



| LEA 02 | Disclosures Monetary | Reason Gateway | Principle PRI 1,2,3 |
|---|---|-------------------|---------------------------|
| <p>Type of engagement Individual/ internal staff engagements</p> | <p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input checked="" type="checkbox"/> To engage internal staff <input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> Other - specify <input type="checkbox"/> We do not engage in internal staff | | |
| <p>Collaborative engagements</p> | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input checked="" type="checkbox"/> To engage internal staff <input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> Other - specify <input type="checkbox"/> We do not engage in collaborative engagements | | |
| <p>Service provider engagements</p> | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input checked="" type="checkbox"/> To engage internal staff <input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> Other - specify <input type="checkbox"/> We do not engage in service providers | | |

RI TRANSPARENCY REPORT

2014/15

LUCRF Super

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|--------|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| Ⓜ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|-------------------------|---|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Segregated mandates or pooled funds | ✓ | Private | | | | | | | ✓ |
| OO 08 | Breakdown of AUM by market | ✓ | Private | | | | | | | ✓ |
| OO 09 | Additional information about organisation | ✓ | Private | | | | | | | ✓ |
| OO 10 | RI activities for listed equities | ✓ | Public | | | | | | | ✓ |
| OO 11 | RI activities in other asset classes | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | Public | | | | | | | ✓ |

| Overarching Approach | | | | Principle | | | | | | General |
|----------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OA 01 | RI policy and other guidance documents | ✓ | Public | | | | | | | ✓ |
| OA 02 | Publicly available policies / documents | ✓ | Public | | | | | | | ✓ |
| OA 03 | Policy components and coverage | ✓ | Public | ✓ | ✓ | | | | | |
| OA 04 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| OA 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| OA 06 | Main goals/objectives this year | ✓ | Private | | | | | | | ✓ |
| OA 07 | Governance, management structures and RI processes | ✓ | Private | | | | | | | ✓ |
| OA 08 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| OA 09 | RI in performance management, reward and/or personal development | ✓ | Private | | | | | | | ✓ |
| OA 10 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| OA 11 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| OA 12 | Dialogue with public policy makers or standard setters | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| OA 13 | ESG issues in strategic asset allocation | ✓ | Private | ✓ | | | | | | |
| OA 14 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| OA 15 | ESG issues for internally managed assets not reported in framework | ✓ | Private | | | | | | | ✓ |
| OA 16 | ESG issues for externally managed assets not reported in framework | ✓ | Private | | | | | | | ✓ |
| OA 17 | RI/ESG in execution and/or advisory services | 🔒 | n/a | ✓ | ✓ | | | | | |
| OA 18 | Innovative features of approach to RI | ✓ | Private | | | | | | | ✓ |
| OA 19 | Internal and external review and assurance of responses | ✓ | Private | | | | | | | ✓ |

| Indirect – Manager Selection, Appointment and Monitoring | | | | Principle | | | | | | General |
|--|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| SAM 01 | Description of RI considerations | ✓ | Private | ✓ | | | | | ✓ | |
| SAM 02 | Role of investment consultants | ✓ | Public | | | | ✓ | | | |
| SAM 03 | RI factors in selection, appointment and monitoring across asset classes | ✓ | Public | | | | | | | ✓ |
| SAM 04 | Breakdown of passive, active quant and active fundamental | ✓ | Private | | | | | | | ✓ |
| SAM 05 | ESG incorporation strategies | ✓ | Public | ✓ | ✓ | | | | | |
| SAM 06 | Selection processes (listed assets) | ✓ | Public | ✓ | | | | | | ✓ |
| SAM 07 | Appointment considerations (listed assets) | ✓ | Private | | | | ✓ | | | |
| SAM 08 | Monitoring processes (listed assets) | ✓ | Public | ✓ | | | | | | |
| SAM 09 | Percentage of (proxy) votes cast | ✓ | Public | | ✓ | | | | | |
| SAM 10 | Selection processes (non-listed assets) | 🔒 | n/a | ✓ | | | | | | ✓ |
| SAM 11 | Appointment considerations (non-listed assets) | 🔒 | n/a | | | | ✓ | | | |
| SAM 12 | Monitoring processes (non-listed assets) | 🔒 | n/a | ✓ | | | | | | ✓ |
| SAM 13 | Description of RI considerations in 'other' asset classes | 🔒 | n/a | ✓ | | | | | | ✓ |
| SAM 14 | Percentage of externally managed assets managed by PRI signatories | ✓ | Private | ✓ | | | | | | ✓ |
| SAM 15 | Examples of ESG issues in selection, appointment and monitoring processes | ✓ | Private | | ✓ | | | | | |
| SAM 16 | Disclosure of RI considerations | ✓ | Public | | | | | | | ✓ |

| Direct - Listed Equity Active Ownership | | | | Principle | | | | | | General |
|---|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEA 01 | Description of approach to engagement | ✓ | Private | | ✓ | | | | | |
| LEA 02 | Reasoning for interaction on ESG issues | ✓ | Public | ✓ | ✓ | ✓ | | | | |
| LEA 03 | Process for identifying and prioritising engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 04 | Objectives for engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 05 | Process for identifying and prioritising engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 06 | Objectives for engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 07 | Role in engagement process | ✓ | Public | | ✓ | | ✓ | | | |
| LEA 08 | Monitor / discuss service provider information | ✓ | Public | | ✓ | | | | ✓ | |
| LEA 09 | Share insights from engagements with internal/external managers | ✓ | Private | ✓ | ✓ | | | | | |
| LEA 10 | Tracking number of engagements | ✓ | Public | | ✓ | | | | | |
| LEA 11 | Number of companies engaged with, intensity of engagement and effort | ✓ | Private | | ✓ | | | | | |
| LEA 12 | Engagements on E, S and/or G issues | ✓ | Private | | ✓ | | | | | |
| LEA 13 | Companies changing practices / behaviour following engagement | ✓ | Private | | ✓ | | | | | |
| LEA 14 | Examples of ESG engagements | ✓ | Private | | ✓ | | | | | |
| LEA 15 | Disclosure of approach to ESG engagements | ✓ | Public | | ✓ | | | | ✓ | |
| LEA 16 | Description of approach to (proxy) voting | 🔒 | n/a | | ✓ | | | | | |
| LEA 17 | Typical approach to (proxy) voting decisions | 🔒 | n/a | | ✓ | | | | | |
| LEA 18 | Percentage of voting recommendations reviewed | 🔒 | n/a | | ✓ | | | | | |
| LEA 19 | Confirmation of votes | 🔒 | n/a | | ✓ | | | | | |
| LEA 20 | Securities lending programme | 🔒 | n/a | | ✓ | | | | | |
| LEA 21 | Informing companies of the rationale of abstaining/voting against management | 🔒 | n/a | | ✓ | | | | | |
| LEA 22 | Percentage of (proxy) votes cast | 🔒 | n/a | | ✓ | | | | | |
| LEA 23 | Proportion of ballot items that were for/against/abstentions | 🔒 | n/a | | ✓ | | | | | |
| LEA 24 | Shareholder resolutions | 🔒 | n/a | | ✓ | | | | | |
| LEA 25 | Examples of (proxy) voting activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 26 | Disclosing voting activities | 🔒 | n/a | | ✓ | | | | ✓ | |

LUCRF Super

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

| | | | |
|-------|-----------|-----------------|---------|
| OO 01 | Mandatory | Gateway/Peering | General |
|-------|-----------|-----------------|---------|

OO 01.1 Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2 Additional information. [Optional]

LUCRF Super is a not-for-profit fund. All profits return to beneficiaries of the fund. We are governed by the Trust Deed of the Fund. The Trustee LUCRF Pty Ltd ensures that the Fund is administered in accordance with the Trust Deed. The trustee board directors comprises of equal representatives of employer and member representative plus independents to act in best of interest of all members. Where necessary, the trustee obtains professional independent advice to assist in achieving the Fund's objectives.

| | | | |
|-------|-----------|---------|---------|
| OO 02 | Mandatory | Peering | General |
|-------|-----------|---------|---------|

OO 02.1 Select the location of your organisation's headquarters.

Australia

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

105.64

| | | | |
|-------|-----------|-------------|---------|
| OO 03 | Mandatory | Descriptive | General |
|-------|-----------|-------------|---------|

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | 4 | 561 | 866 | 355 |
| Currency | AUD | | | | |
| Assets in USD | | 4 | 239 | 345 | 510 |

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

| | Internally managed (%) | Externally managed (%) |
|---------------------------|------------------------|------------------------|
| Listed equity | 0 | 10-50% |
| Fixed income – corporate | 0 | <10% |
| Fixed income – government | 0 | 10-50% |
| Fixed income – other | 0 | <10% |
| Private debt | 0 | 0 |
| Private equity | 0 | <10% |

| | | |
|--------------------|------|--------|
| Property | <10% | 10-50% |
| Infrastructure | 0 | <10% |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 10-50% |
| Forestry | 0 | 0 |
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 0 | <10% |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 06.2

Additional information. [Optional]

The internally managed property is less than 1% of total FUM.

Gateway asset class implementation indicators

OO 10

Mandatory

Gateway

General

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 10.3

Additional information. [Optional]

We delegate proxy voting to our external managers; however do monitor the managers' voting activities and reserve the right to vote on any issue. During the reporting year, we often discussed with managers their rationale for voting on specific issues and have also directed managers' votes based on consideration of issues and consultation with our Trustees, CEO, internal analysts or voting advisor.

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Property
- None of the above

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private equity
- Property
- Infrastructure
- Hedge funds
- Cash
- None of the above

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity active ownership

Engagements

Direct - Other asset classes with dedicated modules

Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

Listed Equities

Fixed Income - Corporate

Closing module

Closing module

OO 12.2

Additional information. [Optional]

Our investment in direct property is less than 1 % of the total fund under management; therefore it has been excluded from reporting.

LUCRF Super

Reported Information

Public version

Overarching Approach

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Responsible investment policy

| | | | |
|-------|-----------|-----------------------|---------|
| OA 01 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|

OA 01.1 Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

LUCRF Super considers ESG factors to be relevant to the performance of our investment portfolio across the long term, and promotes ESG integration into investment decision -making. Companies that best manage ESG risks, impacts and opportunities are more likely to be sustainable in the future and deliver on performance. This then goes on to support the financial security of our members and it also aligns with broader objectives of society.

Since investors of equities are, in essence, owners of the companies, company management can be influenced by voting for or against particular issues at shareholder meetings. LUCRF Super also positively influences companies by partnering with others in the investment industry. This creates synergies and can increase the impact of collective activities.

The policy is reviewed annually and approved by our Investment Committee. The policy includes proxy voting guidelines and procedures as well as a process for ESG implementation.

| | | | |
|-------|-----------|---------------|-------|
| OA 02 | Mandatory | Core Assessed | PRI 6 |
|-------|-----------|---------------|-------|

OA 02.1 Indicate if your responsible investment policy is publicly available.

- Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<https://www.lucrf.com.au/sites/lucrf.com.au/files/publications/821/proxy-policy-2014.pdf>

- No

OA 02.3

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
 - Yes, all
 - Yes, some

OA 02.4

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

| Policy or document name | URL |
|-----------------------------|---|
| Responsible investing UNPRI | http://www.lucrf.com.au/investments/responsible-investing |

- No

OA 02.5

Additional information. [Optional]

Our other documents/policies (e.g., "Investment governance framework", "investment belief", "Investment management agreement" and "LUCRF SRI Screen") address ESG considerations into our investment process. As these documents are generated for internal policy guidelines, we do not publicly disclose them.

OA 03

Mandatory

Core Assessed

PRI 1,2

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

| Policy components/types | Coverage by AUM |
|---|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify | <input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

| | |
|----------------|---|
| OA 03.2 | Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional] |
|----------------|---|

We have adopted an ESG integration approach and prioritised our efforts in listed equities by taking the following into account:

- 1) Effective impacts of ESG integration efforts, by allocating more than 40% of total assets in developed listed equities;
- 2) Effectively exercising ownership responsibilities through existing framework (e.g., proxy voting); and
- 3) Investing in segregated funds for Australian and most of developed international equity portfolios; where we can effectively influence investment management.
- 4) We acknowledge that there are limitations to fully apply the policy for pooled funds

| | |
|----------------|------------------------------------|
| OA 03.3 | Additional information. [Optional] |
|----------------|------------------------------------|

We assess managers' policies (or guidelines) and procedures on ESG/Proxy Voting policies when we select the managers, and we delegate voting power to our external managers. We monitor managers' ESG activities, ESG policies/guidelines and voting activities once they are appointed. We also monitor compliance of SRI Screen of managers' portfolios.

| | | | |
|--------------|------------------|----------------------|----------------|
| OA 04 | Mandatory | Core Assessed | General |
|--------------|------------------|----------------------|----------------|

| | |
|----------------|---|
| OA 04.1 | Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process. |
|----------------|---|

Yes

| | |
|----------------|--|
| OA 04.2 | Describe your policy on managing potential conflicts of interest in the investment process. [Optional] |
|----------------|--|

- 1) Our due diligence process for appointment of investment managers assesses conflict interest as part of assessment.
- 2) The Trustee has a Conflicts Management Policy that includes policies and procedures for the management of any conflicts of interest that may arise in relation to its role as Trustee of the Fund or the Trustee Directors.

The policy ensures that the structures, resources and processes are in place to identify, avoid and manage conflicts of duty and interest.

The Compliance and Audit Committee is responsible for the regular review of this policy and the recommendation of any changes to the Trustee. All compliance breaches and any rectification actions are reported to this committee.

The Chief Executive Officer has the overall responsibility for conflicts management in relation to the management of the Fund. The Chief Compliance Officer is responsible for the day to day responsibilities of conflicts management. All Responsible Officers disclose their interests which are maintained on a register.

No

Objectives and strategies

| | | | |
|--------------|------------------|------------------------------|----------------|
| OA 05 | Mandatory | Gateway/Core Assessed | General |
|--------------|------------------|------------------------------|----------------|

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
 Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 Biannually
 Annually
 Every two years or less
 It is not reviewed

 No

OA 05.4

Additional information. [Optional]

The reviews in relation to ESG strategy/activities include:

1. Annual review of 'Proxy Voting and ESG Issues Policy', taking into account any development in ESG and investments. We participate in ESG meetings/discussions of member associations and other opportunities on a regular basis;
2. Proxy voting results are annually analysed and disclosed on our website;
3. ESG performance of listed equity portfolios are annually assessed by an external ESG specialist, and the results are used for discussion with external managers;
4. ESG activities are annually reviewed; and
5. The effectiveness of member associations in relation to ESG is annually reviewed.

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Investment Operations Manager**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Portfolio managers
 - Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify
 - Policy and Business Project Manager**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

2

OA 08.3

Additional information. [Optional]

There were and still are two responsible investment members who spent the majority of their time on responsible investment issues.

One was within investment team and the other was from the policy project area within the CEO's department. Late 2014, our Investment Operations Manager, within LUCRF's investment department, has taken over the role from the policy project area.

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We promote UNPRI.

- 1) discussion with prospective investment managers;
- 2) website disclosure; and
- 3) member correspondence and reporting.

- Asian Corporate Governance Association
 Association for Sustainable & Responsible Investment in Asia
 Australian Council of Superannuation Investors

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

We hold a board and member council positions, and contribute to management of ESG research and engagement plan.

CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

CDP Forests

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We participate in monthly meetings and the organisation's Annual General Meeting. We are also participating in the international Carbon Asset Risk (CAR) initiative via the IGCC.

- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are participating in the international Carbon Asset Risk (CAR) initiative. CAR is coordinated by Ceres (INCR) with support from the Global Investor Coalition on Climate Change (including the IGCC).

- Local Authority Pension Fund Forum
 Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
RIAA

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

A staff member completed the RIAA web-based ESG training course, and applies the knowledge and skills for assessment and implementation of ESG incorporation tasks. A staff also attended table discussion sessions initiated by RIAA.

- Shareholder Association for Research and Education (Share)
 United Nations Environmental Program Finance Initiative (UNEP FI)
 United Nations Global Compact
 Other collaborative organisation/initiative, specify
 Other collaborative organisation/initiative, specify
 Other collaborative organisation/initiative, specify
 Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3

Additional information. [Optional]

- LUCRF Super sponsored a research project 'Supply Chain Labour and Human Rights (LHR)' in 2011 to encourage a greater focus on supply-chain LHR by both investors and companies. The research highlighted the urgent need for a strengthening of supply-chain LHR policies across Australian companies and exposed the range of risks that exist in this area.
- The above research led to a second research paper in 2012, 'Labour and Human Rights Standards in Corporate Australia' again sponsored by LUCRF Super to encourage greater attention to the importance of LHR disclosure standards in Australian companies. The findings revealed that the ASX200 is an index heavily weighted in sectors that have been found to have high incidence of LHR controversies globally. The research also suggested that there are significant gaps in awareness among Australian companies as to the extent of their risk exposure in this area and that more attention is needed to ensure the robustness of LHR standards.
- We collected ESG activities/policies from prospective and existing investment managers.
- We regularly encourage prospective and current managers to adopt the PRI, and advise our requirements regarding ESG and adherence to our ESG policy in our investment management agreement.
- We also reviewed and provided internal research reports to Investment Committee on our ESG approach, taking into account recent developments in ESG area.

LUCRF Super

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

| | | | |
|--------|-----------|---------------|-------|
| SAM 02 | Mandatory | Core Assessed | PRI 4 |
|--------|-----------|---------------|-------|

SAM 02.1 Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

Yes

SAM 02.2 Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional]

We use investment consultants in our selection and appointment of external managers

Asset class

Listed Equity (LE)

We use investment consultants in our monitoring of external managers

Asset class

Listed Equity (LE)

We use fiduciary managers

SAM 02.3 Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers.

Responsible investment is included in the selection process for investment consultants

Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them

Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring

We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

No

SAM 02.4 Additional information. [Optional]

Tasks of our asset consultant include asset allocation (strategies across asset classes), Fixed Income, property, and alternative investments.

| | | | |
|--------|-----------|---------|---------|
| SAM 03 | Mandatory | Gateway | General |
|--------|-----------|---------|---------|

SAM 03.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

| Asset classes | (a) Selection | (b) Appointment | (c) Monitoring |
|---------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Listed equity | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

| | | | |
|--------|-----------|---------|---------|
| SAM 05 | Mandatory | Gateway | PRI 1,2 |
|--------|-----------|---------|---------|

SAM 05.1 Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

| Active investment strategies | LE | | |
|------------------------------|-------------------------------------|--|--|
| Screening | <input checked="" type="checkbox"/> | | |
| Thematic | <input type="checkbox"/> | | |
| Integration | <input checked="" type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

Passive investment strategies

| Passive investment strategies | LE | | |
|-------------------------------|-------------------------------------|--|--|
| Screening | <input checked="" type="checkbox"/> | | |
| Thematic | <input type="checkbox"/> | | |
| Integration | <input checked="" type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

SAM 05.2 | Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

| | LE | |
|--|-------------------------------------|--|
| We engage directly or via service providers on our externally managed assets | <input checked="" type="checkbox"/> | |
| We require our external managers to engage on our behalf | <input checked="" type="checkbox"/> | |
| None of the above | <input type="checkbox"/> | |

SAM 05.3 | Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

| | LE | |
|--|-------------------------------------|--|
| We cast our (proxy) votes directly or via service providers on our externally managed assets | <input type="checkbox"/> | |
| We require our external managers to cast our (proxy) votes on our behalf | <input checked="" type="checkbox"/> | |
| None of the above | <input type="checkbox"/> | |

SAM 05.4 | Additional information. [Optional]

We delegate proxy voting to our external managers; however we do monitor the managers' voting activities and reserve the right to vote on any issue. During the reporting year, we often discussed with managers their rationale for voting on specific issues and have also directed managers' votes based on consideration of issues and consultation with our Trustees, CEO, internal analysts or voting advisor.

Selection

| | | | |
|---------------|------------------|----------------------|----------------|
| SAM 06 | Mandatory | Core Assessed | PRI 1-6 |
|---------------|------------------|----------------------|----------------|

SAM 06.1 | Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

| |
|---------|
| General |
|---------|

| | LE | | |
|---|-------------------------------------|--|--|
| Review the manager's responsible investment policies | <input checked="" type="checkbox"/> | | |
| Discuss managers' governance and management of responsible investment activities | <input checked="" type="checkbox"/> | | |
| Meet staff with responsible investment responsibilities to assess their skills and competence | <input checked="" type="checkbox"/> | | |
| Discuss minimum responsible investment expectations that managers must meet | <input checked="" type="checkbox"/> | | |
| Discuss the role managers have played in collaborative initiatives | <input type="checkbox"/> | | |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations | <input checked="" type="checkbox"/> | | |
| Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting | <input type="checkbox"/> | | |
| Discuss the type of ESG reporting you expect | <input checked="" type="checkbox"/> | | |
| Assign specific weighting to ESG factors in your manager evaluation | <input type="checkbox"/> | | |
| Other general aspects in your selection process, specify | <input type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

ESG incorporation

| | LE | | |
|--|-------------------------------------|--|--|
| Evaluate the quality and coverage of ESG research used by managers | <input checked="" type="checkbox"/> | | |
| Assess how the manager incentivises brokers to provide ESG research | <input type="checkbox"/> | | |
| Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues | <input checked="" type="checkbox"/> | | |
| Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance | <input checked="" type="checkbox"/> | | |
| Evaluate index providers' ESG incorporation when designing the index | <input type="checkbox"/> | | |
| Other ESG incorporation issues in your selection process, specify | <input type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

Engagements

| | LE | | |
|---|-------------------------------------|--|--|
| Discuss the managers' engagement processes | <input checked="" type="checkbox"/> | | |
| Discuss the role managers have played in influencing companies' ESG practices and performance | <input checked="" type="checkbox"/> | | |
| Discuss how information gained through engagement is incorporated into investment decision-making | <input checked="" type="checkbox"/> | | |
| Other engagement issues in your selection process, specify | <input type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

(Proxy) voting

| | |
|--|-------------------------------------|
| | LE |
| Discuss the managers' voting processes | <input checked="" type="checkbox"/> |
| Discuss how information gained through research for (proxy) voting is used in investment-decision making | <input checked="" type="checkbox"/> |
| Other (proxy) voting issues in your selection process, specify | <input type="checkbox"/> |
| None of the above | <input type="checkbox"/> |

Monitoring

| | | | |
|---------------|------------------|----------------------|--------------|
| SAM 08 | Mandatory | Core Assessed | PRI 1 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|---|
| SAM 08.1 | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following: |
|-----------------|---|

| | |
|--|---------|
| | General |
|--|---------|

| | LE | | |
|--|-------------------------------------|--|--|
| Include responsible investment as a standard agenda item at performance review meetings | <input type="checkbox"/> | | |
| Highlight examples of good responsible investment practice by other managers | <input type="checkbox"/> | | |
| Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports | <input type="checkbox"/> | | |
| Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors | <input checked="" type="checkbox"/> | | |
| Include responsible investment criteria as a formal component of overall manager performance evaluation | <input checked="" type="checkbox"/> | | |
| Request information on whether your manager's approach to ESG issues has impacted financial performance | <input type="checkbox"/> | | |
| Request information on whether your manager's approach to ESG issues has impacted risk or volatility | <input type="checkbox"/> | | |
| Request information on whether your manager's approach to ESG issues has impacted ESG performance | <input type="checkbox"/> | | |
| Other general aspects of your monitoring, specify | <input type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

ESG incorporation

| | LE | | |
|---|-------------------------------------|--|--|
| Request information on ESG incorporation in specific investment decisions | <input checked="" type="checkbox"/> | | |
| Other ways you monitor ESG incorporation, specify | <input checked="" type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

Engagements

| | LE | |
|---|-------------------------------------|--|
| Review the ESG information relevant to the engagements | <input checked="" type="checkbox"/> | |
| Discuss the number of engagements and their comprehensiveness | <input type="checkbox"/> | |
| Discuss the type of role played (i.e. leading or supporting) | <input type="checkbox"/> | |
| Review the progress of ongoing engagements and/or outcomes of completed engagements | <input checked="" type="checkbox"/> | |
| Other ways you monitor engagement activities, specify | <input type="checkbox"/> | |
| None of the above | <input type="checkbox"/> | |

(Proxy) voting

| | LE |
|---|-------------------------------------|
| Review the number or percentage of votes cast | <input checked="" type="checkbox"/> |
| Request an explanation of reasons for votes cast | <input checked="" type="checkbox"/> |
| Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes | <input checked="" type="checkbox"/> |
| Review the number of resolutions on ESG issues filed or co-filed | <input type="checkbox"/> |
| Discuss the changes in company practice (outcomes) that have been achieved from voting activities | <input checked="" type="checkbox"/> |
| Other ways you monitor (proxy) voting activities, specify | <input type="checkbox"/> |
| None of the above | <input type="checkbox"/> |

If you select any 'Other' option(s), specify

We monitor ESG performance of their portfolios based on objective measures, and discuss ESG performance issues (if any) with managers.

| | |
|-----------------|---|
| SAM 08.2 | Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional] |
|-----------------|---|

We disclose our ESG policy on our website and use this as communication tool for external parties including prospective managers. We assess managers ESG policy and integration system at the appointment, and monitor changes of managers' ESG policy and system by regular contacts.

| | | | |
|---------------|------------------|----------------------|--------------|
| SAM 09 | Mandatory | Core Assessed | PRI 2 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|---|
| SAM 09.1 | For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year. |
|-----------------|---|

We track or collect this information

| | |
|--|--------------------------------|
| | Votes cast (to the nearest 5%) |
|--|--------------------------------|

| | |
|--|---|
| | % |
|--|---|

90

| | |
|--|--|
| | Specify the basis on which this percentage is calculated |
|--|--|

- Of the total number of ballot items on which they could have issued instructions
- Of the total number of company meetings at which they could have voted
- Of the total value of your listed equity holdings on which they could have voted
- We do not track or collect this information

| | |
|-----------------|------------------------------------|
| SAM 09.2 | Additional information. [Optional] |
|-----------------|------------------------------------|

The percentage of vote was 99% for our Australian equity portfolio, while this is around 90% for the International equity portfolio. The reasons for lower percentage of vote of international equity portfolio include share blocking, effectiveness of votes, and overall cost considerations.

Communication

| | | | |
|---------------|------------------|----------------------|--------------|
| SAM 16 | Mandatory | Core Assessed | PRI 6 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|---|
| SAM 16.1 | Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments. |
|-----------------|---|

Yes, we disclose information publicly

| | |
|--|-------------|
| | provide URL |
|--|-------------|

http://www.lucrf.com.au/sites/lucrf.com.au/files/publications/899/lucrf-supers-approach-sustainable-investment_0.pdf

SAM 16.2

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

Yes

SAM 16.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify

No

- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4

Additional information. [Optional]

LUCRF proactively publishes a summary of our annual voting results of listed equity portfolios on our website.

LUCRF Super

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

| | | | |
|--------|-----------|---------|-----------|
| LEA 02 | Mandatory | Gateway | PRI 1,2,3 |
|--------|-----------|---------|-----------|

| | |
|----------|---|
| LEA 02.1 | Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions. |
|----------|---|

| Type of engagement | Reason for interaction |
|--|--|
| Individual/Internal staff engagements | <input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff |
| Collaborative engagements | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements |
| Service provider engagements | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers |

| | |
|----------|------------------------------------|
| LEA 02.2 | Additional information. [Optional] |
|----------|------------------------------------|

-ACSI's member funds are united by the beliefs that:

- The short-term outlook of many actors in the investment system means that today's market prices may not capture all of the risks and opportunities inherent in the value of companies.
- Responsible exercise of ownership rights by long-term asset owners can assist in improving that value and consequent investment return outcomes for their members.
- The financial system is not always set up in the best long term interests of beneficiaries.

ACSI's mission is, therefore, to enhance sustainable long term value for the retirement savings that are entrusted to our Members as fiduciary institutional investors. ACSI achieves this by representing the collective rights and interests of Members through influencing companies, investors, government and opinion leaders.

-Membership with IGCC contributes to effective solutions to tackle global climate change issues.

-We are also involved in the Carbon Asset Risk (CAR) initiative as a signatory. In addition, we support CDP Climate Change and CDP Water initiatives as a signatory.

-We have signed the Investor Statement on Bangladesh organised by Interfaith Center on Corporate Responsibility (ICCR), joining more than 200 investors globally, joining more than 200 investors globally, calling for fire and building safety reform (including workplace reform) in the garment factories of Bangladesh.

Process

Process for engagements conducted via collaborations

| | | | |
|--------|-----------|---------------|-------|
| LEA 05 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

Yes

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

We participate in strategy related meetings as a member of Australian Council of Superannuation Investors (ACSI), where collaborative engagements set by ACS are prioritised. We also take into account additional factors such as potential costs, effectiveness and impacts on the process. We can influence ESG research and engagement plans, as we have Board and member council positions at ACSI.

No

| | | | |
|--------|-----------|---------------|-------|
| LEA 06 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

Yes

- Yes, for all collaborative engagement activities
- Yes, for the majority of collaborative engagement activities
- Yes, for a minority of collaborative engagement activities

No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

| | |
|-----------------|---|
| LEA 06.3 | Describe how you monitor and evaluate the progress of your collaborative engagement activities. |
|-----------------|---|

-ACSI annually creates a list of engagement priority companies with specifically defined concerns and objectives for each company. Objectives are meaningful changes in company behavior. ACSI also sets objectives for the proportion of all priority companies where objectives are met (for example, ACSI may aim for over 50% of all priority companies' objectives to be met).

Monitoring and evaluation is done through semiannual progress reports, itemized company by company and in aggregate, which are delivered to member funds.

Inbound engagements with companies that are not on the priority list also involve specific objectives, though typically less material. Monitoring of these is done through annual evaluation by ACSI's Member Council, and a range of internal reports. The results of these engagement meetings are also included in ACSI's proxy voting reports and surveys involving all companies in ACSI's universe (called "longitudinal" research projects).

-As a signatory to Carbon Asset Risk (CAR) initiative, we monitor the milestone date and responses of target companies.

No

| | | | |
|---|--|--|--|
| Process for engagements conducted with/on your behalf by service providers | | | |
|---|--|--|--|

| | | | |
|---------------|------------------|----------------------|----------------|
| LEA 07 | Mandatory | Core Assessed | PRI 2,4 |
|---------------|------------------|----------------------|----------------|

| | |
|-----------------|---|
| LEA 07.1 | Indicate if you play a role in the engagement process that your service provider conducts on your behalf. |
|-----------------|---|

Yes

| | |
|-----------------|--|
| LEA 07.2 | Indicate what role you play in engagements that your service provider conducts on your behalf. |
|-----------------|--|

- Specify the issues for the engagement
- Specify the objectives for the engagement
- Select the companies to be engaged with
- Participate directly in the engagements with your service provider
- Actively monitor and review the activities of the service provider
- Other, specify

No

| | |
|-----------------|------------------------------------|
| LEA 07.3 | Additional information. [Optional] |
|-----------------|------------------------------------|

-We monitor progresses of engagement activities of providers by participating in update meetings and assessing issued reports.

-ACSI members, together with ACSI management, identify issues for engagement on an annual basis. Monitoring and review are done semiannually via progress reports and presentations.

| | | | |
|---------------|------------------|----------------------|----------------|
| LEA 08 | Mandatory | Core Assessed | PRI 2,6 |
|---------------|------------------|----------------------|----------------|

LEA 08.1

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

LEA 08.2

Additional information. [Optional]

-We use results and progress of engagement activities for proxy voting decisions if resolutions are relevant to the engagement. Although we delegate proxy voting to our managers, we sometimes override and direct our managers to vote based on engagement results of our service provider and our policy guidelines.

-ACSI presents progress reports and presentations semiannually as part of meetings of the ACSI Member Council, which is attended by all "full members" of ACSI. This forum is the formal opportunity to discuss ACSI's engagement activities. Members are also able to discuss activities on an ad hoc basis with ACSI staff.

General processes for all three groups of engagers

LEA 10**Mandatory****Gateway/Core Assessed****PRI 2****LEA 10.1**

Indicate if you track the number of engagements your organisation participates in.

| Type of engagement | Tracking engagements |
|-------------------------------------|---|
| Collaborative engagements | <input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input checked="" type="radio"/> No, we do not track and cannot estimate our engagements |
| Service provider engagements | <input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements |

LEA 10.2 Additional information. [Optional]

Our service provider Australian Council of Superannuation Investors (ACSI) discloses engagement on a semi-annual basis.

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

We disclose it publicly

provide URL

<http://www.lucrf.com.au/news/2014-05-02/lucrf-super-divests-tobacco-and-cluster-munitions-stocks>

provide URL

<http://www.lucrf.com.au/news/2013-11-22/lucrf-super-backs-disclosure-global-carbon-asset-risk>

LEA 15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEA 15.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

We disclose divestment criteria, our involvement in climate change and labour human rights initiatives as engagement activities on the Fund's website.

LEA 15.4

Indicate how frequently you typically report engagements information.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

Disclosure on commencement of engagement

- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.