



## **PUBLIC TRANSPARENCY REPORT**

**2023**

**Aware 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?

Aware Super is a profit-for-member organisation and everything we do is for the benefit of our members, who are also part of the broader community. Through our investments in renewables, affordable housing, community and new technologies, we are helping to create jobs, contribute to a more productive economy and support the communities where our members live, work and retire. When we invest our members' money, our aim is to achieve strong long-term returns to drive the best retirement outcomes. A key part of delivering strong long-term returns is managing risk. Our responsible ownership approach integrates environmental, social and governance (ESG) considerations into our investment processes across all our investment options and asset classes. By effectively managing ESG issues, we can help the companies we invest in find new opportunities, steer capital towards more attractive areas and manage long-term investment risks. We consider ESG issues at many stages – from selecting investments and conducting due diligence on investment managers, to ownership activities like voting shares, company engagement and advocacy, and excluding certain industries. Our investments, stewardship activities and the measurement of impact across our portfolio supports our commitment to the UN SDGs. We've been integrating ESG since we signed the Principles for Responsible Investment (PRI) in 2008. We're recognised as a global leader in responsible ownership, having achieved this recognition through a variety of awards, memberships and invitations to participate in global initiatives including the United Nations Global Investors for Sustainable Development Alliance.

We engage and collaborate with other like-minded investors and industry associations to help us understand the ESG opportunities across a range of industries and sectors. We are involved in a number of initiatives that support our commitment to Responsible Ownership:

Principles for Responsible Investment (since 2008); Investors Against Slavery & Trafficking (IAST APAC); Climate Action 100+; 40:40 Vision; Australian Sustainable Finance Institute; Investor Group on Climate Change; Responsible Investment Association Australasia.

Aware Super will support an orderly and equitable transition to net zero greenhouse gas emissions (GHG) through its investment activities, stewardship and advocacy. Aware Super's overarching targets to support that commitment are to:

- strive to achieve net zero greenhouse gas emissions in our portfolio by 2050
- support an economy wide reduction in greenhouse gas emission of 45% by 2030
- achieve a 45% reduction in scope 1 & 2 emission intensity of our investment portfolio by 2030

## 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

At Aware Super, we've been integrating ESG since we signed the Principles for Responsible Investment (PRI) in 2008. We're recognised as a global leader in responsible ownership, having achieved this recognition through a variety of awards, memberships and invitations to participate in global initiatives. During 2022-23 we received recognition of our responsible ownership approach through:

- the Chant West award for Best Fund: Responsible Investment,
- the Super Ratings Generations Award, and
- recognised as a Responsible Investment leader by the Responsible Investment Association Australasia (RIAA).

Some of the important outcomes we've helped achieve during the year are:

Environmental: Climate Change

We have progressed through our climate-related actions identified under Aware Super's Climate Change Portfolio Transition Plan (CCPTP). Key activities included:

- a full review and refresh of the climate Transition Plan was undertaken during the year.
- engagement with some of the highest emitters in the Australian-listed market to encourage them to adequately disclose their decarbonisation plans (including timelines, costings and the forecast emissions reductions from these plans) and to set scope 3 targets; and,
- engagement via the collaborative initiative, Climate Action 100. Phase 1 of this initiative finished in 2023, and some key results across all global companies include, 92% of focus companies now have some level of executive oversight on climate; 75% of companies have now committed to net zero by 2050; 91% of focus companies have now aligned with disclosure recommendations by supporting principles, or employing scenario analysis. In phase 2, we will be heavily focused on getting companies to make absolute emission reductions in the real economy- this will include encouraging companies to develop and implement credible transition plans.
- achieving a 51% emissions intensity reduction in our listed equities portfolio against a December 2019 baseline, significantly exceeding our target of 30% reduction by 2023
- Investing an additional c.\$60million in financial year 2022-23 in green and sustainability-linked bonds
- Through our collaborations with stakeholders have made an impact in supporting climate related policies and activities during the year

Social: First Nations consultation

When engaging with companies on cultural heritage and First Nations rights the issue of appropriate and sufficient consultation has repeatedly been raised. Questions on who should be consulted compared to what the law stipulates, when and how often they should be consulted as well as the types of consultation that should take place have been discussed with companies over the last year. We met with two Australian listed companies to discuss First Nations rights, cultural heritage, and consultation. In 22-23, one ASX listed company (Origin) put up three shareholder requisitioned votes regarding First Nations peoples. These votes related to traditional owner connection to water flows in project areas, cultural heritage, and consent. Aware Super voted in favour of the resolutions regarding connection to water and consent and abstained on the vote regarding cultural heritage (consistent with our approach last year).

Governance: corporate culture

During the year, there was expanded focus on corporate culture – specifically on sexual harassment in the mining industry. Both the 2021 West Australian Government's inquiry into sexual harassment against women working in the mining industry as part of a fly in, fly out (FIFO) workforce and the Everyday Respect Report (the Broderick Review) found concerning anecdotal evidence of behaviours and practices.

These issues continue to be raised and discussed in most engagement meetings we have with companies in this industry, with the aim of understanding the Board and management's approach to assessing, measuring and managing these risks. Key outcomes have been that BHP has now committed and implemented consequence reporting on conduct issues, with disclosure and substantiation of cases of sexual harassment, the majority of which have resulted in termination of employment for the perpetrators. In addition, Rio Tinto has publicly disclosed that it is working through implementing design solutions and actions in response to addressing the report's twenty-six recommendations, with initial focus areas of leadership and behavioural change, facilities, safety mindset and risk management and to have a caring response.

### Section 3. Next steps

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

#### Advocacy & Collaboration

We engage and collaborate with other like-minded investors and industry associations to help inform our understanding of the ESG opportunities across a range of industries and sectors. We also interact and take input from various Non-Government Organisations (NGOs), unions, community stakeholders and various representative bodies. Aware Super is committed to a whole-of industry approach to ESG and will therefore continue to actively be involved in the Principles of Responsible Investment; Investor Group on Climate Change; Australian Council of Superannuation Investors; CA100+; 40:40 Vision; Investors Against Slavery and Trafficking (IAST- APAC) and the Australian Sustainable Finance Initiative.

#### Stewardship

Stewardship is an important element of our responsible ownership approach. It means actively monitoring and engaging with the companies we invest in and the fund managers we partner with. The objective of this engagement is to positively influence a company's policies, behaviours and practices in areas such as climate change, worker safety, diversity, company conduct and culture, and cultural heritage management. Additionally, we use our voting rights to ensure these companies are governed in a way that enhances their performance over the longer term and holds them accountable. We have committed to enhance our focus on 'S' themes and outcomes.

#### Climate

In 2023 we undertook a refresh of our Aware Super Climate Transition Plan, as committed to in the 2022 Responsible Investment Report. The purpose of this update was to further develop Aware Super's climate action roadmap. One key component of this work was to detail measurable, timebound emissions reduction goals and targets, clearly setting out Aware Super's proposed decarbonisation pathway. We have committed to be an active contributor to climate action through decarbonisation and transition of Aware Super's investment portfolio, while delivering member outcomes. One key pillar of our strategy relates to stewardship. Specifically, we commit to:

- Implementing a leading active climate engagement strategy that includes a strong framework approach to:

- o engagement with listed companies
- o listed company climate related voting
- o engagement with fund managers – listed and unlisted
- o engagement with directly owned assets
- Actively engage on and support a fair and equitable transition for workers and their communities

Other commitments include:

1. Further develop a bespoke investment transition assessment tool

2. Advance Aware Super's physical climate risk assessment & climate adaptation plans for the most likely impacted assets
3. Implement a robust internal carbon pricing methodology across investment sectors
4. Continue to establish a leading climate risk analysis roadmap including climate scenario analysis
5. To be at the forefront of investing in climate solutions thus supporting a low carbon economy
6. Developing an Aware Super framework to measure the impact of our investments as contributors to our decarbonisation goals
7. Establish an Aware Super framework to assess, manage and invest in nature and biodiversity

#### Measuring our impact

We aim to consider the positive impacts of our investments as the 'material effects on people and planet. We believe measuring this positive impact is critical to making sure our investments are effective at instigating and maintaining change, compared with what would have happened anyway without that financing. Measuring the true impact of investments, however, requires determining both the positive and negative effects. We also need to use those findings to create a dynamic impact management process through engagement with the investee companies to maximise the positive impacts and minimise the negative ones. We recognise this is challenging to do well in an authentic way and we seek to build on our current approach year-on-year. We periodically review and update the investments we include and the measures we assess on an ongoing basis to measure the impacts we make.

#### 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

Damian Graham

Position

Chief Investment Officer

Organisation's Name

Aware Super

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**'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'.**

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# 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:	30	06	2023

## 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\$ 108,048,241,206.00

(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	>10-50%	>10-50%
(B) Fixed income	>0-10%	>0-10%
(C) Private equity	0%	>0-10%
(D) Real estate	>0-10%	>0-10%
(E) Infrastructure	>0-10%	>0-10%
(F) Hedge funds	0%	>0-10%
(G) Forestry	0%	>0-10%
(H) Farmland	0%	0%
(I) Other	>0-10%	>0-10%
(J) Off-balance sheet	>0-10%	>0-10%

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

Credit Income

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

Credit Income

**(J) Off-balance sheet - (1) Percentage of Internally managed AUM - Specify:**

Cash

**(J) Off-balance sheet - (2) Percentage of Externally managed AUM - Specify:**

Cash

## 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	>50-75%	0%	0%	>0-10%	0%
(B) Passive	>10-50%	>75%	>0-10%		

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	>75%	0%
(D) Fixed income - passive	>75%	0%
(E) Private equity	0%	>75%
(F) Real estate	0%	>75%

(G) Infrastructure	0%	>75%
(H) Hedge funds	0%	>75%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity	0%
(B) Active – quantitative	>75%
(C) Active – fundamental	>10-50%
(D) Other strategies	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA	0%
(B) Passive – corporate	0%
(C) Active – SSA	>75%

(D) Active – corporate >0-10%

(E) Securitised >0-10%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail 0%

(B) Office 0%

(C) Industrial >10-50%

(D) Residential 0%

(E) Hotel 0%

(F) Lodging, leisure and recreation >10-50%

(G) Education 0%

(H) Technology or science 0%

(I) Healthcare 0%

(J) Mixed use >10-50%

(K) Other >10-50%

**(K) Other - Specify:**

Retirement living

## ASSET BREAKDOWN: INTERNALLY MANAGED INFRASTRUCTURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 INF	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed infrastructure	GENERAL

**Provide a further breakdown of your internally managed infrastructure AUM.**

(A) Data infrastructure >10-50%

(B) Diversified 0%

(C) Energy and water resources >0-10%

(D) Environmental services 0%

(E) Network utilities >10-50%

(F) Power generation (excl.  
renewables) 0%

(G) Renewable power >0-10%

(H) Social infrastructure >0-10%

(I) Transport >0-10%

(J) Other >0-10%

**(J) Other - Specify:**

Agriculture.

## 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%
(F) Private equity	(2) >0 to 10%
(G) Real estate	(2) >0 to 10%
(H) Infrastructure	(2) >0 to 10%
(I) Hedge funds	(2) >0 to 10%



# 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	(5) Private equity
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	(6) Real estate	(7) Infrastructure	(8) Hedge funds	(9) Forestry	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**Does your organisation have direct investments in listed equity across your hedge fund strategies?**

- ☐ (A) Yes  
☒ (B) No

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 type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

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 (11) >90 to <100%

(B) Listed equity - passive (11) >90 to <100%

## STEWARDSHIP NOT CONDUCTED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship not conducted	2

**Describe why your organisation does not currently conduct stewardship and/or (proxy) voting.**

Stewardship, excluding (proxy) voting  
(H) Hedge funds

They are pooled funds and derivatives/non physical securities.

(I) Forestry

They are pooled funds and in wind down mode.

# 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
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Credit Income	<input checked="" type="radio"/>	<input type="radio"/>

## 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"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(I) Forestry	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Credit Income	<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"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(I) Forestry	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Credit Income	<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"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(I) Forestry	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Credit Income	<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

We take a holistic approach when considering ESG factors in our portfolio of investments. Our ESG integration approach means we assess and monitor ESG risks and opportunities across the fund's entire portfolio, across the life of an investment from the initial investment due diligence and selection (i.e. before we make a new investment) and during our ownership. We utilise a materiality matrix to assist with our ESG assessments.

#### Externally managed (D) Forestry

ESG integration extends to the way we select, appoint and partner with our external managers. We interact regularly with our external managers to discuss how they are considering and monitoring ESG-related risks and opportunities. While our expectation is that our managers will conduct this analysis as part of their investment activity, we do allow them some flexibility to determine the way in which ESG considerations are implemented. Our assessment criteria includes: Policy, Resourcing, Stewardship, Integration, Transparency, Alignment, Climate Change, Modern slavery and corporate social responsibility.

#### (F) Other

ESG integration extends to the way we select, appoint and partner with our external managers. We interact regularly with our external managers to discuss how they are considering and monitoring ESG-related risks and opportunities. While our expectation is that our managers will conduct this analysis as part of their investment activity, we do allow them some flexibility to determine the way in which ESG considerations are implemented. Our assessment criteria includes: Policy, Resourcing, Stewardship, Integration, Transparency, Alignment, Climate Change, Modern slavery and corporate social responsibility.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>75%
(C) A combination of screening approaches	0%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Screening alone	0%	0%	0%
(B) Thematic alone	0%	0%	0%
(C) Integration alone	0%	0%	0%
(D) Screening and integration	>75%	>75%	>75%
(E) Thematic and integration	0%	0%	0%
(F) Screening and thematic	0%	0%	0%
(G) All three approaches combined	0%	0%	0%
(H) None	0%	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Positive/best-in-class screening only	0%	0%	0%
(B) Negative screening only	>75%	>75%	>75%
(C) A combination of screening approaches	0%	0%	0%

## 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

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>0-10%

- ☐ (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)**

Our Socially Conscious options are managed with specific restrictions and exclusions known as screens. They seek to avoid investments in industries and companies recognised for having a highly adverse environmental or social impact.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

● **(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications**

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>0-10%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

**Which ESG/RI certifications or labels do you hold?**

- ☐ (A) Commodity type label (e.g. BCI)
- ☐ (B) GRESB
- ☐ (C) Austrian Ecolabel (UZ49)
- ☐ (D) B Corporation
- ☐ (E) BREEAM
- ☐ (F) CBI Climate Bonds Standard
- ☐ (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- ☐ (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- ☐ (I) EU Ecolabel
- ☐ (J) EU Green Bond Standard
- ☐ (K) Febelfin label (Belgium)
- ☐ (L) Finansol
- ☐ (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- ☐ (N) Greenfin label (France)
- ☐ (O) Grüner Pfandbrief
- ☐ (P) ICMA Green Bond Principles
- ☐ (Q) ICMA Social Bonds Principles
- ☐ (R) ICMA Sustainability Bonds Principles
- ☐ (S) ICMA Sustainability-linked Bonds Principles
- ☐ (T) Kein Verstoß gegen Atomwaffensperrvertrag
- ☐ (U) Le label ISR (French government SRI label)
- ☐ (V) Luxflag Climate Finance
- ☐ (W) Luxflag Environment
- ☐ (X) Luxflag ESG
- ☐ (Y) Luxflag Green Bond
- ☐ (Z) Luxflag Microfinance
- ☐ (AA) Luxflag Sustainable Insurance Products
- ☐ (AB) National stewardship code
- ☐ (AC) Nordic Swan Ecolabel
- ☐ (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)

- ☐ (AE) People's Bank of China green bond guidelines
- ☒ (AF) RIAA (Australia)
- ☐ (AG) Towards Sustainability label (Belgium)
- ☐ (AH) Other

## 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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(W) External manager selection, appointment and monitoring (SAM) – fixed income - passive	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

(X) External manager selection, appointment and monitoring (SAM) – private equity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(Y) External manager selection, appointment and monitoring (SAM) – real estate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(Z) External manager selection, appointment and monitoring (SAM) – infrastructure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(AA) External manager selection, appointment and monitoring (SAM) – hedge funds	<input type="radio"/>	<input type="radio"/>	<input checked="" 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
  - ☐ (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
  - ☐ (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://aware.com.au/member/investments-and-performance/our-approach-responsible-ownership>

☒ **(B) Guidelines on environmental factors**

Add link:

<https://aware.com.au/member/investments-and-performance/our-approach-responsible-ownership/our-approach-to-esg>

☒ **(C) Guidelines on social factors**

Add link:

<https://aware.com.au/member/investments-and-performance/our-approach-responsible-ownership/our-approach-to-esg>

☒ **(D) Guidelines on governance factors**

Add link:

<https://aware.com.au/member/investments-and-performance/our-approach-responsible-ownership/our-approach-to-esg>

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

Add link:

<https://aware.com.au/member/investments-and-performance/our-approach-to-climate-change>

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

☒ **(J) Guidelines on exclusions**

Add link:

<https://aware.com.au/content/dam/ftc/digital/pdfs/about/policies/RI-ESG-policy.pdf>

☒ **(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://aware.com.au/content/dam/ftc/digital/pdfs/about/policies/RI-ESG-policy.pdf>

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://aware.com.au/member/investments-and-performance/our-approach-responsible-ownership/driving-change-through-action>

☒ **(M) Stewardship: Guidelines on overall political engagement**

Add link:

<https://aware.com.au/content/dam/ftc/digital/pdfs/about/policies/RI-ESG-policy.pdf>

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

Add link:

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

Add link:

<https://aware.com.au/content/dam/ftc/digital/pdfs/about/policies/RI-ESG-policy.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:

Apart from some limited requirement around disclosure, the RSE licensee law does not set minimum standards or provide guidance on ESG issues.

The 'sole purpose test' arising from the Superannuation Industry (Supervision) Act 1993 (SIS Act) requires a trustee to pursue activities relevant to the provision of retirement income to members. These legal requirements are expressed in reasonably broad terms.

The SIS Act imposes a set of key covenants on a trustee, including:

- to ensure the trustee's duties and powers are performed and exercised in the best financial interests of the beneficiaries, and
- to formulate and give effect to an investment strategy that has regard to the whole of the circumstances of the fund, including (among other things) the risk involved in making, holding and realising, and the likely return from, the fund's investments having regard to its investments and expected cash flow requirements.

Where Aware Super has analysed the overall costs, risk and return profile of an investment, which may include consideration of ESG risks, it reasonably believes that it will have properly discharged its legal obligations under the SIS Act.

The Trustee believes that identifying and managing ESG factors helps in finding new opportunities, steering capital towards more attractive areas, and managing long-term investment risks. As a result, it is expected that returns will be higher, and downside risks lower, over the long term. These benefits arise from avoiding the poor performance and enterprise failures that can arise from lax governance, and weak environmental and social practices. Managing ESG risk is a source of opportunity and a way to control for longer-term risks. Assessing ESG risks in the investment process is consistent with the Fund's objectives as long-term investors, and also the Trustee's fiduciary duties and responsibilities to members.

- (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
- ☐ (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):

<https://aware.com.au/content/dam/ftc/digital/pdfs/about/policies/RI-ESG-policy.pdf>

- (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

(2) for a majority of our AUM

(B) Specific guidelines on human rights

(2) for a majority 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%

☑ (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 Chief Investment Officer is responsible for overseeing the implementation of the Responsible Investment policy

- ☒ (C) Investment committee, or equivalent

Specify:

Investment Committee - responsible for:

- approving changes to the Responsible Investment policy
- reviewing and noting the results of the Responsible Investment (RI)/ESG 6 monthly Report and PRI Report on Progress

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

Specify department:

Head of Responsible Investment - responsible for:

- ensuring ESG issues are integrated in the Fund's investment process which specifically includes Climate Change and Modern Slavery
- approving all proxy voting decisions
- managing the engagement and advocacy program

- (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"/>
(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"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(I) Guidelines on managing conflicts of interest related to responsible investment	✓	✓
(J) Stewardship: Guidelines on engagement with investees	✓	✓
(K) Stewardship: Guidelines on overall political engagement	✓	✓
(L) Stewardship: Guidelines on engagement with other key stakeholders	✓	✓
(M) Stewardship: Guidelines on (proxy) voting	✓	✓
(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

Describe how you do this:

Aware Super has a Strategic Relations, Policy and Regulatory reform team who have policies and processes in place that govern how they interact with Government. This team works closely with the Responsible Investment team when it comes to ESG related matters to determine how and when we may engage on certain issues. This may be done directly, collaboratively or both and depends on the issue and outcome we are aiming to achieve. Aware Super also engages with policy makers through its external providers, ACSI and Federated Hermes Eos. Aware Super has representation on either the board or member/advisory council of these organisations and our views and RI commitments are therefore reflected through those governance bodies.

- (B) No
- (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:

Chief Investment Officer, Head of Responsible Investment, Responsible Investment team; Investment portfolio managers and analysts

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

Specify:

External fund managers, service providers such as ACSI, Federated Hermes Eos

- (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)

- (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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## 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://aware.com.au/content/dam/ftc/digital/pdfs/about/reportsaudits/reports/aware-super-responsible-investment-report-2022.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:

Australian Asset Owners Stewardship Code

Link to example of public disclosures

<https://aware.com.au/content/dam/ftc/digital/pdfs/about/reportsaudits/reports/aware-super-responsible-investment-report-2022.pdf>

- ☐ (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://aware.com.au/content/dam/ftc/digital/pdfs/about/reportsaudits/reports/aware-super-governance-report-2022.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
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### 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
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### 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
- ☒ (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?

Identifying, research and prioritising defines our engagement approach – as described below. We utilise direct and collaborative engagements to achieve our engagement objectives and have created a monitoring tool, the “Engagement Matrix”, to ensure our engagement remains relevant.

1. Engagement topics are identified by one or more of the following:
  - Monitoring of ESG themes and trends identified from media, member queries, legal or regulatory proceedings, consultant and broker ESG research and reports.
  - Using the ESG ratings from our own analysis &/or portfolio analytics (ISS research).
  - Discussing material holdings with the investment managers and monitoring external manager reports.
  - Proxy voting activity – where we have voted AGAINST certain company resolutions – e.g., board composition; remuneration structures.
  - Stakeholder engagement – e.g. unions; industry associations; investment committee.
2. We conduct further research on the topic:
  - Understand the severity and timing of the issue.
  - Consulting our proxy advisers, engagement partners (e.g., ACSI) and brokers to understand if they are aware and have engaged already on the same or even different issues.
3. Companies are then prioritised for engagement by:
  - How they align to key themes in our Engagement Strategy
  - Using the “Engagement Matrix”. Our “Engagement Matrix” monitoring tool tracks how ASX300 companies rate on multiple themes using numerous datasets from external (ISS, Bloomberg) and internal (ESG and LVC scores) providers. Prioritising considers the following areas using the matrix:
    - Ownership: Top 20 holding in the Aware Super portfolio, an active Direct equities or Strategic Equity holding, more than 3% shareholding in the company;
    - Proxy voting: Voted against Executive Remuneration, a director or with a Shareholder Resolution;
    - Low score across key ESG issues e.g., Climate Change, Health & Safety, Conduct & Culture, Diversity, Data & Privacy, Labour controversies, Modern Slavery and Cultural Heritage. These themes are driven by the research conducted by the Responsible Investment team;
    - LVC: Laggard when assessed against Aware Super’s proprietary Long-term Value Creation (LVC) framework;
    - Red Flags: Highlighted by ISS with regards to negative media, regulatory and legal proceedings;
    - Reputation Risk: Upcoming shareholder resolutions & controversial member enquiries.

Companies are prioritised for Heavy or Light engagement, or as Monitor, with each prioritisation having an appropriate engagement action.

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.**

Aware Super engages and collaborates with other like-minded investors and industry associations to help inform our understanding of the ESG opportunities across a range of industries and sectors. We also interact and take input from various Non-Government Organisations (NGOs), unions, community stakeholders and various representative bodies. Aware Super is committed to a whole-of industry approach to ESG and Stewardship.

Stewardship is an important element of our responsible ownership approach. It means actively monitoring and engaging with the companies we invest in and the fund managers we partner with. The objective of this engagement is to positively influence a company's policies, behaviours and practices in areas such as climate change, worker safety, diversity, company conduct and culture, and cultural heritage management. Additionally, we use our voting rights to ensure these companies are governed in a way that enhances their performance over the longer term and holds them accountable.

We use our ownership rights to engage with companies where we believe the management of ESG issues is not meeting industry standards, community expectations, or whose conduct threatens their reputation and value. Positively, we use engagement where there is an opportunity to further enhance value or to improve a company's ESG policies and practices. Engaging in this way enables us to protect and/or increase the company's ability to deliver sustainable long-term returns to our members.

When engaging with Australian companies, we can do so directly, through our fund managers, partnering with the Australian Council of Superannuation Investors (ACSI) and other collaborative groups (e.g. Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) and Climate Action 100+). When engaging with international companies, we partner with Federated Hermes Eos and our fund managers.

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:

☒ **4**

☒ (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:

● 5

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

Select from the list:

● 3

☐ (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:

Aware Super has a number of policies and principles relating to the appointment of service providers. All service providers must demonstrate compliance with the following set of principles:

- The acquisition must directly or indirectly improve the service offering to members, such that it can be demonstrated that the best interests of members are served by the acquisition
- The acquisition must be aligned, and progress the corporate strategy
- Aware Super must be able to manage any associated risks, including reputational and regulatory risks
- Aware Super must be able to manage all key internal and external conflicts without materially impacting the investment return of the asset
- Aware Super must have or be able to secure the necessary expertise, either internally or via outsourced service arrangement to oversee and or operate the relationship / business
- Have a clear exit strategy should business conditions or priorities change
- Have an arm's length service arrangement in place with the service provider
- Ensure our procurement policy has been adhered to

Other areas that are assessed include:

- The governance structure of the entity
- Policies and procedures including those related to ethical business practices and Modern Slavery
- Requisite and experienced staff to provide the service
- Alignment to Aware Super's Responsible Ownership approach

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

All services are provided under a contractual agreement that set out the relationship and services to be provided including timing and delivery. Additionally, on an annual basis, ACSI and Aware Super as a member (and with other 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:**

We have the opportunity to provide input into the Engagement Plan and themes of our providers.

We also receive regular reporting from our service providers on their engagement activities as well as our dedicated International engagement report.

We have formal review meetings with our service providers; can provide feedback at any time through a client representative and complete an annual survey.

As a member of ACSI we are a representative on ACSI's key decision-making and monitoring groups (the Board and the Member Advisory Council). This ensures strong alignment between ACSI's philosophy and our goals, and an effective mechanism for ongoing monitoring of ACSI activities.

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?**

At Aware Super, the overarching objective of our Environmental, Social and Governance (ESG) strategy is to ensure we identify and manage any ESG related risks to which the Fund has an exposure, in order to provide the best possible chance of sustainable value creation over the long term. To achieve our objectives, we have committed to:

1. Being aware of, and monitoring, the key ESG issues through our investment due diligence process and monthly screening of the portfolio;
2. Working closely with our internal and external investment managers on a regular basis to monitor their progress towards incorporating ESG issues into their investment decision making; and
3. Making full use of the rights of ownership in order to exert influence on a company's/fund's policies by holding regular constructive dialogue directly or collaboratively and actively exercising votes at company/fund meetings.

Active Ownership (Stewardship) is an important part of being a Responsible Owner. As a large asset owner, we have an opportunity to ensure that the companies and other assets we invest in are governed and managed in an appropriate way that will enhance performance over the longer term, and thereby produce the best financial outcome for members. For this reason, we assess the material ESG practices of the companies and assets in which we invest, and seek to improve their governance, policies, practices and management through share voting, engagement, and advocacy.

Active ownership helps ensure that the Fund is well-placed to respond to stakeholder concerns or queries (from members, employers, unions or activist groups). It is also an important part of managing any potential reputational risks.

Finally, active ownership is an important element in addressing climate risks and mitigation as part of our Climate Change Portfolio Transition Plan (CCPTP). Clear engagement outcomes are important in measuring the success of the CCPTP and a specific Climate Engagement Strategy has been developed to support this.

Our approach is flexible and considers the following high-level principles:

- We pursue engagement where we believe it will change poor corporate behaviour and result in value creation.
- We pursue engagement activities/programs that are fit for purpose and have a clearly defined outcome that we can measure our performance on.
- The Fund should consider engaging on issues that are:
  - aligned with purpose of fund members/constituents;
  - aligned with investment process;
  - represent a material risk to the Fund's underlying investment exposures.
- We will conserve resources and utilise our engagement partners where possible, except if the issue is material enough for us to pursue directly. Where we do not have a material holding in a company but have identified an aberration of human rights, a breach of environmental laws or severe corporate governance misconduct we will pursue engagement directly.
- We will pursue engagement from activities identified that assist in meeting our commitment to the UNPRI.
- We are committed to the continual improvement of our engagement practices.

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.**

As a responsible owner, we consider the environmental, social and governance (ESG) practices of the companies we invest in. We believe that companies and assets with sound ESG management are more likely to increase in value over the long term.

We also believe that engagement with our investee companies is essential to generating the best financial outcome for members.

Ultimately, our aim is to deliver strong financial outcomes for our members. We do this by:

- voting on company resolutions (proxy voting)
- engaging on ESG issues with companies and external fund managers
- engaging with stakeholders

However, we also recognise there are some circumstances where it is appropriate to consider exclusions of a sector or a specific stock, particularly where it isn't possible to influence a company through proxy voting, engagement or advocacy.

The Fund uses its ownership rights to engage with companies and investment managers, to encourage companies to improve their ESG policies and practices, and thereby protect or increase their economic value, leading to better returns for the Fund's members.

This will occur when the Investment team or its external research providers have identified material ESG risks or areas for improvement that could threaten the company's reputation and value.

For Australian listed investments, the Investment team has established an internal Corporate Engagement Framework. The Corporate Engagement Framework documents the engagement approach, including the:

- principles
- methods (i.e. direct or collaborative), and
- approach to prioritising companies for engagement and monitoring.

The Responsible Investment (RI) team prioritises the companies it will engage with based on regular screening of key ESG issues and scores related to the RI team's thematic research (e.g. climate change, worker safety, diversity, conduct & culture, modern slavery), voting outcomes, proprietary Long Term Value Creation scores and reputational risks (including member enquiries, media, class actions). The materiality of the holding within the portfolio is also taken into account when prioritising companies for engagement. Aware Super has partnered with ACSI to enhance company engagement and advocacy for listed companies in Australia.

For international listed investments, Eos at Federated Hermes will engage on behalf of Aware Super. Engagement is also conducted by the Fund's investment managers who provide updates in their reporting and/or during meetings with the Investment team. In addition, the Aware Super may, from time-to-time, participate in joint engagement in conjunction with the PRI and other collaborative initiatives, for example IAST-APAC, 40:40 Vision and Climate Action 100+.

Where engagement has not led to the achievement of the objective set out in the plan within the set timeframe, escalation techniques will be considered. This can include one or more of the following:

- voting against a director, remuneration report or supporting a shareholder proposal
- making an AGM Statement
- raising a Shareholder proposal.

Where these tools / actions do not result in the expected outcomes from a company and there is no improvement that may lead to an unsustainable business model or potentially stranded assets, the RI team will make a recommendation to the IC to divest, in line with the Fund's Exclusion Framework.

## 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
  - ☐ (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

Provide details on these criteria:

We have a significant shareholding (>~3%)

- ☐ (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://aware.com.au/about/governance-and-policies/proxy-voting>

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

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?

We monitor our voting through a voting platform and use that portal to confirm our votes have been recorded. Additionally, our service provider, ACSI, continues to monitor and engage regulators about improving the voting process. ACSI has participated in discussions and commissioned research about administrative complexities, costs, potential failures and improvements that can be made. The evidence base for the advocacy work ACSI has conducted on this topic is a research project in 2012 titled 'Institutional Proxy Voting in Australia'. Voting by a show of hands has also been another focus area. 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.

## 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

o

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

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	OO 8, OO 5.3 FI	N/A	PUBLIC	Stewardship: Escalation	2

**Describe your approach to escalation for your internally managed SSA and/or private debt fixed income assets.**

(A) SSA - Approach to escalation

If our engagement with our private debt issuers is not successful, we may not re-invest with them.

## 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:

ACSI (of whom we are a member) 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.

Through our service provider, EOS, we use a range of methods to engage with policymakers for a more sustainable financial system. This is achieved through engagements and meetings with government officials, financial regulators, stock exchanges, industry associations, and other key parties. It also includes participating in public consultations. EOS provides technical input on ESG policy change. For example, in 2022, EOS had meetings with the Financial Services Agency (FSA), the Tokyo Stock Exchange (TSE), and the Ministry of Economy, Trade and Industry. EOS highlighted concerns about governance issues, including board effectiveness and cross-shareholdings, as well as gender diversity issues at the board level. EOS visited the FSA's head office in Tokyo and reiterated its expectations for effective board governance. EOS also worked closely with the Asian Corporate Governance Association, the International Corporate Governance Network and Asia Investor Group on Climate Change, among others, to enforce its messages. EOS co-signed the open letter drafted by ACGA to improve gender diversity in TSE Prime Market boards, which was sent to FSA and TSE.

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

Describe:

ACSI (of whom we are a member) 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).

Through our service provider, EOS, we use a range of methods to engage with policymakers for a more sustainable financial system. This is achieved through engagements and meetings with government officials, financial regulators, stock exchanges, industry associations, and other key parties. It also includes participating in public consultations. EOS engages on financial regulatory topics regarding ESG integration, stewardship, disclosure. For example, EOS submitted a letter to the Securities and Exchange Commission (SEC) in response to the proposed climate disclosure rule that sought to enhance reporting requirements for companies to include material ESG factors and consider disclosure rules on climate change, including the requirement to disclose Scopes 1 and 2 emissions, and material upstream and downstream Scope 3 emissions. EOS is supportive of the rule given that it would lead to more timely, accurate, comprehensive, comparable, and standardised information disclosed by public and private companies, and is confident that this disclosure would contribute to informed capital allocation and business decisions, resulting in improved value creation and risk mitigation for investors.

☒ **(E) Other methods**

Describe:

ACSI (of whom we are a member) 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.

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
- ☒ **(B) We publicly disclosed details of our engagements with policy makers**
- Add link(s):

<https://acsi.org.au/wp-content/uploads/2022/11/ACSI2022AnnualReport-Nov22.pdf>

<https://aware.com.au/content/dam/ftc/digital/pdfs/member/factsheet/Eos-annual-review-2022.pdf>

- ☐ (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 engagement & advocacy

(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.

ACSI analysed six 'Say on Climate' proposals during the 30 June 2023 financial year

- 22 of the 30 priority companies have set short-term targets for emission reductions and to drive their decarbonisation transition.
- 30 of the 30 priority companies have now set medium-term emission reduction targets or abatement ambitions, reflecting ongoing engagement with ACSI to further company transition pathways.
- 29 of the 30 priority companies have also now set long-term targets, these include targets to reach net zero operational Scope 1 and 2 emissions. There is one remaining priority company without a long-term target, which remains a priority and escalated focus for engagement with ACSI.
- ACSI and its members also engaged with a number of companies on just and equitable transition pathways for materially exposed industries, to ensure that companies have plans and strategies in place for accelerated asset closures for affected workers and communities.
- ACSI and its members also engaged with a number of companies on industry association alignment and disclosure, which drove a material uplift in how companies reported association alignment, standards for lobbying and measures they take where they identified misaligned associations. This engagement included one company committing to a detailed annual review, and another company terminating its industry association membership over concerns related to climate lobbying.

(B) Example 2:

Title of stewardship activity:

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.

We advocate for diversity among Australian boards and executive teams. We believe companies that aren't focused on diversity are missing out on opportunities for idea generation and innovation. Change at the top inspires change across the broader workforce. Diversity is a large contributor to a company's culture. It filters through from the board to management and the general workforce. An inclusive workforce means everyone feels valued, which in turn can motivate positive behaviours. For companies to create long-term value, they need to recognise and embrace the value of diversity in their people. While our focus to date has been on gender, we are seeking to understand how companies consider diversity more broadly, including age, ethnicity, education and professional experience.

Case Study - South32:

As an owner of South32 (S32) a focus for us is on the issue of gender diversity in the company, with a particular focus on women in mining and safety of women in their workplace. We met with members of S32 Board and Management to understand their strategy for identifying issues, implementing change, incident reporting, demonstrating accountability and where improvements have been made. Encouragingly, S32 have committed to getting 40% women employed across their whole workforce by 2029 and by FY27, they have targeted a similar ratio at senior levels. The Board acknowledged the issue of safety of their female workforce and have adopted various forms of incident reporting as well as introducing rules around the consumption of alcohol as it relates to their fly in fly out sites. They have also made changes to their leadership team in the past 12 months, with two women moving into C-suite roles.

Taking action on gender diversity in Australia:

Progress of women at board level has been trending upwards and this follows strong encouragement from investors. Women now make up 33.6% of ASX300 Board Directors, with 11% in Chair roles. A record 51 of the 101 appointments to ASX100 boards were women during 2022. Pleasingly, the number of 'no women' boards is becoming extinct. More companies are also setting targets to reach a 40:40 women to men split in executive ranks.

However, a sobering statistic highlights that based on a 40:40:20 assessment, there are now 5 boards with more than 60% women vs 170 companies with more than 60% men on their boards. The higher the ASX position, the stronger the representation of women in executive leadership teams. Aware Super will continue to prioritise engagement on this topic to reach better gender balance across ASX boards.

Our commitment to promoting gender diversity meant that we chose not to support the re-election of existing directors at three companies in 2022-23. We also actively participate in the collaborative investor-led diversity initiative known as 40:40 Vision, which encourages companies to set 40:40:20 gender balance targets in executive leadership by 2030.

During the year we engaged directly with 6 ASX-listed companies on gender diversity across the information technology, healthcare, industrials and consumer sectors. Encouragingly, a number of boards with low levels of diversity appointed skilled women directors during the year including Goodman Group, ARB, Flight Centre, IDP Education, Waypoint REIT and Codan.

(C) Example 3:

Title of stewardship activity:

## Governance

- (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.

Investors care deeply about how well a company board functions. Getting this aspect of governance right makes it more likely that material risks and opportunities will be well managed.

Regarding board diversity, EOS first raised this issue with a European chemicals company in 2020. Whilst the company said it was seeking to refresh the board over time, at the company's annual meeting the following year, board gender was still below EOS expectations at 25%. In 2022, EOS wrote to the company to provide its corporate governance principles and convey its expectations on board diversity. In the company's 2022 proxy, EOS were pleased to see the nomination of a female director to the board bringing gender diversity to above 30%. EOS also welcomed the company's enhanced enterprise-wide focus on diversity, equity and inclusion (DEI) and publication of gender, race and ethnicity data on a dedicated DEI webpage.

In Asia, EOS engaged at executive level on the benefits of a regular dialogue between board members and investors. EOS initially raised concern about the lack of communication at the company's office in Seoul in 2015. Fast forward to 2022, whilst some progress had been made, EOS reinforced its request for regular engagement with the chair. Following a successful engagement, the company assured EOS that a framework had been established for an annual collective engagement between the chair and members of the Asian Corporate Governance Association (ACGA).

Regarding CEO shareholding requirements, EOS' expectation is for the CEO's share ownership to be at least more than six times base salary for non-S&P 500 companies. Following multiple meetings with this US-based company over 2021 and 2022, EOS were disappointed the compensation committee did not increase the CEO's shareholding requirements. However, in the company's 2022 proxy statement, it confirmed that its CEO is required to hold a minimum of five times base salary in company stock, which brought the company's practices in line with EOS' minimum threshold for companies not listed on the S&P500.

In early 2022, EOS had a call with the Sustainability Accounting Standards Board (SASB) sector lead for technology and communications, where it learned about the planned evolution of the organisation and the trajectory of its standards. EOS offered to provide input on SASB's content governance and future projects as they emerge, and will share its digital rights principles. EOS pointed out the gap in children's disclosure. SASB acknowledged this gap and believes it could be addressed in a potential future project on user safety. It shared its materials on its current content governance project, which included a focus on the metric of financial spend and asked for EOS' feedback.

### (D) Example 4:

Title of stewardship activity:

- (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.
- (E) Example 5:

Title of stewardship activity:

- (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.

## 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
- ☒ (B) Yes, beyond our standard planning horizon

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

The climate-related risks considered include:

**Physical Risks:** Aware Super recognises the potential for increased physical climate risks in the future, including on our investments. The importance of assessing physical climate risks to investments in the short, medium and long term therefore is ever increasing. Assessment of physical climate risks remains challenging. Understanding where, what and when particular regions and therefore individual investments may be affected is not possible. What is developing however is a more sophisticated approach to overlay likely physical climate scenarios to regions and investments based on their location. The significance of this approach is the ability to then start to assess the potential adaptations or capital expenditure that our investments may need in order to remain resilient and operational in a changing climate and in the face of extreme climatic events.

During the year we have continued to build out our desktop assessment during ESG due diligence to determine potential acute and/or chronic physical risks in prospective direct investments. Where deemed appropriate, we have additionally worked with a physical climate risk expert company to assess a range of potential physical climate hazards and their conceivable financial impacts at various junctures over the next 70 years.

The ongoing work on physical risk is anticipated to continue to develop in sophistication, and from that point enable us to better understand the range of risks and financial implications that may arise from physical climate events. It is deemed likely that detailed and in-depth due diligence on a deemed high risk investment to identify probable or potential financial risks that may result from physical climate events will become more important as part of our climate risks assessment, particularly as this is then translated into asset capital expenditure programs to strengthen that asset's resilience to the identified physical climate risks.

**Transition risks:** The risks and opportunities that might arise as the world transitions to a low-carbon economy at an asset, investment sector and portfolio level are increasingly apparent in every phase of the investment cycle at Aware Super. These remain hugely wide reaching, such as considerations of the cost of polluting (e.g. carbon pricing), changes in technologies due to climate, shifts in consumer preferences, such as electric vehicles, social pressures and ultimately the risk of stranded assets, e.g. investments that are no longer viable in a transitioning world.

During the last year, Aware Super has been refining its methodology for assessing transition risks in companies and investment sectors. To ensure this is meaningful and takes into consideration an individual companies' adaptability and willingness to transition is vital, but complex. The development of a framework to determine relevant and meaningful transition scores or ratings to incorporate into investment analysis continues to be an important workstream.

The implementation of new climate policy and regulation around the world continues to accelerate and the risks of not incorporating these changes into investment analysis increases. At Aware Super we recognise the importance of these continually emerging changes and strive to incorporate actual and potential policy and regulatory changes into our investment risk analysis.

Litigation risks: Climate related litigation continues to widen in scope and frequency across the globe. We recognise we are not immune to potential climate litigation; however our determination is to assess, monitor and manage climate related risks across our investment portfolio and report on our actions in order to achieve the best financial outcome for our members in a dynamic and changing world.

Opportunities: We proactively seek investment opportunities in sectors or markets assessed to be strategically placed to contribute to a decarbonising world as well as those already actively participating in the low-carbon transition. Examples include renewable energy investments, energy storage solutions, electric vehicle infrastructure and other technology and transportation solutions. We importantly also take up opportunities to work alongside companies as they embark on their own decarbonisation pathways. This may also mean higher emitting companies that we believe can reduce their emissions over time, with investment support.

At Aware Super, our commitment is to contribute proactively to a transitioning world and a decarbonising economy. It is anticipated our approach to climate-related risk identification and management will continue to evolve as new and emerging risks and opportunities are identified.

- (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:

Climate change poses a series of multifaceted and interconnected risks to society, nature and the economy. These medium- and long-term climate risks translate into investment risk and have the potential to impact our members' retirement outcomes. At Aware Super we recognise the need to consider both current and future climate risks to our investment portfolio.

At Aware Super we understand our purpose, delivering strong long-term returns so we can grow our members' retirement savings. Our approach to climate change upholds this purpose, to deliver strong long-term returns to our members through focusing our investment efforts on industries and companies that we believe are going to be sustainable in the long term. This does include considering investments through their ability to decarbonise or reduce emissions over time. This does not necessarily mean investing in low emissions companies only, it may also mean investing in companies that have high emissions now and need financing to help them succeed in reducing their emissions over time. The investment team understands there will be both lower and higher emitting companies in our portfolio - those companies that are already on their way to transitioning their business to low emissions and those companies that are going to find it harder to transition but that we believe can transition over time with the right economic support. This focus on contributing to the economy-wide climate transition supports why Aware Super does not necessarily exclude high emitting companies. The Aware Super climate-related investment strategy goes further and deeper than considering emissions only and it is with this context that our refreshed climate Transition Plan has been approved by the Aware Super Board in 2023.

Aware Super's 2023 refreshed Climate Transition Plan consists of five pillars driving our strategic initiatives to address climate change risks and opportunities in our portfolio. These pillars are:

1. Decarbonisation
2. Portfolio transition & resilience
3. Investing in climate solutions
4. Being a leader in company climate engagement
5. Having an influential voice

These five pillars and the specific initiatives and objectives underneath them all align to our purpose, to deliver the best returns for our members, and our overarching goal to strive to reach net zero portfolio emissions by 2050.

Our Climate strategy cannot be a set and forget. As the global response to tackling climate change matures and the latest science becomes available, we recognise that we must maintain a flexible and dynamic approach to incorporate new developments into our forward-looking climate strategy.

- (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:

We have excluded investments that derive more than 10% of revenue from thermal coal mining

- ☐ (B) Gas
- ☐ (C) Oil
- ☐ (D) Utilities
- ☐ (E) Cement
- ☐ (F) Steel
- ☐ (G) Aviation
- ☐ (H) Heavy duty road
- ☐ (I) Light duty road

- ☐ (J) Shipping
- ☐ (K) Aluminium
- ☐ (L) Agriculture, forestry, fishery
- ☐ (M) Chemicals
- ☐ (N) Construction and buildings
- ☐ (O) Textile and leather
- ☐ (P) Water
- ☐ (Q) Other
- ☐ (R) We do not have a strategy addressing high-emitting sectors

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:

In 2021:

1. A business-as-usual scenario, which could represent a 3.5°C average temperature rise, with high physical impacts of climate change.
2. A delayed policy action scenario, which could represent a scenario where physical climate risks are more moderate but the late onset of policy action results in higher transition risks.
3. A global action scenario, whereby policy makers make an immediate coordinated effort to reduce emissions, thus moderating the physical impacts from climate change and transition risk.
4. An emergency scenario, the most ambitious, where aggressive policies and major technology shifts occur to create higher transition risk, but lower average temperature increases and physical risks

in 2022 they were based on the Shared Socioeconomic Pathways (SSPs) set of climate scenarios developed with respect to the sixth UN Intergovernmental Panel on Climate Change (IPCC AR6). The scenarios used were:

1. High carbon 4 degree pathway
2. Low-moderate carbon 2 degree path way (Paris 2015 aligned pathway)
3. Very low carbon 1.5 degree pathway
4. Inevitable policy response

- ☐ (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

Risk Identification Process:

Fund Managers:

- New fund manager assessments, including approach to climate change analysis
- Annual review includes a separate climate questionnaire of how the fund managers manage climate risk in their own business operations in addition to within the full investment lifecycle
- Ongoing engagement meetings with the appointed fund managers including specific climate risk assessment, monitoring and management examples

Investments:

- Initial ESG and climate assessments, bespoke to each investment
- Engagement meetings, where identified climate risks are discussed
- Assessment and consideration of climate-related shareholder resolutions
- Investment monitoring
- Annual review of investment, where appropriate

Climate scenario analysis:

- Undertake climate risk analyses, to better quantify potential future climate-related financial risks under different climate scenarios, across various sectors.

This analysis continues to be developed year on year

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

At Aware Super we have a sophisticated risk management process that encompasses a wide range of risks, including investment, operational, reputational and regulatory. Risk is ultimately owned by the Chief Risk Officer, however, it is the responsibility of all employees to be aware of and integrate the risk framework into their roles where appropriate.

For the 2023 financial year, climate-related risks were elevated from being solely monitored and managed within the investment risk capability, to being incorporated into the wider risk taxonomy as part of the ESG material risk. The material risks, including ESG material risk, are assessed quarterly as part of the investment processes. The results of these assessments are overseen by the Audit, Risk and Compliance Committee and the Board, with action plans created where any of these material risks are found to be outside of our risk appetite. Climate change is now considered as a business unit risk under each group executive, ensuring it receives the broad spectrum of organisational consideration that climate risk warrants. The risk definition is designed to identify and manage climate change risk with wide risk parameters, covering physical, transition and liability climate risks identified through due diligence and ownership of our investments, as well as more broadly through our business operations and third-party service providers.



During the 2022-2023 financial year, Aware Super voluntarily participated in the Australian Prudential Regulation Authority (APRA) Climate Risk self-assessment survey. This was an important opportunity for Aware Super to measure our climate risk approach against our regulator's expectations. This provided a very valuable opportunity to further develop our climate risk roadmap to ensure we continue to exceed the regulatory recommendations and that we are well prepared for future regulatory requirements on the management and reporting of climate risk.

In the context of investment climate risk specifically, we use a range of frameworks, processes and tools to assess, manage and monitor climate risks, as well as opportunities, within the investment portfolio.

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

**(1) Describe your process**

Climate change poses complex risks to society, nature and the economy - and our members' retirement outcomes. Our investment approach looks at both present and future climate risks.

Since 2015, we've actively considered the impact of climate change in our investment approach, drawing on the latest climate science and global best practice.

Through our focus on risk and opportunity, we aim to secure long-term returns for our members while positively impacting society and nature.

Our Climate Change Portfolio Transition Plan (Transition Plan) was approved by the board in early 2020 and has been refreshed in 2023. The updated plan provides the framework to guide the action needed to navigate the systemic and structural shifts ahead. Our refreshed Transition Plan has 5 pillars that enable us to manage climate-related risks:

1. Decarbonisation
2. Portfolio transition and resilience
3. Investing in climate solutions
4. Being a leader in company climate engagement
5. Having an influential voice

The 5 pillars align to our purpose: to deliver the best returns for our members, and our goal to reach net zero portfolio emissions by 2050.

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

At Aware Super we have a sophisticated risk management process that encompasses a wide range of risks, including investment, operational, reputational and regulatory. Risk is ultimately owned by the Chief Risk Officer, however, it is the responsibility of all employees to be aware of and integrate the risk framework into their roles where appropriate.

For the 2023 financial year, climate-related risks were elevated from being solely monitored and managed within the investment risk capability, to being incorporated into the wider risk taxonomy as part of the ESG material risk. The material risks, including ESG material risk, are assessed quarterly as part of the investment processes. The results of these assessments are overseen by the Audit, Risk and Compliance Committee and the Board, with action plans created where any of these material risks are found to be outside of our risk appetite. Climate change is now considered as a business unit risk under each group executive, ensuring it receives the broad spectrum of organisational consideration that climate risk warrants. The risk definition is designed to identify and manage climate change risk with wide risk parameters, covering physical, transition and liability climate risks identified through due diligence and ownership of our investments, as well as more broadly through our business operations and third-party service providers.

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In the context of investment climate risk specifically, we use a range of frameworks, processes and tools to assess, manage and monitor climate risks, as well as opportunities, within the investment portfolio.

- (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

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

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

- ☐ (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://aware.com.au/content/dam/ftc/digital/pdfs/about/reportsaudits/reports/aware-super-responsible-investment-report-2022.pdf>

☐ (E) Weighted average carbon intensity

☐ (F) Avoided emissions

☐ (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

☐ (J) Other metrics or variables

☐ (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

☐ (B) Scope 2 emissions

☒ (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://aware.com.au/content/dam/ftc/digital/pdfs/about/reportsaudits/reports/aware-super-responsible-investment-report-2022.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
  - ☐ (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:

☒ **(K) Other regional framework(s)**

Specify:

Aware Super proprietary Positive Impact Measurement Framework

☐ (L) Other sectoral/issue-specific framework(s)

- ☐ (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
- ☐ (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
- Specify:

There are significant human and social costs that can arise from poor company relationships with First Peoples. Poor practices can call into question a company's social license to operate and presents a clear investment risk.

ACSI and its members established a Working Group on Rights and Cultural Heritage Risk Management in late 2020 to better understand the financial risks inherent in poor company relationships with First Peoples, and to chart a path towards improved company practices. This led to ACSI setting out a policy and investor expectations (published in 2021) for how companies engage with First Nations people. The Working Group aims to see risks of harm effectively mitigated and managed through principled and constructive engagement between companies and First Peoples.

Explain how these activities were conducted:

#### Key activities in FY2022-2023

##### Company engagement

ACSI and its members engage with companies to support effective risk management and improvement in practices. ACSI has selected 11 priority companies for engagement, based on an assessment of risk and materiality. Drawing on ACSI's policy expectations, ACSI set objectives for these companies and developed a framework for company engagement. These objectives included:

- that companies embed Free Prior Informed Consent (FPIC) into their policies and practices;
- that they align with international standards of rights protection;
- that companies have effective risk management and oversight processes in place – ensuring that the board is accountable for a company's relationships with First Nations people.

ACSI also sought improved disclosure from companies on how they engage with First Nations people and support protection of their rights and cultural heritage, among other objectives.

ACSI and its members engaged with many of these priority companies (among others) at both board level and with executives, to discuss their relationships with First Nations people and how the companies are supporting the protection of rights and cultural heritage. ACSI assessed practices against its Policy expectations, and monitored company activities and disclosure, discussing concerns with relevant companies and seeking improvement in practices.

##### Policy advocacy

ACSI and the Working Group have contributed to legislative reform processes to advocate for the adoption of appropriate legal frameworks that support the management of risk. Where standards are not sufficiently high, this creates the potential for harm to First Nations people's rights and cultural heritage, which in turn creates investment risk. ACSI has advocated for policy and legislative change, to improve standards of protection of First Nations rights and cultural heritage, including:

- Engagement with policy makers on the need to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) across Australia via a co-design process with First Nations people.
- ACSI support for a Voice to Parliament.
- Ongoing support for reform to Commonwealth cultural heritage legislation (co-design process).
- Submission to the Senate Inquiry on the Application of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in Australia.
- Participation in the Western Australian Aboriginal Cultural Heritage Act 2021 Co-Design Process.

##### Engagement with First Nations groups

A key priority of the Working Group has been to consistently deepen our engagement directly with First Nations groups that are impacted by company operations to hear their perspectives. ACSI continues to reach out to Land Councils, Prescribed Bodies Corporate and First Nations representative bodies. ACSI has also organised discussions between First Nations representatives and members of the Working Group, to better understand concerns about company activities.

##### Participation in external initiatives

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.

- (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
- ☐ (B) Communities
- ☐ (C) Customers and end-users
- ☒ **(D) Other stakeholder groups**

Specify:

Engagement with First Nations groups

A key priority of the ACSI convened Working Group on Rights and Cultural Heritage Risk Management has been to consistently deepen our engagement directly with First Nations groups that are impacted by company operations to hear their perspectives. ACSI continues to reach out to Land Councils, Prescribed Bodies Corporate and First Nations representative bodies. ACSI has also organised discussions between First Nations representatives and members of the Working Group, to better understand concerns about company activities.

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:

Used to assist with company engagement prioritisation and engagement plans

- ☐ (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:

Used to assist with company engagement prioritisation and engagement plans

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

☒ (E) **Data provider scores or benchmarks**

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

Used to assist with company engagement prioritisation and engagement plans

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

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

Used to assist with company engagement prioritisation and engagement plans

☐ (G) Sell-side research

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

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

Aware Super is an active participant in a number of human rights related working groups including ACSI and RIAA. These forums are for learning and collaborating.

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

☐ (J) Social media analysis

☐ (K) Other

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:

Policy advocacy

ACSI and the Working Group have contributed to legislative reform processes to advocate for the adoption of appropriate legal frameworks that support the management of risk. Where standards are not sufficiently high, this creates the potential for harm to First Nations people's rights and cultural heritage, which in turn creates investment risk. ACSI has advocated for policy and legislative change, to improve standards of protection of First Nations rights and cultural heritage, including:

- Engagement with policy makers on the need to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) across Australia via a co-design process with First Nations people.
- ACSI support for a Voice to Parliament.
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- Submission to the Senate Inquiry on the Application of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in Australia.
- Participation in the Western Australian Aboriginal Cultural Heritage Act 2021 Co-Design Process.



#### Engagement with First Nations groups

A key priority of the Working Group has been to consistently deepen our engagement directly with First Nations groups that are impacted by company operations to hear their perspectives. ACSI continues to reach out to Land Councils, Prescribed Bodies Corporate and First Nations representative bodies. ACSI has also organised discussions between First Nations representatives and members of the Working Group, to better understand concerns about company activities.

#### Participation in external initiatives

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.

- (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)
<b>Organisation</b>		
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<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"/>
<b>People and Culture</b>		
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment	<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 type="checkbox"/>
(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>
<b>Stewardship</b>		
(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(K) Use of stewardship tools and activities	<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"/>

(M) Involvement in collaborative engagement and stewardship initiatives	<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"/>
(O) Results of stewardship activities	<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"/>
(Q) Inclusion of ESG factors in contractual agreements	<input checked="" type="checkbox"/>	<input 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"/>

## 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
- ☐ (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**

## 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

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

#### Organisation

- ☒ (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

Select from dropdown list

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

- ☒ (B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)

Select from dropdown list

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

- ☒ (C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

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

#### People and Culture

☒ (D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

Select from dropdown list

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

☒ (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)

Select from dropdown list

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

#### 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)

Select from dropdown list

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

☒ (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)

Select from dropdown list

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

☒ (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)

Select from dropdown list

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

#### Performance and Reporting

☒ (I) ESG disclosure in regular client reporting

Select from dropdown list

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

☒ (J) Inclusion of ESG factors in contractual agreements

Select from dropdown list

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

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

☒ **(A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate**

Select from dropdown list

☒ **(1) for all of our mandates**

- (2) for a majority of our mandates
- (3) for a minority of our mandates

☒ **(B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities**

Select from dropdown list

☒ **(1) for all of our mandates**

- (2) for a majority of our mandates
- (3) for a minority of our mandates

☒ **(C) Their participation in collaborative engagements and stewardship initiatives**

Select from dropdown list

☒ **(1) for all of our mandates**

- (2) for a majority of our mandates
- (3) for a minority of our mandates

☒ **(D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues**

Select from dropdown list

☒ **(1) for all of our mandates**

- (2) for a majority of our mandates
- (3) for a minority of our mandates

☒ **(E) Details of their engagement activities with policy makers**

Select from dropdown list

☒ **(1) for all of our mandates**

- (2) for a majority of our mandates
- (3) for a minority of our mandates

☒ **(F) Their escalation process and the escalation tools included in their policy on stewardship**

Select from dropdown list

☒ **(1) for all of our mandates**

- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO 9, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of (proxy) voting did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

- ☐ (A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate
- ☐ (B) Historical information on the number or percentage of general meetings at which they voted
- ☐ (C) Analysis of votes cast for and against
- ☐ (D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues
- ☐ (E) Details of their position on any controversial and high-profile votes
- ☐ (F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why
- ☐ (G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest
- ☐ (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
- ☒ (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

## 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**

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

☐ **(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**

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

☐ **(L) Other**

☐ **(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)****Organisation**

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)



(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)



(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

**People and Culture**

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)



(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)	<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"/>
(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"/>
<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 type="checkbox"/>
(J) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input type="checkbox"/>
(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"/>

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)**

(A) How the external investment managers applied, reviewed and verified screening criteria ☐

(B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes ☐

(C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process ☐

(D) Other ☐

(E) We did not monitor ESG passive products and strategies ☐

(F) Not applicable; we do not invest in ESG passive products and strategies ☒

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.**

We undertook a project to review and re-score our external investment managers in late 2022. This resulted in the updating and expansion of an ESG dashboard, which provides summaries for all asset classes. Subsequently, each sector team was presented with a dashboard of their manager scores. Work was then undertaken on identified laggard managers to engage with a view to improving their practices. This also highlights a further build out of embedding ESG into our overall investment process.

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)
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>
(C) On an ad hoc basis	<input type="checkbox"/>	<input 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)
(A) Any changes in their policy(ies) or guidelines on stewardship	<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"/>
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) How they prioritise risks connected to systematic sustainability issues	<input type="checkbox"/>	<input type="checkbox"/>
(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<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"/>
(I) Whether they participated in collaborative engagements and stewardship initiatives	<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"/>
(K) Other	<input type="checkbox"/>	<input type="checkbox"/>

(L) We did not monitor our external investment managers' stewardship practices during the reporting year

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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)**

(A) Any changes in their policy(ies) or guidelines on (proxy) voting

☒

(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

☒

(C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues

☒

(D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations

☒

(E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)

☐

(F) Other

☐

(G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year

☐

## 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.**

We undertook a project to review and re-score our external investment managers in 2022. Each sector team was presented with a dashboard of their manager scores. Work was then undertaken on identified laggard managers to engage with a view to improving their practices.

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)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input type="checkbox"/>	<input type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input type="checkbox"/>	<input 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 type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>



## 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)
(A) We checked that the information reported was verified through a third-party assurance process	<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"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input checked="" type="checkbox"/>	<input 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"/>

**(D) Other - Specify:**

Our monitoring meetings include an element of asking for examples to support any information reported to us.

# 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