

Modern Slavery Statement

5 December 2023

This Modern Slavery Statement is made pursuant to the Modern Slavery Act 2018 (Cth) (the **Act**) and outlines the actions taken by Brighter Super to assess and address modern slavery risks in our operations and supply chain. This Statement covers the financial year, 1 July 2022 to 30 June 2023.

LGIAsuper ABN 23 053 121 564 (trading as **Brighter Super**) is a reporting entity for the purposes of the Act.

This Statement was approved by the Board of Directors of LGIAsuper Trustee, as trustee of Brighter Super, on 5 December 2023.



Our structure, operations and supply chain

Brighter Super is a Queensland-based superannuation fund that has provided trusted and reliable investment, advice and insurance to our members for more than 58 years. We are 100% member-owned. We do not have any shareholders, which means we are a not-for-profit fund. We work hard to keep our fees and costs as low as possible, and our members come first in everything we do. We are also an open fund, welcoming members from government and private sectors, and the wider community.



On **1 July 2022**, LGIAsuper registered 'Brighter Super' as its trading name.

On **1 June 2023**, over 130,000 Suncorp Super (or SPSL Master Trust) members officially became Brighter Super members as part of a successor fund transfer.

As of **30 June 2023**, Brighter Super managed around \$30 billion in investments on behalf of approximately 250,000 member accounts.



Our structure

Brighter Super has several wholly owned entities. The following table provides an overview of the key activities of the entities within the Brighter Super Group in the reporting period:

Entity	Description
LGIAsuper Trustee	Trustee of LGIAsuper
LGIAsuper, trading as Brighter Super	Superannuation fund
ESI Financial Services Pty Ltd	Provides financial services to Brighter Super members and employers under a services agreement
LGIA CE Foods Pty Ltd	Trustee of LGIAsuper (CE Foods) Investment Trust
Brighter Investment Services Pty Ltd	Trustee of LG Super Asian Infrastructure Investment Trust
LGIAsuper Corporate Services Pty Ltd	Service provider to LGIAsuper Trustee
Globe Hold Co Pty Ltd	Investment entity for Brighter Super
SPSL Limited	Trustee of SPSL Pooled Superannuation Trust
SPSL Master Trust	Superannuation fund (until 1 June 2023)
SPSL Pooled Superannuation Trust	Registered superannuation entity
SPSL Services Pty Ltd	Provides trustee administration services to Brighter Super

Table 1: Key activities of Brighter Super entities



Brighter Super is governed by a Board of Directors who is responsible for managing the fund for the benefit of all members, in accordance with our relevant Trust Deed and legislation. As a superannuation fund trustee, our reputation and standing with our stakeholders is important to us, and we take risks and obligations such as modern slavery seriously in designing our operations and contracting with our suppliers.

The term ‘modern slavery’ is used to cover a range of exploitative practices including human trafficking, slavery, forced labour, child labour and other slavery-like practices.



Our operations

Brighter Super provides financial services to our members, including superannuation, life insurance and financial advice.

Financial investments operate across a range of asset classes, including Australian and international equities, fixed income, infrastructure, property, alternatives, and cash. Financial investments in listed markets are managed in active portfolios as well as passive, index portfolios, where there is generally limited or no active screening for non-investment factors such as modern slavery.

Assets are located in Australia, North America, South America, Europe and Asia. Further details of our investments are set out in our

Annual Report 2022/23, which is available on our website.

Operational activities include the direct employment of workers, to engage in the provision, production, processing and delivery of financial products and services. These activities include marketing, communication, relationship management, financial advice and operating a contact centre.

Brighter Super also undertakes business support functions, such as technology, investment operations, people and culture, finance, legal, risk management, and compliance.

As of 30 June 2023, Brighter Super had approximately 295 employees.

The registered office for Brighter Super and its wholly owned entities is Level 20, 333 Ann Street, Brisbane, Queensland, Australia.



Our supply chain

Brighter Super also undertakes a wide range of activities through our supply chains, sourced in Australia and overseas.

These include our investment managers, custodians, insurers, technology and business process service providers, consultants (e.g., actuary, auditors, tax and legal advisors, media and communications), print providers, property and facilities managers, providers of promotional material, and office and stationery supplies (including information technology equipment).

Our suppliers are located in Australia and overseas, as detailed in this Statement.

A list of our key suppliers (such as investment managers and other material service providers) is also available on the Brighter Super website at <https://www.brightersuper.com.au/about-us/governance>.

Risk of exposure to modern slavery

Brighter Super seeks to do business with suppliers that have similar values and ethics, including employing sustainable business practices such as those related to human rights and modern slavery.



We are committed to acting ethically in our operations and throughout the supply chain, and this includes continually evolving how we integrate environmental, social and governance (**ESG**) issues into our investment process and broader operations. Mitigating the risk of modern slavery in our business, supply chains and assets is an important part of this process, and how we do this is set out further in this Statement.

As a financial services organisation with an adult professional workforce, Brighter Super considers the risk of modern slavery within our direct business operations to be low. All our workers are employed in compliance with Australian labour laws.

However, we recognise that through our supply chain, there is a risk we may contribute to or be directly or indirectly linked to modern slavery and other human rights violations.

Having considered the Commonwealth Government guidance on modern slavery risk indicators – *geographic, products and services, sector and industry, and entity*¹ – as well as industry research on high-risk areas for financial services supply chains², we have identified the following key areas of potential modern slavery risk:

- investing in high-risk sectors and industries (e.g., agriculture, apparel)
- investing in assets in high-risk geographic areas (e.g., emerging markets in Asia and South America)
- investing in assets in which we have a material level of ownership, control or influence, which procure high-risk products and services (e.g., cleaning in real estate assets)
- procurement of high-risk products and services within our direct operations (e.g., information technology equipment, cleaning, catering and promotional materials)
- procurement of services from a supplier based or with operations in a high-risk geographic area (e.g., Asia).

Further actions taken to understand and address our potential modern slavery risks are set out in this Statement.

¹ Risk indicators as set out in Table 6, Appendix 1, Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities.

² High-risk areas for the financial services supply chain include IT procurement, logistics and property and building services (such as facilities management, utilities, cleaning, waste management and security and print and promotional goods): p.17, Modern Slavery Risks, Rights & Responsibilities – A Guide for Companies and Investors (Australian Council of Superannuation Investors, Feb 2019).

Actions taken to assess and address modern slavery risk

Modern slavery action plan

161 suppliers
111 general suppliers
50 investment suppliers

KEY ACTIONS DELIVERED

We refined our general supplier risk assessment to include a 'medium' risk rating which more accurately categorises multinational suppliers who have operations in countries with high geographical risk, but whose operations are otherwise low risk.

We have continued our due diligence, focussing primarily on high-risk suppliers where appropriate, and have considered whether further action is required (e.g., engagement, escalation, review or termination of the contract).

We have continued to ensure that all new investment management agreements and supplier contracts have contractual provisions that address modern slavery requirements.

We continued to build our people's awareness of modern slavery risks in our business and supply chains by providing annual mandatory modern slavery risk training for all employees. This was in addition to the requirement that employees remain familiar with and comply with the employee Code of Conduct at all times, and observe the highest standards of ethics, integrity and behaviour.

Brighter Super recognises that we may be exposed to modern slavery risk through our operations and supply chain. To understand, identify and assess the potential for modern slavery risk, we first implemented an Action Plan in July 2020 that we have reported on in our previous three Statements.

Between October to November 2023, we again completed an assessment process to map Brighter Super's internal operations and direct supply chain to understand the areas of potential modern slavery risk in our business operations. We identified 'general suppliers' and 'investment suppliers' and assessed them against our modern slavery risk assessment framework³ to determine whether they had a potentially low, medium, or high-risk profile. The framework utilises our modern slavery risk assessment questionnaires, internal and external research, and the suppliers' own modern slavery statements and policies to assign a risk rating to each supplier.

The assessment indicates that Brighter Super's modern slavery risk profile has not substantially changed from previous years and is consistent with the modern slavery risk profiles of its peer superannuation funds, as publicly reported in their own modern slavery statements. This is to be expected as our business operations did not materially change over the reporting period, notwithstanding the consolidation of administration providers following the transition of arrangements for former Energy Super members into Brighter Super in September 2022, and the SPSL Master Trust successor fund transfer on 1 June 2023.

General suppliers

The assessment identified 111 direct 'general suppliers', of which 13 were assessed to have a potentially high-risk profile. The vast majority of these suppliers are Australian entities or multinational entities based in Australia, with one significant supplier based in Asia. The high-risk suppliers provide products and services such as information technology equipment, cleaning services, office and kitchen consumables, and promotional materials. Our due diligence on these suppliers is ongoing and we will report any required engagements in our next Statement.

Investment suppliers

Brighter Super acknowledges the risk that it may be indirectly linked to modern slavery practices through its investment activities, where an investee company, held through one of our external investment managers (our suppliers), engages in modern slavery practices. To mitigate this risk, we assess each of our investment managers annually using our risk assessment framework and assign a risk rating to each ranging from 'very low' through to 'very high'.

Both global and domestic investment managers across almost all asset classes will at some point acquire assets or hold positions in companies that indirectly expose them to high-risk sectors/industries

³ Based on the Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities.

(e.g., agricultural operations in timber and fresh food production), or geographic areas (e.g., Asia, Africa). While our assessment certainly considers a fund’s level of exposure to higher risk regions or geographies, it also places a large emphasis on the extent and quality of governance and risk management procedures employed by the investment managers to mitigate modern slavery risk.

For example, one of Brighter Super’s international equity managers is invested in a Nordic manufacturer of physical access solutions, (i.e., electromechanical locks, automatic doors, biometric sensing). The company has acquired on average 20 companies a year for the past several years, resulting in an increasingly complex supply chain. The manager has been engaging with the company throughout the course of 2021 and 2022, ensuring that their supply chain is being appropriately assessed and managed, particularly in regard to modern slavery risk. The company now has a Business Partner Code of Conduct in place, alongside a Sustainability Audit Program, which focuses on their material suppliers in higher risk countries, including those in South and Central America.

During this reporting period our investment managers provided more transparent and granular reporting in comparison to previous years, which broadly indicates an improvement in their awareness of modern slavery risks. As a result of having further information, we have assessed a small number of managers or mandates as having a higher risk-rating than previously reported.

A summary of our FY 2023 assigned risk ratings is shown in the table below.

Modern slavery risk-rating	No. of investment managers	%
Very low	24	48%
Low	22	44%
Medium	4	8%
High	0	0%
Very high	0	0%
Total	50	100%

Table 2: Summary of Modern Slavery Risk Ratings Assigned to Investment Managers

Across Brighter Super’s investment managers, 92% were rated very low or low on our investment supplier modern slavery risk scale.

Brighter Super had no managers which were rated ‘very high’ or ‘high’ in this year’s assessment. Whilst all the managers themselves have strong modern slavery risk management procedures in place and are themselves not high risk, we note the reference under the operations section to the passive portfolios where there is generally limited or no screening of non-investment factors, including modern slavery risks.

The managers that were assigned a ‘medium’ risk rating do have governance and risk management procedures in place, though they are not as stringent as those who have been assigned a ‘low’ or ‘very low’ risk rating. For example, one of our diversifying strategies managers have stated that while they assess modern slavery risks as part of their due diligence process, they do not scrutinise their supply chain beyond a particular subsidiary company level to a large degree.

The manager does note however that suppliers to these entities are predominantly reputable multi-national companies.



Governance and risk management

Brighter Super is a strong advocate of good corporate governance, not only within our own operations but within those of our external service providers. During the reporting period, the LGIA Super Trustee Board of Directors was ultimately responsible for governance and oversight of Brighter Super’s actions in addressing modern slavery risks. The Board oversees and monitors material risk management activities through its Risk and Compliance Committee.

We believe that identifying and managing risk, including modern slavery risk, is central to achieving our strategic objectives and living our values. Our risk management framework and internal controls aim to identify, evaluate and manage risks in line with our risk appetite, which is reviewed and approved by the Board at least annually.

Under Brighter Super’s people, governance, and risk management frameworks, our employees are protected by policies such as our Values, Code of Conduct, Risk Appetite Statement and Whistleblower Policy, through which modern slavery concerns can be reported. A Chief People Officer was also appointed during the reporting period to oversee the wellbeing of our people.

Our risk culture strategy highlights escalation of risks and issues as desired behaviours, and staff are encouraged to escalate or report any unlawful or unethical business practices. When dealing with suppliers, our Contracts Management and Procurement Policy and Outsourcing Policy require us to assess the risks of procurement and material outsourcing arrangements, including any legal, regulatory and reputational risks of suppliers. We also conduct due diligence on all new investment managers, which includes modern slavery risk.

Assessing the effectiveness of our actions

As noted above, during the reporting period, our focus was on continuing to develop our understanding of our modern slavery risks and how such risks present in our operations and supply chains.

We have assessed the effectiveness of our actions as follows:

- Reported on our progress to executive and Board committees.
- Monitored and reported on compliance with relevant controls through our assurance plan (e.g., investment manager due diligence, contract reviews).
- Required all employees to complete annual mandatory modern slavery risk training, and monitored and reported completion of this training to executive and Board committees.
- Continued to review the design of the modern slavery risk management framework to continuously improve it. This resulted in our introduction of a 'medium' risk rating into our general supplier risk assessment.

Looking forward

Looking ahead, we will embed a continuous improvement approach to establishing our modern slavery risk management framework. As part of this, we plan to progress the following actions:

- Further strengthening our due diligence process, focusing primarily on high-risk suppliers.
- Further maturing our supplier assessment processes for modern slavery risks.
- Reviewing and monitoring the effectiveness of the modern slavery provisions which we seek to insert into all new supplier contracts.
- Continuing to enhance our annual modern slavery risk training for all employees to equip our people to identify human rights risks connected with the work they perform and the suppliers they engage.

- Uplifting executive governance over modern slavery risks.
- Appointing a Head of Corporate Affairs who will oversee the introduction of a corporate ESG framework, which will consider amongst others, modern slavery risks.
- Including screening for modern slavery risks in our material outsourcing process.

Consultation with Brighter Super entities

Management and staff of all Brighter Super entities were consulted and considered in compiling this Statement.

Signed on behalf of the LGIAsuper Trustee Board of Directors by



John Smith

Chair, LGIAsuper Trustee Board of Directors as trustee of LGIAsuper

Date: 5 December 2023