



LEA 02	Disclosures Monetary	Reason for interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to allocate capital</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to allocate capital</p> <p><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to allocate capital</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to allocate capital</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

# RI TRANSPARENCY REPORT

## 2013/14

### ESSSuper

## 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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# 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	✓	n/a							✓
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	🔒	n/a							✓
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	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
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)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	✓	Public		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓						✓
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓						✓
SAM 13	Description of RI considerations in 'other' asset classes	✓	Private	✓						✓
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	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

# ESSSuper

## Reported Information

## Public version

## Organisational Overview

## 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.

## 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 bank
- Reserve - sovereign or government controlled fund
- Other, specify

**OO 01.2** Additional information. [Optional]

The Aggregated Fund is a hybrid fund comprising separately identifiable pools of defined benefit and defined contribution assets.

ESSSuper (Emergency Services & State Superannuation) is the registered business name of the Emergency Services Superannuation Boars (the Board) (ABN 28 161 296 741). The Board manages and administers the Emergency Services Superannuation Scheme (the Fund) (ABN 85 894 637 037). The Fund is governed by a Victorian State Act of Parliament (Emergency Services Superannuation Act 1986 (Vic)) and provides benefits for current and former Victorian emergency services employees, certain public sector employees and their partners.

ESSSuper is an exempt public sector superannuation scheme under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS).

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
--	-----

144

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.

30/06/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		19	086	882	000
Currency	AUD				
Assets in USD		17	241	158	694

**OO 04.3** 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	>50%
Fixed income – corporate	0	<10%
Fixed income – government	0	10-50%
Fixed income – other	0	0
Private debt	0	0



Private equity	0	<10%
Property	0	<10%
Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	<10%
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)

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

**OO 10.3** Additional information. [Optional]

ESG issues are formalised in regular meetings with managers, to discuss the approach and manner of integration, the numbers of interactions with companies and outcomes of these interactions.

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

<b>OO 11.2</b>	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
- Private equity
- Property
- Infrastructure
- Hedge funds
- Cash
- None of the above

<b>OO 11.3</b>	Additional information. [Optional]
----------------	------------------------------------

ESG considerations are discussed and reviewed with managers.

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	----------------	----------------

<b>OO 12.1</b>	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always 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
- (Proxy) voting

**RI implementation via external managers**

## Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate
- Fixed Income - Government
- Private Equity
- Property
- Infrastructure
- Hedge funds
- Cash

### **Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# ESSSuper

## Reported Information

## Public version

## Overarching Approach

### 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.

## 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

Taken from the Scheme's Investment Governance Framework

Appendix M: UNPRI/ESG Policy

It is the objective of the Board of ESSSuper to maximise long term real returns on investments under our control (whilst minimising short term risks) in order to safeguard the long-term interests of the Scheme's members and other key stakeholders (employer groups and Victorian Government).

ESSSuper recognises that whilst striving to achieve the above, that we must also deliver this in a responsible manner. We aim to contribute to a fair community and seek to act in a sustainable fashion in our business activities.

We believe that Environmental, Social and Governance issues (ESG) have the potential to impact the real returns to our members, especially over the long term. As a result we look to systematically consider, understand and manage the ESG issues that have the potential to impact financial performance. We acknowledge that integrating ESG criteria into investment decision making is both an evolving area due to regulatory uncertainty in areas such as climate change and somewhat difficult to gauge accurately, due to a lack of analytical tools to measure the relevant material risks these still largely under development.

However, while research in the area of measuring the financial impact of ESG practices is ongoing we acknowledge that ESG issues may affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes and through time. We accept that companies that perform better with regard to managing ESG issues can increase shareholder value by, for example, properly managing risks, anticipating regulatory action or accessing new markets, while at the same time contributing to the sustainable development of the societies in which they operate. Conversely, companies that are unwilling or unable to take important ESG issues into consideration may deliver diminished investment value over the longer term.

As such it is incumbent upon us to consider ESG risks in our investment decision-making processes. It should be noted that incorporating ESG into our investment decision making is distinguished from ethical investing which may include restricting investing according to ethical criteria (e.g. selecting, divesting/excluding investments purely on ethical or social grounds).

As part of our approach to adopting and incorporating ESG into our investment processes, we are committed to, and comply with, the United Nations Principles for Responsible Investments (UNPRI). As part of being a signatory to the UNPRI, our obligation is to act in the best interest of our investors in accordance to the investment guidelines set by these investors. Where possible, we can and do include ESG considerations into the investment and decision making process. We exercise our voting rights in accordance with our voting policy. Both internally and via our service providers, we encourage counterparties, companies, and issuers to implement

best practices in their businesses, including ESG considerations.

Environmental, Social and Governance[1] considerations are made in the investment management process, as part of ESSSuper's fiduciary responsibilities and obligations to its members.

We have an objective to understand and manage ESG issues across all our investments and to promote best practice among the companies in which we currently invest and those in which we may potentially invest. The manner or approach to us achieving this objective is as follows:

Through being a signatory to the United Nations Principles for Responsible Investment (UNPRI).

Via voting - exercising our Proxies at Annual (or Extraordinary) General Meetings of companies.

Through the use of the Governance Advisory Service (Regnan) via Victorian Funds Management Corporation (VFMC).

Through being a Foundation Member of the Australian Council of Superannuation Investors (ACSI).

Through active participation in various Industry Conferences, meetings and round tables.

Consideration of ESG is undertaken in accordance within the broad framework provided by the United Nations Principals for Responsible Investment. Within this, ESG issues are incorporated into the investment decision making process and in analysis wherever practicable. Each of the various UN Principles are detailed below, along together with the manner in which we approach, manage and comply with these. It should further be noted that whilst the overarching policy applies to both accumulation and defined benefit funds, the responsibility for the implementation is undertaken separately. For the Accumulation Fund, Implementation is undertaken internally, whilst for the Defined Benefit Funds, VFMC is responsible for the implementation of the Boards Policies, noting as well that a copy of their policies have been reviewed and considered in the formulation of our policies.

UNPRI Principle 1 - Incorporation of ESG issues into investment analysis and in the investment decision making process

ESSSuper supports the development of ESG related research, tools and metrics. We analyse and assess both internally, and through our association with VFMC (the implementation manager of the Defined Benefit Funds) and Investment Advisor, the capabilities of external service providers to incorporate ESG into their decision making process. Via our participation in ACSI, Regnan (via VFMC), and via professional affiliations of its staff[2] ESSSuper encourages academic and other research into this topic. Through discussions with our managers, consultants and other industry participants, we seek to ensure that company disclosures and corporate governance practices are increasingly considered as core considerations in both manager and broker based company research.

UNPRI Principle 2 - Be active owners and incorporate ESG issues into the ownership policies and practices

ESSSuper has an active ownership policy (refer Stock Voting Policy below) and exercises its voting rights - with voting undertaken internally for Accumulation Fund Domestic Holdings (directly for Australian Holdings and via CGI Glass Lewis for International). For the Defined Benefit Funds, VFMC (and by agreement, several of its managers) vote in accordance with its stated voting policies, which have been presented to the Board. Where ESSSuper invests via a pooled investment vehicle, the manager of the pool retains the right to vote.

Via its managers, ESSSuper encourages both direct and indirect engagement with investee companies. Through its indirect support of Regnan and as a founding member of ACSI, ESSSuper promotes and encourages engagement with investee companies and the development of industry based policy formulation, regulation and standards setting. Regnan, on behalf of its constituents, lodges submissions to various commissions dealing with governance issues. ESSSuper has had a long association with other organisations active in the assessment, promotion and protection of shareholder rights[3].

UNPRI Principle 3 - Seek appropriate disclosure on ESG issues by the entities in which we invest

ESSSuper via its participation in various industry associations (as listed previously in principles 1-3) promotes and supports initiatives and resolutions promoting ESG disclosure as well as the reporting of and consideration of ESG issues by companies.

UNPRI Principle 4 - Promote acceptance and implementation of the Principles within the Investment Industry

ESSSuper, via its participation in various industry associations (as listed previously in principles 1-3) promotes and supports regulatory or policy developments that better enable the integration of ESG into the investment decision making process. These professional bodies have undertaken / sponsored research into ESG factors in the investment decision process[4]. ESG issues are discussed with service providers in periodic reviews.

ESSSuper staff members participate in various Industry based bodies (ASFA Discussion Groups, International Group on Climate Change etc) and actively participate in conferences (e.g. Responsible Investment Association Australasia (RIAA) Conference) addressing these issues.

VFMC, as the Investment Manager for the Defined Benefit Fund, has appointed a Governance Manager and several of its staff sit on various industry based committees that raise and deal with ESG issues.

UNPRI Principle 5 - Work together to enhance our effectiveness in implementing the Principles



ESSSuper, via staff participation in various industry associations and bodies, supports and participates in networks to share tools and ideas in this area on a collaborative basis. Via our industry memberships, we fund some of the pooling of resources which promotes learning and research in the area.

#### UNPRI Principle 6 - Report on our activities and progress towards implementing the principles

ESSSuper will seek to disclose how ESG issues are integrated within our practices (refer above under each principle). We internally report progress against these principles and the outcomes of our proxy voting initiatives. Further we have our external partners and investment managers maintain registers of voting or engagement activities, using these responses to assist in the completion of our benchmarking surveys.

We are contemplating how we may further disclose these activities to our membership base.

#### Appendix N: Stock Voting Policy

This document seeks to expand on the high level Policies summarised in the ESSSuper Investment Governance - Objectives and Framework.

It is Board policy that the Scheme will exercise our right to cast proxy votes on all Companies in which we invest. We will vote in a manner that maximizes shareholder value while observing the principles of good corporate governance (primarily as interpreted by IFSA and its International Governance Advisory Service). By voting, we not only protect shareholder interest, but also send a strong message to the management of companies in which we invest.

#### Introduction

As the Board of Directors and management of each publicly held company have accepted joint responsibility to protect shareholder rights and enhance shareholder value and have a far greater understanding of their company and the environment in which it operates, than either ESSSuper or its advisors and Managers, the ESSSuper Investment Management Team will (in effecting this Policy) generally vote in accordance with the Company Directors recommendations.

This being said, we will consider either voting against Directors, abstain or refrain from voting where there are potential misalignments between the interests of the three primary parties - namely those of management, directors and shareholders, such as:

#### Appointment of Directors

- Employee and or Director share plans / benefit packages
- Changes to capital structure and other contentious issues

In order to assist Management (defined in this instance as the ESSSuper Internal Investment

Team) in the assessment of potential conflicts, we receive advice from a specialist governance consultant, The Australian Council of Super Investors (ACSI). Management may also consult with external fund managers to assess their views on the economic impacts of contentious issues.

All votes are lodged electronically, via the RiskMetrics Proxy Exchange service, with periodic reporting to the Board. Both the voting and reporting thereof are undertaken in accordance with the Investment Procedures Document / Manual - specifically referencing Procedures - Investment Corporate Governance - Proxy Voting.

#### Application of the Policy

The ESSSuper stock voting process provides a consistent and objective methodology for determining the appropriate vote for all resolutions put to a proxy vote at an AGM or EGM. The process incorporates special policy matter screens for each client and incorporates separate methodologies for each category of resolution.

To aid in the assessment of potential conflicts, ESSSuper receive input from ACSI.

In discussion with ACSI, the issues considered in the formulation of their policy and the application thereof is detailed below.

#### Specific Resolutions

1. Appointment of Directors: The Board is the representative of shareholders and acts as a check against management and ensures that the company is accountable to shareholders. ESSSuper will vote against an appointment where it would result in an impediment to the Board from acting in the best interests of the shareholders;

Issues considered include:

Does the Board have an effective composition, size and commitment to adequately discharge its responsibilities and duties?

Can the Board effectively review and challenge the performance of management and exercise independent judgement?

Does the Board regularly assess the independence of each Director in light of interests disclosed by them and does the Board disclose this information in the governance section of the annual report?

Is the Chairperson an Independent Director?

Has the Board established an independent audit committee and remuneration committee, each chaired by a Director who is not the Chairperson?

Implementation:

ACSI reviews the company's current Board composition together with any proposed appointees

to interpret their compliance with the IFSA / ACSI guidelines regarding good corporate governance.

Where the advisor supports the appointment as consistent with IFSA best practices, ESSSuper approves the appointment.

When the advisor recommends voting against the Director's recommendations the appointment will be assessed on a case by case basis.

ESSSuper will discuss the matter with investment managers who hold the underlying stock. Where it is felt that the Board has taken significant steps towards best practice, we will vote with the Director's recommendations.

Where the view is held, either by Management or by external Managers, that the Board has made no or insufficient initiatives to correct the composition or structure of the Board, we will vote against the appointment.

2. Employee and / or Director share plans / benefit packages should be no more than what is needed to attract, motivate and retain the right people. When assessing performance criteria, established for the award of shares, options and remuneration packages, these are to be consistent with the company's objective for maximising shareholder value.

Issues to be considered may include;

Has the Board of the company fully disclosed material information in connection with the proposed award of shares, options or other equity securities to key executives?

Does the company encourage recipients of such benefits to retain and grow their shareholdings and contain limits on dilution of public shareholders?

Does the company include in the value of remuneration of Directors, executives and employees, the amount of awards as a cost for the reporting period?

Does the company tailor remuneration for Non-Executive Directors (NED) of a listed company to the role and work the NED performs during the year and fully disclose the remuneration package in the annual remuneration report?

Remuneration for any NED should not include options to acquire shares in the company on terms materially different from the terms of any executive or employee incentives.

Implementation:

ACSI on an annual basis reviews the performance of the company, making specific reference to its remuneration policy and the proposed resolution. Within their assessment of the report, they deconstruct the remuneration package and evaluate how each aspect of the package complies with standard guidelines regarding remuneration.

Where the ACSI supports the remuneration package, ESSSuper will vote with Directors.

Where the ACSI advisor recommends voting against management regarding remuneration packages, management will initiate further analysis:

Management will liaise with individual Investment Managers who hold the positions.

Where they are of the view that the remuneration package fails to meet minimum standards, ESSSuper will vote against the package.

In the analysis reporting by ACSI, if the remuneration package meets minimum standards;

Where the deviation from best practice is seen as being immaterial, ESSSuper will vote with Directors.

Where material, ESSSuper will vote against Directors.

[1] Also known as "sustainability factors," "corporate social responsibility (CSR) factors," "nonfinancial factors," "extrafinancial factors," and "social investment factors."

[2] Examples include CFA Institute via its Centre for Financial Market Integrity, The Financial Services Institute of Australasia, Melbourne Centre for Financial Studies etc.

[3] The predecessor of what is now known as CGI Glass Lewis

[4] CFA Institute's Centre for Financial Market Integrity has released a publication titled "Environmental, Social, and Governance Factors at Listed Companies - A Manual for Investors"

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
-----

<http://www.esssuper.com.au/About-Us/Investment-Approach/default.aspx>

No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
---------	---

Yes

No

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 checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

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]
---------	--

The Overarching considerations are covered in both the Conflicts Policy and also the legislative requirements under which we operate.

These policies are summarised as Identification of Conflicts, Avoidance, Disclosure, Assessment and the Strategies for the dealing with these.

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

No

**OA 05.4** Additional information. [Optional]

Whilst no objectives have been formalised, the Investment Team are working towards the formalisation of the incorporation of ESG and UNPRI into mandates as we grow the assets under management in the fund and have an ability to move from predominantly pooled to segregated mandates. Further, the feasibility of the reporting of voting which is at present only reported to the Board is being investigated for release to members on our website.

**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
- Other Chief-level staff or head of department, specify
  - Head of Investment**
    - 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
- External managers or service providers
- Other role, specify
- Other role, specify

**OA 08.2** Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

0.2

**OA 08.3** Additional information. [Optional]

The setting of investment objectives inclusive of approach is ratified and overseen by the Board through a sub-committee of the Board, the Board Investment Committee. The implementation of strategies/approach is undertaken by management who report outcomes and approach through the executive to the board.

**Promoting responsible investment**

**OA 10** **Mandatory** **Core Assessed** **PRI 4,5**

**OA 10.1** Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

**OA 10.2** 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**

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia

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

- Basic
- Moderate
- Advanced
- Australian Council of Superannuation Investors

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

- Basic
- Moderate
- Advanced
- CDP Climate Change
- 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

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]

One of the

- 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)

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

- Basic
- Moderate
- Advanced

- Interfaith Center on Corporate Responsibility (ICCR)
- 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]

One of the investment team is a member of the IGCC's management committee

- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- 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

No

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]

PRI is discussed with managers and analysts in terms of the estimation of and pricing of risks (ESG). Discussions also take place with broking analysts and other external parties. ESG issues are presented to members at regular member seminars. ESG issues are debated at both internal management meetings (internally known as the IIRG) and at the Board Investment Committee. The Investment team regularly liaises with peers to discuss ESG issues and specifics such as the risks of Fracking, Pricing of, Tobacco, reporting of income in high risk countries (resource companies to assess corruption), use of child labour etc.

# ESSSuper

## 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)
- Fixed income - corporate (FIC)
- Fixed income - government (FIG)
- Private equity (PE)
- Infrastructure (INF)
- Property (PR)
- Other asset classes

We use investment consultants in our monitoring of external managers

### Asset class

- Listed Equity (LE)
- Fixed income - corporate (FIC)
- Fixed income - government (FIG)
- Private equity (PE)
- Infrastructure (INF)
- Property (PR)
- Other asset classes

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 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 type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - government	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Private equity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Property	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Infrastructure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hedge funds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cash	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<b>SAM 03.2</b>	Additional information. [Optional]
---------------------	------------------------------------

Whilst the selection and appointment of managers do not specifically address responsible investment factors, the ability to consider, value, interact with companies and issuers/governments etc is recognised as being important. We do interact with all managers on the approaches taken and manner of integration/consideration given to ESG issues and risks. These issues are discussed with managers at regular reviews and catchups. In terms of governance, we exercise votes and also sit on a number of advisory boards with managers.

Across the board, we regularly discuss with managers in whose trusts we invest the manner of voting and integration of ESG into the process together with any direct or company based actions, and where we invest in discrete mandates, we discuss the integration of ESG, risk pricing and interactions with companies on these matters.

In terms of asset class specifics, for property, the managers recognise that ESG is good business and make a general cost benefit analysis to both improve returns and also seek tenants/contracts, so it is readily reviewable. In terms of Infrastructure, we have liaised with and encouraged the signature of PRI and also review how these are impounded into the process. Being a government entity with a strong membership, we actively review workplace accidents in infrastructure companies to ascertain issues and outcomes. For Private Equity, Infrastructure and Property managers, the vast majority of the managers report on green initiatives, water use and other environmental issues and these are discussed at length.

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

**Overview**

<b>SAM 05</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 1,2</b>
---------------	------------------	----------------	----------------

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

**Active investment strategies**

<b>Active investment strategies</b>	<b>LE</b>	<b>FIC</b>	<b>FIG</b>
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<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	FIC
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<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 checked="" 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 have a policy approach to the voting of all listed shares, which is summarised as management of the scheme voting for domestic companies in segregated mandates, with voting guidance taken from ACSI. For international holdings in segregated mandates, CGI Glass Lewis votes on behalf of the scheme in adopting the ACSI guidelines. For investments in pooled vehicles, managers vote in accordance with their own policies.

In terms of engagement, the scheme acts through ACSI, Regnan and via its managers with companies on these issues.

**Selection**

<b>SAM 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
---------------	------------------	----------------------	----------------

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

ESG incorporation



	LE	FIC	FIG
Evaluate the quality and coverage of ESG research used by managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>	n/a	n/a
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Engagements

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

## (Proxy) voting

	<b>LE</b>
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**

	<b>LE</b>	<b>FIC</b>	<b>FIG</b>
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## ESG incorporation

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

## Engagements

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

## (Proxy) voting

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

<b>SAM 09</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

**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%)

%

100

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

<b>SAM 09.2</b>	Additional information. [Optional]
-----------------	------------------------------------

For IMA's, ESSSuper retains the voting control. Where invested in trusts, we monitor and discuss the voting actions of managers together with any interaction that they have with companies in relation to ESG issues.

## Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

### Selection

<b>SAM 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
---------------	------------------	----------------------	----------------

<b>SAM 10.1</b>	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
--	---------

	PE	PR	INF
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment disclosure, including PRI reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Investment selection (pre-investment) of underlying holding

	PE	PR	INF
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other pre-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Investment monitoring (post-investment) of underlying holding

	PE	PR	INF
Understand if and how the manager influences and supports its portfolio companies/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other post-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Monitoring

SAM 12

Mandatory

Core Assessed

PRI 1-6

SAM  
12.1

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

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

#### Investment selection (pre-investment) of underlying holding

	PE	PR	INF
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ways ESG issues are incorporated in the pre-investment process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Investment monitoring (post-investment) of underlying holding



	PE	PR	INF
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request examples of ESG issues identified within the portfolio and action taken in response	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request details of how ESG factors were considered when preparing to exit from investments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ways ESG issues are monitored in the post-investment process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>SAM 12.2</b>	Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]
-----------------	---

The impacts of ESG are specifically discussed with managers, green ratings, water, sustainability, governance, sustainability, workers safety issues incorporation of ESG into the investment process, supply chain management, disclosures and oversight etc and how/why they are acting and improving

## Communication

<b>SAM 16</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
---------------	------------------	----------------------	--------------

<b>SAM 16.1</b>	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
-----------------	---

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

<b>SAM 16.4</b>	Additional information. [Optional]
-----------------	------------------------------------

Whilst not disclosing detailed information with regards the approach and considerations, general information regarding the impacts of ESG on returns and approach taken is disclosed. We are working towards the disclosure of both a voting policy and the manner of voting activity.

# ESSSuper

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## 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.

## 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
<b>Individual/Internal staff engagements</b>	<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
<b>Collaborative engagements</b>	<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
<b>Service provider engagements</b>	<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]
-------------	------------------------------------

Membership of the ACSI is based on the three principles which recognise that:

- good governance requires boards to consider and manage all material risks facing the company, inclusive of ESG risks;
- effective board governance contributes to shareholder wealth creation and risk mitigation, creating the conditions in which sustainable long term investment can prosper;
- superannuation funds can, and should, protect and manage their investments for the long term through the consideration of ESG risks in their investment decision making processes.

## 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.
-------------	---

As a member of the Member Council of ACSI and the Management Committee of IGCC, we participate in the prioritisation of work including engagement and specific projects. Issues are raised by both us, other members and management of the organisations and these then discussed and prioritised given competing resources.

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.

The collaborative initiatives undertaken through ACSI and Regnan have reports made back to members to ascertain the results, which are reviewed and discussed at regular meetings with the peak groups. Items of relevance are then reported to members through communications and presentations - eg the ACSI report on female representation on boards (and the rationale behind the approach of the research). Workflow for the ensuing year is identification of priority engagements by company (board diversity, labour and human rights standards - retail supply chains, corporate governance and stewardship of fossil fuel assets).

- No

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

<b>LEA 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,4</b>
---------------	------------------	----------------------	----------------

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

- Yes
- No

<b>LEA 07.3</b>	Additional information. [Optional]
-----------------	------------------------------------

Given size of investments and team size, we are generally a more passive participant. That said, we do actively participate in the forums with ASFA, Climate Change etc to assist in the determination of priorities and development of policy, but we do not determine nor drive them.

We as a member of ACSI/IGCC participate in the identification of issues for engagement, approve the objectives of engagement, monitor the results and review the strategy for engagement. We also participate in engagements with and alongside ACSI staff and participate in both educational updates thereon and debriefings on the outcomes.

<b>LEA 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEA 08.1</b>	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

<b>LEA 08.2</b>	Additional information. [Optional]
-----------------	------------------------------------

We do periodically request formal responses from managers on the numbers of interactions with companies, the outcomes thereof, rationale for and incorporation into the investment process. At periodic manager reviews (generally quarterly) this forms a minor subset of the discussion.

### General processes for all three groups of engagers

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	------------------------------	--------------

<b>LEA 10.1</b>	Indicate if you track the number of companies you engage with.
-----------------	--

Type of engagement	Tracking engagements
<b>Collaborative engagements</b>	<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
<b>Service provider engagements</b>	<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

## Communication

<b>LEA 15</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEA 15.1</b>	Indicate whether your organisation proactively discloses information on its engagements.
-----------------	--

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

<b>LEA 15.6</b>	Additional information. [Optional]
-----------------	------------------------------------

Whilst not disclosing publicly or on a formal basis to members, disclosures are made to members in presentations on the ESG approach, collaborative and service provider research, consultations and outcomes.

## (Proxy) voting and shareholder resolutions

### Process

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 17.1</b>	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

Approach
----------

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on
--------------------

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
----------	-----------------------------------

Note that this is the case for domestic (Australian) companies. For International, the voting is delegated to CGI Glass Lewis to cast votes in accordance with pre agreed policy recommendations.

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
----------	---

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
----------	------------------------------------

For all companies covered by ACSI and CGI Glass Lewis, the voting service recommendations, concerns and rationale are provided to the company via either verbally (at a meeting or teleconference) or in writing around the time of the meeting. Companies where there are more material concerns become Corporate Governance engagement priorities where the service provider holds face to face meetings with the company to address the issues in order to encourage positive changes.



## Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 22.1

For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)

%

89

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 22.2

If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

Votes were lodged in 33 of the 36 meetings available for voting, with 211 of the available 237 resolutions voted on for the year for domestic companies

We do not track or collect this information

## Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Voting is only disclosed internally to the Board in accordance with policy.