

Spirit Super Modern Slavery Statement

2022/23

Spirit Super - Modern Slavery Statement 2023

Spirit Super

The reporting entity is Spirit Super ABN 74 559 368 913 (**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 (**RSE**).

Motor Trades Association of Australia Superannuation Fund Pty Limited

While Spirit Super is the reporting entity for the purposes of this Statement, Motor Trades Association of Australia Superannuation Fund Pty Limited ABN 14 008 650 628 (**the Trustee**) is the trustee of Spirit Super and is the legal entity responsible for the management and operation of Spirit Super. The Trustee is a proprietary limited company which is incorporated in the Australian Capital Territory. The Trustee holds an RSE Licence from APRA which authorises it to act as the trustee of Spirit Super.

2023 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 2022/23 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 23 November 2023 and has been signed by a director for and on behalf of Board.



Anne O'Donnell

Director

Date: 23 November 2023

Our Structure

General Structure

Spirit Super (previously known as MTAA Super) is an industry superannuation fund which was established in 1989 to provide retirement benefits to employees of the motor trades industries. It has subsequently become a public offer superannuation fund which accepts contributions from individuals and a range of employers across all industries.

Spirit Super is constituted as a trust fund and was established by trust deed dated 31 May 1989. It is domiciled in Australia with offices in Canberra, Hobart, Sydney, Brisbane, Melbourne, Adelaide and Perth, is registered with APRA and holds approximately \$27 billion in funds under management for the benefit of approximately 335,000 members (at 30 June 2023).

The Trustee is the legal entity which manages Spirit Super on behalf of the superannuation fund members. 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 \$11.00. 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.

The Trustee's registered office is Level 3, 39 Brisbane Avenue, Barton, ACT 2600.

Ownership or control of other entities

In managing Spirit Super, the Trustee has established several wholly owned entities.

- ***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 the company are held by the Trustee on behalf of members of Spirit Super. The company's registered office is Level 3, 39 Brisbane Avenue, Barton ACT 2600.

Spirit Super staff are employed by MTAA Superannuation Fund (Secretariat Co.) Pty Ltd under an enterprise agreement, or under individual contracts (for executive staff). At 30 June 2023 MTAA Superannuation Fund (Secretariat Co.) Pty Ltd employed 304 staff. All staff are located in Australia.

- ***Quadrant First Pty Ltd***

Quadrant First Pty Ltd ABN 78 102 167 877 is an Australian Financial Services Licence (**AFSL**) holder and is the entity used to provide general and personal financial advice. All shares in the company are held by MTAA Superannuation Fund (Secretariat Co.) Pty Ltd. The company's registered office is Level 8, 188 Collins Street Hobart TAS 7000.

- ***Investment Entities***

The Trustee has established several wholly owned proprietary limited companies. The registered office for each of these companies is Level 3, 39 Brisbane Avenue, Barton ACT 2600. 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.

Nature and types of activities undertaken by Spirit Super

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.

Our Operations

Our main business is the investment of members' funds for the benefit of members in their retirement. In pursuing this objective, while we outsource some of our business activities to third party providers, we are directly involved in the following operations.

Externally managed investments

Spirit Super has a large investment portfolio. Most assets are managed by external specialist investment managers. For the most part, these are managed pursuant to Investment Management Agreements (or commingled fund documentation) which provide discretion to managers to invest the Fund's asset in their respective asset class subject to investment guidelines agreed with the Trustee.

Internally managed investments

Only a small proportion of the portfolio is directly managed by Spirit Super staff. Of the directly managed asset portfolio, it is only a portion of its property and infrastructure portfolios where Spirit Super staff can exert some control. These assets were all acquired for their long-term growth potential and the income generated by tenants.

The oversight and management of directly held property assets including the day-to-day facilities management is also undertaken by one or more external specialist managers. Under this model, Spirit Super only has direct input on larger decisions, such as the acquisition of new or divestment of existing assets. Under our modern slavery program, we have introduced processes whereby all external managers are required to consider modern slavery risks in tendering for service contracts and in their procurement policies.

The oversight and management of directly held infrastructure assets is also undertaken, in part, by external managers with the same approach to assessing modern slavery risk as set out above. Several assets are, however, managed internally by Spirit Super staff. All of these are domiciled in Australia. For these assets, we engage directly with management of these companies and/or our nominee directors where applicable, to ensure that management has adequately considered modern slavery risks in their supply chains.

Administration of member accounts

Administration of member accounts is insourced and all activities are conducted by Spirit Super staff. No administration activities are conducted outside Australia.

Information, education and financial advice services

Our staff provide information, education and financial advisory services to members and contributing employers. This includes the Spirit Super call centre. None of these services are provided from outside Australia.

Recruitment and Human Resources

Human resources, recruitment and payroll services are managed by our staff. From time to time this may include the appointment of specialist third party firms. None of these providers are based outside Australia.

Information Technology Services

Information Technology services are managed by our staff. From time to time this may include the appointment of specialist third party firms.

Promotional activities, including marketing

Promotional and marketing activities are managed by our staff. This may involve the procurement of products and services from third parties.

Activities associated with maintaining office premises

Facilities management services are provided by Spirit Super staff. This includes the procurement of office supplies and information technology products and services for staff, as well as the maintenance and cleaning of business premises.

Charitable activities

We provide donations, sponsorships and/or services to several organisations/programs. All those organisations/programs are Australian. None involve overseas child welfare projects.

Our Supply Chains

In providing a superannuation fund for our members, we also rely on the products and services provided by third party providers. These services and products (and the underlying services and products provided to our direct suppliers) form part of our supply chain.

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.

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

Investment Management Services

As noted above, our supply chains include various investment management services provided by both domestic and international investment managers.

Investment Advisory Services

We obtain investment advisory services from an investment consultancy firm which is based in Australia (with offices also in London).

Specific property-related investment advice is provided by a company with offices in Canberra and Sydney.

Custodial Services

Our investments are custodially held by an Australian bank, National Australia Bank (NAB). NAB publish a Modern Slavery and Human Trafficking Statement annually pursuant to the Modern Slavery Act 2018 (Cth).

Professional advisory services

From time to time and as required, we engage various professional advisory firms (including legal, audit, accounting and advisory) to provide advice in relation to the operation of Spirit Super. Most are located in Australia, though some may also operate internationally.

Marketing and Merchandise

In promoting Spirit Super we procure marketing services and merchandise (including branded merchandise) from various Australian-based providers.

Information Technology Products

We procure 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.

Facilities Management and Office Cleaning

We have contracts with various providers (locally based) relating to the maintenance and cleaning of office premises.

Office supplies

We obtain office supplies from various suppliers as required.

Risks in our operations and supply chains

During 2022/23 we reviewed our existing high-level assessment of our operations and supply chains to identify areas where there could be a risk of Spirit Super causing, contributing to or being directly linked (through its supply chains) to modern slavery.

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
- 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 has identified 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 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.

While we have no real capacity to negotiate terms with those suppliers, we consider that there may be a modern slavery risk deep in the supply chain: 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, we recognise that there may be a risk of modern slavery in the supply chains of those providers. During 2022/23 we sought further information from any new providers on their modern slavery processes. No new or emerging risks were identified.

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

During 2022/23 we continued to evolve our modern slavery program which seeks to address the risk of modern slavery in our operations and supply chains.

The principles underpinning the 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 2022/23 to assess and address the risk of modern slavery.

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. During the review period all staff were provided with training on modern slavery.

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

Investment Portfolio

To ensure that our external investment managers are monitoring modern slavery risks throughout their operations and investment activities, our procurement policy 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 align with the terms of its Modern Slavery Policy through the procurement process of onboarding the service provider.

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.

Incorporation of modern slavery considerations into ESG processes

The Spirit Super Environmental, Social and Governance Policy (ESG Policy) specifically incorporates modern slavery considerations within manager assessments. The ESG Policy and relevant due diligence processes are undertaken by our investment team for assessment of all new investment opportunities and review of our existing portfolios. Our ESG Policy is published on the Spirit Super website at spiritsuper.com.au.

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. We also incorporate specific terms requiring certain suppliers to provide us with information on how they address modern slavery risk (including information about sub-contractors and country of origin) and to report any known incidents of modern slavery to the Trustee. 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

Spirit Super treats modern slavery concerns as compliance and ethical issues.

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 reference modern slavery contraventions as disclosable matters.

Remediation

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 policy. 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 we are directly linked (through our 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 entity that caused it to change its behaviour. Alternatively, Spirit Super would consider ending its relationship with the entity that caused the harm.

Effectiveness of such actions

For the fourth year of Spirit Super's modern slavery program, we have continued to be focused on the effectiveness of our actions to raise awareness about modern slavery risk and to establish a modern slavery framework.

Raising awareness of modern slavery risk: directors and staff

We consider that awareness of modern slavery risk is fundamental to the successful implementation of a modern slavery program.

During 2022/23 we continue to provide ongoing training to all staff around what modern slavery is, how it may be present through our supply chains and what our obligations are to identify issues through our supply chains. This training is delivered through a mandatory module in our induction and ongoing training program.

Continual improvement of our modern slavery program

We are committed to continually improving our modern slavery surveillance and due diligence activities within our supply chain covering both our investments portfolio and other service providers. Going forward, Spirit Super will continue to engage with our external investors to progress our understanding of key modern slavery risks and where appropriate collaborate to improve modern slavery practices within our investments where deemed appropriate.

Continuous improvement

Addressing modern slavery risk is complex and challenging. This Statement, which is our fourth statement under the *Modern Slavery Act 2018*, reports on the work that we have completed during the fourth year of our modern slavery program. The work that has been undertaken during 2022/23 has been aimed at continuing to improve our modern slavery framework and raising awareness about modern slavery among our officers, staff and service providers. We consider our modern slavery program to be a 'living' framework that will continue to evolve and adapt to changes in our business and the environment which we operate in.

Consultation with controlled entities

The following entities are wholly owned by Spirit Super:

- MTA Superannuation Fund (Secretariat Co.) Pty Ltd (a management services company which engages Spirit Super staff);
- Quadrant First Pty Ltd (a company that provides general and personal financial advice);
- a number of wholly owned investment vehicles whose sole purpose is to hold specific investments for Spirit Super.

None of these companies includes any personnel who are not also Spirit Super staff.

Spirit Super policies and processes (including policies and processes under the modern slavery program) apply to all of these entities. Accordingly, there has been no need for Spirit Super to separately consult with those entities in relation to 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.