

Modern Slavery Statement



1 July 2021 – 30 June 2022

This Modern Slavery Statement was prepared by Retail Employees Superannuation Pty Ltd ABN 39 001 987 739, AFSL 2400003, trustee of Retail Employees Superannuation Trust ABN 62 653 671 394 for the purpose of compliance with the *Modern Slavery Act 2018* (Cth).



A commitment to reducing our modern slavery exposure

Throughout the pandemic, Rest continued to focus on delivering for our members.

This year, we're pleased to share our commitment to reducing our exposure to modern slavery risk by publishing an action plan to share what we're doing to combat modern slavery. Our action plan looks ahead three years, with activities reported every six months. There has been progress on several initiatives, including implementing new supplier contract templates with explicit requirements for managing modern slavery risk exposures; and continuing our involvement with the Responsible Investments Association Australasia (RIAA)¹ Human Rights Working Group.

We recently reviewed our facilities management providers and confirmed that their employment practices did not pose a risk of exposure to modern slavery to Rest. We also engaged with our top 50 suppliers identified in the deep dive conducted last year. The deep dive included a media review of the suppliers, an assessment of their operations and supply chain, and identification of the presence of controls to manage risk of modern slavery exposure.

This included supporting our team to work remotely and engaging regularly with key service providers like our administrator, custodian, insurers, and investment managers to protect our members' retirement savings.

We will continue to update our action plan in future statements.



Vicki Doyle
Chief Executive
Officer



Ken Marshman
Chairman

Rest's Board of Directors approved this statement on 7 December 2022, which constitutes Rest's Modern Slavery Statement for the Financial Year 2021-2022.

¹ responsibleinvestment.org/#

Our structure, operations, and supply chain

Retail Employees Superannuation Pty Limited ABN 39 001 987 739 AFSL 240003, is trustee of the Retail Employees Superannuation Trust ABN 62 653 671 394 (Fund). The Fund is an Australian public offer fund and registrable superannuation entity (RSE), RSE licence R1000016, with its head office located at Level 5, 321 Kent Street, Sydney, NSW 2000. The Fund wholly owns Super Investment Management Pty Limited (SIM) ABN 86 079 706 657 AFSL 240004, which manages some of the Fund's investments. All SIM staff are employed by Rest.

The Fund was established by a trust deed dated 2 December 1987 as amended from time to time and provides accumulation, defined benefit, and income stream products such as the Core Strategy and Sustainable Growth option. When first established, it catered exclusively for retail employees. While the Fund is now open to all sectors, around half of our member base is still from the retail industry.

The Rest Board is made up of employer and employee representatives from the retail industry, as well as an independent director who is the Chair. Our directors bring extensive experience from the retail, superannuation, and finance sectors, ensuring the Fund is well-governed for both members and employers.

Our 440-strong team is dedicated to supporting our members to achieve their personal best retirement outcome. More than 60% of Rest members are under 35 years of age, with the majority part-time/casual workers and members who identify as female.

Our head office and registered address is at Level 5, 321 Kent Street, Sydney NSW 2000. We also have other office locations at Level 12, 309 Kent Street, Sydney NSW 2000; Level 31, 140 William Street, Melbourne Vic 3000; and offices in Brisbane, Adelaide, Perth, and London (United Kingdom).

Rest works with more than 580 service providers that help with the effective operation of the Fund. They are appointed based on quality, the value they create for Rest and cost-effectiveness and Rest has a Supplier Code of Conduct publicly available.

Most of our service providers are engaged for 2–4-year terms with a competitive tender process undertaken at the end of the contract term. Their services include administration, custodial, information technology, marketing, and communication, creative and advertising, professional advisory, consulting, facilities management, office stationery and equipment.

As a super fund with around 1.8 million members², Rest has extensive administration needs. Our administration services provider delivers solutions and technology platforms that enhance the member experience and make scaled administration simple.

Rest engages a custodial services provider that continuously invests in improving processing efficiencies to safeguard the \$67 billion³ worth of funds under management for our members.

Our wholly owned investment manager, SIM, engages other external investment managers to ensure we can grow our members' retirement savings.

We partner with trusted insurance providers to offer our members appropriate, optional insurance cover with their Rest membership.

Rest has innovative technology providers for services like the Rest App, which lets members manage their super 24/7 from anywhere, while accessing exclusive discounts from selected retailers.

Rest Advice is provided by Link Advice. Personal Advice (Rest Advice) and Online Advice are provided by Link Advice Pty Ltd ABN 36 105 811 836, AFSL 258145 (Link Advice). Rest Advisers are staff members of Rest and authorised representatives of Link Advice.

While most of Rest's service providers are located in Australia, some are based in Asia, North America, Europe, South America, and South Africa. We're systematically identifying the countries our supply chain operates in, as part of our ongoing monitoring of modern slavery risk exposure both onshore and offshore.

² As of 31 August 2022.

³ As of 31 August 2022.



Investment approach

Rest's diverse Australian and overseas investments encompass equities, infrastructure, property, and fixed income (such as bonds). We actively manage asset allocation of the Core Strategy and Sustainable Growth options and select, appoint, and monitor the investment managers employed. Environmental, social and governance (ESG) factors are considered and integrated within our investment process for both the assets we invest in and the investment managers we work with.

Recognised as a Responsible Investment Leader by Responsible Investment Association Australasia in 2022⁴, Rest demonstrates our commitment to responsible investing under four leadership themes:⁵

- Focus on responsible investing and transparency
- The scope and embeddedness of our ESG integration strategy
- Negative screening to exclude certain industry sectors or companies
- A systematic, transparent process of benefiting stakeholders and contributing to real-world outcomes through investment.

As a signatory of the Principles for Responsible Investment⁶, we're focused on measuring, monitoring, and reporting on responsible investment (RI). We have also committed to reaching net zero carbon emissions by 2050⁷ and have published our roadmap to achieve this on our website.⁸

⁴ responsibleinvestment.org/#

⁵ responsibleinvestment.org/responsible-investment-leaders/

⁶ unpri.org/

⁷ rest.com.au/investments/how-we-invest/climate-change

⁸ rest.com.au/investments/how-we-invest/climate-change?v=1



Identifying risks of modern slavery in our operations and supply chain

During the reporting year, we focussed on enhancing our framework of policies and standards and continued to implement an active approach to due diligence.

To demonstrate our commitment to supplier governance, Rest hired a Supplier Governance Manager in January 2022 and developed new supplier onboarding templates to improve governance across our supplier portfolio. These standards and templates continue to be embedded across Rest and SIM.

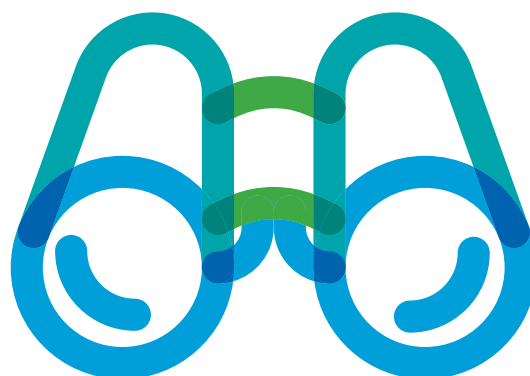
Last year we conducted a deep-dive assessment of our top 50 suppliers with the highest inherent risk exposure to modern slavery. This year, we continued our engagement with these suppliers and with our investment managers to identify areas requiring ongoing attention.

We reviewed our facilities management providers to learn about their practices in relation to cleaners and security operations. Engagement with the facilities management providers of our main corporate offices in Sydney and Melbourne helped us better understand how they manage modern slavery risks and identify areas to improve future risk management.

The scope of the review included:

- Assessing and testing two selected service providers, at a corporate level, to review their processes and controls to manage modern slavery risks, and
- Consideration of existing modern slavery management controls when contracting cleaning and security operations providers.

We are pleased to note the review did not identify any concerns that would lead to a reportable breach. Our facilities management providers will, however, act on the opportunities identified in the review, including supplying more multi-lingual resources to their service providers. This will help to remove any language barriers for the cleaning and security operations employees of their service providers.



Rest's actions taken against modern slavery in 2021-2022



Hired a Supplier Governance Manager to review and strengthen our existing supplier policies and processes related to onboarding and governance.



Continued to include modern slavery process and reporting requirements into existing and future Investment Management Agreements.



Reviewed our facilities management providers and their hiring practices across cleaning and security operations.



Continued engagement with investments managers that have greater exposure to high-risk geographies and/or sectors across their investment portfolios.



Rolled out new supplier contract templates incorporating explicit requirements for managing modern slavery risk exposure.



Collaborated with the Investors Against Slavery and Trafficking, Asia-Pacific (IAST APAC)⁹ – an alliance of Asia-Pacific investors working together to reduce modern slavery risks in the region's companies.



Started engaging with our top 50 suppliers that have a higher inherent risk of exposure to modern slavery, to further understand their operations.



Extended the scope of investment-related suppliers by asking our Investments Transition Managers to share their approach in managing Modern Slavery risks.

Remediation

We started engaging with the top 50 suppliers that participated in the deep dive conducted by external consultants last year. We pressed pause on this engagement in the last quarter of Financial Year 2021-2022 to focus on strengthening our frameworks and policies further, with our dedicated Supplier Governance Manager. The engagement will recommence in Financial

Year 2022-2023. We continued our engagement with our investment managers to review and understand their modern slavery exposure risk in their countries of operations. As we continue to review modern slavery risk exposures at Rest, an update will be provided on progress across these remediation activities.

⁹ iafastinitiative.org/

Effectiveness of actions taken against modern slavery in Financial Year 2021-2022

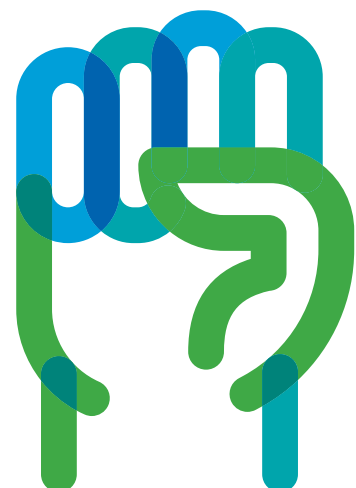
The actions we have taken against modern slavery in Financial Year 2021-2022 is contributing to the ongoing work to reduce our risk of exposure to modern slavery. We now have a dedicated Supplier Governance Manager to support supply chain governance. The Supplier Governance Manager will support Rest with more targeted monitoring activities going forward. We've also begun remediation activities with our top 50 suppliers that have higher inherent risks of exposure to modern slavery.

As part of annual asset class reviews, we work with our investment managers (including SIM) and assess their progress to reduce exposure to modern slavery risk within their firms and the investment portfolios they manage on our behalf.

We have seen an improvement in modern slavery risk management by our investment managers and are committed to working with them to enable further improvements across our investment portfolio.




Consultation with controlled entities - Taking a shared approach to combating modern slavery

Super Investment Management Pty Limited (SIM) ABN 86 079 706 657 AFSL 240004, which manages some of the Fund's investments, is wholly owned by Rest, and all SIM staff are employed by Rest. SIM's operations and supply chain are governed by Rest. As with previous years, a collaborative and shared management approach was used with SIM in acting against modern slavery in the 2021-2022 Financial Year.





















The Rest Modern Slavery Action Plan

Moving forward, we'll continue to work on our action plan and report progress in future statements.
























Key:  Completed
 In Progress
 Ongoing

Rest's Modern Slavery Action Plan (including SIM) – 3 years rolling horizon

Rest Overall	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22
Upskill in requirements of the Modern Slavery Act 2018 (Cth) as related to Superannuation Funds						
Identify key stakeholders and form modern slavery working group (Procurement, Investments, Risk, Legal)						
Update Risk Appetite Statement and/or the appropriate associated Risk processes to include modern slavery risk (Investments & Outsourcing)						
Provide training to all relevant staff, i.e. Investments and those managing outsourced suppliers						
Investments:						
Develop modern slavery questionnaires and send to Investment Managers, Asset Managers and JANA						
Develop a modern slavery risk management framework (Identify, Measure, Manage) and risk assessment process						
Assess 100% of modern slavery responses against risk assessment methodologies, i.e. listed equities and all other assets						
Engage investment managers and/or asset owners, prioritising those with higher risks of exposure to modern slavery						
Include modern slavery minimum requirements and expectations into new Responsible Investment (RI) Policy						

Key:  Completed
 In Progress
 Ongoing

Continued

Rest Overall	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22
Engage investment managers on RI Policy expectations, assessing risk in the context of the asset class and due diligence (selection, appointment and ongoing monitoring)						
Expand modern slavery assessment to include transition managers						
Mandate modern slavery process and reporting requirements in existing and new Investment Management Agreements for all managers						
Advocate and collaborate i.e. RIAA Human Rights working group, leveraging tools and resources and driving engagement through IAST APAC listed companies						
Strategic Procurement:						
Develop a Procurement Policy (incorporating Modern Slavery considerations) and Supplier Governance Framework						
Develop Modern Slavery Statement in consultation with key stakeholders						
Send modern slavery questionnaires to material outsourced suppliers and other key suppliers to assess their risk of exposure to modern slavery						
Assess modern slavery risk exposure in outsourced suppliers (with an increased focus on material suppliers to Rest) and engage suppliers as required in improvement plans						
Develop a Supplier Code of Conduct to define our expectations of good, ethical practices for our supplier portfolio						
Onboard a dedicated Supplier Governance Manager						

Glossary/Key Definitions

Term	Definition
Modern Slavery¹⁰	<p>Modern slavery¹⁰ describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:</p> <ul style="list-style-type: none"> • human trafficking • slavery • servitude • forced labour • debt bondage • forced marriage, and • the worst forms of child labour. <p>Modern slavery describes serious exploitation, rather than substandard working conditions or underpayment of workers – although these practices may be present in modern slavery situations.</p>
Modern Slavery Act 2018 (Cth)¹¹	<p>This Act requires entities based, or operating, in Australia, which have an annual consolidated revenue of more than \$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and the actions taken to address those risks. Other entities based, or operating, in Australia may report voluntarily.</p> <p>The Commonwealth is required to report on behalf of non-corporate Commonwealth entities, and the reporting requirements also apply to Commonwealth corporate entities and companies with an annual consolidated revenue of more than \$100 million.</p> <p>Reports are kept by the Minister in a public repository known as the Modern Slavery Statements Register. Statements on the register may be accessed by the public, free of charge, on the internet.</p>
Responsible Investment (RI)	<p>Responsible investment¹², also known as sustainable or ethical investment, is a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership.</p>
Environmental, Social & Governance (ESG)	<p>The consideration and integration of environmental, social and governance (ESG) factors to reduce risks, improve returns and maximise investment opportunities, which supports investment outcomes.</p>

¹⁰ homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx

¹¹ legislation.gov.au/Details/C2018A00153

¹² unpri.org/an-introduction-to-responsible-investment/what-is-responsible-investment/4780.article

Rest Super and Corporate

- ☎ **1300 300 778**
Monday to Friday,
8am-8pm AEST
- ✓ **Roger** (24-seven)
- 💬 **Live Chat**
Monday to Friday, 8am-10pm
Saturday, 9am-6pm
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Acumen

- ☎ **1300 305 779**
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