

Spirit Super
Modern Slavery Statement
2023/2024

Spirit Super - Modern Slavery Statement 2024

Spirit Super (Fund)

The reporting entity is Spirit Super ABN 74 559 365 913 (**Spirit Super**).

Spirit Super is a public offer superannuation fund which was established by a trust deed dated 31 May 1989. It is registered by the Australian Prudential Regulation Authority (**APRA**) as a registrable superannuation entity.

Motor Trades Association of Australia Superannuation Fund Pty Limited (Trustee)

Motor Trades Association of Australia Superannuation Fund Pty Limited ABN 14 008 650 628 (**the Trustee**) is the trustee of Spirit Super and the legal entity responsible for its management and operation.

2024 Modern Slavery Statement

This Modern Slavery Statement (**Statement**) is made for the purposes of and in accordance with the requirements of the *Modern Slavery Act 2018* (**the Act**). The Statement covers the 2023/2024 financial year and addresses the mandatory criteria set out in the Act.

Approval of Statement

The Board of the Trustee is the principal governing entity for Spirit Super.

This Statement was approved by the Trustee Board on 28 August 2024 and has been signed by a Director for and on behalf of the Board.



Anne O'Donnell

Director

Date: 28 August 2024

Structure, operations and supply chains

General Structure

As at 30 June 2024, Spirit Super held approximately \$30 billion in funds under management and had approximately 350,000 members.

The Trustee is the legal entity which manages and administers Spirit Super. It holds an RSE Licence from APRA which authorises it to act as the trustee of Spirit Super. It is a proprietary limited company incorporated in the Australian Capital Territory with a paid-up share capital of \$10.00 as at the time of publication of this Statement. The shares in the Trustee are held by the directors on behalf of the members of Spirit Super. As the trustee of an industry superannuation fund, net profits are returned to Spirit Super for the benefit of members. No dividends are payable to the Trustee's shareholders.

In the 2023/24 financial year Spirit Super was actively implementing a proposed merger with CareSuper (ABN 98 172 275 725). During the reporting period, a focus was the prospective alignment of the modern slavery programs of both Spirit Super and CareSuper and setting an appropriate baseline for the merged fund.

In managing Spirit Super, the Trustee has established several wholly owned entities, which form the Spirit Super group. All entities within the Spirit Super corporate group are incorporated and registered in Australia. Other than the service entity detailed below, none of the Spirit Super group members employ staff.

- **MTAA Superannuation Fund (Secretariat Co.) Pty Ltd - Service Entity**

MTAA Superannuation Fund (Secretariat Co.) Pty Ltd ABN 29 104 826 413 is a management services company which engages staff and consultants and provides secretariat and related support services to Spirit Super. All shares in this entity are held by the Trustee on behalf of members of Spirit Super.

Spirit Super staff are employed by MTAA Superannuation Fund (Secretariat Co.) Pty Ltd under an enterprise agreement, or under individual contracts.

- **Quadrant First Pty Ltd**

Quadrant First Pty Ltd ABN 78 102 167 877 is an AFSL holder and is the entity used to provide general and limited personal financial advice to Spirit Super members. All shares in this company are held by the MTAA Superannuation Fund (Secretariat Co.) Pty Ltd, and ultimately for the benefit of members of Spirit Super.

- **Investment Entities**

The Trustee has also established several wholly owned proprietary limited companies. The companies have been established for the purpose of holding specific property, infrastructure and private equity investments for Spirit Super. No staff are employed by any of these investment vehicles.

Operations

As at 30 June 2024 MTAA Superannuation Fund (Secretariat Co.) Pty Ltd employed 345 staff. All staff are located in Australia. In addition, as at 30 June 2024 the Fund had engaged a temporary workforce of 41 short term contractors, all located in Australia, predominantly to assist the implementation of the proposed Spirit Super and CareSuper merger.

As a superannuation fund Spirit Super is involved in:

- the investment of member funds;
- the administration of member accounts, including the receipt of contributions from members and contributing employers and the payment of benefits to members;
- providing information, education and financial advice to our members and contributing employers;
- promotional activities, including marketing and sponsorships; and
- miscellaneous small-scale charitable activities as part of the Trustee's Corporate Social Responsibility Program.

Our Supply Chains

We rely on the products and services provided by third party providers in undertaking our operations. These services

and products (and the underlying services and products provided to our direct suppliers) form part of our supply chain.

The following service providers form part of our direct supply chain.

- Investment management services
- Custodial services
- Marketing and merchandise
- Office supplies
- Investment advisory services
- Professional advisory services
- Facilities management and office cleaning
- Information technology products

Modern slavery risks in operations and supply chains

Modern slavery is a serious violation of a person's dignity and human rights and occurs where coercion, threats or deception are used to deprive individuals of their freedom. Modern slavery includes human trafficking, slavery, servitude, forced labour, debt bondage, child labour, forced marriage and deceptive recruiting for labour or services.

A heightened modern slavery risk can arise in certain geographical regions, business models, or sectors.

While Spirit Super recognises that modern slavery risk could occur in any parts of our operations or supply chains, we consider that the existence of modern slavery risk is likely to be higher in the following areas:

- Spirit Super's investment portfolio;
- the information technology products which we procure for use by our staff;
- the merchandise we procure for marketing and promotional activities; and
- building maintenance and cleaning services provided in respect of our business premises.

Investment Portfolio

We invest across a range of asset classes and sectors globally via our investment managers. These investments are made across geographies, including within Australia and globally across both developed and developing nations. Some of our investment managers also invest across various industries and including those that are considered high risk, including hospitality, construction, manufacturing, agriculture and fishing.

Spirit Super's investment portfolio has a small number of investment managers with portfolios geographically and industrially attracting a higher modern slavery risk. Typically, this is attributable to the higher levels of investment in emerging markets where the risk of encountering weaker labour practices is increased. The actions undertaken by Spirit Super to address this risk are outlined on page 5.

The majority of our portfolio holdings are domiciled in Australia, the United States and the European Union, where modern slavery risk is comparatively low.

Information Technology Products

Spirit Super procures Information Technology products and equipment for use by our staff. The products and equipment are in most cases procured from multinational suppliers under standard term agreements. We consider modern slavery risk to arise deep in the supply chain for these products. For example, in the mining and extraction of materials required to produce electronic and information technology products.

Promotional Merchandise

The production of low value merchandise is a product category where the risk of modern slavery can be high, especially where products are sourced from overseas suppliers. Although Spirit Super procures its promotional merchandise from locally based providers where possible, we recognise that there may be a risk of modern slavery in the supply chains of those providers.

Facilities Management and Cleaning

The procurement of building services (security and maintenance) and cleaning services can involve a high modern slavery risk as these services often rely on a low-skilled labour force whose working hours mean that they are not always visible to the building owner/tenant.

Spirit Super has contracts with various landlords and providers (locally based) relating to the maintenance and cleaning of office premises. While all those contracts are with Australian providers, we recognise the risk that modern slavery can exist in their supply chains.

Actions to assess and address those risks

The principles underpinning the Spirit Super Modern Slavery Program have been articulated in a Board-approved policy which is published on the Spirit Super website at spiritsuper.com.au. The policy affirms our commitment to contributing to the elimination of modern slavery and outlines our approach to reducing the risk of modern slavery practices within Spirit Super's investment portfolio, operations and supply chains.

In accordance with the Modern Slavery Program, we have taken the following actions during 2023/24 to assess and address the risk of modern slavery.

Process uplift

During this reporting period we focused on the development of our Modern Slavery Program in the context of the proposed merger between Spirit Super and CareSuper. Taking a forward-looking approach and considering the needs of a larger and more influential organisation, we took steps to begin implementing processes and tools to help identify and reduce the risk of modern slavery in the operations and supply chains of the merged fund. This work continues into the 2024/25 financial year.

Awareness Training

We consider that raising the awareness of all officers, staff and service providers about the risks of modern slavery is fundamental to the successful implementation of a Modern Slavery Program.

Training on the risks of modern slavery has also been incorporated into our induction program and ongoing training requirements for all staff.

Re-setting baseline

As a growing superannuation fund, Spirit Super has expanded its operations and supply chains. In 2023/24 Spirit Super issued a modern slavery questionnaire to 155 vendors. This exercise is intended to allow Spirit Super to:

- identify any heightened modern slavery risk in our operations and supply chains;
- proactively engage with vendors, reinforcing the importance of Spirit Super's Modern Slavery Program; and
- set a baseline understanding of the Spirit Super modern slavery risk, to be assessed alongside the CareSuper modern slavery risk in the context of the merged fund in 2024/25.

Investment Portfolio

To ensure that our external investment managers are monitoring modern slavery risks throughout their operations and investment activities, our onboarding process seeks to establish if external managers have policies and processes to identify and assess modern slavery risks across their own operations and supply chains. Spirit Super requires its service providers to provide information regarding their modern slavery practices through its procurement process.

The investment team periodically engages with our investment managers and service providers to seek clarification on their modern slavery policies and processes. Occasionally this engagement requires education and awareness training whereby the investment team has engaged with investment managers on upskilling in the area. The investment team will continue to collaborate with our investment managers, consultants, peers and industry groups to engage and investigate heightened modern slavery risks within our investment portfolio and markets more generally. At the individual security holdings level the Trustee has limited scope to assess modern slavery risk given these securities selection decisions are generally outsourced to external parties and executed in real-time at those parties' discretion.

Other Service Provider Supply Chain – Due Diligence

As well as the investment portfolio, we maintain a high-level desktop risk assessment of the products and services

we procure so that we could identify those areas where there is a greater risk of modern slavery. This guides us in completing additional enquiries for potential high-risk suppliers such as facilities managers, cleaners, providers of merchandise and marketing services, and human resources and travel providers.

Our procurement processes incorporate modern slavery risk considerations and are embedded in relevant policies and processes, including the Outsourcing, Procurement, and Investment Due Diligence Policies. Through legal reviews of contracts, where possible we incorporate specific terms requiring third parties to provide us with information on how they address modern slavery risk and to report any known incidents of modern slavery to the Trustee. Where possible, these terms are included for new suppliers and when we renew contracts with existing suppliers.

While we may be able to directly engage and negotiate terms with many of our suppliers, we acknowledge that there are some suppliers with whom we may be unable to negotiate. For example:

- Information technology products are generally purchased from multinational information technology companies using standard form contracts.
- Low value office products and services may be procured from time to time rather than under an ongoing contractual arrangement.

Reporting modern slavery concerns

Reports of suspected instances or risks of modern slavery (whether in our operations or supply chains) or of a failure to comply with our modern slavery policy may be reported through Spirit Super's independent whistleblower hotline. Contact details for the whistleblower hotline are available on our website at spiritsuper.com.au.

Spirit Super's Whistleblower Policy specifically references modern slavery contraventions as disclosable matters.

Spirit Super maintains an internal compliance program which allows staff to report suspected incidents, including regarding modern slavery.

Remediation

Spirit Super was not required to undertake any remediation activities with respect to modern slavery in 2023/24.

If Spirit Super becomes aware of any facts which suggest that one of its suppliers may have engaged in modern slavery practices, appropriate steps will be taken to investigate and, if substantiated, report the matter to the responsible national or international authorities.

The identification of any instances of modern slavery which may have been caused by or contributed to by Spirit Super will be treated as a compliance incident under our Compliance Program. While Spirit Super will seek to 'make good', the remedial options open to Spirit Super will depend on the particular circumstances of the matter.

If Spirit Super is directly linked (through supply chains) to a modern slavery incident, but did not cause or contribute to the harm arising from the incident, Spirit Super would consider using leverage (if sufficient) to work with the relevant entity that caused the harm, to seek to influence it to change its behavior. Alternatively, Spirit Super would consider ending its relationship with the entity that caused the harm.

Effectiveness of such actions

We assess the effectiveness of our actions taken to assess and address the risks of modern slavery using the following measures.

Raising awareness of modern slavery risk

Modern slavery training is a mandatory module in the Spirit Super induction and ongoing training program. Staff undertook the modern slavery module with a 100% completion rate in the 2023/24 reporting period. We consider that awareness of modern slavery risk is fundamental to the successful implementation of our Modern Slavery Program and consider this to be effective.

Engagement with providers

While it is difficult to identify instances of modern slavery existing deep within our supply chains, Spirit Super

recognises that the leverage it may be able to exert in its dealings with contracted service providers could see a reduction over time of modern slavery in those supply chains.

Spirit Super is continuing to assess the responses and data provided by service providers in response to its modern slavery questionnaire. The ability to issue questionnaires across all vendors is an effective tool to gauge the risk of modern slavery in supply chains and one that will be further built upon in the next reporting period.

Continual improvement of our modern slavery program

Our focus for the 2024/25 reporting period will be to uplift and embed the Modern Slavery Program to ensure it is appropriate for a \$50B fund, having regard to the upcoming merge between Spirit Super and CareSuper. In doing so we will continue to engage with external investors and vendors to further identify modern slavery risks and take appropriate action to improve modern slavery practices where necessary.

Consultation with controlled entities

Spirit Super owns other entities as detailed in this statement. The Spirit Super group entities adopt the Spirit Super policies and procedures. The operations and supply chains of all Spirit Super group entities are considered for the purpose of the Spirit Super Modern Slavery Program. Accordingly, no consultation was necessary for the purpose of this Modern Slavery Statement.

Other relevant information

Spirit Super engages with a number of industry bodies contributing to improving awareness of modern slavery risks, sharing resources and developing practices to reduce the risk of modern slavery within our investment activities.

Australian Council of Superannuation Investors (ACSI)

Spirit Super is a member of ACSI, which is a leading advocate for raising ESG awareness and responsible investment practices within Australian listed companies. ACSI regularly engages with Australian corporates on modern slavery, human rights and labour issues as part of its advocacy service for its members. ACSI has also played a leading role in working with policy makers, companies and responsible investors to develop a practical guide on implementing the Australian Modern Slavery legislation.

United Nations Principles for Responsible Investment (UNPRI)

UNPRI is an international organisation that works to promote the incorporation of environmental, social and corporate governance factors (ESG) into investment decision-making. It advocates the uptake of responsible investment practices across the world's major institutional investors.

As a member, Spirit Super has the opportunity to contribute to the group's leadership on raising awareness of key ESG and sustainability challenges such as modern slavery risk and inequality.