



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the most up-to-date and comprehensive information for their investment decisions, investors can better understand the risks and opportunities of the companies in which they invest. This information can be used to make more informed investment decisions and to engage with companies on their ESG performance.</p> <p>Investors are encouraged to use this information to make more informed investment decisions and to engage with companies on their ESG performance.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional or</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional or</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional or</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with service providers</p>		

RI TRANSPARENCY REPORT

2019

SAS Trustee Corporation

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 2019 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 TG		✓	-							
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	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

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	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	🔒	n/a		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	🔒	n/a		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	🔒	n/a		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	🔒	n/a		✓					
LEA 17	Percentage of (proxy) votes cast	🔒	n/a		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	🔒	n/a		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	🔒	n/a		✓					
LEA 20	Shareholder resolutions	🔒	n/a		✓					
LEA 21	Examples of (proxy) voting activities	🔒	n/a		✓					
LEA End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

SAS Trustee Corporation

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

Public

Gateway/Peering

General

OO 01.1

Select the type that best describes your organisation or the services you provide.

- 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
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 02

Mandatory

Public

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

32

OO 03

Mandatory

Public

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 03.3 Additional information. [Optional]

Tcorp (the financial markets partner of the NSW state government) is the Master Investment Manager for the majority of State Super's funds under management. Tcorp are not currently PRI signatories.

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

30/06/2018

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

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		43	262	313	546
Currency	AUD				
Assets in USD		31	905	838	391

Not applicable as we are in the fund-raising process

OO 06 **Mandatory** **Public** **Descriptive** **General**

OO 06.1 Select how you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	45.8
Fixed income	0	14
Private equity	0	0.3
Property	0	9
Infrastructure	0	11.3
Commodities	0	0
Hedge funds	0	10.5

Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	8.1
Money market instruments	0	0
Other (1), specify	0	1
Other (2), specify	0	0

as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 09 **Mandatory** **Public** **Peering** **General**

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets

92

Emerging Markets

8

Frontier Markets

0

Other Markets

0

Total 100%

100%

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.2	Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.
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Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="571 342 1461 421">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 439 1294 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 481 1331 508"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 524 1310 551"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 566 948 593"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - SSA	<p data-bbox="571 660 1461 739">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 757 1294 784"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 799 1331 826"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 842 1310 869"><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 884 948 911"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="571 978 1461 1057">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1075 1294 1102"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 1117 1331 1144"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 1160 1310 1187"><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 1202 948 1229"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - securitised	<p data-bbox="571 1296 1461 1375">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1393 1294 1420"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 1435 1331 1462"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 1478 1310 1505"><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 1520 948 1547"><input type="checkbox"/> We do not do ESG incorporation</p>
Private equity	<p data-bbox="571 1615 1461 1693">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1711 1294 1738"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 1753 1331 1780"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 1796 1310 1823"><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 1839 948 1865"><input type="checkbox"/> We do not do ESG incorporation</p>
Property	<p data-bbox="571 1933 1461 2011">Property - ESG incorporation addressed in your external manager</p>

	<p>selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Infrastructure	<p>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Hedge funds	<p>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Cash	<p>Cash - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Other (1)	<p>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>

OO 11.4

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

State Super considers the integration of ESG information throughout mainstream investment analysis to be essential, and therefore promotes integration of material ESG issues into investment decision-making by its fund managers. State Super expects its fund managers to exercise its ownership rights including proxy voting and engagement with company management and to manage investments on behalf of State Super with long-term investment performance in mind.

State Super includes assessment of the ESG capabilities of fund managers as part of due diligence in manager selection and in periodic reviews of incumbent managers. State Super ensures that all investment management agreements cover investment restrictions. State Super commends the Australian Council of Superannuation Investors (ACSI) Corporate Governance Guidelines to its fund managers for use when engaging with companies on ESG issues. In relation to State Super's unlisted investments, State Super will always aim for board representation and negative control, which are used to control the risks of the investment including from an ESG perspective.

OO 12

Mandatory

Public

Gateway

General

OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity active ownership

- Engagements

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private Equity
- Property
- Infrastructure

Closing module

- Closing module

SAS Trustee Corporation

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<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

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

State Super considers that acting in members' best interests entails a responsibility to ensure that sustainable long term returns are generated and that economic prosperity, community wellbeing and environmental concerns are considered and effectively managed throughout the investment process - both as investment risks and opportunities.

State Super's investment beliefs include:

- High quality, robust investment governance process is critical to State Super's success.
- Investment returns are best considered over the long term (e.g. 7-10+ years). However, the time horizon that is most relevant for the assets in question should also be considered.
- Strategic Asset Allocation (SAA) decisions have the greatest impact on investment outcomes, and Dynamic Asset Allocation (DAA) can add additional value by taking advantage of mispricing of risk premia.
- Active investment management can add additional value, achieving higher returns and/or providing downside protection.
- Diversification is an important risk management tool and investment outcomes can be improved by appropriate diversification across asset classes, investment styles, time horizons and risk premia.
- Environmental, social and governance (ESG) factors may materially impact investment risk and returns, particularly over the long term.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

A new Responsible Investment Policy was initiated during the year, and will be implemented in 2018/19.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

URL/Attachment

URL

URL

{hyperlink:<http://www.statesuper.nsw.gov.au/>}

Attachment (will be made public)

Attachment

[File 1:STC ESG Policy 2013.pdf](#)

Fiduciary (or equivalent) duties

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:STC ESG Policy 2013.pdf](#)

Asset class-specific RI guidelines

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:STC ESG Policy 2013.pdf](#)

- Screening / exclusions policy
- Engagement policy
- (Proxy) voting policy
- We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments

URL/Attachment

- URL
- Attachment

File Attachment

{[hyperlink:STC ESG Policy 2013.pdf \[318KB\]](#)}

- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

- URL

URL

{[hyperlink:https://www.statesuper.nsw.gov.au/__data/assets/pdf_file/0007/21796/STC-Investment-Beliefs.pdf](https://www.statesuper.nsw.gov.au/__data/assets/pdf_file/0007/21796/STC-Investment-Beliefs.pdf)}

- Attachment

- Time horizon of your investment

URL/Attachment

- URL

URL

{[hyperlink:https://www.statesuper.nsw.gov.au/__data/assets/pdf_file/0007/21796/STC-Investment-Beliefs.pdf](https://www.statesuper.nsw.gov.au/__data/assets/pdf_file/0007/21796/STC-Investment-Beliefs.pdf)}

- Attachment

- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL
- Attachment

File Attachment

{hyperlink:STC ESG Policy 2013.pdf [318KB]}

- ESG incorporation approaches

URL/Attachment

- URL
- Attachment

File Attachment

{hyperlink:STC ESG Policy 2013.pdf [318KB]}

- Active ownership approaches

URL/Attachment

- URL
- Attachment

File Attachment

{hyperlink:STC ESG Policy 2013.pdf [318KB]}

- Reporting

URL/Attachment

- URL
- Attachment

File Attachment

{hyperlink:STC ESG Policy 2013.pdf [318KB]}

- We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

We have provided a copy of the 2013 ESG Policy, however there have been significant changes to State Super's approach to responsible investment during 2017/18 and as result this policy is under review with a new policy due for publication in 2018/19.

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1

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

 Yes**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

State Super's approach to avoiding, identifying and managing any conflicts of duties or interests are outlined in the State Super Conflicts Management Policy.

We recognise that Board members may face conflicts of interest in performing their official duties and responsibilities whilst on the Board of State Super. In such cases, disclosures must be made at the first available opportunity to the Chairperson for a decision as to what action should be taken to avoid or deal with the conflict. The Chairperson will make such disclosures to the Board. Any conflicts or potential conflicts raised at a Board or Committee meeting must be recorded in the Board or Committee minutes and, in a summarised form, in the Disclosure of Pecuniary Interests register, together with the actions taken. Staff may face conflicts of interest in performing their official duties and responsibilities whilst at STC. In such cases, disclosures must be made at the first available opportunity to the appropriate manager or CEO for a decision as to what action should be taken to avoid or deal with the conflict. In the case of the CEO, disclosure will be made to the Chairperson.

 No

Objectives and strategies

SG 05**Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

As a member of ACSI, State Super participates in the member council which sets engagement themes and priority issues for focusing on each year. Historically, State Super's approach to setting and reviewing RI related objectives has been undertaken on an ad hoc basis, however internal RI resourcing will be increased in 2018/19 so this will change significantly.

Governance and human resources

SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
---------	---

	Roles
--	-------

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

	Select from the below internal roles
--	--------------------------------------

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), 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
 - Chief Risk Officer**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Board level:

- Board - During the year the State Super Board were engaged to provide strategic input into the future direction for responsible investment at State Super. This engagement happened via a Board workshop.
- Board Investment Committee (BIC) - BIC members were regularly engaged on ESG issues across the pooled fund through updates at quarterly BIC meetings covering climate risk impacts, proxy voting and company engagement activities.

Internal roles:

- Management Investment Committee (MIC) - The Executive of State Super are responsible for monitoring RI activities including ESG risk exposure and management.
- CEO - As the Chair of the MIC and a participant in the Board Investment Committee, the CEO has oversight and accountability for the implementation of RI activities across the pooled fund.
- CIO - The CIO is accountable for the development, implementation and performance reporting of the State Super RI program.
- Chief Risk Officer (CRO) - The CRO provides oversight on RI through their participation on the MIC and provision of advice on ESG related risks.
- Portfolio managers - Across the pooled fund, asset class heads are responsible for the oversight of underlying managers and for reviewing the relevant compliance with exclusions and reporting on ESG performance.
- Investor relations - Internal investment governance and ad hoc implementation of RI was managed during the year by the Senior Manager, Investment Partnerships.

External roles:

- External managers or service providers - State Super expects external managers to undertake RI activities in its behalf - this is reflected by the inclusion of ESG compliance and reporting requirements in IMA's. State Super is also a member of ACSI, who provide a range of RI related project, research, engagement and advisory services.

SG 07.3

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

Number

0

SG 07.4

Additional information. [Optional]

State Super has historically not employed a dedicated RI staff member, with RI related activities generally implemented by a number of investment team members. In late 2017/18 a need for a dedicated RI staff member was identified, with a view for recruitment to be initiated in early 2018/19.

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

Promoting responsible investment

SG 09.1	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]
--	--

Historically State Super has had a high reliance on the work undertaken by ACSI, so has had some exposure to PRI activities through their partnership. This is in addition to the annual PRI reporting process undertaken by State Super.

- Asian Corporate Governance Association
- 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]

During 2017/18 the State Super CEO sat on the ACSI Board and the CIO participated in the ACSI Member Council.

- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

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]

State Super is a member of the 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]

State Super is a member of the IGCC and participated in the Disclosure Working Group during 2017/18.

- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- 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

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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- Yes
- No

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants

SG 12.2	Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.
---------	--

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

Asset class

- Listed Equity (LE)
 - Fixed income - SSA
 - Fixed income - Corporate (non-financial)
 - Fixed income - Securitised
 - 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 - SSA
 - Fixed income - Corporate (non-financial)
 - Fixed income - Securitised
 - Private equity (PE)
 - Infrastructure (INF)
 - Property (PR)
 - Other asset classes
- We do not use investment consultants for selection, appointment and monitoring of external managers.

SG 12.3

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

- Responsible investment is considered when evaluating investment consultants' investment beliefs, strategies and policies in the selection process.
- Responsible investment is considered when evaluating investment consultants' public commitment to, and promotion of, responsible investment in the selection process.
- Responsible investment is considered when reviewing investment consultants' approach to investment manager ratings, research and recommendations in the monitoring process.
- Consultants' responsibilities in terms of responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with the investment consultants.
- We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

SG 12.4

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation

Describe how responsible investment is incorporated

Our investment consultants incorporate climate risk factors into the annual investment strategy review process (which includes SAA).

- Investment research

Describe how responsible investment is incorporated

Our investment consultants provide ESG ratings and performance updates for prospective and current fund managers. Both maintain a central database with detailed information on the ESG credentials of fund managers, that can be accessed by the State Super investment team.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

SG 12.5

Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- Including responsible investment as a standard agenda item at performance review meetings
- Discussing whether the fiduciary manager has acted in accordance with your organisation’s overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- Reviewing the fiduciary manager’s PRI Transparency or Assessment reports
- Reviewing the fiduciary manager’s responsible investment reporting (excluding PRI generated reports)
- Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- Reviewing the fiduciary manager’s incorporation approaches of ESG through-out asset classes
- Reviewing the impact of ESG factors on financial performance
- Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- Including responsible investment criteria as a formal component of overall manager performance evaluation
- Reviewing the fiduciary manager’s ESG incorporation in external managers’ selection, appointment, monitoring
- Reviewing how ESG materiality is defined by the fiduciary manager
- Other general aspects of your monitoring; specify

other description

Reviewing proxy voting records

- We do not consider responsible investment in the monitoring processes for fiduciary managers.

SG 12.6

Describe the approach you take to monitoring your fiduciary managers and the reason(s) for this approach [Optional].

State Super is governed by the *Superannuation Administration Act 1996 (NSW)*, which set out the functions, duties, powers and obligations for the management of NSW government defined benefit liabilities and additional member contributions. The Superannuation Investment Management Services Order 2016 (the Order) is a NSW ministerial directive for the management of the defined benefit (DB) portfolio to be undertaken by TCorp. Under the Order, the Master Financial Services Agreement 2018 (MFSA) provides additional detail about broader responsible investment related services to be provided by TCorp across the DB portfolio, including:

Policy & reporting:

- "Advise on how to implement the State Super ESG policy where feasible (including providing input and advice on State Super's ESG and PRI obligations)"; and
- "Engage with State Super on its PRI and internal reporting requirements".

ESG risks:

- "Alerting State Super to emerging issues of which TCorp is aware and which TCorp considers could impact State Super's reputation"; and
- "Provide guidance and input on climate risk and exposures across the fund consistent with State Super's ESG policy".

Voting:

- "Provide forward looking guidance on contentious proxy voting matters and coordinate votes across Investment Managers as required";
- "Engage with investment managers on proxy voting and their own ESG policies and activities"; and
- "Provide information to, and receive input from the Client on contentious votes".

TCorp are required to provide regular reporting on the above to enable effective monitoring of RI related activities across the DB portfolio.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

Describe

The annual Investment Strategy Review for 2018 (which covers SAA) included scenario analysis on the impact of climate change on the risk and return characteristics of the fund.

- No, not to assess future ESG/climate-related issues

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

Asset class implementation not reported in other modules

SG 17

Mandatory

Public

Descriptive

General

SG 17.1

Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Hedge funds - DDQ	<div style="border: 1px solid black; padding: 5px;"> <p>Select whether you use the PRI Hedge Fund DDQ</p> <p><input type="radio"/> Yes</p> <p><input checked="" type="radio"/> No</p> </div>
Hedge funds	No specific ESG initiatives have been implemented across the strategies/managers in this classification, however the State Super exclusions are applied to any investments made in this asset class.
Cash	No specific ESG initiatives have been implemented across the strategies/managers in this classification, however the State Super exclusions are applied to any investments made in this asset class.
Other (1) [as defined in Organisational Overview module]	<p>Currency:</p> <p>No specific ESG initiatives have been implemented across the strategies/managers in this classification, however the State Super exclusions are applied to any investments made in this asset class.</p>

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

Selection, Appointment and Monitoring

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

SAS Trustee Corporation

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

Gateway

PRI 1

SAM 01.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity	FI - SSA	FI - Corporate (non-financial)	FI - Securitised
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	Listed Equity	FI - SSA				
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Thematic	<input type="checkbox"/>	<input type="checkbox"/>				
Integration	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>				

SAM 01.2

Additional information. [Optional]

Tobacco and controversial weapons are excluded across all asset classes.

We invest in a number of SRI optimised listed equity funds, however have not formally required managers historically to use thematics or ESG integration across all listed equity or fixed income mandates.

Selection

SAM 02.1	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers
-----------------	---

	LE	FI - SSA	FI - Corporate (non-financial)	FI - Securitised	Private equity	Property	Infrastructure
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No RI information covered in the selection documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	If you select any 'Other' option(s), specify
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Proxy voting policy and approach

SAM 02.2	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach
-----------------	--

	Strategy
--	----------

	LE	FI - SSA	FI - Corporate (non-financial)	FI - Securitised	Private equity	Property	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG people/oversight

	LE	FI - SSA	FI - Corporate (non-financial)	FI - Securitised	Private equity	Property	Infrastructure
Assess ESG expertise of investment teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Process/portfolio construction/investment valuation

	LE	FI - SSA	FI - Corporate (non-financial)	FI - Securitised	Private equity	Property	Infrastructure
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review how ESG materiality is evaluated by the manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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SAM 02.3 Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

SAM 02.4 When selecting external managers does your organisation set any of the following:

	LE	FI - SSA	FI - Corporate (non-financial)	FI - Securitised	Private equity	Property	Infrastructure
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 02.5 Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

ESG factors form part of the way State Super's asset consultants filter the investment universe. Once a manager has been appointed, ESG reporting forms part of the reporting requirements outlined in the Investment Management Agreement (IMA) for the manager, where relevant.

SAM 03	Mandatory	Public	Additional Assessed	PRI 2
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SAM 03.1 Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.

Engagement

	LE				
Review the manager's engagement policy	<input checked="" type="checkbox"/>				
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>				
Ensure whether engagement outcomes feed back into the investment decision-making process	<input type="checkbox"/>				
Other engagement issues in your selection process specify	<input type="checkbox"/>				

(Proxy) voting

	LE
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input checked="" type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input type="checkbox"/>
Ensure whether voting outcomes feed back into the investment decision-making process	<input type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/>

SAM 03.2 Describe how you assess if the manager's engagement approach is effective.

- Impact on investment decisions
- Financial impact on target company or asset class
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

SAM 03.3 Describe how you assess if the manager’s voting approach is effective/appropriate

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

SAM 03.4 Additional information [OPTIONAL]

Historically State Super has relied on the active ownership services provided by ACSI and voting services provided by external managers. Opportunities to enhance ESG integration and active ownership and stewardship by managers will be pursued following the development of a new Responsible Investment Policy in 2018/19.

Appointment

SAM 04

Mandatory

Public

Core Assessed

PRI 1

SAM 04.1 Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)

specify

State Super commends the use of the ACSI Governance Guidelines.

- Other, specify (2)
- None of the above

SAM 04.2 Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers’ appointment.

Asset class

- Listed equity (LE)

Benchmark

- Standard benchmark
- ESG benchmark, specify

MSCI-World ex Australia ex Tobacco ex Controversial Weapons & MSCI World ex Aus Select
ESG Low Carbon Integrated

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
 - State Super will not invest in companies that are directly involved in the manufacture or production of controversial weapons and tobacco products.
- ESG integration, specify
- Engagement, specify
- Voting, specify
 - State Super has historically directed external fund managers to undertake voting on its behalf, however retains the right to override voting decisions should the issue be deemed of significant risk to the portfolio.
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested
- Fixed income - SSA (SSA)

Benchmark

- Standard benchmark, specify
 - Bloomberg Ausbond Govt 10+
- ESG benchmark, specify

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
 - State Super will not invest in companies that are directly involved in the manufacture or production of controversial weapons and tobacco products.

- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly
- Fixed income - Corporate (non-financial)

Benchmark

- Standard benchmark, specify
Bloomberg Global High Yield
- ESG benchmark, specify

ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify
State Super will not invest in companies that are directly involved in the manufacture or production of controversial weapons and tobacco products.
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Fixed income - Securitised

Benchmark

- Standard benchmark, specify
Credit Suisse Western European Leveraged Loan Index Hedged to AUD
- ESG benchmark, specify

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
State Super will not invest in companies that are directly involved in the manufacture or production of controversial weapons and tobacco products.
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Private equity

Benchmark

- Standard benchmark, specify
CPI + 9%

ESG benchmark, specify

ESG Objectives

ESG related strategy, specify

ESG related investment restrictions, specify

State Super will not invest in companies that are directly involved in the manufacture or production of controversial weapons and tobacco products.

ESG integration, specify

Engagement, specify

Voting, specify

Promoting responsible investment

ESG specific improvements

Other, specify

Incentives and controls

We do not set incentives and controls

Reporting requirements

Ad-hoc/when requested

Annually

Bi-annually

Quarterly

Monthly

Property

Benchmark

Standard benchmark, specify

FTSE EPRA/NAREIT Developed Rental Index Hedged to AUD

ESG benchmark, specify

ESG Objectives

ESG related strategy, specify

State Super will not invest in companies that are directly involved in the manufacture or production of controversial weapons and tobacco products.

ESG related investment restrictions, specify

ESG integration, specify

Engagement, specify

Voting, specify

Promoting responsible investment

ESG specific improvements

Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Monthly
 - Quarterly
 - Bi-annually
 - Annually
 - Ad-hoc/when requested
- Infrastructure

Benchmark

- Standard benchmark, specify
FTSE Developed Core Infrastructure 50/50
- ESG benchmark, specify

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
State Super will not invest in companies that are directly involved in the manufacture or production of controversial weapons and tobacco products.
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

SAM 04.3

Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

SAM 04.4

Provide additional information relevant to your organisation’s appointment processes of external managers. [OPTIONAL]

The due diligence process prior to manager appointment includes an assessment of a manager’s organisational commitment to considering ESG issues in its investment process and the effectiveness of this in both the security valuation and portfolio construction. In terms of organisational commitment, we and our consultant seek to confirm to what degree ESG issues are given serious consideration from senior management through to portfolio managers and research analysts and that it is clearly articulated in policy documents where possible. Our consultant seeks to understand how ESG factors or considerations are incorporated into the investment process, with a view to how well integrated the adopted approach is to the investment philosophy, whether this is adopted at an appropriate level of materiality, and whether this is incorporated in the investment culture of the entire investment team (i.e. not just those with responsible investment titles). This part of the due diligence process seeks to understand whether the integration of ESG issues is likely to be supportive of enhanced returns and/or mitigating risks for the portfolio of listed assets. Consideration is also given to the level and type of engagements with security issuers and approach to voting on securities by the manager and whether these are likely to be in confluence with our preferred approach. Assessments by the consultant prior to appointment include a specific rating on ESG issues and this may influence the overall rating of the prospective mandate. Historically there has been more emphasis placed on ESG integration for active fundamental management and for external managers that have more of a medium to longer term valuation focus embedded in their investment approach. Even for those managers with quantitative processes and shorter dated investment horizons, we note there is now considerable data available on ESG (and its components). We expect these managers will have researched the potential for ESG signals to be additive signals and included in the investment process, if they justify the same thresholds for inclusion as other tested signals.

Monitoring**SAM 05****Mandatory****Public****Core Assessed****PRI 1****SAM 05.1**

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE						Property	Infrastructure
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG portfolio characteristics	<input checked="" type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
Information on any ESG incidents	<input checked="" type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
Metrics on the real economy influence of the investments	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
PRI Transparency Reports	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
PRI Assessment Reports	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
Changes to the oversight and responsibilities of ESG implementation	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>

SAM 05.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE							Property	Infrastructure
ESG score	<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
ESG weight	<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
ESG performance minimum threshold	<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 06	Mandatory	Public	Additional Assessed	PRI 1
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SAM 06.1 When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement

	LE				
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input type="checkbox"/>				
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input type="checkbox"/>				
Information on any escalation strategy taken after initial unsuccessful dialogue	<input type="checkbox"/>				
Alignment with any eventual engagement programme done internally	<input type="checkbox"/>				
Information on the engagement activities' impact on investment decisions	<input type="checkbox"/>				
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>				
None of the above	<input checked="" type="checkbox"/>				

(Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/>
Report on voting decisions taken	<input checked="" type="checkbox"/>
Adherence with the agreed upon voting policy	<input type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 07	Mandatory	Public	Core Assessed	PRI 2
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SAM 07.1 For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

Votes cast (to the nearest 5%)

	%
--	---

97

	Specify the basis on which this percentage is calculated.
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- 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 collect this information.

Outputs and outcomes

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1 Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	Integration of ESG capabilities and performance into fund manager ratings and recommendations.
Conducted by	<input type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised <input type="checkbox"/> Private equity <input type="checkbox"/> Property <input type="checkbox"/> Infrastructure
Scope and process	During the year, our external asset consultants continued to improve the way they integrate ESG factors into manager ratings and recommendations.
Outcomes	Improved manager selection that better reflects ESG risk assessment and management.

Add Example 2

Topic or issue	Integration of ESG factors into State Super due diligence process.
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised <input type="checkbox"/> Private equity <input type="checkbox"/> Property <input type="checkbox"/> Infrastructure
Scope and process	State Super expanded the breadth and depth of ESG questions included within the internal due diligence questionnaire that is issued to all new managers across all asset classes in the DC portfolio.
Outcomes	A more robust approach to assessing ESG capabilities and performance is now included in the internal State Super due diligence process for new managers.

Add Example 3

Topic or issue	Inclusion of ESG reporting requirements in IMAs
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised <input type="checkbox"/> Private equity <input type="checkbox"/> Property <input type="checkbox"/> Infrastructure
Scope and process	<p>All new listed equities managers are required to provide an annual statement regarding:</p> <ul style="list-style-type: none"> • The extent to which they took ESG factors into account in the selecting, retaining or realising investments in the portfolio; • How ESG issues are taken into account into the portfolio; • Examples of stocks that were divested, avoided or down-weighted in the portfolio because they did not meet ESG factors; and • Examples of stocks that were added, or up-weighted in the portfolio because they met ESG factors.
Outcomes	Increased transparency of ESG integration by newly appointed external managers.

- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

SAS Trustee Corporation

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.

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy.

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

[File 1:STC ESG Policy 2013.pdf](#)

URL provided:

LEA 01.3

Indicate what your active engagement policy covers:

General approach to active ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;
- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other specify;
 - Other
 - None of the above
- No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes

LEA 01.5 Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following.

- Outline of service providers role in implementing organisation’s active ownership policy
 - Description of considerations included in service provider selection and agreements
 - Identification of key ESG frameworks service providers must follow
 - Outline of information sharing requirements of service providers
 - Description of service provider monitoring processes
 - Other, specify
 - None of the above
- No

LEA 01.6 Additional information [optional]

We conduct engagement with ASX-listed companies in collaboration with our external ESG provider ACSI, who reference the ACSI Governance Guidelines as a key ESG framework governing active ownership activities.

Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

LEA 02.2

Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

Yes

LEA 02.3

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- Discuss the topic (or ESG issue(s)) of engagement
- Discuss the rationale for engagement
- Discuss the objectives of the engagement
- Select the companies to be engaged with
- Discuss the frequency/intensity of interactions with companies
- Discuss next steps for engagement activity
- Participate directly in certain engagements with your service provider
- Other; specify
- We play no role in engagements that our service provider conducts.

No

LEA 02.4

Additional information. [Optional]

State Super contribute to the annual identification of issues for engagement through participation on the ACSI Member Council. Progress reports and presentations are provided on a semi-annual basis. State Super representatives also have the opportunity to participate in company engagements undertaken by ACSI.

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2 Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements																										
Service Provider engagements	<table border="1"> <tr> <td></td> <td>Service Provider engagements</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Geography / market of the companies</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Materiality of ESG factors</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Exposure (size of holdings)</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Responses to ESG impacts that have already occurred</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Responses to divestment pressure</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Consultation with clients/beneficiaries</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Follow-up from voting decision</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Client request</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Breaches of international norms</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other, specify</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not outline engagement criteria for our service providers.</td> </tr> </table>		Service Provider engagements	<input checked="" type="checkbox"/>	Geography / market of the companies	<input checked="" type="checkbox"/>	Materiality of ESG factors	<input checked="" type="checkbox"/>	Exposure (size of holdings)	<input checked="" type="checkbox"/>	Responses to ESG impacts that have already occurred	<input type="checkbox"/>	Responses to divestment pressure	<input checked="" type="checkbox"/>	Consultation with clients/beneficiaries	<input type="checkbox"/>	Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)	<input checked="" type="checkbox"/>	Follow-up from voting decision	<input type="checkbox"/>	Client request	<input type="checkbox"/>	Breaches of international norms	<input type="checkbox"/>	Other, specify	<input type="checkbox"/>	We do not outline engagement criteria for our service providers.
	Service Provider engagements																										
<input checked="" type="checkbox"/>	Geography / market of the companies																										
<input checked="" type="checkbox"/>	Materiality of ESG factors																										
<input checked="" type="checkbox"/>	Exposure (size of holdings)																										
<input checked="" type="checkbox"/>	Responses to ESG impacts that have already occurred																										
<input type="checkbox"/>	Responses to divestment pressure																										
<input checked="" type="checkbox"/>	Consultation with clients/beneficiaries																										
<input type="checkbox"/>	Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)																										
<input checked="" type="checkbox"/>	Follow-up from voting decision																										
<input type="checkbox"/>	Client request																										
<input type="checkbox"/>	Breaches of international norms																										
<input type="checkbox"/>	Other, specify																										
<input type="checkbox"/>	We do not outline engagement criteria for our service providers.																										

No

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1 Indicate whether you define specific objectives for your organisation's engagement activities.

Service provider engagements	<p><input checked="" type="radio"/> All engagement activities</p> <p><input type="radio"/> Majority of engagement activities</p> <p><input type="radio"/> Minority of engagement activities</p> <p><input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers.</p>
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LEA 04.2	Additional information. [Optional]
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For ACSI's priority engagement companies, specific engagement issues are defined at the start of the year. For all other companies, ACSI outlines key engagement topics and objectives prior to the meeting.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate if you monitor and/or review engagement outcomes.
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Service provider engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our service providers.
------------------------------	--

LEA 05.2	Indicate if you do any of the following to monitor and review the progress of engagement activities.
-----------------	--

Service provider engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify
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LEA 06	Mandatory	Public	Additional Assessed	PRI 2,4
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LEA 06.1	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.
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Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
 - Issuing a public statement
 - Filing/submitting a shareholder resolution
 - Voting against the re-election of the relevant directors
 - Voting against the board of directors or the the annual financial report
 - Submitting nominations for election to the board
 - Seeking legal remedy / litigation
 - Reducing exposure (size of holdings)
 - Divestment
 - Other, specify
- No

LEA 07**Voluntary****Public****Additional Assessed****PRI 1,2****LEA 07.1**

Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Service provider engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2

Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing engagement programme
 - Holding investment team meetings and/or presentations
 - Using IT platforms/systems that enable data sharing
 - Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
 - Other; specify
- State Super may decide to override external fund manager voting decisions based on feedback from ACSI following their engagement with particular companies.
- None

LEA 07.3

Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Service provider engagements	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No

LEA 07.4 Additional information. [Optional]

Reports, initiatives and other output from ACSI is distributed internally to the relevant sector heads. The information is not shared with STC's external managers.

LEA 08 **Mandatory** **Public** **Gateway** **PRI 2**

LEA 08.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking 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"/> We do not track

LEA 08.2 Additional information. [OPTIONAL]

ACSI tracks all formal company engagement meetings and provides semi-annual engagement updates to members.

SAS Trustee Corporation

Reported Information

Public version

Confidence building measures

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.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07

Mandatory

Public

Descriptive

General

CM1 07.1

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)