



## **PUBLIC TRANSPARENCY REPORT**

**2023**

**Vision Super**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Vision Super's legislatively set objective is to generate the best long term risk-adjusted returns for our members we can. We are a values-based fund that believes that minimising the risks from ESG issues are required to meet our goals.

We support carbon emission reductions and follow the science on required action on climate change is urgent for the sake of future generations as well as current. Vision Super has lobbied for effective policy in Australia and globally, and will continue to do so, as well as continue to use our power as an active shareholder to push companies to act in line with the Paris Agreement and scientific consensus.

It is the role of government to provide considered public policy and the legislative frameworks required for the necessary and urgent transition to clean energy. Vision Super has written to all federal members of parliament to urge them to do this vital work – a sound legislative framework would mean many more opportunities to invest in renewable energy for the benefit of our members.

Financial outcomes and environmental, social and governance outcomes are inextricably linked. A growing body of evidence shows consideration of ESG factors, when integrated into investment analysis and portfolios, improves long-term investment performance.

Vision Super has a comprehensive ESG policy and voting guidelines, which we use to guide our decision-making and to monitor the impact we have on communities and the environment. We carefully consider ESG issues when making investment decisions, particularly where these may materially impact on our performance objectives. The short-term time horizon of investors and conflicting motivations mean that ESG factors are often overlooked, which may result in losses or missed investment opportunities over the medium term. Overall, we believe that we need to fight for the best interests of our members rather than walk away from issues.

Our overall approach takes in:

- Active engagement with companies and voting all our shareholdings to encourage companies to act in line with scientific consensus
- Low carbon investing
- Exclusions for controversial weapons and tobacco manufacturers

- Collaboration with other investors and support of regulatory change.
- Co-filing resolutions to the extent resources permit and issues support

We believe that excluding financial instruments from our investment universe is unlikely to lead to positive change in and of itself. Pressure from shareholders and governments are more effective in forcing laggard companies to change.

We see exposure to companies which profit from the emission of greenhouse gases as a material financial risk. We do not believe that divesting somehow resolves the issue of emissions. On the contrary, we believe that it is primarily governments, with support from truly motivated shareholders, who can effect change. Running from such companies has not proved effective to date with many supportive shareholders ready to step in, and this is not a fight we can afford to lose.

There are some products we divest from where we believe the harm cannot be contained or mitigated through engagement and active ownership, reinforcing our position as a values-based superannuation fund. We have divested from tobacco producers in line with the tobacco free finance pledge, to which Vision Super is a signatory. We also have in place restrictions on investing in companies involved in the production of controversial weapons, such as land mines, cluster bombs and nuclear weapons.

Increasingly we see engagement as a two edged sword, used by companies to affect investor behaviour and actions.

Vision Super will generally vote for shareholder resolutions on ESG issues where we believe they are linked to improved governance, effective action and transparency within the company and are in the best financial interests of shareholders.

Furthermore, as part of our ESG and governance framework, we aim to continuously review our thinking and processes reflecting the current state of the environment in conjunction with the evolving regulatory landscape and with members best financial interests at hand.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Vision Super is committed to renewable energy investments because they make great financial sense for members, at the same time as enabling the transition we need to a modern low-carbon economy. We follow the latest scientific thinking. Our view is that scientific constraints will override any political ideology which can lead to value adding insights. As a super fund, our primary responsibility is enshrined in law – we have a fiduciary duty to our members to invest their money in sound investments that are likely to generate strong returns over the longer term.

Vision Super has made commitments to invest in two major renewable energy infrastructure funds which are diversified by technology and by region.

Vision Super committed to a US 110 million investment to IFM Investors in their Net Zero Infrastructure Fund, which focuses on zero carbon infrastructure asset opportunities across renewable power, electrification, low carbon fuel and carbon capture.

Vision Super also committed to a EUR 60 million investment in renewable energy fund CIP IV, managed by Copenhagen Infrastructure Partners (CIP). The CIP IV fund has plans to develop the Star of the South (SOTS) in Gippsland, which would be Australia's first offshore windfarm. The fund also includes diversified investments across various renewable technologies including contracted offshore wind, onshore wind, solar PV, transmission, storage, waste-to-energy and biomass assets in low-risk OECD countries in Western Europe, North America and developed Asia Pacific. Our infrastructure portfolio has more than 20% committed to renewable infrastructure which we understand is one of the highest levels amongst Australian superannuation funds.

### Section 3. Next steps

#### ■ What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

The Fund consistently assess and reassess the ways we protect members' money, and this year we looked again at our exclusions and whether there was a better way to manage carbon risk in the portfolio. We wanted to ensure we were managing carbon risk across the whole portfolio, not simply in the energy supply sector. The Board considered and ultimately decided to adopt a carbon budget approach to replace our previous carbon-related exclusions.

From 1 July 2023, we changed our approach to fossil fuel exclusions where we implemented a carbon budget for each of our listed equities managers which should further reduce the carbon intensity of our equities exposure. Each manager is designated a carbon budget and their portfolios need to be consistent with their respective budget. The carbon budget is defined with respect to carbon intensity (scope 1 and 2), which is measured as emissions scaled to sales. For each manager, the budget is expressed as a discount to the carbon intensity of the manager's benchmark. This is the maximum level of carbon intensity for the manager's portfolio. This means that managers can still look for opportunities for mispriced stocks across the universe, and all stocks can compete for a place in the portfolio, but there is an additional hurdle for high carbon intensity companies. For each manager, the carbon budget involves a meaningfully lower level of carbon intensity than the respective benchmark.

The budget for each manager has been customised recognising each strategy's typical opportunity set. The discount is higher for international equities as it is easier to construct a portfolio that has lower emissions and limited tracking error as the stock concentration is low relative to Australian equities. Where a manager can make a sufficiently strong argument that its portfolio could breach its carbon budget and still be consistent with the transition to net zero, the Internal Investment Committee can approve a temporary breach of the budget. The Internal Investment Committee approves changes in the manager carbon budgets, as well as budgets for new managers. It reviews the carbon budgets annually or more frequently if required. In December 2022 we co-filed a resolution at Glencore asking for transparency around Glencore's climate commitments alongside ACCR, HSBC, Legal & General and Swiss Pension Group Ethos.

Furthermore, we would like to see companies publish country-by-country breakdowns of how and where their business model generates economic value, where that value is taxed, and the amount of tax paid as a result. This information would help us to assess tax risk. We need to assess the risk taken by companies with regard to tax strategies and where companies link CEO bonuses to after-tax profits we are concerned that management should not be incentivised to take risks on taxation to improve bonuses. Public explanations should be provided where companies or subsidiaries are housed in tax havens in which they have limited operations on the ground.

We welcome the alignment of the suggested disclosure requirements with the Global Reporting Initiative (GRI)'s tax standard, as well as the additional requirement to disclose the effective tax rate, expenses from related party transactions, and details on other assets.

We have also appointed Pangolin Associates to provide consultancy services that will assist us with our strategic goal of reaching net zero operational targets (scope 1 & 2 emissions) by 2030.

#### Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Adam Karaelis

Position

ESG Manager

Organisation's Name

Vision Super

☒ A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

☐ B

## ORGANISATIONAL OVERVIEW (OO)

### ORGANISATIONAL INFORMATION

#### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

**Does your organisation have subsidiaries?**

- ☐ (A) Yes
- ☒ (B) No

## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

**What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?**

**USD**

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 8,007,672,048.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00



## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	0%	>10-50%
(B) Fixed income	0%	>10-50%
(C) Private equity	0%	>0-10%
(D) Real estate	0%	>0-10%
(E) Infrastructure	0%	>10-50%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>10-50%	0%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

(I) Other - relates to cash portfolio

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>10-50%	>10-50%	>10-50%	>0-10%	>10-50%
(B) Passive	>50-75%	>50-75%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	>75%	0%
(B) Listed equity - passive	>75%	0%
(C) Fixed income - active	>10-50%	>75%
(D) Fixed income - passive	>75%	0%
(E) Private equity	0%	>75%
(F) Real estate	>10-50%	>50-75%

(G) Infrastructure

0%

>75%

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

>75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(D) Fixed income – securitised	(2) >0 to 10%
(E) Fixed income – private debt	(1) 0%
(F) Private equity	(2) >0 to 10%
(G) Real estate	(1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(4) Fixed income - passive
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	(5) Private equity	(6) Real estate	(7) Infrastructure	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(12) 100%
(B) Listed equity - passive	(12) 100%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

**For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?**

**(1) Yes, we incorporate ESG factors into our investment decisions**

**(2) No, we do not incorporate ESG factors into our investment decisions**

(V) Other: (I) Other - relates to cash portfolio



### EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

**For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?**

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

**For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?**

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>

(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>



## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

**Describe how your organisation incorporates ESG factors into the following asset classes.**

Internally managed  
(C) Other

The cash portfolio is managed in-house based on an investment objective to generate after-fee returns that outperform the Bloomberg Ausbond Bank Bill Index over a rolling three-year period, with a low probability of underperforming this index over 12-month periods. The portfolio invests in a range of money market securities, short dated fixed income securities or equivalents. All investments will be invested for a maturity generally no longer the 12 months which is dependent on the outlook and interest rate environment.

The cash portfolio is based on an investment policy with specific guidelines which are reviewed annually. All trading must be with an approved counterparty/issuer who are an Authorized Deposit-taking Institution (ADI). The portfolio is not permitted to invest in instruments with a credit rating below S&P's A2 credit rating equivalent. Investments in the cash portfolio are generally held to maturity and not actively traded. More specifically, the cash pool of money serves to provide liquidity across the Cash investment options and all pre-mixed investment options.

Vision Super is committed to incorporating ESG considerations into the investment process for the cash portfolio. However, due to the short-term nature of cash investments, ESG factors are generally not a primary consideration. ESG risks related to actual and potential counterparties are monitored at a high level and, if the risk is sufficiently high, it can impact the investment limit for the respective counterparty. For example, in 2019, the limit for Westpac was reduced when money laundering issues arose for this bank. While not formally part of our cash investment process, we have access to the ESG ratings that are produced by Moody's.

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

- ☐ (A) Yes, we market products and/or funds as ESG and/or sustainable
- ☒ **(B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable**
- ☐ (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

Any ESG initiatives we undertake we apply across all relevant assets. We don't believe its appropriate to segregate such initiatives - if its good for one, its good for all.

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

**The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.**

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(U) External manager selection, appointment and monitoring (SAM) – listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(W) External manager selection, appointment and monitoring (SAM) – fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(X) External manager selection, appointment and monitoring (SAM) – private equity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(Y) External manager selection, appointment and monitoring (SAM) – real estate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(Z) External manager selection, appointment and monitoring (SAM) – infrastructure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☐ (A) Publish as absolute numbers
- ☒ (B) Publish as ranges

## POLICY, GOVERNANCE AND STRATEGY (PGS)

### POLICY

#### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☐ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☐ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (L) Stewardship: Guidelines on (proxy) voting
- ☒ (M) Other responsible investment elements not listed here

Specify:

On a case-by-case basis, Vision Super will review, from a cost benefit perspective, whether to participate in a securities class action event as a result of an allegation of company mismanagement or of providing misleading information to the market where this has led to financial loss for shareholders. We will participate in class actions against companies where this is expected to be in the best financial interests of members and consistent with the values of the Fund

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

**Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?**

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

As part of the engagement service arrangements via the Australian Council of Superannuation Investors (ACSI), their Governance Guidelines covers: Board composition (including diversity), Director nominations, Workforce matters, Remuneration Practices, Corporate Culture, and Tax Practices.

We rely on scientific consensus to inform us on systemic sustainability issues. This includes issues such as climate change, biodiversity loss, pollution and overuse of resources.

Vision Super's approach is based on applying a set of principles (ESG principles) for guiding the investment practices of the Fund with a view to ensuring the ESG - related considerations set out in this policy are applied in the Fund's decision-making processes.

The board may determine that we will not invest in particular categories of investment. In considering whether to exclude certain investments, we will:

1. Clearly define what is being proposed for exclusion.
2. Assess materiality including impact on portfolio performance and sequencing risk.
3. Define why the category of assets is being proposed for exclusion. This will take into account the values of the Fund, which are informed by a range of factors including community expectations.
4. Assess the practicality of excluding these investments from the Fund.
5. Determine under what circumstances the Fund would stop excluding a category of investments.

We understand the connection between a company's ESG performance and its long-term success. At the core of this success, is the concept of freedom of association, a positive approach to labour relations and collective bargaining, the elimination of forced and child labour, and the elimination of discrimination and promotion of diversity. Where it comes to our attention that a company in which Vision Super invests on behalf of our members has breached these principles, we may seek to engage with the company to change their practices and improve their long-term performance for our members.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

☒ **(A) Overall approach to responsible investment**

Add link:

<https://www.visionsuper.com.au/wp-content/uploads/esg-policy.pdf>

☐ (B) Guidelines on environmental factors

☐ (C) Guidelines on social factors

☐ (D) Guidelines on governance factors

☐ (E) Guidelines on sustainability outcomes

☒ **(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://acsi.org.au/publications/governance-guidelines/>

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.visionsuper.com.au/wp-content/uploads/slavery-statement-2022.pdf>

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://acsi.org.au/publications/governance-guidelines/>

☐ (I) Guidelines tailored to the specific asset class(es) we hold

☒ **(J) Guidelines on exclusions**

Add link:

<https://www.visionsuper.com.au/exclusions/>

☐ (L) Stewardship: Guidelines on engagement with investees

☐ (N) Stewardship: Guidelines on engagement with other key stakeholders

☒ **(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.visionsuper.com.au/wp-content/uploads/proxy-voting-policy.pdf>

☒ **(P) Other responsible investment aspects not listed here**

Add link:

[https://www.visionsuper.com.au/wp-content/uploads/2021/03/Stewardship\\_Code\\_January\\_2021.pdf](https://www.visionsuper.com.au/wp-content/uploads/2021/03/Stewardship_Code_January_2021.pdf)

☐ (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

● (A) Yes

Elaborate:

Vision Super's fiduciary duties will make an assessment and determine what long term factors should, or must be considered as part of the investment-decision making framework and process. Furthermore, we aim to examine how recent regulatory developments and the growing understanding of the investment case for focusing on ESG issues will implicate the way we think about ESG and what that means in practice.

Our approach is based on applying a set of principles (ESG principles) for guiding the investment practices of the Fund with a view to ensuring the ESG - related considerations set out in this policy are applied in the Fund's decision-making processes.

The Vision Super ESG Principles are as follows:

1. We seek to integrate ESG issues in our investment processes
2. We seek that companies, in which we invest, make appropriate ESG disclosures
3. We aim to consider each resolution and vote all our shareholdings
4. We will be an active owner and reflect this in our policies and practices, such as in our Stewardship Statement.
5. We will promote appropriate recognition of ESG issues within the investment industry.
6. We will aim to have collaboration with other investors and support suitable regulatory change
7. We are committed to transparency and will report to members on our ESG activities
8. We may exclude some categories of investment where these investments are not aligned with the values of the Fund, which are informed by a range of factors including community expectations as determined by the Board.

Vision Super's also has an established ESG Working Group (EWG). This group has day to day oversight of ESG activities of the business, and reviews new and existing initiatives set by the Investment Committee and the Board.

The EWG consists of:

- The ESG Manager (EM) - Chair
- The Chief Executive Officer (CEO)
- The Chief Investment Officer (CIO)
- Up to two other Vision Super staff members.

The EWG meets on a regular basis, generally every six weeks, and supports the Vision Super executive in conjunction with the Investment Team to consider ESG issues, which includes the following:

- Reviewing this policy on an annual basis or more frequently when required
- Oversight of the implementation of this policy

- Oversight of the process for reviewing contentious voting decisions ahead of company annual meetings, as well as class actions
- Carbon exposure at a portfolio level
- Oversight of stewardship, engagement, and other collaborative initiatives
- Overseeing and reviewing ESG memberships, associations, and ESG data and engagement/proxy voting service providers:
  - \* For quality of service and benefits of membership
  - \* To ensure each membership or service is in the members' best financial interests.
- Overseeing engagement with companies and regulators on ESG matters

The EWG will produce notes and action points from each meeting.

Our investment managers also have a fiduciary obligation to exercise proper judgement and decision making as part of the mandate that they are entrusted to manage on behalf of the Fund. These fiduciary obligations ensure that investment managers exercise a duty of care and skill in managing the portfolio, duties of trust and loyalty and general contractual duties as set out under each separately managed investment agreement. The Superannuation industry is heavily regulated and as such are an integral aspect of part of each investment managers contractual agreement with Vision Super. Ongoing changes in the market place such as the recast Markets in Financial Instruments Directive (MiFID II) requires investment managers to act honestly, fairly and professionally in accordance with the best interests of their clients when providing investment related services. This is inclusive of ESG factors and considerations with management of a portfolio.

○ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- ☒ (A) Overall stewardship objectives
- ☒ (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- ☐ (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- ☒ (D) How different stewardship tools and activities are used across the organisation
- ☒ (E) Approach to escalation in stewardship
- ☒ (F) Approach to collaboration in stewardship
- ☒ (G) Conflicts of interest related to stewardship
- ☒ (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- ☒ (I) Other
  - Specify:



Vision Super is a signatory to the Australian Asset Owner Stewardship Code (Code) which aims to increase the transparency and accountability of stewardship activities in Australia. Details of the Code can be found at the Australian Council of Superannuation Investors (ACSI) website below of which Vision Super is a full member: <https://acsi.org.au/members/australian-asset-owner-stewardship-code/>

The Code consists of six guiding principles designed to improve the quality and transparency of stewardship activities.

Vision Super takes stewardship very seriously, because our members are at the centre of everything we do. Ensuring long-term value in the companies in which we invest members' money is important for our members' retirement outcomes. We have a particular focus on ESG aspects of stewardship, which are essential to a companies' long-term success. Furthermore, Vision Super is a signatory to the Australian Asset Owner Stewardship Code (Code) which aims to increase the transparency and accountability of stewardship activities in Australia.

Details of the Code can be found at the Australian Council of Superannuation Investors (ACSI) website:

<https://acsi.org.au/members/australian-asset-owner-stewardship-code/>

Importantly, the bulk of Vision Super's ESG initiatives are driven by members of the investment team who comprise the majority of the EWG with the other members of the team being from the CEO's office.

The Code consists of six guiding principles designed to improve the quality and transparency of stewardship activities.

Our Stewardship Code is located here: [https://www.visionsuper.com.au/wp-content/uploads/2021/03/Stewardship\\_Code\\_January\\_2021.pdf](https://www.visionsuper.com.au/wp-content/uploads/2021/03/Stewardship_Code_January_2021.pdf)

- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- ☒ (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- ☒ (B) Yes, it includes voting principles and/or guidelines on specific social factors
- ☒ (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- ☒ (A) We have a publicly available policy to address (proxy) voting in our securities lending programme  
Add link(s):

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

**What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?**

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment  
 (B) Guidelines on environmental factors  
 (C) Guidelines on social factors  
 (D) Guidelines on governance factors

(6) >90% to <100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

## AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

☒ **(A) Listed equity**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☒ **(B) Fixed income**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☒ **(C) Private equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

☑ (D) Real estate

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

☑ (E) Infrastructure

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

☑ (I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

☒ **(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☒ **(B) Passively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- ☒ **(A) Board members, trustees, or equivalent**  
☒ **(B) Senior executive-level staff, or equivalent**

Specify:

The Board is ultimately responsible for approving all policies and guidelines.  
 Chief executive Officer (CEO), Chief Investment Officer (CIO) & Deputy CEO, Deputy CIO are responsible at an executive level.

- ☒ **(C) Investment committee, or equivalent**

Specify:

The internal investment committee members consists of Vision Super executives and management, directors and the Funds asset consultant and has a review and research role.  
 The Investment Committee consisting solely of Directors has a review role and can initiate areas for further research

- ☒ **(D) Head of department, or equivalent**

Specify department:

The Board is responsible for ensuring the appropriateness of the ESG framework.

Vision Super's ESG Working Group (EWG) provides oversight of the Fund's day to day ESG activities and reviews new and existing initiatives prior to providing it for review by the Investment Committee and decision by the Board.

ESG Manager and EWG Members consists of:

- The ESG Manager (EM) - Chair
- The Chief Executive Officer (CEO)
- The Chief Investment Officer (CIO)
- Up to two other Vision Super staff members.

- ☐ (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

○

○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

○ (A) Yes

● (B) No

Explain why:

Vision Super does not have any formal process, policy or structure in place, however our engagement is in line with the fund's values and our code of conduct. The Fund employ's third parties to do political engagement and in effect is part of the purpose of our industry memberships. The Fund may also employ lobbyists to put our perspective in front of government as and when we believe there is a need to do so.

We make the additional following comments:

- Vision Super supports carbon emission reductions and agrees that action on climate change is urgent. Vision Super has lobbied for effective policy in Australia and globally, and will continue to do so, as well as continue to use our power as an active shareholder to encourage companies to act in line with the Paris Agreement and scientific consensus.
- It is the role of government to provide considered public policy and the legislative frameworks required for the necessary and urgent transition to clean energy. Vision Super has written to all federal members of parliament to urge them to do this vital work – a sound legislative framework would mean many more opportunities to invest in renewable energy for the benefit of our members.
- Vision Super had also re-signed the Global Investor Statement to Government's on Climate Change, where we have reiterated our commitment in support of the Paris Pledge for Action ensuring we send a strong message to governments to implement the actions required to achieve the goals of the agreement.
- Vision Super also endorsed the "Just Transition" statement that was launched in Poland during COP24.

We incorporate ESG issues into our investment analysis and decision-making processes and as an active owner we consider ESG issues into our ownership policies and practices. We also seek appropriate disclosure on ESG issues from our investment managers.

○ (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

☒ **(A) Internal role(s)**

Specify:

Vision Super's ESG Working Group (EWG) oversees the Fund's day to day ESG activities and reviews new and existing initiatives for review by the Investment Committee and decision by the Board.

The EWG consists of:

- The ESG Manager (EM) - Chair
- The Chief Executive Officer (CEO)
- The Chief Investment Officer (CIO)
- Up to two other Vision Super staff members.

The EWG meets on a regular basis and works in conjunction with the members of the investment committee and Board.

☒ **(B) External investment managers, service providers, or other external partners or suppliers**

Specify:

As a member of ACSI, we undertake a company engagement program that looks to improve overall long-term value for beneficiaries by putting our views forward as an asset owner of the companies we invest in. This program manages environmental, social and governance risk in ASX-listed companies via engaging company boards, and sometimes management teams, on their exposure to, and management of, ESG issues that are financially material. We also engage directly with companies where we are co-filers.

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- **(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Explain why: (Voluntary)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

● **(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation
- **(2) KPIs are not linked to compensation as these roles do not have variable compensation**
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Philosophically we do not believe in bonuses. We look for ethical staff who will do their best for fair pay. We would have an issue with any one who didn't try as hard or do as well if they were not getting an additional bonus. Further we note sectors where performance fees are common tend to have the highest level of overall fees and not necessarily the best performance.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	☑	☑
(B) Specific competence in investors' responsibility to respect human rights	☑	☑

(C) Specific competence in other systematic sustainability issues



(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies



## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☒ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☐ (A) Yes, including all governance-related recommended disclosures
- ☒ (B) Yes, including all strategy-related recommended disclosures
- ☒ (C) Yes, including all risk management-related recommended disclosures
- ☐ (D) Yes, including all applicable metrics and targets-related recommended disclosures
- ☐ (E) None of the above

Add link(s):

<https://www.visionsuper.com.au/resources/forms-and-publications/#annual-reports>  
<https://www.visionsuper.com.au/wp-content/uploads/2022-annual-report.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

- ☐ (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)  
☐ (B) Disclosures against the European Union's Taxonomy  
☐ (C) Disclosures against the CFA's ESG Disclosures Standard

☒ **(D) Disclosures against other international standards, frameworks or regulations**

Specify:

Vision Super is a support investor to the Climate Action 100+ initiative. One focus is to encourage companies to use the Taskforce for Climate-Related Financial Disclosures Reporting Framework (TCFD). We also talk to our fund managers about TCFD and encourage them to support these recommendations. If not, we ask them to explain why that is not the case.

Link to example of public disclosures

<https://www.climateaction100.org/whos-involved/investors/>

- ☐ (E) Disclosures against other international standards, frameworks or regulations  
☐ (F) Disclosures against other international standards, frameworks or regulations  
☐ (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

☒ **(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement**

Add link(s):

<https://www.visionsuper.com.au/wp-content/uploads/2022-annual-report.pdf>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1
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#### Which elements do your organisation-level exclusions cover?

- ☒ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☐ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- ☒ (D) Exclusions based on our organisation's climate change commitments
- ☐ (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1
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#### How does your responsible investment approach influence your strategic asset allocation process?

- ☒ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - (1) for all of our AUM subject to strategic asset allocation
    - ☒ (2) for a majority of our AUM subject to strategic asset allocation
    - (3) for a minority of our AUM subject to strategic asset allocation
- ☒ (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - (1) for all of our AUM subject to strategic asset allocation
    - ☒ (2) for a majority of our AUM subject to strategic asset allocation
    - (3) for a minority of our AUM subject to strategic asset allocation
- ☐ (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income	(3) Private equity	(4) Real estate	(5) Infrastructure
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

From a philosophical perspective, we believe it is self-evident that responsible investment can not be outsourced. The buck stops with us. Vision Super tries to be guided by scientific consensus. In the case of climate change this is embodied by the Intergovernmental Panel on Climate Change (IPCC) which updates its guidance as new information comes to hand. Currently we are well on track for levels of warming, which would be an existential risk.

We have worked with the Australasian Centre for Corporate Responsibility (ACCR) on those sectors that make a material contribution to global industrial greenhouse emissions. As a result, the companies selected for focused collaborative engagement programmes usually sit within the diversified mining, oil and gas or steel sectors as the heaviest polluting parts of the economy. Analysis is conducted to look at where shareholder rights can be best used to affect change and where there is investor appetite to work collaboratively on outcomes-focused stewardship strategies. They focus on where there is a crossover as this is where they give themselves the best chance of achieving real-world outcomes.

The companies selected for focused collaborative engagements go through a screening process and must:

- Make a material contribution to global industrial greenhouse emissions - the companies generally sit within diversified mining, oil & gas, and steel sectors.
- Shareholder rights are available.
- Shareholders are interested in using their rights to effect change.

As a member of the Australian Council of Superannuation Investors (ACSI), we participate in engagement with ASX-listed companies throughout the course of the year. ACSI take into account the following items when considering how to prioritise its stewardship efforts for ASX300 companies:

- the size of ACSI's aggregate member holdings in the company
- the materiality of ESG factors on financial and/or operational performance
- specific ESG factors with systemic influence such as climate change or human rights
- the adequacy of public disclosure on ESG factors and/or performance made by the company
- specific ESG factors based on input and discussions with ACSI's members
- any other emerging issues from the previous year including proxy voting recommendations where ACSI opposed the board, or ad-hoc issues that arise

Furthermore, some of our managers prioritize responsible investment activities including stewardship efforts based on materiality. They define materiality of an underlying issue or controversy in terms of its severity and their exposure (or potential exposure) to it across portfolios, and their assessment of the severity of the issue is based on a combination of internal and external climate data, research and previous experience.

The majority of other stewardship efforts are directed towards engaging with corporate management teams, Boards, assessing and voting on proxy proposals. Generally, our managers prioritize these engagements or key votes based on their assessment of their materiality within their portfolios.

Broadly, some of our external offshore managers analysts prioritize engagements for businesses they cover based on the materiality of the issues and the potential impact (positive or negative) on the investment case. Because our active managers manage concentrated portfolios with a long-term investment orientation, they generally have the ability to engage with each business immediately after any concerns arise. Additionally, some have also begun to undertake "thematic" engagements and have prioritized the areas of climate change, modern slavery, and digital ethics for areas to engage on more heavily with portfolio companies to the future.

Investment manager teams prioritizes portfolio companies on which to focus stewardship efforts based on areas of concern. When they determine there is a material development at a company, analysts will report a real-time note to the relevant portfolio managers before following up with a more detailed analysis after further work is completed.

IFM Investors who manage a passive Australian equities mandate for us, considers company engagement a key part of its ownership responsibilities consistent with the long-term nature of its investment approach. Engagement may be undertaken by IFM in three ways:

- Where there is a significant negative change in a governance factor
- On an ad-hoc basis in response to issues arising for individual stocks
- Around pre-determined themes.

Each year, IFM Investors may determine three or four key themes which form the basis for discussion with portfolio businesses. These themes will generally be aimed at improving corporate reporting and participation in initiatives that improve the level of environmental, social and governance performance of companies in the index.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Shareholder strategy offers some of the most potent decarbonisation tools available. A collaborative approach enhances the speed and effectiveness of a strategy.

- Why is collaborative stewardship effective?
  - A collaborative approach escalates an issue from the outset by indicating that more than one investor is already engaged. As a small shareholder our voice has little influence unless our concerns are shared by a broader section of the shareholder base.



- o It makes it harder for a company to discredit the engagement ask and any supporting research
- o Working with NGO's (such as ACCR) can be advantageous due to climate/science-based research capabilities, contributing much-needed support and resources to already stretched ESG teams and strategy, legal and coordination experience.
- o By working together, investors can learn from each other, and the experience can result in better executed future engagements for all (ripple effect).

As a member of ACSI, we participate in collaborative stewardship efforts as a collective member base through engaging on material ESG matters at ASX300 companies. By collaborating through ACSI, we are better positioned to engage companies on ESG issues as collectively ACSI represents around 10% of every ASX200 company. At the start of each year, ACSI and its members consider priority themes which are then implemented through constructive engagements with the board and management teams of listed companies.

Our service provider ACSI is also an active participant in several collaborative initiatives including:

- PRI Advance
- Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC)
- Climate Action 100+ (CA100+)
- Investor Group on Climate Change (IGCC)
- Responsible Investment Association Australasia (RIAA) – Nature Working Group
- 40:40 Vision on Gender Diversity
- The ASX Corporate Governance Council
- The Australian Sustainable Finance Institute (ASFI) – Advisory Committee and Taxonomy Working Group

As a further example, for one of our offshore active equity investment manager Sands Capital, they have viewed ESG integration and active ownership as important parts of their investment process for many years. However, in 2021, they began to more intentionally focus on three thematic areas - climate change, modern slavery, and digital ethics. They believe that these will present the most challenges and opportunities within the portfolio businesses they manage over the next 10 years.

Climate change presents risks to all public equity investment strategies. As a highly active, fundamental investment manager focused on growth and innovation, they strive to identify growth businesses that are taking steps to affect their industries and the markets they serve. In the shift to a low-carbon economy, they believe that many of their portfolios' businesses are facilitators of that shift while others are poised to be beneficiaries.

Modern slavery and forced labour present not only ethical challenges, but also operational, reputational, legal, and regulatory risks to companies. Whether hidden in physical supply chains, in financial transactions, or on internet platforms, modern slavery can have a surprisingly wide reach into a variety of industries from apparel to financial technology. For these reasons, in 2021 Sands capital formed a modern slavery project team to prepare and implement policies, practices, and staff training, and continued implementation of this work throughout 2022.

The world is rapidly shifting from an industrial society to one of technology-driven innovation according to Sands Capital. Mishandling of data, algorithmic bias, unethical artificial intelligence practices, and technology addiction are just a few of the potential unintended consequences of digitalisation.and technology driven innovation.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- ☒ (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

☒ 1

☒ (B) External investment managers, third-party operators and/or external property managers, if applicable

Select from the list:

☒ 5

☒ (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

Select from the list:

☒ 2

☒ (D) Informal or unstructured collaborations with investors or other entities

Select from the list:

☒ 3

☒ (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

☒ 4

☐ (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

☒ (A) Example(s) of measures taken when selecting external service providers:

Again, we don't think you can "delegate" your responsibilities. We try and have our external providers as best aligned as we can to reduce workload and the possibility of errors.

When appointing new or reviewing existing investment managers, our due diligence includes an assessment of how ESG risks are incorporated into their investment processes. The investment managers are asked to specify the resources they have available to analyse ESG risks, including personnel and their expertise, and engagement with companies and external research services. Where appropriate, we incorporate specific guidelines and constraints in our contracts with our investment managers. Vision Super does not depend only on investment managers to achieve its ESG goals.

Our investment managers must undertake a reasonable assessment and price risks to the value of an investment in companies that have a high ESG risk profile and appear to be managing ESG risks poorly. Where possible, agreements with investment managers will be consistent with the ESG evaluation process outlined above. As far as practical, we will incorporate the ESG evaluation process across all our asset classes including equity, debt and unlisted assets.

Investment managers will be encouraged to discuss ESG and other risks in their investment reports to Vision Super. Our internal Investment team monitors the investment portfolios of our investment managers and analyses exposure to significant specific risks, such as climate change risk.

The Investment manager appointments and terminations policy covers the general selection and monitoring of managers.

As part of overall due diligence and in accordance with the AIST Investment Manager Operational Due Diligence Guidance Note, we assess the sustainability and social impact of the investment manager's corporate operations (which contrasts with the specialist investment function which assesses an investment manager's skills and expertise for investing funds within ESG parameters).

Issues to be considered:

#### Review of Policies and Other Written Materials

- Policies and/or processes on approach to obtaining and ensuring diversity of team members, senior leadership, Board / Committees (could separately be covered in personnel section of operations due diligence).
- Policies and/or processes on approach to sustainable environmental impact for the operations of the investment manager's business
- Policy addressing investment manager's approach to the incorporation of environmental, social and governance (ESG) factors within the investment process (if applicable).

#### Qualitative Assessment and Observations

- Determine if the investment manager has written diversity targets and calculate whether those targets are met. Review the steps taken to bridge any gaps and assess whether those steps are likely to achieve the target. Consider whether the target is too low.
- Determine if the investment manager has carbon neutral targets and calculate whether those targets are met. Review the steps taken to bridge any gaps and assess whether those steps are likely to achieve the target. Consider whether the target is too low.
- Evidence of processes and controls for monitoring and reporting of ESG incidents.

#### Indicators of Good Practice

- Clear ESG Policy (or equivalent) is maintained and reviewed regularly for the operations of the investment management business. For good practice, it is expected that such policies are aligned with relevant responsible investing guides and frameworks such as APRA CPG 229 Climate Change Financial Risks and recommendations under the Task Force on Climate-Related Financial Disclosures.
- ESG metrics and thresholds are established and regularly monitored for the corporate operations of the investment manager. Good practice includes a commitment to being carbon neutral in the next twelve months including staff travel to and from work and to and from client's meetings and events.
- ESG of the investment manager's operations is embedded into the organisation's Risk Management Framework and is regularly monitored by senior management.

#### Indicators of Poor Practice

- Inadequate processes and procedures around the establishment, monitoring and reporting of ESG KPIs, resulting in negative media coverage and reputational risks.
- Examples of social red flags (e.g., human rights issues, gender discrimination, forced labour) and governance problems (e.g., bribery and corruption).
- Insufficient controls around modern slavery, including not having a Modern Slavery Statement if applicable

☑ **(B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:**

As a member of ACSI, like the other members as asset owners we have similar entities including asset management bodies wholly owned/controlled by asset owners. This means that its governance and strategic direction comes exclusively from asset owners and that ACSI's Governance Guidelines, used for engagement, voting and advocacy, are established by members. ACSI is owned exclusively by its members. ACSI's Governance Guidelines can be found at this link: <https://acsi.org.au/publications/governance-guidelines/>

On an annual basis, ACSI and its members create and agree a list of engagement target companies with specific objectives for each. ACSI implements these engagement plans through constructive engagement with ASX300 boards. ACSI monitors and reports progress back to members semi-annually through half-year and full-year reports and on-demand through its online portal 'ACSI Delta'.

☑ **(C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:**

ACSI is inherently aligned to its members through its membership and governance structure. ACSI is owned exclusively by its members. Our fund therefore directly monitors alignment between ACSI's activities and our organisation's stewardship policies.

ACSI members are the only representatives on ACSI's key decision-making and monitoring groups (the Board and the Member Advisory Council).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation's stewardship activities linked to your investment decision making, and vice versa?**

If the internal investment team has concerns with any investment manager from an ESG perspective, the investment team will report this to the Investment Committee for review and potential actioning. Management also conducts quarterly conference calls for listed equity/debt managers which includes an agenda on non-financial ESG related matters. In our experience this is a relative process. Our stewardship activities are mainly implemented through our proxy voting, collaborative initiatives, and company engagement as well as through policy advocacy work through our proxy research advisers and directly where we direct our actions on specific focused companies.

The Board is responsible for ensuring the appropriateness of the ESG framework.

As a member of ACSI, we undertake a stewardship and company engagement program that looks to improve overall long-term value for beneficiaries by asking questions and expressing our concerns to the companies we invest in. This program assesses environmental, social and governance risk at ASX-listed companies via engaging company boards, and sometimes management teams, on their exposure to, and management of, ESG issues that are financially material. Some examples include undertaking engagements on overall performance, governance and board structures, climate change, modern slavery and safety.

By collaborating through ACSI, we are better positioned to engage companies on issues as collectively ACSI represents around 10% of every ASX200 company. At the start of each year, ACSI and its members set priority objectives, which are then implemented through constructive engagements with ASX300 boards.

In calendar year 2022, our service provider ACSI held 299 company engagement meetings focused on material ESG matters with 198 different ASX-listed companies.

For members reporting on financial year-end:

- In financial year-end 30 June 2022, our service provider ACSI held 302 company engagement meetings focused on material ESG matters with 193 different ASX-listed companies.
- In financial year-end 30 June 2023, our service provider ACSI held 306 company engagement meetings focused on material ESG matters with 194 different ASX-listed companies.

ACSI provides bi-annual reports on progress against thematic and company specific objectives as well as file notes on each company meeting so that those making investment decisions can access information as well as participate in company engagements.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

Vision Super takes this responsibility very seriously, because our members are at the centre of everything we do. Ensuring long-term value in the companies in which we invest members' money is important for our members' retirement outcomes. We have a particular focus on the environmental, social and governance (ESG) aspects of stewardship, which are essential to companies' long-term success.

Vision Super is a signatory to the Australian Asset Owner Stewardship Code (Code) which aims to increase the transparency and accountability of stewardship activities in Australia.

Details of the Code can be found at the Australian Council of Superannuation Investors (ACSI) website of which Vision Super is a full member: <https://acsi.org.au/members/australian-asset-owner-stewardship-code/>

The Code consists of six guiding principles designed to improve the quality and transparency of stewardship activities.

Through our asset consultant (Frontier Advisors) and specifically for rated investment products, we receive a formal update on the fund manager's ESG/RI approach on at least an annual basis with the focus on demonstrating their progress and/or enhancements over the last year and any updates of relevance.

Vision Super is a full member of ACSI and our CIO & Deputy CEO is a member of the Member Council and our CEO is a member of the Board. ACSI has a set of Governance Guidelines which are established and set by member funds (like ours) and are applied to engagement, proxy voting and public advocacy activities. We note we do not subscribe to the ACSI voting service, rather we have a customised template with Glass Lewis as input to our voting.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

☒ **(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- ☐ (1) in all cases
- ☒ **(2) in a majority of cases**
- ☐ (3) in a minority of cases

☒ **(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- ☐ (1) in all cases
- ☒ **(2) in a majority of cases**
- ☐ (3) in a minority of cases

☐ (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed

- ☐ (D) We do not review external service providers' voting recommendations
- ☐ (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

☒ **(A) We recall all securities for voting on all ballot items**

☐ (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

- ☐ (C) Other
- ☐ (D) We do not recall our securities for voting purposes
- ☐ (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- ☒ (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- ☐ (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- ☐ (C) We vote in favour of shareholder resolutions only as an escalation measure
- ☐ (D) We vote in favour of the investee company management's recommendations by default
- ☐ (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☐ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- ☐ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- ☒ (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- ☐ (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- ☒ (A) Yes, for all (proxy) votes

Add link(s):

<https://www.visionsuper.com.au/invest/active-ownership/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company	(1) for all votes	(1) for all votes



(C) We did not publicly or privately communicate the rationale, or we did not track this information

o

o

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

o

o

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://viewpoint.glasslewis.com/WD/?siteId=Vision%20Super>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

#### How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

ACSI is part of the ASX Corporate Governance Council, which released Principles and Recommendations including 6.4: "A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands." ACSI actively supported this change through our submission and Council membership. Directly, and through collaborations with international investors, ACSI continually asks companies to cease using 'show of hands' processes at AGMs/EGMs. These efforts have seen a dramatic reduction in companies adopting that practice over time.

Furthermore, Vision Super's proxy voting service provider Glass Lewis, has controls in place to ensure that from a voting perspective, that votes are entered in their platform (View Point) match those that are submitted to the market. Glass Lewis receive a confirmation back into View Point of the vote that has been submitted. If there are any instances where the vote does not match what has been submitted in View Point, an alert is sent for this to be investigated.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director



(F) Divesting



(G) Litigation



(H) Other



(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

○

#### (H) Other - (1) Listed equity - Specify:

Vision Super , Beta-shares and ACCR co-filed a members' statement at the Woodside AGM on the 28 April 2023, explaining why a vote against three long-standing directors - who all sat on the sustainability committee since their appointment to the board - was warranted. Woodside's repeated failure to respond to material shareholder votes around climate risk management has raised genuine governance concerns.

The Fund also co-filed a shareholder resolution on Glencore plc on the 29 December 2022.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- ☒ (A) Joining or broadening an existing collaborative engagement or creating a new one
- ☒ (B) Publicly engaging the entity, e.g. signing an open letter
- ☒ (C) Not investing
- ☒ (D) Reducing exposure to the investee entity
- ☒ (E) Divesting
- ☐ (F) Litigation
- ☒ (G) Other

Specify:

Our lead investment advisor (Frontier Advisors) will reflect a lack of progress in addressing an identified ESG issue by downgrading their ratings for the investment product. If the issue is material enough and goes unaddressed, Frontier have the scope to ultimately withdraw a formal rating of the product. Amundi, who manage our passive debt portfolios, have developed a proprietary ESG analysis and rating approach which is based on a 7-level alphanumeric scale, rating from A to G.

- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- ☒ (A) Yes, we engaged with policy makers directly
- ☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☒ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
  - (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?**

- ☒ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

The Australian Treasury released a consultation paper on climate related financial disclosure which Vision Super made a submission which were due by 21 July 2023. Treasury only gave interested parties a month to make submissions. Should legislation pass as currently proposed, we would need to report on our portfolio emissions which would be a lot of work, apply to companies where we have no control and which in many cases will not be subject to the legislation. We would need to report from the 2024-25 year onwards, with a transition period to full reporting in the 2027-28 year. We think the proposal is a good idea as feedback to refine government policy if government policy aligns with a net zero target, currently it does not! We are also sceptical that transparency for investors will lead to genuine pressure on companies to transition. There is no evidence of this based on past experience.

Furthermore, ACSI participates in a Natural Capital Working Group run by the Australian Government, The Australian Securities and Investments Commission's Corporate Governance Consultative Panel, and The ASX Corporate Governance Council.

- ☒ (D) We engaged policy makers on our own initiative

Describe:

ACSI proactively engage with policy makers on financial regulatory topics including climate change, just transitions, stewardship and other ESG topics. This includes meetings with representatives of the Australian federal and state governments as well as regulators, including the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC).

Additional note under Section E (Other Methods) - Vision Super also submitted a letter as part of FASB Tax Consultation process in 2023.

Public explanations should be provided where companies or subsidiaries are housed in tax havens in which they have limited operations on the ground.

We would like to see companies publish country-by-country breakdowns of how and where their business model generates economic value, where that value is taxed, and the amount of tax paid as a result. This information would help us to assess tax risk.

The key recommendations were as follows:

Vision Super supports the proposed amendments to Topic 740 and recommends that the FASB implements these proposals in a meaningful way. For example, disclosing income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign provides some degree of granularity. However, more detail is required for the jurisdiction in which the entity and its related parties operate.

In our view, country by country reporting remains the gold standard for tax transparency. Given many companies are already required to report country by country information privately to tax authorities under OECD BEPS we do not believe that much additional cost would be involved.

Furthermore, Vision Super requests that FASB gives consideration to whether the proposed tax disclosures should be included in the current tax transparency reports and whether the assurance around those reports should be strengthened.

#### ☒ (E) Other methods

Describe:

ACSI collaborates with other industry groups on certain areas of policy advocacy. We joined a cross-section of industry organisations to sign a joint submission on implementation of the ISSB standards and to call for the passage of the Climate Change Bill. ACSI further collaborated with the Responsible Investment Association Australasia (RIAA), and the Investor Group on Climate Change (IGCC) on other aspects of advocacy including in relation to the introduction of mandatory climate related reporting in Australia.

Furthermore ACSI was involved and participated in the following initiatives:

- IFRS Foundation Exposure Drafts for S1 Sustainability-related and S2 Climate-related disclosures
- Independent Review of Australian Carbon Credits
- Treasury Laws Amendment (Measures for Consultation) Bill 2022: Sustainability Standards
- Australian Modern Slavery Act Review
- Remuneration Disclosure and Reporting Requirements for APRA-Regulated Entities
- Anti-Discrimination and Human Rights Legislation Amendment (Respect At Work) Bill 2022
- The Application of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in Australia
- Western Australian Aboriginal Cultural Heritage Act 2021 Co-Design Process
- First round of the review of national 'Your Future, Your Super' Measures
- National Biodiversity Market

Other policy consultations that were responded to during January to June 2023:

- TNFD Beta Version 0.4

- Climate Change Authority - Setting, tracking and achieving Australia's emissions reduction targets
- Safeguard Mechanism Reform
- APRA Prudential Standard SPS 530: Investment Governance
- Australian Government consultation on climate-related financial disclosures
- UK Financial Conduct Authority consultation on Primary Markets Effectiveness

Vision Super also agreed to and signed the investor statement on plastic which was co-ordinated by VBDO.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

☒ **(A) We publicly disclosed all our policy positions**

Add link(s):

<https://www.visionsuper.com.au/invest/esg/>

☐ (B) We publicly disclosed details of our engagements with policy makers

○ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Climate Change

(1) Led by

○ (1) Internally led

● **(2) External service provider led**

○ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) **Environmental factors**
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) **Listed equity**
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Through, and in collaboration with ACSI, we worked to ensure company strategies and actions are aligned to the goals of the Paris Agreement to limit climate change to well below 2°C and, ideally, to 1.5°C. This includes engagement to drive the adoption of the TCFD framework, a net zero commitment and accompanying pathways to achieve those aims.

ACSI and its members' impact was significant during 2022 with all 30 priority companies making progress. Notably:

- All priority companies have now either committed to or already report their climate risks and opportunities using the TCFD guidelines. ACSI continues to engage with companies on the quality and depth of their TCFD analysis of material climate risks and opportunities.
- 29 of 30 target companies now have net zero commitments in place.
- Majority of the target companies explicitly link or commit to link its executive incentive pay to climate change objectives.
- There were eight advisory votes on climate held by priority climate companies which was driven through ACSI engagement, with priority companies putting forward climate transition plans for a shareholder advisory vote with varying levels of shareholder support.

Examples relating to policy/advocacy activities:

Climate change: ACSI, in partnership with other investor groups, publicly advocated for the introduction of mandatory climate disclosures over a long period, and the Government released a consultation on climate-related financial disclosures in late 2022.

Just Transitions: ACSI has been publicly advocating for policy action to support a just transition to a low carbon economy and in December 2022, released our research report on just transitions which stemmed from a working group that involved ACSI and its members. The research report outlines a detailed set of investor expectations of listed companies and the policies that ACSI recommended governments put in place to support a just transition. Pleasingly, the Australian Government announced in May 2023 the establishment of a Net Zero Authority to oversee and drive the transition.

(B) Example 2:

Title of stewardship activity:

Board Gender Diversity

(1) Led by

- (1) Internally led
- (2) **External service provider led**
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Since 2015, ACSI has been engaging company boards on achieving 30% representation of women. This has now evolved to ensuring boards have a 40%/40%/20% gender split.

Achievements include:

- 16 of the 20 board diversity target companies appointed at least one female director to its board in 2022.
- This included four appointments on previously zero-women boards and 14 appointments to previously one-woman boards.
- Representation of women on ASX200 boards is now at around 36%. In the ASX201-300, there were only two companies with zero-women boards by the end of 2022.

(C) Example 3:

Title of stewardship activity:

Workforce (safety, culture and modern slavery)

(1) Led by

- ☐ (1) Internally led
- ☒ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☒ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other



(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Achievements include:

- 70% of ACSI's target companies in the workforce theme saw improvements in 2022. This involves areas of focus such as workforce and human capital development, culture, modern slavery and supply chains, and safety.
- ACSI supported collaborative action as a supporter of Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC).
- Engagement on disclosure of workforce indicators including safety performance, employee engagement, culture and modern slavery saw greater improvement in companies' 2022 sustainability reporting.
- ACSI engaged with ASX300 companies on their progress on addressing areas for improvement in their second- and third-rounds of modern slavery reporting.
- ACSI has also been advocating for reform to the policy to support a higher standard in the Modern Slavery Act. An independent review of the Act was conducted and ACSI provided a submission as part of this consultation process. The final report from the independent review was released in June 2023, with recommendations largely in line with ACSI's submission. ACSI has also supported the announcement by the Australian Government to establish a Modern Slavery Commissioner. ACSI will continue to engage with Government, seeking to ensure that the revised version of the Act is more robust and sets higher standards of action and disclosure to prevent, mitigate and respond to modern slavery.

(D) Example 4:

Title of stewardship activity:

Remuneration alignment with investors

(1) Led by

- ☐ (1) Internally led
- ☒ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Improve aspects of remuneration practices and structure. These improvements included improving pay-for-performance alignment, the cessation of retention plans, ensuring companies are developing stretching hurdles, transparent disclosure of remuneration outcomes, introducing executive and director minimum shareholding requirements.

Achievements include:

- 28 target companies made improvements to their remuneration framework and practices by the end of 2022 following ACSI and its members' engagement. Some examples of improvement areas include greater disclosure of remuneration targets and outcomes, transparent reporting of the use of board discretion, introduction of equity deferral mechanisms in incentive plans and ensuring the development of challenging hurdles that focuses on long-term value creation.
- ACSI participated in consultations led by the regulator, APRA, related to the standard for remuneration disclosures. ACSI supported greater transparency, to provide investors with better data on remuneration frameworks.

(E) Example 5:

Title of stewardship activity:

Indigenous rights & cultural heritage

(1) Led by

- ☐ (1) Internally led
- ☒ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☒ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

ACSI and its members have engaged with priority companies and focused on companies being able to demonstrate the following:

- Genuine ambition to build long-lasting constructive relationships with First Nations people.
- Free prior and informed consent (FPIC) built into policies and practices.
- Improving quality of disclosure.
- Policies that commit companies to respect First Nations people's rights and cultural heritage, aligned with international standards e.g. UNDRIP, UNGPs or IFC Performance Standards.
- A clear process for boards to obtain assurance that risks are appropriately identified, mitigated, and managed.
- Assessment of whether agreements/consent need to be updated and do not have problematic confidentiality clauses.

ACSI has met with the boards and/or senior management of the 11 priority companies, seeking for an improvement in practices and transparency on First Nations Engagement. ACSI held more than 20 meetings on these issues in 2022.

For a number of years, ACSI has advocated for higher standards of protection of the rights and cultural heritage of First Nations people. ACSI is participating in the Federal Government's ongoing consultation on reform to national cultural heritage laws. ACSI has also participated in consultations on the application of international standards (the United Nations Declaration on the Rights of Indigenous People) in Australia, as well as reform to Western Australian cultural heritage laws.

ACSI has participated in cross-organisational initiatives that are working in Australia and overseas to improve standards of rights and cultural heritage protection. This has included, for example:

- The Principles for Responsible Investment's Advance Initiative on Human Rights and Social Issues.
- The Australian Sustainable Finance Institute's working group on First Nations issues.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

#### ☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Climate change risk is a primary concern among environmental risks. In addition, there are related investment opportunities in investment portfolios that may provide favourable returns while at the same time helping to mitigate climate change risk.

Climate change is one of the greatest environmental and financial risks that our investment portfolio faces. We are committed to:

- Considering, identifying and managing climate change as a material financial risk for the purposes of our risk management framework. We will consider, identify and seek to take advantage of any suitable investment opportunities that relate to the transition to a net zero-carbon emissions economy. We note that climate change is occurring and adaptation against severe scenarios isn't possible.
- Monitoring the carbon metrics of the portfolio and striving for improvement
- Encouraging our advisers and managers to consider climate change risks and opportunities, including proper assessment of the data available
- Participating in climate change related collaborative initiatives
- The Board has also determined that the investment case for any material direct investment must include a reasonable assessment of the impact on the investment of phasing out fossil fuel usage consistent with limiting global warming as close to 1.5 degrees as possible and under 2 degrees above the pre-industrial global mean temperature as part of most recent approved ESG Policy as at 28 April 2023. .

As part of our annual working investment programme, the Board and Investment Committee are informed of all climate-related items throughout the year and any recommendations that may eventuate from our ESG Review update and evaluation. The Fund has mandated that its listed equity investment managers will manage their portfolios subject to an annual carbon budget. The carbon budget is defined with respect to carbon intensity (scope 1 and 2), which is measured as emissions scaled to sales.

For each manager, the budget is expressed as a discount to the carbon intensity of the manager's benchmark. This is the maximum level of carbon intensity for the manager's portfolio. This means that managers can still look for opportunities for mispriced stocks across the universe, and all stocks can compete for a place in the portfolio, but there is an additional hurdle for high carbon intensity companies. Where a manager can make a sufficiently strong argument that its portfolio could breach its carbon budget and still be consistent with the transition to net zero, the Internal Investment Committee can approve a temporary breach of the budget. An example could be a cement manufacturer with a leading R&D program for low emission cement.

For investment in index strategies where no active assessment takes place, we will seek to have a carbon intensity less than the relevant index. The Fund also has a diversified set of external fund managers who are mandated to consider ESG issues including climate change risk. Management is also trying to get better look through on stranded assets or weight of holdings owning fossil fuel reserves in the portfolio. i.e. Thermal coal, gas and oil, as some companies would also have unconventional sources of reserves such as oil sands and shale gas. Other considerations are potential emissions from fossil fuel reserves and what clean technology solutions companies are pursuing. We also consider company exposure to commodities that are intensively used in green technologies such as copper.

ACSI, which we are a full member of, engages with ASX companies on the disclosure and integration of climate-related risks and opportunities. ACSI engages with a broad range of companies on climate risk and also prioritises particular companies based on materiality and exposure. ACSI also uses proxy voting as a mechanism to create engagement on climate-related resolutions and as a tool for signalling where improvement on climate-related issues can be made.

- ☐ (B) Yes, beyond our standard planning horizon
- ☐ (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Vision Super undertakes Whole of Fund modelling, approximately triennially. This analysis forecasts membership, assets and cash flows for each division of the Fund (accumulation, account based pension and defined benefit), and informs the review of investment objectives and strategy. From a whole of fund level we believe that environmental, social and governance issues and sustainability considerations are important within the context of optimizing net risk-adjusted returns. ESG considerations are included in our fund-wide investment beliefs which guide the decisions we make about our investment portfolios.

The Fund implemented a carbon budget approach effective from 1 July 2023 rather than divesting from fossil fuel companies. We are wary of strategies involving carbon offsets, noting that total emissions are what counts. Offsets must mean further carbon reductions elsewhere to avoid dangerous warming. We would be more open to offsets in an appropriately calibrated cap and trade scheme.

## ESG benchmarks

Using carbon intensity (Scope 1 and 2) as a single measure for carbon budget, our listed equity portfolios are managed under a mandate that provides a tilt away from high carbon emitters, which results in a material reduction in the carbon emission intensity of the listed equity asset class. We will look to include Scope 3 emissions when an appropriate methodology becomes available..Until 30 June 2023, exclusions for tar sands, thermal coal, oil and gas was our approach.

- The carbon budget is expressed as a discount to the benchmark index's carbon intensity.
- The discount level determines how much carbon each manager can allocate to each portfolio.
- Our listed equity portfolios are managed under a mandate that provides a tilt away from high carbon emitters, which results in a material reduction in the carbon emission intensity of the listed equity asset class.
- The carbon budget is expressed as a discount to the benchmark index's carbon intensity and the discount level determines how much carbon each manager can allocate to each portfolio. The Australian equity asset class has a total discount of around 30%, while the international equity asset class has a total discount of around 60%. The discount is higher for international equities as it is easier to construct a portfolio that has lower emissions and limited tracking error as the stock concentration is low relative to Australian equities.
- Investment managers can still look for opportunities for mispriced stocks
- All stocks can compete for a place in the portfolio but high carbon intensity stocks face greater hurdles.

For each manager, the budget is expressed as a discount to the carbon intensity of the manager's benchmark. This is the maximum level of carbon intensity for the manager's portfolio. This means that managers can still look for opportunities for mispriced stocks across the universe, and all stocks can compete for a place in the portfolio, but there is an additional hurdle for high carbon intensity companies.

- For each manager, the carbon budget involves a meaningfully lower level of carbon intensity than the respective benchmark. The budget for each manager has been customised recognising each strategy's typical opportunity set. The discount is higher for international equities as it is easier to construct a portfolio that has lower emissions and limited tracking error as the stock concentration is low relative to Australian equities.
- Where a manager can make a sufficiently strong argument that its portfolio could breach its carbon budget and still be consistent with the transition to net zero, the Internal Investment Committee can approve a temporary breach of the budget.

Our asset consultant Frontier, via their Capital Markets and Asset Allocation Team (CMAAT), integrates ESG considerations into the development of its long-term capital market assumptions on an annual basis. The CMAAT draws on ESG research from across the broader business including Frontier's sector Research Teams. ESG factors deemed material by the CMAAT, eg transition to a lower-carbon economy, are considered alongside traditional factors, e.g. macroeconomic drivers, in determining the long-term expected returns, risk, correlations etc of major asset classes. These metrics are the key inputs into the optimisation process which forms a core component in determining our strategic asset allocation.

Vision Super is a support investor to the Climate Action 100+ initiative. One focus is to encourage companies to use the TCFD framework. We also talk to our investment managers about TCFD and encourage them to support these recommendations. If not, we ask them to explain and why that is not the case.

We have an aspiration to be net zero as soon as practical and have taken the initial step of assessing our baseline emissions, but recognise this can only occur if the Australian economy largely decarbonises.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

**Which sectors are covered by your organisation's strategy addressing high-emitting sectors?**

- ☒ (A) Coal

## Describe your strategy:

The Board has determined that the case for any material direct investment should include a reasonable estimate of the impact of phasing out fossil fuel usage consistent with limiting global warming as close as possible to 1.5 degrees Celsius and under 2 degrees Celsius above the pre-industrial global mean temperature. For investment in index strategies where no active assessment takes place, we will seek to have a carbon intensity less than the relevant index. The Fund also has a diversified set of external fund managers who are mandated to consider ESG issues including climate change risk.

Up until 30 June 2023, our divestments from fossil fuels (thermal coal, tar sands, oil and gas) are subject to materiality thresholds, which were set at 25% of company revenues. A buffer zone of +/- 5% is set so that investments close to the materiality threshold do not move between eligibility and ineligibility on a frequent basis.

The enhanced indexed component of our international equity's portfolio is managed to the MSCI All Countries World ex Australia Index unhedged and calculated in Australian dollars. We instruct our international index manager to target a carbon intensity reduction of 70% and a reduction in reserves of 50% compared to the benchmark.

The indexed component of our Australian equity's portfolio is managed to the ASX100. The portfolio is managed to materially reduce both carbon emission intensity and exposure to carbon reserves when compared with the benchmark. We instruct our manager to target a carbon intensity reduction of 25% and a reduction in reserves of 35% compared to the benchmark.

With each investment manager, our divestments are subject to a cap of 2% of emerging market equities, 2% of Australian equities and 5% of developed market equities (excluding Australia) as a percentage of the relevant investment benchmark. We also placed restrictions on companies involved in controversial weapons and tobacco producers.

Essentially, we did two rounds of divestments – the first round consists of controversial weapons, tobacco, tar sands and thermal coal. In the second round the remaining exclusions are applied up to the relevant cap.

We have implemented a carbon budget approach effective from 1 July 2023 rather than divesting from fossil fuel companies.

The carbon budget approach applies to Vision Super's listed equity managers. The key aspects of this approach are detailed below:

- The Investment Committee approves the carbon budgets for the international equities and Australian equities asset classes.
- Each manager is designated a carbon budget and their portfolios need to be consistent with their respective budget.
- The carbon budget is defined with respect to carbon intensity (scope 1 and 2), which is measured as emissions scaled to sales.
- For each manager, the budget is expressed as a discount to the carbon intensity of the manager's benchmark. This means that managers can still look for opportunities for mispriced stocks across the universe, and all stocks can compete for a place in the portfolio, but there is an additional hurdle for high carbon intensity companies.

The Australian equity asset class has a total discount of around 30%, while the international equity asset class has a total discount of around 60%. The discount is higher for international equities as it is easier to construct a portfolio that has lower emissions and limited tracking error as the stock concentration is low relative to Australian equities. This is the maximum level of carbon intensity for the manager's portfolio.

- For each manager, the carbon budget involves a meaningfully lower level of carbon intensity than the respective benchmark. The budget for each manager has been customised recognising each strategy's typical opportunity set. The discount is higher for international equities as it is easier to construct a portfolio that has lower emissions and limited tracking error as the stock concentration is low relative to Australian equities.
- Where a manager can make a sufficiently strong argument that its portfolio could breach its carbon budget and still be consistent with the transition to net zero, the Internal Investment Committee can approve a temporary breach of the budget. No such request has been received to date.
- The Internal Investment Committee approves changes in the manager carbon budgets, as well as budgets for new managers. It reviews the carbon budgets annually or more frequently if appropriate.

☑ (B) Gas

Describe your strategy:

Until 30 June 2023 companies with significant amounts of gas revenues (25%+) were excluded from the equities portfolios. Subsequently gas is dealt with via the carbon intensity target.

☒ **(C) Oil**

Describe your strategy:

Until 30 June 2023 companies with significant amounts of oil revenues (25%+) were excluded from the equities portfolios. Subsequently oil is dealt with via the carbon intensity target.

☒ **(D) Utilities**

Describe your strategy:

Effectively there was no exclusions here given the significance of our exclusions. Going forward the carbon intensity approach applies to this sector.

☒ **(E) Cement**

Describe your strategy:

The iron & steel and cement & concrete industries are essential elements of the global economy and development aspirations. They provide key materials for buildings, infrastructure, and industry that can be used more efficiently but are also irreplaceable for key needs for the foreseeable future. The most effective way to reduce steel and concrete emissions is to use them only for necessary applications in new products, vehicles and structures (-25 to -50% emissions reduction potential). Under our carbon intensity approach, we have seen a reduced exposure to this sector.

☒ **(F) Steel**

Describe your strategy:

Through Climate Action 100+ initiative, the aim is to accelerate the green steel industry in Australia through investor engagement with key stakeholders along the supply chain and policy makers. Steel making comes under our carbon intensity approach.

☒ **(G) Aviation**

Describe your strategy:

As a support investor to Climate Action 100+, there are a few considerations focused on decarbonisation as follows:

- \* 1.5C alignment of the two net-zero pathways
- \* Industry-backing from companies across the aviation value chain
- \* Setting the aviation transition into the context of the broader energy transition
- \* Focusing on milestones needed to be achieved in this decade to achieve net zero by 2050. We note that the carbon budget is more important than a timeframe.

Furthermore, as a collaborating investor on the Qantas Airways engagement, recent engagement priorities include the following:

- \* Update scenario planning. Currently this does not include a 1.5 degrees Celsius pathway. The group has continued to engage this for inclusion.
- \* Updates on Sustainable Aviation Fuel (SAF) coalition program\*

Continue to engage on their carbon offset program and its overlap with the DAF coalition program.

Internally we have cut in half the number of flights we make per annum. We continue to evaluate the benefits of flying compared to their significant impact on emissions. We are decreasing our exposure to Airports in our portfolios (unlisted) gradually. These exposures are in unlisted pool/funds, and it will take some time to reduce whilst maintaining a balanced portfolio.

Next steps - to continue to engage with our investment managers with aim to reduce our vulnerabilities within the portfolio.

☒ **(H) Heavy duty road**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(I) Light duty road**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(J) Shipping**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(K) Aluminium**

Describe your strategy

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(L) Agriculture, forestry, fishery**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(M) Chemicals**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(N) Construction and buildings**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(O) Textile and leather**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(P) Water**

Describe your strategy:

Covered under our carbon intensity budget approach at a manager portfolio level.

☒ **(Q) Other**

Specify:

Actively running campaigns at individual companies. The results of these at Woodside and Glenore AGM's will be a topic for the 2023 survey. We also actively vote in support of reasonable climate resolutions and against recalcitrant directors.

Describe your strategy:



There is no evidence that any strategy anywhere is working to the level needed. As such we continue to search for more effective ways to enact change. We note that it is not our goal to have no emissions in our portfolio in a world where emissions continue to climb – and they do continue to climb at an accelerating pace(<https://gml.noaa.gov/ccgg/trends/>). To that effect we participated at Woodside and Glencore beginning in 2022 including being co-filers at Glencore.

- (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

<https://www.visionsuper.com.au/wp-content/uploads/esg-policy.pdf>  
<https://www.visionsuper.com.au/invest/active-ownership/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- ☐ (B) Yes, using the One Earth Climate Model scenario
- ☒ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- ☒ (D) Yes, using other scenarios

Specify:

The Vision Super Board has determined that the investment case for any material direct investment must include a reasonable assessment of the impact on the investment of phasing out fossil fuel usage consistent with limiting global warming to as close as possible to 1.5 degrees and under 2 degrees above the pre-industrial global mean temperature. We conduct an evaluation of our equity portfolios via ISS's ESG Services platform (Data Desk) to understand our alignment analysis.

The scenario alignment analysis compares current and future portfolio greenhouse gas emissions with the carbon budgets for the IEA Sustainable Development Scenario (SDS), Announced Pledges Scenario (APS), and Stated Scenario (STEPS). Performance is shown as the percentage of assigned budget used by the portfolio and benchmark.

Our asset consultant Frontier Advisors uses primary data sources and models as follows:

- \* REMIND model for pre-defined policy scenarios and mitigation impacts on GDP
- \* Network for Greening the Financial System (NGFS) scenarios including Net Zero (1.5 degrees Celsius scenario)
- \* IEA scenarios as a reference point
- \* Climate Action Tracker for Paris commitments and progress to date as cross-reference with NDCs
- \* Macroeconomic variables such as GDP growth, demographics, rates of urbanisation are median estimates used in REMIND

\* In terms of climate change risk factors, they consider both physical (a function of temperature rises) and transition risks.

Furthermore, ACSI is supportive and recommends the risk assessment and reporting framework in the Financial Stability Board's Taskforce on Climate-related Financial Disclosure (TCFD) and expect disclosure to extend to strategies along with targets and specific metrics to manage this risk.

We note that global warming puts stress on civilisations and no portfolio is resilient to civilisation collapse.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

☒ **(A) Yes, we have a process to identify and assess climate-related risks**

**(1) Describe your process**

As part of our annual working investment programme, the Board and Investment Committee are informed of all climate-related items throughout the year and any recommendations that may eventuate from our ESG Review update and evaluation. The Board has determined that the case for any material direct investment should include a reasonable estimate of the impact of phasing out fossil fuel usage consistent with limiting global warming to no more than 1.5°C above the pre-industrial global mean temperature.

For investment in index strategies where no active assessment takes place, we will seek to have a carbon intensity less than the relevant index. The Fund also has a diversified set of external fund managers who are mandated to consider ESG issues including climate change risk. Up until 30 June 2023, we were divesting from thermal coal and tar sands on revenue metrics along with tobacco manufacturers. Management is also trying to get better look through on stranded assets or weight of holdings owning fossil fuel reserves in the portfolio. i.e. Thermal coal, gas and oil, as some companies would also have unconventional sources of reserves such as oil sands and shale gas.

Other considerations are potential emissions from fossil fuel reserves and what clean technology solutions companies are pursuing. We also consider company exposure to commodities that are intensively used in green technologies such as copper. Furthermore, as part of our annual ESG review program, the Board ratified the most recent ESG Policy update to extend our exclusion investment categories for companies that derive material revenue from conventional and unconventional oil and gas. The reason for this is that the more recent science is increasingly indicating that we are closer to tipping points and dangerous climate change than previously thought.

**(2) Describe how this process is integrated into your overall risk management**

Vision Super undertakes Whole of Fund modelling, approximately triennially. This analysis forecasts membership, assets and cash flows for each division of the Fund (accumulation, account based pension and defined benefit), and informs the review of investment objectives and strategy. From a whole of fund level we believe that environmental, social and governance issues and sustainability considerations are important within the context of optimizing net risk-adjusted returns. ESG considerations are included in our fund-wide investment beliefs which guide the decisions we make about our investment portfolios. The Australian and international passive equity portfolios are managed to a low carbon mandate and we ensure we send a strong message through our voting for specific climate change risk resolutions on a case by case basis.

Furthermore, management monitors its carbon emissions and intensity levels across its listed equity and debt portfolios at least annually via its ESG data service provider ISS, and encourages its fund managers to monitor emission risks and climate change risks within the portfolio. We also aim to formalise into investment management agreements, emission risk monitoring and reporting for externally managed listed portfolios when we appoint new fund managers. Management also ensures that climate change risks and opportunities are considered by its asset consultant and investment managers, including proper assessment of the data available and full company disclosures.

As a member of ACSI, we are alerted to any climate-related risks at Australian companies. Through Glass Lewis we are alerted to any climate controversies at AGM's for our holdings..

ACSI's Climate Change Policy is outlined in the following link: <https://acsi.org.au/policies/climate-change/>

Furthermore, ACSI engages with ASX companies on the disclosure and integration of climate-related risks and opportunities. They engage with a broad range of companies on climate risk and also prioritises particular companies based on materiality and exposure. ACSI also uses proxy voting as a mechanism to create engagement on climate-related resolutions and as a tool for signalling where improvement on climate-related issues can be made.

☒ **(B) Yes, we have a process to manage climate-related risks**

**(1) Describe your process**

Vision Super' aims to consider, identify and manage climate change as a material financial risk for the purposes of our risk management framework. We will consider, identify and seek to take advantage of any investment opportunities available from the transition to a zero carbon emissions economy.

Climate change will impact on economic growth rates and this leads to reduced equity returns. Regulatory risk is also increased as many governments will be forced to increase tax burdens in order to mitigate and adapt to climate change.

Management formally writes to all its funds managers annually requesting specific information on their responsible investment approaches and practices. Our questionnaire has a specific focus on climate-related risks, metrics and opportunities related to climate change. We use this for internal evaluation and ESG review as part of our annual working program and background when we conduct regular meetings with our fund managers. Below is a sample of a number of questions we ask our fund managers:

\* How do you consider and evaluate climate risk in your thinking and carbon emissions within our portfolios?

\* Please provide any reporting over the last 12 months for our portfolio.

\* Do you support the TCFD recommendations? If not, please explain the rationale behind this decision. If yes, please provide metrics and details on methodology around your assessment to this reporting initiative and or when do you anticipate an implementation plan will be implemented?

\* Is there a firm-wide strategy in place to identify the risks and opportunities related to climate change? If no, please explain the rationale. If yes, to what extent are these impacts delineated over the short, medium and long term?

\* Has your organisation considered the impact of climate-related scenarios on future outcomes in terms of expected risk and return as well as the identification of new opportunities?

- \* Has your organisation adopted any climate related targets or goals? If yes, please provide details including impact on the portfolio you manage for us.
- \* Has a process been established to assess and integrate climate-related investment risks into the investment decisions? If no, please explain the rationale. If yes, what sources of information and data are used and why?
- \* Are you able to assess the resilience of the portfolio to a 2 or 1.5 degree or less scenario outcome and report this assessment on an annual basis?
- \* What climate-related metrics, if any does your organisation use?

We reiterate that there is no adaption to the more severe scenarios for our portfolios or our members. Are best option is to try and prevent such scenarios from coming to fruition.

(2) Describe how this process is integrated into your overall risk management

Management monitors the carbon performance of the portfolio and aims to strive for continued improvements. The Fund publishes and discloses annually its carbon intensity level metrics to its members and underlying constituents. Management monitors the investment portfolios of our investment managers and analyses the exposure to significant climate change risk. We require our fund managers to consider our ESG Policy and have DNA elements of the PRI's principles within their investment framework and process when evaluating companies as part of the portfolio. Investment managers are also encouraged to discuss ESG and other risks in their investment reports to Vision Super. We directly monitor all investment managers by conducting regular onsite and virtual meetings. Our asset consultant also holds regular meetings with investment managers and all meeting notes are reviewed by our Investments team. We engage with companies, external agencies and government institutions to try and get more effective action. We understand that a low or no carbon emission portfolio is no defence against run away global warming.

- o (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

- ☒ (A) Exposure to physical risk
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - ☒ (1) Metric or variable used
      - o (2) Metric or variable used and disclosed
      - o (3) Metric or variable used and disclosed, including methodology
- ☒ (B) Exposure to transition risk
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - ☒ (1) Metric or variable used
      - o (2) Metric or variable used and disclosed
      - o (3) Metric or variable used and disclosed, including methodology
- ☐ (C) Internal carbon price
- ☒ (D) Total carbon emissions
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - o (1) Metric or variable used
    - o (2) Metric or variable used and disclosed
    - ☒ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.visionsuper.com.au/wp-content/uploads/2022-annual-report.pdf>

☒ **(E) Weighted average carbon intensity**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.visionsuper.com.au/wp-content/uploads/2022-annual-report.pdf>

☒ **(F) Avoided emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- **(1) Metric or variable used**
- (2) Metric or variable used and disclosed
- (3) Metric or variable used and disclosed, including methodology

☐ **(G) Implied Temperature Rise (ITR)**

☐ **(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals**

☒ **(I) Proportion of assets or other business activities aligned with climate-related opportunities**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- **(1) Metric or variable used**
- (2) Metric or variable used and disclosed
- (3) Metric or variable used and disclosed, including methodology

☒ **(J) Other metrics or variables**

Specify:

Power Generation Exposure: For a decarbonized future economy, it is key to transition the energy generation mix from fossil to renewable sources. Utilities relying on fossil power production without a substitute plan might run a higher risk of getting hit by climate change regulatory measures as well as reputational damages. We review the energy generation mix of the portfolio with the benchmark and a Sustainable Development Scenario (SDS) compatible mix in 2030 and 2050, according to the International Energy Agency.

We also review the total estimated transition at risk for the portfolio based on the NZE2050 scenario. we are able to analyse the sector-level contribution to the total potential financial impact of transition risks and opportunities on the portfolio. The Value at Risk presented is a net number between the positive and negative potential share price performance in the portfolio. A negative TVaR means positive share price movement.

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- **(1) Metric or variable used**
- (2) Metric or variable used and disclosed
- (3) Metric or variable used and disclosed, including methodology

○ (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

☒ (A) Scope 1 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
  - ☐ (1) Metric disclosed
  - ☒ (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.visionsuper.com.au/wp-content/uploads/2022-annual-report.pdf>

☒ (B) Scope 2 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
  - ☐ (1) Metric disclosed
  - ☒ (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.visionsuper.com.au/wp-content/uploads/2022-annual-report.pdf>

☒ (C) Scope 3 emissions (including financed emissions)

- (1) Indicate whether this metric was disclosed, including the methodology
  - ☐ (1) Metric disclosed
  - ☒ (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.visionsuper.com.au/wp-content/uploads/2022-annual-report.pdf>

- ☐ (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- ☐ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ **(B) The UNFCCC Paris Agreement**
- ☒ **(C) The UN Guiding Principles on Business and Human Rights (UNGPs)**
- ☐ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☒ **(E) The EU Taxonomy**
- ☒ **(F) Other relevant taxonomies**  
Specify:  
The Global Taxonomy Initiative
- ☐ (G) The International Bill of Human Rights
- ☐ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☒ **(J) Other international framework(s)**  
Specify:  
FASB tax initiatives (guidance on the disclosures related to income taxes in the financial statements of all entities), Global Reporting Initiative (GRI)'s tax standard, Country by Country (CBC) reporting as part of a broader suite of international measures aimed at combating tax avoidance, and TCFD disclosure requirements.(submission made in 2023).
- ☒ **(K) Other regional framework(s)**  
Specify:  
Climate Action 100+ Net-Zero Company Benchmark - Assesses the world's largest corporate greenhouse gas emitters on their progress in the transition to the net zero future.
- ☒ **(L) Other sectoral/issue-specific framework(s)**  
Specify:  
Submission response to the Australian Treasury on climate-related financial disclosure consultation (in 2023).
- ☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ **(A) Identify sustainability outcomes that are closely linked to our core investment activities**
- ☒ **(B) Consult with key clients and/or beneficiaries to align with their priorities**
- ☐ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ **(D) Identify sustainability outcomes that are closely linked to systematic sustainability issues**
- ☒ **(E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)**
- ☐ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☐ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☐ (C) We have been requested to do so by our clients and/or beneficiaries
- ☒ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☐ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☒ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☒ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other



## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

☒ **(A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

We request annually for all material outsourced providers operationally, namely the property management and our investment managers and other services to complete a detailed questionnaire evaluating the organizations suppliers assessment and the investment related activities for our portfolio/investment exposure and supply chains. This review evaluates from a risk assessment perspective what enhancements fund managers have done since the last review and in particular for the laggard managers identified within our risk matrix assessment.

Furthermore, we have also recently implemented a modern slavery clause within our investment manager contract agreements and within side letters for new unlisted pooled fund/trust investments.

As a member of ACSI, we have been supporting their research on human rights and modern slavery risks across ASX200 companies including adoption of globally-accepted labour standards and best practices. ACSI has also played a role in working with policy makers, companies and investors to develop a practical guide on implementing the Australian Modern Slavery legislation.

Furthermore, ACSI targets companies where they identified issues of modern slavery or underpayments have been identified, ensuring audit processes are enhanced, providing disclosure and analysis to support management and actions including remediation, improving worker rights education and reporting on supply chain best practice. More information can be located here: <https://acsi.org.au/?s=modern+slavery>

### Reconciliation Plan

Consistent with our focus on member engagement, we have developed our first Reconciliation Action Plan (RAP), which outlines our plan to build stronger relationships with Aboriginal and Torres Strait Islander peoples.

### Why are we developing a RAP?

\* Vision Super is a not for profit organisation and we focus on the long-term financial security of all our members. Developing a RAP will help us to understand all the hurdles that Aboriginal and Torres Strait Islander members may encounter when accessing their superannuation entitlements

\* We are a values-based fund and we pride ourselves on being a fund that invests and operates responsibly for the environment and our community. The RAP is in alignment with our values of Trust, Citizenship, Care and Commitment

- \* The superannuation services we provide must be culturally sensitive and demonstrate respect to our Aboriginal and Torres Strait Islander members, their communities, histories and cultures
- \* We are committed to supporting Aboriginal and Torres Strait Islander members in achieving positive financial outcomes through education and increased financial literacy. We believe that building effective relationships with Aboriginal and Torres Strait Islander peoples will create a more harmonious and respectful society.

Our RAP journey to date

- \* We have implemented an Identification policy, under which we follow AUSTRAC's guidance on alternate identity proofing processes.
- \* We have undertaken a staff survey to investigate whether any staff members identify as Aboriginal or Torres Strait Islander
- \* Our Human Resources team has added a question to new staff starter forms to ask whether new staff identify as Aboriginal or Torres Strait Islander
- \* We have engaged with our leadership team, who are fully supportive of our RAP development, and have been allocated the resources we need to complete the RAP
- \* We have engaged with other super funds to learn from their RAP journeys
- \* We have posted several items on social media celebrating significant dates and events
- \* We have added an Aboriginal and Torres Strait Islander data field to our administration platform so that we can record if a member identifies as Aboriginal or Torres Strait Islander
- \* We have developed an Acknowledgement of Country and rolled this out to our formal meetings
- \* We have formed a RAP Working Group, which meets every six weeks
- \* We have drafted a term of reference for the RAP Working Group
- \* The RAP Working Group has presented to the Board of Directors on Rio Tinto's blasting activities, and the Board subsequently wrote a letter to Rio Tinto on the issue
- \* The RAP Working Group has commenced online Cultural Awareness Training through the Centre for Cultural Competence Australia.

We are committed to supporting Aboriginal and Torres Strait Islander members in achieving positive financial outcomes through education and increased financial literacy. (One of Vision Super's Reflect RAP commitments)

Capitalism involves winners and loser and are participation in it inevitably disadvantages some. The victims of wildfires in North America and Europe are a case in point as are the flood victims in Pakistan. It is not clear the capitalism in its current manifestation is consistent with a sustainable and hospitable environment.

- ☐ (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- ☐ (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

- ☐ (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- ☐ (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

☒ **(A) Workers**

Sector(s) for which each stakeholder group was included

- ☒ **(1) Energy**
- ☐ (2) Materials
- ☐ (3) Industrials
- ☐ (4) Consumer discretionary
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

☒ **(B) Communities**

Sector(s) for which each stakeholder group was included

- ☒ **(1) Energy**
- ☐ (2) Materials
- ☐ (3) Industrials
- ☐ (4) Consumer discretionary
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

☒ **(C) Customers and end-users**

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☐ (3) Industrials
- ☒ **(4) Consumer discretionary**
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

☒ **(D) Other stakeholder groups**

Specify:

Australians and other humans

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☐ (3) Industrials
- ☐ (4) Consumer discretionary
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

☒ **(A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

We receive notifications and updates from Share-action who are, primarily, a source of corporate disclosures, and the majority of their insights and analysis are drawn from the Workforce Disclosure Initiative (WDI) dataset of disclosure.

☐ (B) Media reports

☒ **(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

Share-actions briefings that we receive as a member of the Work Force Disclosure Initiative (WDI) are categorised as NGO reports. They put these reports together as a combination of the aforementioned analysis of the WDI's dataset, as well as literature reviews and desk research. The IPCC and other scientific bodies are a prime source..

☐ (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

☐ (E) Data provider scores or benchmarks

☒ **(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

ICCR produced an investor alert with regards to Russia's invasion of Ukraine last year. That said, they do not communicate with their members about pressing human rights issues and developments in terms of topics and areas they work on, such as the tech sector and Ugyhur Region. In most cases, they will develop investor statements in response to urgent developments as they have done for Sudan and Iran.

☐ (G) Sell-side research

☒ **(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

Through the auspices of the Investor Alliance for Human Rights (ICCR), they communicate with their members about pressing human rights issues and developments in terms of topics and areas that they work on, such as the tech sector and Ugyhur Region, and often times they will develop investor statements in response to urgent developments as they did for Sudan and Iran. Furthermore, they develop these in conjunction with civil society allies as they do not have a large in-house research capacity.

☐ (I) Information provided directly by affected stakeholders or their representatives

☐ (J) Social media analysis

☒ (K) Other

Specify:

PRI Collaborative Platform

Provide further detail on how your organisation used these information sources:

We use the platform in a few ways and highlight the following as per the PRI's website:

- \* Provides opportunities to join engagements with current or potential investees;
- \* Ability to be involved in different invitations to sign joint investor letters or statements;
- \* Discussion on proposals for in-depth research and investor guidance;
- \* Potential ability to participate in calls to engage with policy makers;
- \* Opportunity to be involved collaboratively to support upcoming shareholder resolutions; and
- \* Invitations to join discussion groups and formal PRI working groups and advisory committees.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

☐ (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

☒ (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

Describe:

Indirectly, Interfaith Center on Corporate Responsibility's (ICCR's) work may contribute to access to remedy as per the work they do on protecting human rights defenders, who are often demanding remedy for impacted stakeholders, or their efforts to have companies scrutinize their ongoing presence in the Russian market and whether they are contributing to Russia's war efforts. Having said, its difficult to draw a straight line between that work and specific instances of remedy. We believe that this is an area that ICCR are still trying to help investors figure out what kind of steps they should take.

As a member of WDI via Share-action, they have found that a lot of signatories will try to understand the mechanisms in place that protect workers by looking at WDI responses, if they then find that peer companies do not have these mechanisms in place, they will begin to address this through engagement. In this sense, WDI disclosure has worked to identify and understand gold standards in workforce safeguarding begins implementation across portfolios through active engagement. A very timely example here relates to USS, who have now written the WDI into their vote policy. The company will vote against respective directors if a company has not taken part in the WDI in the last 3 years, this is specific to British companies. This will increase the impetus for their portfolio companies to respond and further to express answers and mechanisms that evidence they are raising the standard in workforce and human rights management alongside peer companies.

As for the ISSB RFI, WDI are primarily concerned with human rights standards and they also feel the other standard suggested by the ISSB ( Biodiversity) currently has sufficient coverage in the standard-setting world. Specifically in view of the ISSB, the SASB standards cover environmental topics comprehensively while human capital/rights concerns can be seen as neglected. Additionally, Share-action/WDI see the opportunity of rolling human rights and human capital standards into one, meaning the ISSB needn't delay on addressing both.

- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

## MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

### OVERALL APPROACH

#### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

**For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
<b>Organisation</b>				
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>				
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Investment Process</b>				
(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Stewardship</b>				
(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Performance and Reporting</b>				
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



	(5) Private equity	(6) Real estate	(7) Infrastructure
<b>Organisation</b>			
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>			
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Investment Process</b>			
(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Stewardship

(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Policy(ies) or guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(O) Results of stewardship activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Performance and Reporting</b>			
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?

- ☒ (A) Incorporation of their responsible investment policy into advisory services
- ☒ (B) Ability to accommodate our responsible investment policy
- ☒ (C) Level of staff's responsible investment expertise
- ☒ (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- ☒ (E) Other

Specify:

Frontier Advisors, integrate responsible investment into their process to identify and manage material Environmental, Social and Governance (ESG) risks and investment opportunities, because ESG factors impact investment performance sustainability. As a firm, Frontier ensures its responsible investment efforts align with its core capabilities as an investment advisor to institutional asset owners and therefore concentrates on those services which demonstrably add value for its clients.

- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers

## POOLED FUNDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	PLUS	OO 5.2, OO 21	N/A	PUBLIC	Pooled funds	4

If you invest in pooled funds, describe how you incorporate responsible investment aspects into the selection, appointment and/or monitoring of external investment managers.

**Provide example(s) below**

(A) Selection

When searching and selecting new investment managers under a pooled fund structure, the due diligence process includes a demonstration of how an assessment of ESG risk is incorporated into the investment process, including the use of positive screens if any. Consideration accounts for complexity and the risk profile of the investment inclusive of ESG risk when making a portfolio appointment as set out set out within Vision Super's ESG policy.

In addition, alpha expectations, tracking error, investment style and impact of the investment approach on tax, ESG risk and fees are considered as part of manager selection and portfolio construction process.

Furthermore, Vision Super assesses investment managers' ESG policies as part of the assessment process.

Management also undertakes a detailed due diligence review consisting of both a legal and tax review (mainly on offshore structures) which will be subject to any appointment made by our investment committee/board.

Vision Super also applies the AIST Investment Manager Operational Due Diligence Guidance Note as part of its due diligence process when reviewing unlisted/private market managers as part of their selection process. The guidance note has specific criteria on ESG with particular focus on assessing the sustainability and social impact of the investment manager's corporate operations (which contrasts with the specialist investment function which assesses an investment manager's skills and expertise for investing funds within ESG parameters)

The guidance note can be located here:

[https://www.aist.asn.au/AIST/media/General/Advocacy/ODD/AIST-Investment-Manager-Operational-Due-Diligence-Guidance-Note\\_FINAL\\_July2022.pdf](https://www.aist.asn.au/AIST/media/General/Advocacy/ODD/AIST-Investment-Manager-Operational-Due-Diligence-Guidance-Note_FINAL_July2022.pdf)

Where we are a foundation investor we will seek to insert clauses into trust documents where we think the manager might be deficient or into side letters.

(B)  
Appointment

Vision Super aims to outline ESG related terms and conditions for all managed pooled fund/trust arrangements as part of our investment governance framework and appointment process of external fund managers.

As these appointments are not similar to separately managed portfolios, we have less of an influence with the fund manager due to the structure of these investment vehicles. We ask the managers of our pooled fund/trust investments for comprehensive reporting on all matters ESG with all appointments being subject to a detailed due diligent assessment including but is not limited to the following:

Business:

- ☐ Organisational and ownership structure
- ☐ Organisational stability
- ☐ Long term focus on investment management

☐ Clear alignment with the interests of its clients  
 People: Demonstrated integrity, skills, expertise, knowledge and depth of experience of the investment personnel responsible for managing the portfolio  
 Investment philosophy and process:  
☐ Alignment with our Investment philosophy  
☐ A clearly articulated and consistently applied Investment process, including alpha generation, portfolio construction and implementation

Fees and terms: Favourable commercial terms and fees, consistent with Vision Super's Investment fee targets

Performance: High conviction that the manager can achieve expected returns for the level of risk.

Investment risk factors: Impact on the risk profile of the asset class and Investment options, including Liquidity risk

Operational risk factors: Strong internal operational risk and control environment and investment operations capability

Taxation: Management of after tax outcomes

Reporting: Ability of the manager to provide the reporting required

☐ To facilitate timely daily unit pricing of Vision Super Investment options

☐ Effective oversight and monitoring by Vision Super

☐ For Vision Super to comply with regulatory reporting requirements.

We also ensure that specific responsible investment clauses are included within side letters

(C) Monitoring

Our investment advisor Frontier Advisors publishes an evaluation note as part of an ongoing review which considers a range of ESG issues inclusive of culture, diversity and succession planning. We also monitor and review the carbon metrics and performance of the portfolio with aim to make any necessary improvements if required.

## SELECTION

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

**During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?**

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year

- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

## APPOINTMENT

### SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- ☒ **(A) Their commitment to following our responsible investment strategy in the management of our assets**  
Select from dropdown list
  - (1) for all of our segregated mandates
  - ☒ **(2) for a majority of our segregated mandates**
  - (3) for a minority of our segregated mandates
- ☒ **(B) Their commitment to incorporating material ESG factors into their investment activities**  
Select from dropdown list
  - ☒ **(1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☒ **(C) Their commitment to incorporating material ESG factors into their stewardship activities**  
Select from dropdown list
  - ☒ **(1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☒ **(D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities**  
Select from dropdown list
  - ☒ **(1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☒ **(E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities**  
Select from dropdown list
  - ☒ **(1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☒ **(F) Exclusion list(s) or criteria**  
Select from dropdown list
  - ☒ **(1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☒ **(G) Responsible investment communications and reporting obligations, including stewardship activities and results**

Select from dropdown list

- ☒ (1) for all of our segregated mandates
- ☐ (2) for a majority of our segregated mandates
- ☐ (3) for a minority of our segregated mandates

☒ (H) Incentives and controls to ensure alignment of interests

Select from dropdown list

- ☒ (1) for all of our segregated mandates
- ☐ (2) for a majority of our segregated mandates
- ☐ (3) for a minority of our segregated mandates

☒ (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD

Select from dropdown list

- ☒ (1) for all of our segregated mandates
- ☐ (2) for a majority of our segregated mandates
- ☐ (3) for a minority of our segregated mandates

☒ (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Select from dropdown list

- ☒ (1) for all of our segregated mandates
- ☐ (2) for a majority of our segregated mandates
- ☐ (3) for a minority of our segregated mandates

☒ (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments

Select from dropdown list

- ☒ (1) for all of our segregated mandates
- ☐ (2) for a majority of our segregated mandates
- ☐ (3) for a minority of our segregated mandates

☒ (L) Other

Specify:

Vision Super's equity and debt investment managers assess and consider a range of ESG factors as part of their investment process as these issues can impact the value of underlying companies/issuers. Our investment managers believe that good governance is essential to ensuring effective responsible investing. What they mean by that on the other hand can vary widely. As such we tend not to rely on them in our efforts to be responsible investors.

Select from dropdown list:

- ☒ (1) for all of our segregated mandates
- ☐ (2) for a majority of our segregated mandates
- ☐ (3) for a minority of our segregated mandates
- ☐ (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

## MONITORING

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
<b>Organisation</b>				
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>				
(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)



## Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)



(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)



(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)



## Performance and Reporting

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)



(J) Inclusion of ESG factors in contractual agreements



(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

○ ○ ○ ○

	(5) Private equity	(6) Real estate	(7) Infrastructure
<b>Organisation</b>			
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>			

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Investment Process</b>			
(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Performance and Reporting</b>			
(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(J) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**During the reporting year, which information did your organisation, or the service provider acting on your behalf, monitor for externally managed ESG passive products and strategies?**

	(1) Listed equity (passive)	(2) Fixed income (passive)
(A) How the external investment managers applied, reviewed and verified screening criteria	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not monitor ESG passive products and strategies	<input type="radio"/>	<input type="radio"/>
(F) Not applicable; we do not invest in ESG passive products and strategies	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.**

Management evaluates internally and through Frontier Advisors the responsible investment expectations of our investment managers, reviewing their ESG initiatives, PRI assessment reports, and providing any feedback as an when appropriate. As part of our ongoing ESG due diligence process, we focuses on understanding and documenting the ESG practices of our underlying managers prior and during their investment phase.

This includes a consideration of their approach to social factors, such as human rights and modern slavery, both in the companies they acquire and their respective supply chains. This begins by requiring them to complete an ESG due diligence questionnaire, where they must make representations on their approach to ESG. This evaluation considers supply chain risk both directly and indirectly from a country risk exposure perspective. As part of this ongoing review on Modern Slavery Act reporting, we have asked our managers to compete a detailed questionnaire consisting of their business operation supply chains and specific investment criteria which may have implications for the portfolios we have commitments too.

Management also requests all its fund managers to complete a detailed ESG questionnaire annually and will also review their PRI reporting framework and assessment reports. As part of this process we will review any enhancements they have made around ESG and to current or new policies around responsible investing. ESG factors are considered into most of our monitoring processes and our initial due diligence review. We will also make note of any ESG incidents or issues that are material to the portfolio and formally complete a meeting note after every meeting which is shared internally with other investment team members. The meeting note will also account for any ESG related issues/items.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) On an ad hoc basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	(5) Private equity	(6) Real estate	(7) Infrastructure	
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(C) On an ad hoc basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 8, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Any changes in their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The degree of implementation of their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Whether they participated in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(K) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) We did not monitor our external investment managers' stewardship practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	<b>(5) Private equity</b>	<b>(6) Real estate</b>	<b>(7) Infrastructure</b>	
(A) Any changes in their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(B) The degree of implementation of their policy(ies) or guidelines on stewardship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(E) Their investment team's level of involvement in stewardship activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	



(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(I) Whether they participated in collaborative engagements and stewardship initiatives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(K) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) We did not monitor our external investment managers' stewardship practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(K) Other - Specify:**

Through our asset consultant and specifically for rated investment products, we receive a formal update on the fund manager's ESG/RI approach on at least an annual basis with the emphasis being on progress/enhancement over the prior year, as well as ad hoc updates. We keep an eye on how managers vote on contentious issues important to us, noting we control our own vote but they may vote differently in other vehicles.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 9, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your AUM in each asset class where (proxy) voting is delegated to external investment managers, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Any changes in their policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year	<input type="radio"/>	<input type="radio"/>

**(F) Other - Specify:**

Vision Super management votes all shareholdings internally utilising a customised Glass Lewis template and in line with our own ESG policy and proxy voting policy/guidelines. We consider our external investment managers recommendations for voting purposes on specific ballots from time to time in order to understand their thinking as another source as part of our deliberations. Our proxy voting results are also available on our website after the completion of an AGM.

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.**

Vision Super undertakes regular reviews of its investment managers ESG initiatives over the course of the year. This includes also items for consideration through the working plan for each asset class specific to a portfolio. We engage with our investment managers broadly on ESG matters and specifically on climate risk, governance matters, culture, executive remuneration, taxation, director elections, modern slavery risk and supply chains and work place safety amongst reporting. We consider many of these items to be long-term considerations, and we discuss them with investment managers throughout the course of the year.

We have also recently embedded information security and modern slavery risk clauses within our investment management agreements that our investment managers are bound to consider as part of the portfolios they manage on our behalf. Many of our investment managers are now providing regular responsible investment updates and reporting on a quarterly basis which assists the internal team to evaluate progress and achievements by a fund manager.

Frontier Advisors formally incorporates ESG considerations into annual reviews of investment products, which include engaging with investment managers on responsible investment considerations. The review also accounts for the evolution of responsible investment approaches in the product's peer group over the same period to consider their capabilities in responsible investment management relative to peers. They monitor their rated managers' approach to integrating ESG as part of their investment activities.

Responsible investment considerations are also integrated and recorded where relevant within investment manager interactions outside the formal annual review cycle, eg., via update meetings, ESG questionnaires etc.

Emphasis is placed more on the appropriateness and suitability of the investment manager's responsible investment approach in the context of its overall strategy.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	(5) Private equity	(6) Real estate	(7) Infrastructure
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(F) Other - Specify:**

Our investment consultant Frontier Advisors will reflect a lack of progress in addressing the identified ESG/RI issue through downgrades of their ratings for the relevant investment product. If the issue is material enough and goes unaddressed, Frontier have the scope to ultimately withdraw a formal rating of the product. Vision Super also follows endorsed protocols in accordance with the our "Investment Manager Appointments and Termination Policy".

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	(5) Private equity	(6) Real estate	(7) Infrastructure
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(D) Other - Specify:**

Our asset consultant Frontier Advisors do not currently require managers to externally verify the information reported on their responsible investment areas. They seek to obtain case studies, internal documentation (e.g. Responsible Investment Policy), evidence of proxy voting patterns, as well as direct engagement with investment personnel etc. This is performed on a case by case basis. Also, via our ESG data provider (ISS) we measure carbon impact assessments and other exclusions on portfolios

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ **(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☒ **(2) The UNFCCC Paris Agreement**

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ **(1) Environmental**

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

(4) Number of targets set for this outcome

☐ (1) No target

☐ (2) One target

☒ **(3) Two or more targets**

☒ **(B) Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)



- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity

☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☐ (2) Social
- ☒ **(3) Governance-related**
- ☐ (4) Other

(3) Sustainability outcome name

Diversity - We support diversity and respect the protection of internationally pro- claimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☐ (2) One target
- ☒ **(3) Two or more targets**

☒ **(C) Sustainability outcome #3**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity

☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☒ **(2) Social**
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☐ (2) One target
- ☒ **(3) Two or more targets**

☒ **(D) Sustainability outcome #4**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☒ **(2) Social**
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

Safety - Improving safety performance and management

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☐ (2) One target
- ☒ **(3) Two or more targets**

☒ **(E) Sustainability outcome #5**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☒ **(2) Social**
- ☒ **(3) Governance-related**
- ☐ (4) Other

(3) Sustainability outcome name

Culture - this links to the ASX Corporate Governance Principles and Recommendations.

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☐ (2) One target
- ☒ **(3) Two or more targets**

☒ **(F) Sustainability outcome #6**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (2) The UNFCCC Paris Agreement
- ☒ **(3) The UN Guiding Principles on Business and Human Rights (UNGPs)**

- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
  - ☐ (1) Environmental
  - ☒ (2) **Social**
  - ☒ (3) **Governance-related**
  - ☐ (4) Other
- (3) Sustainability outcome name
 

Protecting Indigenous rights & cultural heritage
- (4) Number of targets set for this outcome
  - ☐ (1) No target
  - ☐ (2) One target
  - ☒ (3) **Two or more targets**
- ☒ (G) **Sustainability outcome #7**
  - (1) Widely recognised frameworks used to guide action on this sustainability outcome
    - ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
    - ☐ (2) The UNFCCC Paris Agreement
    - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
    - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
    - ☐ (5) The EU Taxonomy
    - ☐ (6) Other relevant taxonomies
    - ☐ (7) The International Bill of Human Rights
    - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
    - ☐ (9) The Convention on Biological Diversity
    - ☒ (10) **Other international, regional, sector-based or issue-specific framework(s)**
  - (2) Classification of sustainability outcome
    - ☐ (1) Environmental
    - ☐ (2) Social
    - ☒ (3) **Governance-related**
    - ☒ (4) **Other**
  - (3) Sustainability outcome name
 

Modern slavery risk assessment
  - (4) Number of targets set for this outcome
    - ☐ (1) No target
    - ☐ (2) One target
    - ☒ (3) **Two or more targets**
- ☒ (H) **Sustainability outcome #8**
  - (1) Widely recognised frameworks used to guide action on this sustainability outcome
    - ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
    - ☐ (2) The UNFCCC Paris Agreement
    - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - ☐ (5) The EU Taxonomy
  - ☐ (6) Other relevant taxonomies
  - ☐ (7) The International Bill of Human Rights
  - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - ☐ (9) The Convention on Biological Diversity
  - ☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**
- (2) Classification of sustainability outcome
- ☐ (1) Environmental
  - ☐ (2) Social
  - ☐ (3) Governance-related
  - ☒ **(4) Other**
- (3) Sustainability outcome name
- Company exclusions
- (4) Number of targets set for this outcome
- ☐ (1) No target
  - ☐ (2) One target
  - ☒ **(3) Two or more targets**
- ☒ **(I) Sustainability outcome #9**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
  - ☐ (2) The UNFCCC Paris Agreement
  - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - ☐ (5) The EU Taxonomy
  - ☐ (6) Other relevant taxonomies
  - ☐ (7) The International Bill of Human Rights
  - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - ☐ (9) The Convention on Biological Diversity
  - ☒ **(10) Other international, regional, sector-based or issue-specific framework(s)**
- (2) Classification of sustainability outcome
- ☒ **(1) Environmental**
  - ☒ **(2) Social**
  - ☒ **(3) Governance-related**
  - ☐ (4) Other
- (3) Sustainability outcome name
- Proxy voting, engagement, co-filing shareholder proposals and statements
- (4) Number of targets set for this outcome
- ☐ (1) No target
  - ☐ (2) One target
  - ☒ **(3) Two or more targets**
- ☒ **(J) Sustainability outcome #10**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
  - ☐ (2) The UNFCCC Paris Agreement
  - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☒ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☐ (2) Social
- ☐ (3) Governance-related
- ☒ (4) Other

(3) Sustainability outcome name

Tax transparency and reporting - Country by Country Reporting (CbRC), Global Reporting Initiative (GRI's) tax standards and FASB proposed tax disclosures.

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☐ (2) One target
- ☒ (3) Two or more targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

(1) Target name

Climate change

(2) Baseline year

(3) Target to be met by

(4) Methodology	<p>Ensuring company strategies and actions are aligned to the goals of the Paris Agreement to limit climate change to well below 2°C and, ideally, to 1.5°C. This includes advocating for companies to adopt the TCFD framework, a net zero commitment and accompanying disclosure of pathways to achieve those aims.</p> <p>Company-specific goals vary and consider the following areas: Transparency, Governance and policy; Transition risk disclosure and management; Physical risk disclosure and mitigation; Paris-aligned targets – short, medium and long term; Equitable transitions and Industry associations.</p>
(5) Metric used (if relevant)	<p>ACSI's targets cover select companies in the ASX300 based on ACSI's consideration of a range of different factors, including:</p> <ul style="list-style-type: none"> <li>• the size of ACSI's aggregate member holdings in the entity</li> <li>• the materiality of ESG factors on financial and/or operational performance</li> <li>• the adequacy of public disclosure on ESG factors and/or performance</li> <li>• specific ESG factors based on input and discussions with ACSI members</li> </ul>
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	<p>ACSI's rolling 12-month targets are part of a multi-year engagement approach to stewardship. While targets at specific companies are focused on progress and improvements in the near-term, ACSI maintains a long-term focus and monitoring of progress on material ESG matters across the whole ASX300 and thus, these target areas are applicable in the longer term as well.</p>
(9) Percentage of total AUM covered in your baseline year for target setting	
(10) Do you also have a longer-term target for this?	(1) Yes

## (A2) Sustainability Outcome #1: Target details

(A2) Sustainability Outcome #1:	Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.
(1) Target name	Climate Change
(2) Baseline year	
(3) Target to be met by	
(4) Methodology	ACSI sets and monitors targets on a rolling 12-month basis. In 2022, ACSI's approach was to set targets on a calendar basis. However, from 2023 onwards, targets will be developed on a financial year-end 30 June basis. Note: Sustainability outcome areas and targets are part of a multi-year engagement program as ACSI is cognisant that change requires ongoing engagement with companies.
(5) Metric used (if relevant)	
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	
(9) Percentage of total AUM covered in your baseline year for target setting	
(10) Do you also have a longer-term target for this?	(1) Yes

### **(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	Diversity - We support diversity and respect the protection of internationally proclaimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.
(1) Target name	Diversity - Improving board gender diversity
(2) Baseline year	
(3) Target to be met by	
(4) Methodology	For companies in the ASX300 to have at a minimum, a 30% of each gender represented on their boards. We may make exceptions for very small boards (say 4 Directors).
(5) Metric used (if relevant)	
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	
(9) Percentage of total AUM covered in your baseline year for target setting	
(10) Do you also have a longer-term target for this?	

### **(B2) Sustainability Outcome #2: Target details**

(B2) Sustainability Outcome #2:	Diversity - We support diversity and respect the protection of internationally proclaimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.
(1) Target name	
(2) Baseline year	



(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

### **(C1) Sustainability Outcome #3: Target details**

(C1) Sustainability Outcome #3:

Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.

(1) Target name

Underpayment remediation and just transitions

(2) Baseline year

(3) Target to be met by

(4) Methodology

Respecting all human rights in company operations, products and supply chains, including those of direct and indirect workforces, and stakeholder communities. This includes maintaining a skilled, productive and diverse workforce, and facilitating Just Transitions where rapid disruptions to business models occur.

(5) Metric used (if relevant)

Additionally, ACSI has company-specific targets where underpayments have been identified or where modern slavery risks are deemed material. This includes ensuring audit processes are enhanced, providing disclosure and analysis to support management and actions including remediation, improving worker rights education and reporting on supply chain best practice.

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

### **(C2) Sustainability Outcome #3: Target details**

(C2) Sustainability Outcome #3: Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

#### **(D1) Sustainability Outcome #4: Target details**

(D1) Sustainability Outcome #4: Safety - Improving safety performance and management

(1) Target name Response to fatal incidents and safety disclosure

(2) Baseline year

(3) Target to be met by

(4) Methodology

Fatality: For companies that have been involved in workplace fatalities, ACSI will engage with these companies to understand the causes of the fatal incident, status of investigations, response and preventative measures adopted, and the board's involvement from a governance perspective.

Safety data disclosure: To have companies report comprehensively on their safety performance including lagging and leading safety indicators, and separate disclosure of their contractor workforce.

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

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**(D2) Sustainability Outcome #4: Target details**

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(D2) Sustainability Outcome #4: Safety - Improving safety performance and management

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(1) Target name

---

(2) Baseline year

---

(3) Target to be met by

---

(4) Methodology

---

(5) Metric used (if relevant)

---

(6) Absolute or intensity-based (if relevant)

---

(7) Baseline level or amount (if relevant):

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(8) Target level or amount (if relevant)

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(9) Percentage of total AUM covered in your baseline year for target setting

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(10) Do you also have a longer-term target for this?

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**(E1) Sustainability Outcome #5: Target details**

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(E1) Sustainability Outcome #5: Culture - this links to the ASX Corporate Governance Principles and Recommendations.

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(1) Target name Improving corporate culture and conduct

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(2) Baseline year

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(3) Target to be met by

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(4) Methodology

Encouraging corporate cultures that put customers first, treat material stakeholders fairly and build stronger and fairer societies. Encouraging board oversight and focus, including detailed disclosure of companies' planned approach to improving their culture and governance.

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

#### **(E2) Sustainability Outcome #5: Target details**

(E2) Sustainability Outcome #5: Culture - this links to the ASX Corporate Governance Principles and Recommendations.

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

#### **(F1) Sustainability Outcome #6: Target details**

(F1) Sustainability Outcome #6: Protecting Indigenous rights & cultural heritage

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

Seeking disclosure from select companies of their approach to relationships with First Nations and Indigenous stakeholders, including which of the international standards are followed, policies and processes currently in place and how they operate in practice.

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

## **(F2) Sustainability Outcome #6: Target details**

(F2) Sustainability Outcome #6: Protecting Indigenous rights & cultural heritage

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

## **(G1) Sustainability Outcome #7: Target details**

(G1) Sustainability Outcome #7: Modern slavery risk assessment

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

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(6) Absolute or intensity-based (if relevant)

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(7) Baseline level or amount (if relevant):

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(8) Target level or amount (if relevant)

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(9) Percentage of total AUM covered in your baseline year for target setting

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(10) Do you also have a longer-term target for this?

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#### **(G2) Sustainability Outcome #7: Target details**

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(G2) Sustainability Outcome #7: Modern slavery risk assessment

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(1) Target name

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(2) Baseline year

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(3) Target to be met by

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(4) Methodology

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(5) Metric used (if relevant)

---

(6) Absolute or intensity-based (if relevant)

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(7) Baseline level or amount (if relevant):

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(8) Target level or amount (if relevant)

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(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

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**(H1) Sustainability Outcome #8: Target details**

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(H1) Sustainability Outcome #8: Company exclusions

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(1) Target name

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(2) Baseline year

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(3) Target to be met by

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(4) Methodology

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(5) Metric used (if relevant)

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(6) Absolute or intensity-based (if relevant)

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(7) Baseline level or amount (if relevant):

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(8) Target level or amount (if relevant)

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(9) Percentage of total AUM covered in your baseline year for target setting

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(10) Do you also have a longer-term target for this?

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**(H2) Sustainability Outcome #8: Target details**

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(H2) Sustainability Outcome #8: Company exclusions

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(1) Target name

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(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

**(I1) Sustainability Outcome #9: Target details**

(I1) Sustainability Outcome #9: Proxy voting, engagement, co-filing shareholder proposals and statements

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

#### **(I2) Sustainability Outcome #9: Target details**

(I2) Sustainability Outcome #9: Proxy voting, engagement, co-filing shareholder proposals and statements

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

### **(J1) Sustainability Outcome #10: Target details**

(J1) Sustainability Outcome #10: Tax transparency and reporting - Country by Country Reporting (CbRC), Global Reporting Initiative (GRI's) tax standards and FASB proposed tax disclosures.

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

### **(J2) Sustainability Outcome #10: Target details**

(J2) Sustainability Outcome #10: Tax transparency and reporting - Country by Country Reporting (CbRC), Global Reporting Initiative (GRI's) tax standards and FASB proposed tax disclosures.

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

**For each sustainability outcome, provide details of up to two of your long-term targets.**

(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
<p>(A1) Sustainability Outcome #1: Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.</p>	Climate change	<p>ACSI's long-term targets relating to climate change are consistent with those outlined in indicator SO 2 as these targets are part of a multi-year engagement program to ensure companies are setting Paris-aligned targets in the near term, but also meeting and disclosing its progress against these targets in the longer term.</p>
<p>(A2) Sustainability Outcome #1: Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.</p>	Climate Change	<p>We worked to ensure company strategies and actions are aligned to the goals of the Paris Agreement to limit climate change to well below 2°C and, ideally, to 1.5°C. This includes engagement via ACSI or ACCR to drive the adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework, a net zero commitment and accompanying pathways to achieve those aims.</p>

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- ☒ (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- ☐ (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- ☐ (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- ☐ (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- ☐ (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

Provide details of your nearest-term net-zero targets per asset class.

(A) PRI asset class breakdown

☒ Listed equity

### Target details

#### (A) PRI asset class breakdown: Listed equity

(1) Baseline year

(2) Target to be met by

(3) Emissions included in target

(1) Scope 1

(2) Scope 2

#### (4) Methodology

Effective 1 July 2023, we implemented a carbon budget approach which applies to Vision Super's listed equity managers.

Using carbon intensity (Scope 1 and 2) as a single measure for carbon budget, our listed equity portfolios are managed under a mandate that provides a tilt away from high carbon emitters, which results in a material reduction in the carbon emission intensity of the listed equity asset class.

- The carbon budget is expressed as a discount to the benchmark index's carbon intensity.
- The discount level determines how much carbon each manager can allocate to each portfolio.
- Our listed equity portfolios are managed under a mandate that provides a tilt away from high carbon emitters, which results in a material reduction in the carbon emission intensity of the listed equity asset class.
- The carbon budget is expressed as a discount to the benchmark index's carbon intensity and the discount level determines how much carbon each manager can allocate to each portfolio. The Australian equity asset class has a total discount of around 30%, while the international equity asset class has a total discount of around 60%. The discount is higher for international equities as it is easier to construct a portfolio that has lower emissions and limited tracking error as the stock concentration is low relative to Australian equities.
- Investment managers can still look for opportunities for mispriced stocks
- All stocks can compete for a place in the portfolio
- There is an additional hurdle for high carbon intensity companies

Furthermore, through the services provided by ISS (ESG Data Desk) we have access to measure and understand the following targets across our listed equity portfolios:

##### CARBON FOOTPRINT DATA

- Scope 1&2 and Scope 3 absolute emissions
- Emissions intensity
- WACI
- Emission attribution analysis
- Greenhouse gas emission intensity
- Current greenhouse gas exposure (carbon footprint) in line with international reporting standards such as the TCFD framework scenario alignment with the UNFCCC Paris agreement to limit global warming to well below 2 degrees Celsius versus pre-industrial levels.

##### CLIMATE SCENARIO ANALYSIS

- Climate scenario alignment
- Net zero analysis



- Use Scenario analysis to assess Portfolio alignment with the Paris agreement with a well below 2C scenario
  - Assess & disclose strategy resilience to a transition to a lower-carbon economy
  - Forward looking carbon risk rating and physical climate risks linked to the sector and geographic exposure of the portfolio holdings including a physical value at risk assessment.
  - Transitional climate risks linked to fossil reserve owning and burning companies.
- TRANSITION CLIMATE RISK ANALYSIS
- Power generation by technology
  - Potential future emissions from fossil reserves
  - Controversial business practices relating to energy extraction
  - Carbon Risk Rating
  - Portfolio value-at-risk
- PHYSICAL RISK ANALYSIS
- Physical climate risks based on company activity profile
  - Portfolio value-at-risk
  - Disclosed science-based climate emissions and targets.
- CLIMATE SCENARIO ANALYSIS
- Use Scenario analysis to assess Portfolio alignment with the Paris agreement with a well below 2C scenario
  - Assess & disclose strategy resilience to a transition to a lower-carbon economy
- TARGETS PROGRESS
- Disclose Net Zero targets progress and alignment status
  - Emission reduction trends vs. Net Zero trajectories (IEA NZ 2050)

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(5) Metric used

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(6) Baseline amount

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(7) Current amount (if different from baseline amount)

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(8) Targeted reduction with respect to baseline

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(9) Percentage of total AUM covered in your baseline year for target setting

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(10) If coverage is below 100% for this asset class, explain why

- ☐ Fixed income
- ☐ Private equity
- ☐ Real estate
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Other

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1:

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

Target name:

Climate change

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

**(A2) Sustainability outcome #1:**

(A2) Sustainability outcome #1:

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

Target name:

Climate Change

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

**(B1) Sustainability outcome #2:**

(B1) Sustainability outcome #2:

Diversity - We support diversity and respect the protection of internationally proclaimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.

Target name:

Diversity - Improving board gender diversity

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

**(C1) Sustainability outcome #3:**

(C1) Sustainability outcome #3:

Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.

Target name:

Underpayment remediation and just transitions

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

**(D1) Sustainability outcome #4:**

(D1) Sustainability outcome #4: Safety - Improving safety performance and management

Target name: Response to fatal incidents and safety disclosure

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(E1) Sustainability outcome #5:**

(E1) Sustainability outcome #5: Culture - this links to the ASX Corporate Governance Principles and Recommendations.

Target name: Improving corporate culture and conduct

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1: Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

(1) Target name: Climate change

(2) Target to be met by

(3) Metric used (if relevant)

ACSI's targets cover select companies in the ASX300 based on ACSI's consideration of a range of different factors, including: • the size of ACSI's aggregate member holdings in the entity • the materiality of ESG factors on financial and/or operational performance • the adequacy of public disclosure on ESG factors and/or performance • specific ESG factors based on input and discussions with ACSI members

(4) Current level or amount (if relevant)

Through, and in collaboration with ACSI, we worked to ensure company strategies and actions are aligned to the goals of the Paris Agreement to limit climate change to well below 2°C and, ideally, to 1.5°C. This includes engagement to drive the adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework, a net zero commitment and accompanying pathways to achieve those aims.

Investor engagement has contributed to more companies publicly disclosing various net zero targets, with 121 companies in the ASX200 adopting some form of net zero commitments (being 80% of the ASX200 market capitalisation) as of March 2023.

By the end of FY23, all 30 of ACSI's climate priority companies have also now either committed to or already public report its climate risks and opportunities using the TCFD guidelines, and majority of the priority companies explicitly link or commit to link its executive incentive pay to climate change objectives.

(5) Other qualitative or quantitative progress

ACSI and its members' impact was significant during 2022 with all 30 priority companies making progress. Notably:

- All priority companies have now either committed to or already report their climate risks and opportunities using the TCFD guidelines. ACSI continues to engage with companies on the quality and depth of their TCFD analysis of material climate risks and opportunities.
- 29 of 30 target companies now have net zero commitments in place.
- Majority of the target companies explicitly link or commit to link its executive incentive pay to climate change objectives.
- There were eight advisory votes on climate held by priority climate companies which was driven through ACSI engagement, with priority companies putting forward climate transition plans for a shareholder advisory vote with varying levels of shareholder support.

Say on Climate:

ACSI also supported companies adopting 'Say on Climate' proposals, a process where companies put their climate transition plans to a shareholder advisory vote to provide an opportunity for investors to assess its climate strategy and seek further commitments such as the development of Scope 3 emissions reduction targets. Six ASX listed companies adopted 'Say on Climate' proposals during FY23 – being AGL Energy, APA, Incitec Pivot, Origin Energy, Sims and South32.

The level of investor support for these proposals ranged from 69% to 94%, reflecting varying levels of maturity of each company's climate strategy. ACSI will continue engagement with these companies to increase transparency and accountability.

(6) Methodology for tracking progress

Our service provider ACSI sets specific objectives for over 100 priority companies and measures improvement over successive 12-month periods. Progress is reported to members on a bi-annual basis and is available to members on-demand via their online platform 'ACSI Delta'.

**(A2) Sustainability outcome #1: Target details**

(A2) Sustainability outcome #1:

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

(1) Target name

Climate Change

(2) Target to be met by

(3) Metric used (if relevant)

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

ACSI has been publicly advocating for policy action to support a just transition to a low carbon economy and in December 2022, released its research report on just transitions. The research report outlines a detailed set of investor expectations of listed companies and the policies that ACSI recommended governments put in place to support a 'just transition'. Pleasingly, the Australian Government announced in May 2023 the establishment of a Net Zero Authority to oversee and drive the transition.

(6) Methodology for tracking progress	Our service provider ACSI sets specific objectives for over 100 priority companies and measures improvement over successive 12-month periods. Progress is reported to members on a bi-annual basis and is available to members on-demand via their online platform 'ACSI Delta'.
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**(B1) Sustainability Outcome #2: Target details**

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(B1) Sustainability Outcome #2:	Diversity - We support diversity and respect the protection of internationally proclaimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.
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(1) Target name	Diversity - Improving board gender diversity
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(2) Target to be met by	
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(3) Metric used (if relevant)	
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(4) Current level or amount (if relevant)	Since 2015, ACSI has been engaging company boards on achieving 30% representation of women. This has now evolved to ensuring boards have a 40%/40%/20% gender split.
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(5) Other qualitative or quantitative progress	<p>Achievements include:</p> <ul style="list-style-type: none"> <li>16 of the 20 board diversity target companies appointed at least one female director to its board in 2022.</li> <li>This included four appointments on previously zero-women boards and 14 appointments to previously one-woman boards.</li> </ul> <p>Representation of women on ASX200 boards is now at around 36%. In the ASX201-300, there were only two companies with zero-women boards by the end of 2022.</p> <p>ACSI's long-running engagement program to improve board gender diversity supported progress across the ASX300, with 16 priority companies that previously had either a zero-woman or one-woman board appointing at least one female director during the period.</p> <p>As at 30 June 2023, only 11 companies in the ASX300 had zero-women boards, with the average representation of women directors at above 35 per cent.</p> <p>ACSI's Refreshed Gender Diversity Voting Policy: In May 2023, ACSI refreshed its Gender Diversity Voting Policy to outline its expectation for ASX300 boards to have a minimum 30 per cent female representation, and that companies should develop a timeframe within which they will achieve gender balance (40:40:20) on their boards. This policy will be applied alongside ongoing engagement efforts.</p>
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(6) Methodology for tracking progress	Our service provider ACSI sets specific objectives for over 100 priority companies and measures improvement over successive 12-month periods. Progress is reported to members on a bi-annual basis and is available to members on-demand via their online platform 'ACSI Delta'.
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**(C1) Sustainability Outcome #3: Target details**

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(C1) Sustainability Outcome #3:	Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.
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(1) Target name	Underpayment remediation and just transitions
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(2) Target to be met by	
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(3) Metric used (if relevant)	Additionally, ACSI has company-specific targets where underpayments have been identified or where modern slavery risks are deemed material. This includes ensuring audit processes are enhanced, providing disclosure and analysis to support management and actions including remediation, improving worker rights education and reporting on supply chain best practice.
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(4) Current level or amount (if relevant)	70% of ACSI's target companies in the workforce theme saw improvements in 2022. This involves areas of focus such as workforce and human capital development, culture, modern slavery and supply chains, and safety.
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(5) Other qualitative or quantitative progress	<p>ACSI supported collaborative action as a supporter of Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC). Engagement on disclosure of workforce indicators including safety performance, employee engagement, culture and modern slavery saw greater improvement in companies' 2022 sustainability reporting.</p> <p>A common and material ESG risk for companies relates to modern slavery and supply-chain management. In 2023, ACSI commissioned Pillar Two to undertake detailed analysis of the third year of reporting of Modern Slavery Statements by ASX200 companies. The research identified an improvement in companies' modern slavery reporting since its first year of statements, although there remain gaps in disclosure. ACSI aims to leverage the research findings to continue engagement with these companies on their approach to, and reporting of, modern slavery risks.</p>
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As outlined in previous reporting submissions, Vision Super's internal working group was established to draft Vision Super's first modern slavery statement. Comprising representatives from Quality and Risk, Investments, and Communications, the group assessed the relevant supply chain risks, liaised with third-party providers and classified the risk levels according to the responses. The working group's initial assessment was that our external investment managers posed the greatest risk. In order to assess this more accurately, a detailed questionnaire was sent to all managers.

We requested investment managers and other investment service providers to complete the questionnaire honestly and transparently in order to allow us to work together to identify risk factors in our investments and their supply chains related to modern slavery risk. The questionnaire was set-up in two parts, namely the organisation's suppliers assessment and the investment related activities for our portfolio mandates. Based on responses, a risk assessment evaluation (no risk; low risk; medium risk and high risk) was undertaken based of a number of criteria. As a result of this assessment, we have commenced follow up questions with our fund managers and rolling out specific modern slavery reporting clauses within our investment management agreements.

IT providers were also assessed, but not sent questionnaires as they were all classified as low risk, and cleaning services for 360 Collins Street were considered but the group was able to rely on previous assurances from Dexus, our building managers, that they are a signatory to the Cleaning Accountability Framework (CAF).

(6) Methodology for tracking progress

Our service provider ACSI sets specific objectives for over 100 priority companies and measures improvement over successive 12-month periods. Progress is reported to members on a bi-annual basis and is available to members on-demand via their online platform 'ACSI Delta'.

#### **(D1) Sustainability Outcome #4: Target details**

(D1) Sustainability Outcome #4:

Safety - Improving safety performance and management

(1) Target name

Response to fatal incidents and safety disclosure

(2) Target to be met by

(3) Metric used (if relevant)

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress	<p>Engagement on disclosure of workforce indicators including safety performance, employee engagement, culture and modern slavery saw greater improvement in companies' 2022 sustainability reporting. ACSI continued to engage with companies involved in workplace-related fatalities to understand the nature of the incidents, status of investigations, changes to practices to address findings, and the board's oversight of the matters. ACSI's engagements have also focused on the board's treatment of safety incidents in executive remuneration and whether safety is sufficiently escalated in incentive outcomes.</p> <p>During FY23, 14 of ACSI's priority companies improved its safety reporting practices, including disclosures relating to lagging and leading measures of safety performance.</p>
(6) Methodology for tracking progress	<p>Our service provider ACSI sets specific objectives for over 100 priority companies and measures improvement over successive 12-month periods. Progress is reported to members on a bi-annual basis and is available to members on-demand via their online platform 'ACSI Delta'.</p>
<b>(E1) Sustainability Outcome #5: Target details</b>	
(E1) Sustainability Outcome #5:	Culture - this links to the ASX Corporate Governance Principles and Recommendations.
(1) Target name	Improving corporate culture and conduct
(2) Target to be met by	
(3) Metric used (if relevant)	
(4) Current level or amount (if relevant)	
(5) Other qualitative or quantitative progress	<p>ACSI continued to engage with companies (with a focus on mining companies employing remote workforces) on how they are monitoring and managing their corporate culture to eliminate sexual harassment, bullying, racism and other objectionable behaviours. ACSI also identified three priority companies for targeted engagement to encourage more comprehensive assessment and disclosure of how the company is monitoring and managing its corporate culture, including sexual harassment and safety.</p>
(6) Methodology for tracking progress	<p>Our service provider ACSI sets specific objectives for over 100 priority companies and measures improvement over successive 12-month periods. Progress is reported to members on a bi-annual basis and is available to members on-demand via their online platform 'ACSI Delta'.</p>

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
  - Select from drop down list:
    - ☐ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☐ (B) Stewardship: engagement with external investment managers
- ☒ (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - ☐ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - ☐ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☐ (E) Capital allocation
- ☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

### STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

## (A) Across all sustainability outcomes

(1) Describe your approach	<p>Through our service provider ACSI, we utilise the following engagement tools to progress all sustainability outcomes identified. This is done on a company-by-company basis and includes the following:</p> <ul style="list-style-type: none"><li>• Company engagement at a board and executive level.</li><li>• Recommending both in favour of, and against, resolutions at company AGMs.</li><li>• Engaging policy makers for legislative or regulatory change.</li><li>• Using the media and other public forums on specific thematic issues or companies</li></ul>
(2) Stewardship tools or activities used	<p>(1) Engagement (2) (Proxy) voting at shareholder meetings (3) Filing of shareholder resolutions or proposals (4) Nominating directors to the board</p>
(3) Example	<p>In calendar year 2022, our service provider ACSI held 299 company engagement meetings focused on material ESG matters with 198 different ASX-listed companies.</p> <p>Climate Change:</p> <p>ACSI and its members' impact was significant during 2022 with all 30 priority companies making progress. Notably:</p> <ul style="list-style-type: none"><li>• All priority companies have now either committed to or already report their climate risks and opportunities using the TCFD guidelines.</li></ul> <p>ACSI continues to engage with companies on the quality and depth of their TCFD analysis of material climate risks and opportunities.</p> <ul style="list-style-type: none"><li>• 29 of 30 target companies now have net zero commitments in place.</li><li>• Majority of the target companies explicitly link or commit to link its executive incentive pay to climate change objectives.</li></ul> <p>There were eight advisory votes on climate held by priority climate companies which was driven through ACSI engagement, with priority companies putting forward climate transition plans for a shareholder advisory vote with varying levels of shareholder support.</p> <p>ACSI, in partnership with other investor groups, publicly advocated for the introduction of mandatory climate disclosures over a long period, and the Government released a consultation on climate-related financial disclosures in late 2022.</p>

Board Gender Diversity:

Achievements include:

- 16 of the 20 board diversity target companies appointed at least one female director to its board in 2022.
- This included four appointments on previously zero-women boards and 14 appointments to previously one-woman boards.
- Representation of women on ASX200 boards is now at around 36%. In the ASX201-300, there were only two companies with zero-women boards by the end of 2022.

Remuneration alignment with investors:

Achievements include:

- 28 target companies made improvements to their remuneration framework and practices by the end of 2022 following ACSI and its members' engagement. Some examples of improvement areas include greater disclosure of remuneration targets and outcomes, transparent reporting of the use of board discretion, introduction of equity deferral mechanisms in incentive plans and ensuring the development of challenging hurdles that focuses on long-term value creation.
- ACSI participated in consultations led by the regulator, APRA, related to the standard for remuneration disclosures. ACSI supported greater transparency, to provide investors with better data on remuneration frameworks.

Indigenous rights & cultural heritage:

ACSI has met with the boards and/or senior management of the 11 priority companies, seeking for an improvement in practices and transparency on First Nations Engagement. ACSI held more than 20 meetings on these issues in 2022.

For a number of years, ACSI has advocated for higher standards of protection of the rights and cultural heritage of First Nations people.

ACSI is participating in the Federal Government's ongoing consultation on reform to national cultural heritage laws. ACSI has also participated in consultations on the application of international standards (the United Nations Declaration on the Rights of Indigenous People) in Australia, as well as reform to Western Australian cultural heritage laws.

In financial year-end 30 June 2022, our service provider ACSI held 302 company engagement meetings focused on material ESG matters with 193 different ASX-listed companies.

In financial year-end 30 June 2023, our service provider ACSI held 306 company engagement meetings focused on material ESG matters with 194 different ASX-listed companies.

In FY23, ACSI conducted 306 engagement meetings with 194 companies in the ASX300.

ACSI also held 13 meetings with non-government organisations (NGOs) to gain better insight into their concerns about company activities.

Each year, ACSI sets priority themes for engagement and in FY23 these include:

- Environmental factors including:
  - o Climate change, biodiversity and circular economy,
- Social factors including:
  - o Workforce (including modern slavery, just transitions, safety and worker underpayments)
  - o Cultural heritage and First Nations' issues
  - o Corporate culture (conduct, sexual harassment, responsible gaming)
- Governance factors including:
  - o Board diversity, accountability and remuneration., .

Under each of these themes, specific goals are set for individual companies based on the materiality of an issue to the companies and their investors, or where there is evidence of poor practices or outcomes. Many of these objectives are also part of a multi-year engagement program.

During financial year-end 30 June 2023, ACSI noted improvements were made on 89 per cent of priority issues across the ESG thematic areas.

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#### **(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1:

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

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(1) Describe your approach

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(2) Stewardship tools or activities used

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(3) Example

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### **(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:	Diversity - We support diversity and respect the protection of internationally proclaimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.
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(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

### **(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3:	Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.
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(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

### **(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:	Safety - Improving safety performance and management
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(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5: Culture - this links to the ASX Corporate Governance Principles and Recommendations.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

**(G) Sustainability Outcome #6:**

(G) Sustainability Outcome #6: Protecting Indigenous rights & cultural heritage

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

**(H) Sustainability Outcome #7:**

(H) Sustainability Outcome #7: Modern slavery risk assessment

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

**(I) Sustainability Outcome #8:**

(I) Sustainability Outcome #8: Company exclusions

(1) Describe your approach



(2) Stewardship tools or activities used

(3) Example

**(J) Sustainability Outcome #9:**

(J) Sustainability Outcome #9: Proxy voting, engagement, co-filing shareholder proposals and statements

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

**(K) Sustainability outcome #10:**

(K) Sustainability outcome #10: Tax transparency and reporting - Country by Country Reporting (CbRC), Global Reporting Initiative (GRI's) tax standards and FASB proposed tax disclosures.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

☒ **(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

An example of this is when we co-filed a member's statement. Vision Super , Beta shares and Australasian Centre for Corporate Responsibility (ACCR) co-filed a members' statement at the Woodside AGM on the 28 April 2023, explaining why a vote against three long-standing directors - who all sat on the sustainability committee since their appointment to the board - was warranted. Woodside refused to include the statement in its notice of annual general meeting 2023. Woodside never provided us with an explanation for this but did refer to the statement in its notice.

Woodside's repeated failure to respond to material shareholder votes around climate risk management has raised genuine governance concerns.

Over the past three years Woodside has faced successive and record-breaking shareholder votes against its climate plans, yet it has refused to respond to shareholder concerns meaningfully. Woodside itself acknowledges climate change is a "material strategic governance issue" - one overseen directly by the board and its committees.

This is the first-time institutional investors sought to bring climate accountability to board level via the mechanism of filing members' statements on the re-election of directors at an ASX100 company.

The mechanism of filing a members' statement is a longstanding shareholder right under section 249P of the Corporations Act. However, it differs in a key respect, in that a members statement can relate to any resolution that is proposed to be moved at an AGM, including remuneration and director votes.

- Results: 34.81% against Ian Macfarlane; 13.43% against Larry Archibald; and 10% against Swee Chen Goh. In addition, 20.99% of shareholders voted against Woodside's remuneration report.
- This was a record-breaking result - only one Woodside director over the last decade had ever received less than 95% support. No director on any ASX100 energy company's board has had a vote greater than 15% against them in the last decade.

Select from the list:

- 1
- 3
- 4

☒ **(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

A recent example here is when Vision Super joined a global cohort of investors, including LGIM, HSBC AM and Ethos Foundation on behalf of Swiss pension funds on behalf of large Swiss pension fund members of the foundation, including Pensionskasse Post and Bernische Pensionskasse (BPK); ACCR and ShareAction UK to lodge a shareholder resolution with Glencore at their AGM on the 26 May 2023. Glencore is listed in the UK, incorporated in Jersey with the head office in Switzerland. The resolution was lodged at the end of 2022.

This coalition of investors came together because of a shared concern that Glencore needs to provide more evidence to demonstrate how its thermal coal production plans align with the objectives of the Paris Agreement, especially in the face of planned thermal coal mine expansions in Australia.

This resolution asked Glencore to outline:

- how its forward thermal coal production is Paris aligned;
  - how its CAPEX for thermal coal is Paris aligned;
  - if its thermal coal production aligns with the IEA NZE timelines for the phase out of unabated thermal coal for electricity.
- 29.22% of shareholders voted in support of the resolution, which is the second highest vote ever recorded in favour of a climate-related shareholder resolution not supported by management on the London Stock Exchange.

Glencore also received a vote of 30.25% against its 2022 Climate Report, building on the 24% vote against the plan from last year's AGM.

The chair received an 11% vote against.

Because the vote was over 20%, under the terms of the UK Corporate Governance Code Glencore is now required to formally consult with shareholders about the reasons for the result.

The co-filing team will continue engaging with Glencore to improve their thermal coal disclosures. To date, Glencore has not responded to further attempts at engagement.

Select from the list:

- ☐ 1
- ☐ 3
- ☐ 4

☐ (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

☒ (D) Other

Describe:

Through our strategic partnership with ACCR, they like us believe that limiting global warming to well below 2°C is in the interests of shareholders. ACCR's focus is to encourage companies to decrease absolute, real world emissions, in line with the best available science. They do this through science-based transition research and collaborating with investors on shareholder advocacy.

ACCR is focused on those sectors that make a material contribution to global industrial greenhouse emissions. As a result, the companies selected for focused collaborative engagement programmes usually sit within the diversified mining, oil and gas or steel sectors as the heaviest polluting parts of the economy.

Analysis is conducted to look at where shareholder rights can be best used to affect change and where there is investor appetite to work collaboratively on outcomes-focused stewardship strategies. We focus on where there is a crossover as this is where we give ourselves the best chance of achieving real-world outcomes.

In summary:

The companies selected for focused collaborative engagements go through a screening process and must:

- Make a material contribution to global industrial greenhouse emissions - the companies generally sit within diversified mining, oil & gas, and steel sectors.
- Shareholder rights are available.
- Shareholders are interested in using their rights to affect change.

Select from the list:

- ☐ 1
- ☒ 2
- ☐ 3
- ☐ 4

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

Climate change:

ACSI has been publicly advocating for policy action to support a just transition to a low carbon economy and in December 2022, released our research report on just transitions.

ACSI, in partnership with other investor groups, publicly advocated for the introduction of mandatory climate disclosures over a long period and have engaged with policy makers on the redesign of the Safeguard Mechanism.

Board gender diversity:

ACSI set higher standards of companies for gender diversity, and discussed these higher expectations with policy-makers.

Workforce and human rights (safety, modern slavery, culture):

ACSI advocated for higher standards on modern slavery. ACSI undertook advocacy as well as in collaboration with other organisations (e.g., IAST APAC).

Indigenous rights & cultural heritage:

ACSI advocated for higher standards of protection of First Nations' rights and cultural heritage. ACSI did this through its own advocacy with policy makers, and also in collaboration with other organisations. ACSI was guided by First Nations organisations.

(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (4) We engaged policy makers on our own initiative
- (5) Other methods

Climate change:  
Safeguard Mechanism, Net Zero Transition Authority, Mandatory Climate reporting, Climate Change Authority remit.

Board gender diversity:  
Revised ACSI's Gender Diversity Voting Policy – expectation for ASX300 boards to have a 30 per cent female representation at a minimum, and companies should develop a timeframe within which they will achieve gender balance (40:40:20) on their boards.

(3) Example(s) of policies engaged on

Workforce and human rights (safety, modern slavery, culture):  
Australia's Modern Slavery Act.

Indigenous rights & cultural heritage:  
Federal cultural heritage law reform, State cultural heritage law reform, Consultation on the application of UNDRIP in Australia.

### **(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

### **(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:

Diversity - We support diversity and respect the protection of internationally proclaimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3: Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4: Safety - Improving safety performance and management

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5: Culture - this links to the ASX Corporate Governance Principles and Recommendations.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(G) Sustainability Outcome #6:**

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(G) Sustainability Outcome #6:      Protecting Indigenous rights & cultural heritage

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(1) Describe your approach

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(2) Engagement tools or activities  
used

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(3) Example(s) of policies engaged  
on

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**(H) Sustainability Outcome #7:**

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(H) Sustainability Outcome #7:      Modern slavery risk assessment

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(1) Describe your approach

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(2) Engagement tools or activities  
used

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(3) Example(s) of policies engaged  
on

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**(I) Sustainability Outcome #8:**

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(I) Sustainability Outcome #8:      Company exclusions

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(1) Describe your approach

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(2) Engagement tools or activities  
used

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(3) Example(s) of policies engaged  
on

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**(J) Sustainability Outcome #9:**

(J) Sustainability Outcome #9: Proxy voting, engagement, co-filing shareholder proposals and statements

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(K) Sustainability outcome #10:**

(K) Sustainability outcome #10: Tax transparency and reporting - Country by Country Reporting (CbRC), Global Reporting Initiative (GRI's) tax standards and FASB proposed tax disclosures.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**



**(A) Across all sustainability outcomes**

(1) Key stakeholders engaged	(1) Standard setters (2) Reporting bodies (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (8) NGOs (9) Other key stakeholders
(2) Provide further detail on your engagement	<p>ACSI, they have worked with the Monash Sustainable Development Institute to form a baseline view of SDGs being prioritised in Australia by superannuation funds and ASX-listed companies so that year-on-year progress can be tracked.</p> <p>ACCR/ShareAction - Collaboration with civil society and investors on outcomes-focused stewardship</p> <p>Vision Super was part of a group filing statements/resolutions at Glencore and Woodside and collaborated and provided public support and assisted with developing materials (press releases and the wording of the resolution statements).</p> <p>Woodside - Vision Super made history by collaborating with ACCR and Betashares on the first co-filed members' statement against a top ASX 100 group of directors. Glass Lewis called this effort "the first high profile case of shareholders rebelling against a director due to climate-related concerns" in its 2023 Australia-New Zealand proxy review.</p> <p>The shareholder resolution focussing on Glencore's thermal coal production, which ACCR co-filed on 29 Dec 2022 with seven institutional investors (Vision Super, LGIM, HSBC AM, Pensionskasse Post, Pictet Cie, Lombard Odier and Bernische Pensionkasse) as well as ShareAction. At the 26 May 2023 AGM, 29.22% of shareholders voted in support of the resolution, which is the second highest vote ever recorded in favour of a climate-related shareholder resolution not supported by management on the London Stock Exchange.</p> <p>VisionSuper was a foundation investor in the IFM Net Zero Infrastructure Fund and provided extensive feedback to IFM as it developed the product.</p>

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:

Climate change - We will urge companies to disclose their carbon emissions and targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris Agreement. We will push for companies to provide independent evidence of action taken to progress towards the Paris climate change agreement emissions reduction target.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:

Diversity - We support diversity and respect the protection of internationally proclaimed human rights and labour standards. We support freedom of association to collectively express, promote, pursue and defend common interests.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3:

Human rights & modern slavery – this links to Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) and the United Nations Global Compact.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:

Safety - Improving safety performance and management

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(F) Sustainability Outcome #5:**

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(F) Sustainability Outcome #5:	Culture - this links to the ASX Corporate Governance Principles and Recommendations.
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(1) Key stakeholders engaged
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(2) Provide further detail on your engagement
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**(G) Sustainability Outcome #6:**

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(G) Sustainability Outcome #6:	Protecting Indigenous rights & cultural heritage
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(1) Key stakeholders engaged
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(2) Provide further detail on your engagement
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**(H) Sustainability Outcome #7:**

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(H) Sustainability Outcome #7:	Modern slavery risk assessment
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(1) Key stakeholders engaged
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(2) Provide further detail on your engagement
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**(I) Sustainability Outcome #8:**

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(I) Sustainability Outcome #8:	Company exclusions
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(1) Key stakeholders engaged
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(2) Provide further detail on your engagement
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**(J) Sustainability Outcome #9:**

(J) Sustainability Outcome #9: Proxy voting, engagement, co-filing shareholder proposals and statements

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(K) Sustainability outcome #10:**

(K) Sustainability outcome #10: Tax transparency and reporting - Country by Country Reporting (CbRC), Global Reporting Initiative (GRI's) tax standards and FASB proposed tax disclosures.

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**STEWARDSHIP: COLLABORATION**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) Initiative #1**

(1) Name of the initiative Engagement with priority investee companies

(2) Indicate how your organisation contributed to this collaborative initiative

(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)

(C) We publicly endorsed the initiative

(3) Provide further detail on your participation in this collaborative initiative	<p>Through our service provider ACSI, we contribute to sustainability outcomes through our participation in engagement meetings with ASX 300 company boards.</p> <p>These engagement meetings focus on material ESG issues aligned to our sustainability outcome areas such as climate change, diversity, human rights &amp; modern slavery, safety, culture and Indigenous rights &amp; cultural heritage. In addition, engagement meetings through our service provider ACSI are mainly conducted directly at a company board level.</p> <p>The objective of these engagements is to identify gaps in current practices adopted by companies, understand the plans and commitments made by the company to address their ESG risks and opportunities, and monitor progress against these commitments.</p> <p>For details of desired outcomes achieved on sustainability outcomes through our participation in engagement meetings with ACSI, please refer to indicator PGS 40. Most of this level of detail has already been outlined earlier.</p> <p>As a member of the ACSI Member Advisory Council, we contributed to ACSI's priority setting for the year ahead.</p>
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**(B) Initiative #2**

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(1) Name of the initiative	Vision Super's perspective on tax (FASB Tax Submission) - Extract from Vision Super Response in cy 2023
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(2) Indicate how your organisation contributed to this collaborative initiative

(C) We publicly endorsed the initiative  
(I) Other

(3) Provide further detail on your participation in this collaborative initiative

Vision Super's perspective is primarily one of being an equity investor in US domiciled listed entities. We take our voting rights in these entities seriously and we have two significant concerns in relation to taxation:

- We need to assess the risk taken by companies with regard to tax strategies.

There have been a number of high-profile US companies penalised for tax evasion in recent times. Many large companies do not adequately disclose segment information so that revenues/expenses or profits and tax in non-US markets can be identified. This makes it difficult to assess the risk to these companies from their tax practices

- Where companies link CEO bonuses to after-tax profits we are concerned that management should not be incentivised to take risks on taxation to improve bonuses.

When we consider our voting for Directors who sit on companies' Audit and Risk Committees, we look at a company's tax history and the rate of taxation paid, and whether a tax policy has been made available.

Public explanations should be provided where companies or subsidiaries are housed in tax havens in which they have limited operations on the ground.

We would like to see companies publish country-by-country breakdowns of how and where their business model generates economic value, where that value is taxed, and the amount of tax paid as a result.

This information would help us to assess tax risk.

In relation to question 4 our answer is yes. Where companies provide a reconciliation back to the applicable statutory federal (national) income tax rate of the jurisdiction of domicile it allows us to determine whether the rate of tax paid is due to potentially risky tax strategies or whether it is an appropriate rate of tax paid due to government incentives, prior legitimate losses or other valid reasons.

Where reconciliations are available, it is easier to become confident in our view and to do so in a more time effective manner. The inclusion of qualitative description alongside the reconciliation is very useful in providing context.

Given our approach, it is the annual tax transparency report that is most useful for us (Q13).

Currently most annual financial reports lack the necessary information to enable us to come to a view backed by reasonable evidence.

We note that materiality is a driver for the segment reporting provided by companies in their annual financial reports. However, it is often the tax behaviours in the smaller jurisdictions of the entity and/or its related entities that provide the best indications of the company's tax performance/attitudes.

It may therefore be appropriate for the disclosures proposed by FASB to be included in a specific tax report that should be completed on a country-by-country basis.

We welcome the alignment of the suggested disclosure requirements with the Global Reporting Initiative (GRI)'s tax standard, as well as the additional requirement to disclose the effective tax rate, expenses from related party transactions, and details on other assets.

## KEY RECOMMENDATIONS

Vision Super welcomes the opportunity to comment on proposed changes to Topic 740 of the FASB Accounting Standards Codification®.

Vision Super supports the proposed amendments to Topic 740 and recommends that the FASB implements these proposals in a meaningful way.

For example, disclosing income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign provides some degree of granularity. However, more detail is required for the jurisdiction in which the entity and its related parties operate.

In our view, country by country reporting remains the gold standard for tax transparency.

Given many companies are already required to report country by country information privately to tax authorities under OECD BEPS we do not believe that much additional cost would be involved.

Vision Super requests that FASB gives consideration to whether the proposed tax disclosures should be included in the current tax transparency reports and whether the assurance around those reports should be strengthened.

### Private companies

BC25 – we disagree with the assertion of the “practitioner PCC” member.

In our experience, if anything, more information is required as transacting in private companies is much more difficult for unrelated investors than is the case for public companies. We need to be more certain before making an investment as exiting based on new information is much more difficult than is the case for public companies. We believe the private companies should provide at least as much information, at least for suitably large private companies.

BC27 – we agree with the Board’s view here but are concerned that some companies may be able to restructure in such a way that there is no improvement in transparency. The changes should be monitored to ensure they are as effective as envisaged.

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## (C) Initiative #3

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(1) Name of the initiative	Climate-related financial disclosure consultation paper – Extract from Vision Super response
(2) Indicate how your organisation contributed to this collaborative initiative	(C) We publicly endorsed the initiative (I) Other

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(3) Provide further detail on your participation in this collaborative initiative

Vision Super believes the intended public policy outcome of the proposed climate disclosures is unclear.

Treasury's Reform Principles state: "Climate disclosure reforms should assist with: Australia's transition to net zero emissions by 2050; adaptation to a changing climate; and broader efforts and initiatives to promote a sustainable financial system in Australia and internationally."

This implies that Treasury's goal is not disclosure but transition to net zero. We agree with this objective as a holistic goal of government climate change policy (albeit with a carbon budget not a deadline). However, this does not make sense as a public policy objective for these measures.

Climate risk cannot be avoided by any investor. There is no feasible scenario where a financial investor can simply avoid certain sectors and/or companies and emerge unscathed. Climate change already affects, and will exponentially continue to affect, every single person and financial asset as well as the societies we all live in. Unless Government is prepared to legislate to encourage and mandate action across the broader economic sector (including government) the stated aims of transitioning to net zero and adapting to climate change will not be successful.

To be blunt, this issue cannot be solved with disclosures. Disclosures will not reduce the level of carbon in the atmosphere. Significant additional action is required from government on this issue. We note the government's announcement of sectoral decarbonisation plans are a step in the right direction and we hope this will in due course lead to the announcement of strong 2035 targets.

We would draw Treasury's attention to the example of Australia's global leadership in the reduction of harm from tobacco. This was achieved via strong government regulation, advertising, education and taxation. Investor action on tobacco occurred largely post-regulation, with the advent of the tobacco free pledge in 2018. This investor "action" has not noticeably changed the trajectory of smoking in Australia (nor is it likely to on an objective reading of the evidence).

A further point of evidence is Treasury's own comments. In its December consultation paper Treasury noted:

"Driven by Australia's strong demand for foreign capital and position as an open and well-regulated economy, Australian businesses have generally been on the front foot in meeting market and regulatory expectations. In 2021, Australia had the 4th largest number of TCFD-supporting organisations by jurisdiction.<sup>0F</sup> "



Despite this “front footedness” on disclosures, Australia is one of the highest per capita emitters globally, even worse than the United States. Disclosure is not the answer to the prime problem we should all be focused on – reducing emissions and transitioning to clean energy in order to maintain a liveable climate and an intact society. The collection of data should be used to provide feedback to refine and improve policy measures. Government should make this very clear.

In summary, we are very supportive of the proposed measures but only has part of a wider set of co ordinated measures by government and with some amendments. As a hot, rich medium-sized power, Australia's best interests is to be a leader on transition. We have more to lose, and more quickly, than most.

#### (D) Initiative #4

(1) Name of the initiative

(2) Indicate how your organisation contributed to this collaborative initiative

(3) Provide further detail on your participation in this collaborative initiative

## CONFIDENCE-BUILDING MEASURES (CBM)

### CONFIDENCE-BUILDING MEASURES

#### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☐ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report

- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☐ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
  - (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

### Who in your organisation reviewed the responses submitted in your PRI report this year?

- ☐ (A) Board, trustees, or equivalent
- ☒ (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - ☒ (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year