

Modern Slavery Statement



1 July 2020 – 30 June 2021

This Modern Slavery Statement was prepared by Retail Employees Superannuation Pty Ltd ABN 39 001 987 739, AFSL 240003, trustee of Retail Employees Superannuation Trust ABN 62 653 671 394 for the purpose of compliance with the Modern Slavery Act 2018 (Cth).



Continued focus on our management of modern slavery risk exposure

We are proud to present Rest's second modern slavery statement.

In this second reporting year, we delivered a number of important initiatives despite having to pivot our operations to remote-based working due to the Covid-19 pandemic. Interactions with our suppliers continued virtually and Rest was able to protect the retirement savings of our members throughout.

We reviewed our risks of modern slavery across our active supplier base, including conducting detailed analysis on 50 suppliers with an inherent increased risk for exposure to modern slavery. We have also published a Supplier Code of Conduct that extends to all our suppliers, their operations, and their supply chains. Our Supplier Code of Conduct explicitly states our position on human rights and our expectations that Rest suppliers take actions against modern slavery.

In March 2021, we launched Sustainable Growth, our ethical investment option. It includes companies that operate or promote respect for human rights; and excludes companies identified as having unethical supply chain practices.

Rest also became a signatory to the Investors Against Slavery and Trafficking Asia-Pacific¹, an investor-led alliance dedicated to preventing and addressing modern slavery risks in the region.

The work we are doing to reduce our exposure to modern slavery risk supports our commitments to a better, fairer, more sustainable future for our 1.8 million members². In financial year 2020-2021, Rest continues to build our approach to corporate sustainability helping to shape our modern slavery program over the next three to five years.

We look forward to sharing our progress with you next year.



Handwritten signature of Vicki Doyle in black ink.

Vicki Doyle
Chief Executive
Officer



Handwritten signature of Ken Marshman in black ink.

Ken Marshman
Chairman

Rest's Board of Directors approved this statement on 2 December 2021, which constitutes Rest's Modern Slavery Statement for the financial year 2020-2021.

1 <https://iaast.fastinitiative.org/>
2 As of 30 September 2021

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 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.

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. When first established, it catered for employees in the retail sector. However, it has since become available to members from all employment sectors.

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

Rest employs more than 450 people dedicated to supporting our members achieve their personal best retirement outcome. Over 60% of our membership base is under-35 years of age. Many Rest members work part-time, and 60% of members 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 and Perth, London (United Kingdom).

Rest has over 360 active service providers that assist with the effective operation of the fund. These services are across different categories such as administration services, custodial services, information technology,

marketing and communication, professional advisory services, investment managers, consultancies, facilities management, office stationery and, equipment. These service providers are appointed based on quality, value created for Rest members, and cost effectiveness.

As a super fund with around 1.8 million members, Rest has extensive fund administration requirements. These are performed by an administration services provider, delivering solutions and technology platforms that enhance the member experience and make scaled administration simple. Rest utilises custodial services to safeguard the \$65 billion worth of funds under management for our members. These services are performed by a custody services provider that has invested in improving processing efficiencies, which will benefit our members.

The Fund has its own wholly owned investment manager, SIM, and engages other external investment managers to ensure we can grow our members retirement savings.

We partner with our trusted insurance providers to make sure members can access appropriate insurance cover as part of their Rest membership.

Rest has innovative technology providers for services such as our Rest App allowing our members to self-serve and engage with their superannuation 24/7 regardless of where they are located. The Rest App also provides members with discounted offers to reward them for choosing Rest to look after their retirement savings. Rest Advice is provided by Link Advice. Personal Advice (Rest Advice) and Online Advice is 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.

Majority of our service providers are based in Australia. However, our supply chain has a global footprint across Asia, North America, Europe, South America, and South Africa.

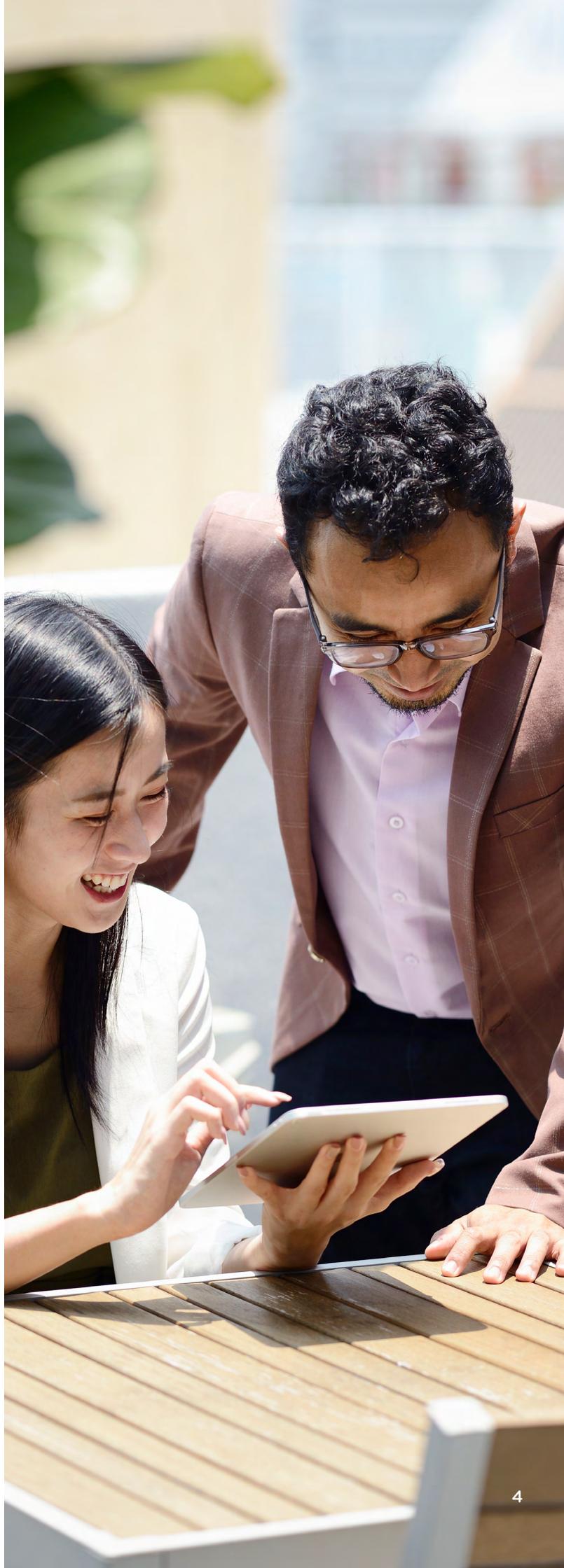


Investment approach

Rest has investments in Australia and overseas, including across shares, infrastructure, property, bonds, cash, absolute return and agriculture.

Rest sets an investment strategy (a long term plan) and objective for each of our investment options, and regularly monitors the performance of our investment managers to make sure they continue to deliver the best outcome for our members. Environmental, social and governance factors are considered and integrated in our investment decision making process. This includes both the assets we invest in and the investment managers we work with.

We are a signatory of the Principles for Responsible Investments³, and are continually improving our efforts to measure, monitor, and report on our approach to responsible investment. This includes climate-related risks. Rest requires our equities managers to vote on all company resolutions unless otherwise instructed. For example, Rest actively considers all climate change related shareholder resolutions of investee companies.



³ <https://www.unpri.org/>

Risks of Modern Slavery in our operations and supply chain

In the current reporting year, we have focussed on developing a clear framework of policies and standards and have started to implement a more active approach to due diligence.

We conducted a review of our active supplier portfolio in May 2021. To better understand the maturity of their controls to manage modern slavery risk and to identify areas for improved risk management going forward.

The review considered the following modern slavery risk factors to arrive at the inherent risk rating:

- annual expenditure,
- country risk (based on Global Slavery Index⁴ list of countries with higher risk of modern slavery)
- industry risk (whether the industry the supplier operates within has increased risk of exposure to modern slavery), and,
- industry controversy (whether the industry the supplier operates within has been publicly linked to modern slavery in recent times).

Overall, Rest's direct suppliers operate in lower risk industries and countries. Most of our suppliers operate in high-skill services industries such as professional services, legal services, advertising, technology, and application services. These industries are considered lower risk as the workers are typically professional, highly skilled workers that are less prone to exploitation.

As Rest commonly contracts with the local headquarters of multinational companies, the business' supply chain data indicated that 88% of its direct supply chain was based in Australia. However, the review revealed that Rest is exposed to additional risks of modern slavery through the diverse supply chain and operational footprint of its suppliers.

Deep-dive supplier assessment

We conducted a deep-dive assessment of the top 50 suppliers with the highest inherent risk for exposure to modern slavery. This assessment comprised of a detailed questionnaire on their operational footprint and risk management practices, and a media review.

The questionnaire and analysis considered risks specific to operational risk, supply chain risk and risk controls. A media review examined whether any suppliers were linked to any public allegations of modern slavery in the last decade.

The review identified that close to 50% of assessed suppliers have some of their operations offshored in countries that are higher risk for exposure to modern slavery practices. Furthermore, over 60% of suppliers source goods or services from at least one country that has a higher risk for modern slavery.

More than 70% stated their workforce does not include vulnerable labour including migrant, seasonal, low skilled, high intensity, prison labour or young workers. This is a positive indication of reduced risk for Rest; however, we will continue to engage with our suppliers to ensure this remains the case.

The review also identified discrepancies between supplier self-assessed controls and the level of evidence provided to Rest. This means that some suppliers could have limited understanding of what constitutes effective modern slavery controls and/or could be inaccurately reporting through self-assessments.

Rest will address the outputs of the deep dive directly with the suppliers through our action plan.

⁴ <https://www.globalslaveryindex.org/>

Rest's actions taken against modern slavery in 2020-2021



Implemented our Modern Slavery action plan which has a 3-year rolling horizon. 50% of initiatives are underway and we will continue to work through the list in the coming years.



Commenced the process of mandating modern slavery process and reporting requirements into our existing Investment Management Agreements and new ones we enter.



Developed and published a Supplier Code of Conduct (SCOC) that applies to all our suppliers, their entire supply chain, and investment managers. A detailed implementation plan is currently being developed to ensure the SCOC is rolled out in a meaningful way.



Began engagement actions with our investment managers that were identified as having an increased risk of modern slavery exposure.



Updated our Responsible Investment policy to include considerations of modern slavery across our investment decisions.



Became a signatory to the Investors Against Slavery and Trafficking, Asia-Pacific (IAST APAC). IAST APAC is an alliance of Asia-Pacific investors working together to prevent and address modern slavery and human trafficking risks in companies in the region.



Conducted a gap analysis across our current modern slavery approach and internal programs/documentation to determine uplift required.



Continued our attendance and participation at the Responsible Investments Australasia (RIAA)⁵ human rights working group.



Completed a risk assessment on our entire active supplier portfolio, including a deep dive on the top 50 suppliers with increased exposure to modern slavery risk.

Remediation

This year we engaged with investment managers with a heightened risk rating for modern slavery exposure and built individual action plans to reduce this exposure over a time period.

We will continue to engage with the rest of our investment managers according to their risk rating over the next few years. We will share progress as we continue to review modern slavery risk exposures at Rest.

⁵ <https://responsibleinvestment.org/>

Effectiveness of actions taken against modern slavery in Financial Year 2020-2021

The actions we have taken against modern slavery in Financial Year 2020-2021 have been effective in contributing to the ongoing work to reduce our risk of exposure to modern slavery. We now have a Supplier Code of Conduct that will assist with improved governance of our supply chain. Engagement activities in our investment portfolio have commenced as well as updates to our Responsible Investment policy to specifically address modern slavery considerations.

Our modern slavery action plan has provided us with a clear pathway to reduce the risk of modern slavery at Rest going forward. Through our action plan, we will continue work to reduce the risk of modern slavery at Rest in Financial Year 2021-2022 and beyond.

Consultation with controlled entities

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 the Fund. All employees who work for SIM are employed by Rest. A collaborative and shared management approach was used with SIM in relation to our actions taken against modern slavery in Financial Year 2019-2020. A similar way of working was adopted in Financial Year 2020-2021.



Moving ahead, we will:

- Continue to work through the list of initiatives on our action plan to take further actions against modern slavery
- Build a detailed implementation plan for our Supplier Code of Conduct ensuring we obtain meaningful compliance from our suppliers
- Continue to assess the effectiveness of our internal policies and programs in relation to modern slavery and how they can be improved
- Work through any remediation activities required as we continue to review our operations and supply chain for modern slavery risk exposures
- Continue our collaboration with IAST APAC
- Track our progress year-on-year and report this in our annual Modern Slavery Statement.

Rest Super & Corporate

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✔ **Roger** (24-seven)

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