted standards.

Our modern slavery qualitative risk rating assessment, which considers the most recent findings from the 2023 Global Slavery Index, continues to demonstrate that we are exposed to some level of risk (low, medium or high risk) across our portfolios. Some of these investment managers, where risks have been identified, undertake additional modern slavery due diligence on geographic risk assessment for companies with operations in high-risk industries/sectors or with supply chains in high-risk regions or use direct engagement with company management and board members to gain a better understanding of the issue and to communicate their stance directly. Generally, higher risk investments are subject to a more thorough company engagement process by our investment managers.

Furthermore, some investment managers identify modern slavery risks within the investment portfolio through their bottom-up, stock specific research. These managers consider this on a case-by-case basis and this process is aligned with their approach to analyse all investee companies. There is no one quantitative indicator which the manager feels is sufficiently robust for a modern slavery risk assessment. As a result, the key issues will vary depending on the industry sector, geographic region, and core business activities of each company.

Our managers also use appropriate sustainability frameworks including the Sustainability Accounting Standards Board (SASB), the Global Slavery Index, and standards and conventions of the International Labour Organisation (ILO) to identify companies within their portfolio for engagement.

Investment managers are aware that some sectors and industries have historically been more susceptible to human rights issues, but are cognisant that to some degree, most industries will be impacted at some level.

It's important to note that some managers are conscious that on occasion there maybe deficiencies in the ESG data that they may receive from their third-party providers, and it cannot, therefore, replace their own fundamental analysis, but it may serve as a useful additional check.

For other investment managers, ESG risks, including human rights risks are part of their investment process. To identify these risks, they have meetings with top level management, subscribe to third-party ESG research and service providers, carry out checks with competitors, and monitor trade publications.

Collaborative engagements are also considered as an alternative option where the investment manager believes that there would be more to be gained engaging collectively on a matter where a group of investors have similar concerns – for example on issues such as the Russian/Ukraine conflict, child labour and companies in violation of the UNGC Principle 2.

Failed engagement might have a direct impact on a manager's capacity to invest in a company through a downgrade of the related criteria in the ESG assessment, and if the issue is critical, it could lead to a downgrade of the overall ESG assessment.

Core property and infrastructure portfolios/commitments

Vision Super's core property portfolio continues to rate as very low risk in terms of the segments they are invested in (commercial/office, industrial and retail).

Our core property investment manager is generally focused on ensuring modern slavery risk is assessed prior to entering operational and development procurement contracts through engagement in their supply chains. This engagement includes spot checks, interviews, audits, and other continuous improvement strategies to monitor and mitigate risk over the contract term.

In 2024, our core property manager's priorities have been on higher-risk sectors, with many initiatives developed to focus on people. For example, they have reached out beyond the companies that they outsource to by targeting their workers at the properties they manage. Through coordination with their property management partners, they have targeted cleaning and security workers to increase their awareness on modern slavery. Wider measures are also implemented through their active industry involvement with the Cleaning Accountability Framework (CAF) and Property Council of Australia (PCA).

Furthermore, they have been systematically building their understanding of various supplier categories and related risk factors. Suppliers are assessed to implement any measures to manage any potential risks in modern slavery and are reassessed annually, with new groups of suppliers included in their assessment each financial year.

As a priority, risk controls are developed for higher-risk supplier categories. Their understanding of modern slavery risks has also been in conjunction with their supply chains and the broader property industry.

Their framework for grievance resolution provides guidance on the avenues for making reports relating to human rights (including modern slavery), ethics, employment welfare, misconduct, and health and safety.

This year we again wrote to our property investment managers to assess the risks of cleaning services using exploited labour and have ascertained that the managers remain accredited through the CAF.

Our own office manager is also a signatory to the CAF. We believe that our property managers generally have a strong approach to embedding modern slavery considerations into their operations, systems and processes.

Our infrastructure investment managers continue to improve and evolve their risk management and due diligence processes concerning modern slavery risk with a more concerted focus to assess those parts of the supply chain that carry higher levels of modern slavery risk. This assessment now also includes the provision of information from some of their key suppliers about how they are managing and monitoring their supply chain for modern slavery.

This has also been extended to procurement protocols incorporating due diligence checks when engaging with high value or high-risk suppliers to assist to identify any potential risks and impacts of modern slavery.

All direct assets are required to report on a suite of ESG indicators annually, with additional requirements on modern slavery risk management to be included in the reporting.

As part of their due diligence considerations, some investment managers may require consideration around identifying whether there is a process in place to monitor new laws such as the *UK Modern Slavery Act*, *Australian Modern Slavery Act* or the *French Devoir De Vigilance* provision, and if the asset has considered the eight fundamental International Labour Organisation Conventions (freedom of association and protection of the right to organise convention, right to organise and collective bargaining convention, forced labour convention, abolition of forced labour convention, minimum age convention, worst forms of child labour convention, equal remuneration convention, and the discrimination (employment and occupation) convention).

Remediation

Where we identify that we have caused or contributed to adverse impacts such as modern slavery, we will cooperate in the remediation of the impact. Where possible, we will also work closely 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, we will review and consider ending business relationships with the entity that caused the impact.

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
- > Established annual questionnaires to provide monitoring, review, and engagement from third party service providers and investment managers
- > Tracking actions taken and measuring impacts via the Modern Slavery Working Group. The Working Group consists of representatives from Investments, Quality and Risk, and Communications, and considers and monitors modern slavery risk across the business and our material outsourced service providers.

Vision Super is committed to:

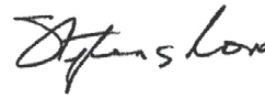
- > Continuing to engage with our investment managers to better understand their ESG processes and their assessment of modern slavery risk within their supply chains
- > Continuing to monitor, review and engage with investment managers identified as medium to high risk
- > Reflecting modern slavery considerations where appropriate within our procurement, outsourcing and ESG policies and processes
- > Providing appropriate training to staff on modern slavery.

Approval of Statement

The Statement was approved by the Board of Vision Super Pty Ltd on 13 December 2024.



Graham Sherry
Chair of the Board



Stephen Rowe
Chief Executive Officer