CLIMATE TRANSPARENCY REPORT

2019

Vision Super

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response.The full Public Transparency Report is available here(https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-4C805819-B785-447E-8FC6-7081870A9ADD/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/).It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as "private". Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the PRI website and on the Data Portal.

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose.The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column “Indicator”, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

PRI Principles for Responsible Investment

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Vision Super
Signatory Category	Non-corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US$ 5 - 9.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2006
Region	Oceania
Country	Australia
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

Vision Super

Reported Information

Public version

Strategy and Governance

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.

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
☑ Policy setting out your overall approach	○ Applicable policies cover all AUM
☑ Formalised guidelines on environmental factors	◉ Applicable policies cover a majority of AUM
☑ Formalised guidelines on social factors	○ Applicable policies cover a minority of AUM
☑ Formalised guidelines on corporate governance factors	
☐ Fiduciary (or equivalent) duties	
☐ Asset class-specific RI guidelines	
☐ Sector specific RI guidelines	
☑ Screening / exclusions policy	
☐ Engagement policy	
☐ (Proxy) voting policy	
☑ Other, specify (1)	
Collaboration, Engagement & Climate Change	
☑ Other, specify(2)	
Manager Selection & Appointments, Monitoring & Reporting	

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.

The Board of Vision Super is guided by a set of Investment Beliefs when decisions are made about the investment portfolio on behalf of members and sponsors. The Defined Benefit Plan and MySuper Option have tailored beliefs due to their specific circumstances. We also have a number of Investment Beliefs that are common to all investment options.

As outlined with our investment belief number 3, we believe that environmental, social and governance (ESG) issues and sustainability considerations are important within the context of optimising net risk-adjusted returns.

Furthermore, Vision Super recognises that it has a primary responsibilty that is long-term in nature and that the long term prosperity of the economy and the well-being of members depend on a healthy enviornment, special cohesion and good governance within the Fund's operations and the companies in which it invests.

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]

The Board formulates an investment strategy for each investment option. Collectively these strategies, together with the investment strategies for the reserve accounts make up the investment strategy for Vision Super.

The Fund has an overall investment objective to maximize returns in line with the return targets after taking into account the risks associated with various types of investments.

The following table summarized the return and risk objective for each investment option:

From a whole of fund level we believe that environmental, social and governance issues and sustainability considerations are important within the context of optimizing net risk-adjusted returns.

ESG considerations are included in our fund-wide investment beliefs which guide the decisions we make about our investment portfolios.

Furthermore;

- We believe we have a responsibility to act on members' environmental and ethical concerns
- We encourage an orderly transition to a low carbon economy
- We believe a price should be set on carbon&
- We actively engage with our partners, organizations and community groups to make it happen.

In addition, Vision Super has implemented a Sustainable Balanced Investment Option and votes in favor of sensible climate risk ballot resolutions at company Annual General Meetings.

○ 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

SG 01 CC	Voluntary	Public	Descriptive	General

SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

We ask all our fund managers questions on how they are considering climate-risks and are evaluated on the quality of the timeliness around their responses.

As example, some of our active global equity portfolios which are highly growth focused. These fundamental investment managers focus on growth and innovation, and strive to identify exceptional businesses that are on the right side of changes affecting their industries and the markets they serve (typically operate in less carbon-intensive industries). In the shift to a low-carbon economy, they believe that many of their portfolios businesses are facilitators of that shift while others are poised to be beneficiaries..

These fund managers seek to manage climate risks in two ways. First, their investment criteria tend to lead them to high growth companies that typically operate in less carbon-intensive industries. Second, in the course of conducting their fundamental research, they are attuned to how climate risks may affect a business's long term value creation.

Some portfolios have an average weighted carbon intensity significantly lower than the benchmark over time and in the advent of the TCFD recommendations, our managers intend to evaluate their strategy pertaining to climate change to ensure they can meet clients' evolving policy and reporting needs.

Our fund managers also in the course of conducting their fundamental research, are attuned to how climate risks may affect a business's long term value creation.

Furthermore, active managers are required to factor in the transition to a 2 degree aligned economy, and are regally engaged on how climate-risks are factored into the assessment of particular portfolio positions. This position changed to a 1.5 degree aligned economy in October 2018 following the IPCC report revising the "safe" level of warming human civilisation can tolerate.

Vision Super had also previously submitted a letter to every Federal parliamentarian in Australia asking for certainty and bi-partisanship around energy policy and progress in transitioning to a zero-degree world.

The Fund also offers its members the option of investing in a sustainable super solutions product, which is a passively managed 100% low-carbon benchmark which has gathered a favorable response from our members on account of its low-cost and low-carbon features. The Australian and international passive equity portfolios are managed to a low carbon mandate and we ensure we seen a strong message through our voting for specific climate change risk resolutions on a case by case basis.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

○ Yes

◉ No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?

◉ Yes

○ No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

○ Yes

◉ No

SG 01.11 CC	Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

Vision Super has made a formal statement to become carbon netrual by 2050. The fund is considering a roadmap of how we can best acheive this objective.

Vision Super is integrated into the Australian economy and its invested are integrated into the global economy. We have to act within that context so are transition, and the pace it occurs at will depend on what is happenoing more broadly. As we note elsewhere in this submission, a focus on the demand side of the equation has barely been mentioned or begin to be dealt with and yet it will be critical. And this will involve massive cultural change.

Vision Super also integrates valuation into its consideration of clinate risk. We also integrate community expectations and standards into our approach. For example, while there might be an appropriate price for carbon intensive assets in considering a transition to a zero carbon world, we will no longer invest in companies generating significant revenues from thermal coal mining nor tarsands. One difficulty we face is that in our view investment managers are generally well behind the pace in managing carbon risk with some notable exceptions.

Vision Super also does not consider climate-related risks in isolation. In our view, inequality (sometimes manifested through excessive executive remuneration) impacts on a societie's ability to make effective decisions on climate change for example. Gender and other forms of diversity, particularly wealth diversity, can lead to better governance and decision making at companies and other bodies.

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

☑ Public PRI Climate Transparency Report

☐ Annual financial filings

☐ Regular client reporting

☑ Member communications

☐ Other

SG 02	Mandatory	Public	Core Assessed	PRI 6

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.

☑ Policy setting out your overall approach

	URL/Attachment

☐ URL

☑ Attachment (will be made public)

Attachment

[File 1:Visions Super ESG Policy V2.2 Approved 14 Dec 2018.pdf]

☐ Formalised guidelines on environmental factors

☐ Formalised guidelines on social factors

☐ Formalised guidelines on corporate governance factors

☑ Screening / exclusions policy

URL/Attachment

☐ URL

☑ Attachment (will be made public)

Attachment

[File 1:Visions Super ESG Policy V2.2 Approved 14 Dec 2018.pdf]

☑ Other, specify (1)

Other, specify (1) description

ACSI's Governance Guidelines November 2017

URL/Attachment

☑ URL

URL

{hyperlink:https://acsi.org.au/images/stories/ACSIDocuments/ACSI-Governance-Guidelines.Nov17.pdf}

☑ Attachment (will be made public)

Attachment

[File 1:ACSI-Governance-Guidelines.Nov17.pdf]

☑ Other, specify (2)

Other, specify (2) description

Active Ownership - Reporting and Transparency. <w:br />We report our voting cards after the conclusion of annual company meetings along with annual reporting and ratings/assesements.

URL/Attachment

☑ URL

	URL

{hyperlink:https://www.visionsuper.com.au/investments/active-ownership}

☐ Attachment (will be made public)

☐ 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

	URL

{hyperlink:https://acsi.org.au/images/stories/ACSIDocuments/ACSI-Governance-Guidelines.Nov17.pdf}

☑ Attachment

	File Attachment

{hyperlink:Visions Super ESG Policy V2.2 Approved 14 Dec 2018.pdf [105KB]}

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

	URL/Attachment

☑ URL

	URL

{hyperlink:https://www.visionsuper.com.au/investments/our-investment-beliefs}

☐ Attachment

☐ Time horizon of your investment

☑ Governance structure of organisational ESG responsibilities

	URL/Attachment

☐ URL

☑ Attachment

	File Attachment

{hyperlink:Visions Super ESG Policy V2.2 Approved 14 Dec 2018.pdf [105KB]}

☑ Reporting

	URL/Attachment

☑ URL

	URL

{hyperlink:https://www.visionsuper.com.au/sustain}

☑ Attachment

	File Attachment

{hyperlink:Vision Super Corporate Responsibility Report 2017.pdf [1527KB]}

☑ Climate change

	URL/Attachment

☑ URL

	URL

{hyperlink:https://aodproject.net/wp-content/uploads/2018/06/AODP-WinningStrategiesReport.pdf}

☑ Attachment

	File Attachment

{hyperlink:CAT team letter mail merge MPs.pdf [168KB]}

☐ We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].

For SG 02.2:

Refer: https://acsi.org.au/images/stories/ACSIDocuments/ACSI-Governance-Guidelines.Nov17.pdf

We disclose on our our Proxy Voting for our equity holdings over the 2018 financial reporting period located as follows:

https://www.visionsuper.com.au/investments/active-ownership

Vision Super participated in the Responsible Investment Association Australasia (RIAA) Super Fund Responsible Investment Benchmark Report for 2018, ranking in the leading responsible investments super funds in the country for 2018. This was a big body or work and we were assessed across the five pillars of RIAA's assessment framework where we articulated and demonstrated a "comprehensive" scale on responsible investment approaches on at least 4 out of 5 pillars to gain the final overall rating of "comprehensive" in 2018, highlighting leading best practice among the super industry.

https://responsibleinvestment.org/superfund-benchmark-report/

From a social perspective, we have joined the coalition calling for better workforce reporting and become a signatory to the Workforce Disclosure Initiative (WDI). Its main objective is to bring investors together to secure comparable workforce reporting from listed companies on an annual basis. The data requested covers employees in companies' global operations and workers in their supply chains is modeled on the Carbon Disclosure Project.

The initiative builds on existing reporting standards, and the data requested form companies covers workforce composition, stability, development, and worker engagement. As at December 2017, the WDI is backed by over 90 institutional investors, responsible for more than $8.6 trillion in assets.

During 2018, we were invited to participate in the Asset Owners Disclosure Project Global Climate Risk Index out-of-scope assessment based of this year's methodology without inclusion in the main index offering a public rating badge on our assessment and approach to ESG.

The Fund is also a member of the national City Switch Green Office program which helps organizations to achieve office energy efficiency and reduce carbon emissions and also has a comprehensive recycling system within the office in order to reduce waste.

Furthermore, the Fund is involved in the community outside of super. Each year, we support a number of grassroots events, where we get the opportunity to give back to our members and their local communities.

Over the last three years our Vision Super staff raised over $80,000 for the Snowdome Foundation, Kidney Health Australia, Carers Victoria and the Royal District Nursing Service through staff participation in the Murray to Moyne cycling event.

We are also funding a three-year blood cancer research fellowship through the unique cancer research organisation and the Peter MacCallum Cancer Centre.

Through social activities, our staff also regularly fundraise for charities including the Prostate Cancer Foundation of Australia, and the Cancer Council Australia. These activities see our diverse range of staff work together to contribute to worthwhile causes. This year, a Vision Super team will participate in the Mothers Day Classic, raising money for breast cancer research, and we have a variety of other charity fundraising events planned throughout the year.

We are committed to caring for Victorian communities and organisations that offer positive, sustainable and practical help for all Victorians. Our key community and industry partners include the following:

- Snowdome Foundation: Formed in 2010, the Snowdome Foundation is dedicated to improving outcomes for Australians with blood cancers and diseases. Over 25% of our insurance claims are cancer-related and sadly 46% of Vision Super members' deaths have been caused by cancer. We decided we need to do more to help prevent the devastation this creates for our members and their families, as well as the wider community. Over the last three years, we've made a significant difference to the world of genomics for Australian blood cancer patients, through our support of the Snowdome Foundation. The collaborative partnership between Vision Super and Snowdome has had a positive impact on the lives of many blood cancer patients.
- Murray to Moyne: Vision Super has had a team participate in the long-running cycle relay, Murray to Moyne, for the last three years. It is a 24-hour team relay across rural Victoria, raising funds for a variety of charities, including Snowdome, Kidney Health Australia, Carers Victoria and the Royal District Nursing Association.
- ME Bank: ME Bank was created in 1994 to help everyday Australians reach the dream of owning their own home. Now ME is a fully fledged bank, with profits going back to the industry super funds that own them.
- Prostate Cancer Foundation of Australia: Prostate Cancer Foundation of Australia (PCFA) is a broad-based community organisation and the peak national body for prostate cancer in Australia.
- Municipal Association of Victoria (MAV): The MAV are the legislated peak body for local government in Victoria. Formed in 1879, we have a long and proud tradition of supporting councils and councillors.
- Australian Services Union (ASU): Representing the interests of approximately 135,000 members across the country, the Australian Municipal, Administrative, Clerical and Services Union, trading as the Australian Services Union or, just simply, the ASU, is one of the largest trade unions in Australia.
- Victorian Water Industry Association: The Victorian Water Industry Association (VicWater) is the peak industry association for water businesses in Victoria.
- Victorian Chamber of Commerce and Industry: The Victorian Chamber of Commerce and Industry is the peak body for business in Victoria, informing and servicing more than 15,000 members, customers and clients around the State.

The Fund has replaced two of its fleet cars with hybrid Toyota Corollas, and we have a commitment to move our entire fleet to hybrid, electric or other innovative vehicles as options become available that meet our needs. The hybrid Toyotas use significantly less fuel - around 4.5 liters per 100 kilometers, compared with an average of 10.2 liters for the rest of the fleet and use fully recyclable batteries.

To reduce paper consumption Vision Super has pass code printing, which means employees can print only after swiping their security pass at the printer. This has reduced uncollected printing at all our printers throughout the office.

SG 07 CC	Voluntary	Public	Descriptive	General

SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

☑ Oversight/accountability for climate-related issues

☐ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Other Chief-level staff or head of department

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Portfolio managers

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Investment analysts

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Dedicated responsible investment staff

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Investor relations

☑ Oversight/accountability for climate-related issues

☐ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	External managers or service providers

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Other role, specify (1)

	Other description (1)

ESG/Climate Action Team

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The Trustee considers ESG risks to be material risks that have the potential to affect the interests of the members of the Fund. Specifically, the Trustee identifies climate change risk as a primary concern among environmental risks. In addition ignoring sustainable investment opportunities such as energy efficiency, water and waste management in investment portfolios may lead to a loss of value and materially increase risk.

The Trustee considers climate change to be one of the greatest environmental risks that its investment portfolio faces. The Trustee is committed to:

- Managing the risks and taking advantage of the opportunities associated with climate change;
- Monitoring the carbon performance of the portfolio and striving for improvements;
- Ensuring that climate change risks are considered by the Trustee's advisors and investment managers including proper assessment of the data available and full company disclosures;
- Ensuring that climate change risks are analysed as part of the due diligence procedures for new investments; and
- Participating in climate change related collaborative initiatives.

ACSI, on behalf of members, managers and monitors climate-related priority companies and provides updates to member funds via formal semi-annual engagement reports and other informal member briefings on a quarterly basis. These reports track progress on climate-related objectives for specific companies and provides updates on broader climate change trends in the market.

Note: The reference to 'informal member briefings' above relates to shorter updates provided at Member Council meetings.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.

Management conducts a formal review of its ESG policy minimum annually which is considered by the Investment Committee and the Board.

Furthermore, management is constantly looking to improve and extend what we do. In our annual reviews we assess efficacy including a review of our proxy voting, impact on returns and use of resourcing.

The internal investment team looks to implement any decision making in the most efficient and as soon as practical without adversely affecting returns to its members. This can be fairly rapid for liquid investments (generally less than 6 months) but can take longer for unlisted/private market investments.

Management also has a regular schedule of reviews for each product on an annual basis and performance against responsible investment strategies and objectives form part of this review.

Lastly, ESG integration is managements preferred approach, however,we do not believe that many managers do this effectively.

ACSI, on behalf of members, managers and monitors climate-related priority companies and provides updates to member funds via formal semi-annual engagement reports and other informal member briefings on a quarterly basis. These reports track progress on climate-related objectives for specific companies and provides updates on broader climate change trends in the market.

Management can also be informed on climate-related issues through ACSI's Member Council and climate specific events and meetings.

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.

☐ Incorporation of TCFD in Annual Report

☐ Incorporation of TCFD in regular client reporting

☐ Request that investment managers complete PRI Climate indicators

☑ Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1

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

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

SG 13.3	Additional information. [OPTIONAL]

Whilst we not undertaken any major work around scenario analysis to this point, we have attended sessions conducted by MSCI and more recently through "The 2° Investing Initiative" around the development of tier climate change scenario based analysis Paris Agreement Capital Transition Assessment (PACTA) tool. We aim to upload our portfolios into the tool platform and test the tool for our portfolios during the second half of 2019.

Baillie Gifford who is a global equities manager within our configuration, for all their bottom-up equity strategies, all investments are considered based on fundamental analysis of each company on a case-by-case basis. Their Multi-Asset investment strategy has considered the financial impact across asset classes of an 'extreme weather event' physical climate risk scenario, for example. This strategic analysis has some relevance to other strategies, including Long Term Global Growth, due to the inclusion of listed equities as an asset class.

From 2013 to 2015, Baillie Gifford was a research partner in Mercer's 'Investing in a Time of Climate Change' report, supporting industry collaboration and standardization of climate scenario identification, risk factors and investment return modelling.

We have done begun work on the transition pathway initiative software.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

☑ Changing demographics

☑ Climate change

☑ Resource scarcity

☑ Technological developments

☑ Other, specify(1)

	other description (1)

Our external ESG provider ACSI uses company engagement and proxy voting for ASX-listed companies as a tool for managing climate change risks and opportunities.

☐ Other, specify(2)

☐ None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

☐ Established a climate change sensitive or climate change integrated asset allocation strategy

☑ Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		2	183	549	904
Currency	AUD				
Assets in USD		1	610	362	106

	Specify the framework or taxonomy used.

Australian Equities Passive Low Carbon Portfolio

The mandate is optimized to ensure its carbon footprint is below that of the benchmark. The manager divides a companies' total carbon output by its market capitalization and then they calculate a measure of how much carbon is emitted per dollar invested. Applying this across the portfolio shows the amount of carbon emitted by that portfolio 's holding. The optimization of the portfolio is then designed to result in a portfolio which emits less carbon that a similarly sized index portfolio would emit to a specified level.

The optimization is run when the carbon abetment falls beneath trigger level, and the portfolio is then taken back to target level. This is done to control carbon whilst aloes controlling turnover.

The portfolio seeks to underweight those companies within GICS classification which are the most carbon intensive in favor of the more carbon economical names in the same classification.

International Equities Passive Low Carbon Portfolio

The international mandate applies the MSCI Low Carbon Index where essentially the manager is investing in companies that have a 70% lower carbon exposure that the rest of the market.

☑ Phase out your investments in your fossil fuel holdings

☑ Reduced portfolio exposure to emissions intensive or fossil fuel holdings

☑ Used emissions data or analysis to inform investment decision making

☑ Sought climate change integration by companies

☑ Sought climate supportive policy from governments

☑ Other, specify

	other description

Our external engagement provider ACSI has been engaging with large domestic listed companies in the energy, resources and banking sectors on our behalf.

☐ None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

☑ Scenario analysis

☐ Disclosures on emissions risks to clients/trustees/management/beneficiaries

☐ Climate-related targets

☑ Encouraging internal and/or external portfolio managers to monitor emissions risks

☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers

☑ Weighted average carbon intensity

☑ Carbon footprint (scope 1 and 2)

☐ Portfolio carbon footprint

☐ Total carbon emissions

☑ Carbon intensity

☐ Exposure to carbon-related assets

☐ Other emissions metrics

☑ Other, specify

	other description

Initiatives around low carbon passive equity portfolios and exclusion of biggest carbon emitting issuers from our Australian passive bond portfolio.

☐ None of the above

SG 14.5	Additional information [Optional]

Further to SG 14 .1 "Other Specify 1" above:

ACSI has been engaging with ASX companies for years on the disclosure and integration of climate-related risks and opportunities. ACSI engages with a broad range of companies on climate risk and also prioritises particular companies based on materiality and exposure.

ACSI also uses proxy voting as a mechanism to create engagement on climate-related resolutions and as a tool for signalling where improvement on climate-related issues can be made.

Further to SG 14.6 "Limitations & Weaknesses":

Data relating to Scope 3 emissions which are generally referenced as emissions that are a consequence of the operations of an organisation but are not directly owned or controlled by the organisation (i.e. indirect emissions due to activities of an organisation) are not very reliable and accurate. Scope 3 requires much more deeper thought and evaluation.

Furthermore, a shift to a low carbon investment again reinforces Vision Super's commitment to sustainable investment, which has included over a decade of major investment in renewable energy, wind, solar and hydro power. Vision Super wants Australia to become a zero carbon emission economy , but we know that it will take some time to transition to renewable and completely replace fossil fuels - including gas. In the meantime, Vision Super has adopted a sound ESG policy, a low carbon philosophy and has invested in lower carbon share indexes for our passive equity mandated portfolios. Vision is concerned about the lack of focus on demand management which will be required if the transition is to be successful.

The Fund reviews its carbon intensity reporting provided from Sustainalytics which is reported in the Annual Corporate Responsibility Report available on our website. This analysis on our equity portfolio holdings inclusive of GREIT's exposures.

For our active fund managers, its important to us that they have elements embedded within their process for similar ESG considerations and take into account our ESG Policy framework. With these managers we ask of them to account for the impact of phasing our fossil fuel usage and in line with the Paris Agreement limiting global warming to no more than two degrees celcius and above the pre-industrial global mean temperature.

Furthermore, Vision Super welcomes the renewed global focus on emission reductions as a result of the 2015 Paris Climate Summit, particularly as large scale change is needed for Australia's current energy mix to shift from 10% produced by renewable and 90% from fossil fuels. Stronger climate policy - such as carbon pricing and ambitious renewable energy targets, will speed up the transition to a low carbon future by leveling the playing field for renewable over fossil fuels.

The Fund was ranked 19th out of the world's 500 largest investors for our action on climate change in the the 2017 Global Climate Index by the Asset Owners Disclosure Project (AODP). The Global Climate Index ranks asset owners, fund managers and insurance firms, on how they manage climate risk in their investment portfolios. Vision Super received a "AA" rating in the index, placing us in the leading top 6% of asset owners in the world when it comes to managing climate risk and the top four responsible asset owners in Australia.

The Fund has also established a Climate and ESG Action Team which was formed to manage climate risk issues at a Fund level and strive to push for policy changes that are essential at a local and international level.

Vision Super recently signed up to the Paris Pledge for Action - an initiative aligned with the 2015 UN Climate Talks in Paris encouraging all organizations, businesses, regions, cities, and investors to strive for a 50% cent carbon emission reduction by 2030. It will set a goal of being carbon neutral by 2050.

Vision Super also signed the global investor letter to the G7 and G20 on climate change which was released in late August in advance of the G20 Leaders Meeting in September. Our contribution here was on the basis of supporting government leadership on climate change in the wake of the historic adoption of the Paris Agreement in December 2015 making several recommendations to the G20 governments.

As a member of ACSI and as outlined within ACSI Governance Guidelines, there are specific practices and guidelines relating to disclosure of ESG risks.

ACSI uses company engagement and proxy voting for ASX-listed companies as a tool for managing climate change risks and opportunities.

ACSI has been engaging with ASX companies for years on the disclosure and integration of climate-related risks and opportunities. ACSI engages with a broad range of companies on climate risk and also prioritizes particular companies based on materiality and exposure.

ACSI also uses proxy voting as a mechanism to create engagement on climate-related resolutions and as a tool for signaling where improvement on climate-related issues can be made.

ACSI and the Financial Services Council (FSC) have published the ESG Reporting Guide for Australian Companies. The Guide outlines the essential information and data that investors require to accurately price, analyse and manage ESG risks. ACSI recommends that companies report to the indicators listed in the Guide as a minimum standard.

ACSI encourages companies to disclose their ESG issues in a form that is consistent with existing disclosure frameworks.

Leading reporting frameworks and issues specific reporting guides include:

- Anti-corruption and bribery
- Global reporting initiative

- Integrated reporting
- Carbon disclosure project

Lastly, under our ACSI international proxy voting agreement, CGI Glass Lewis engaged with a number of companies on issues related to emissions. Because Glass Lewis is not authorized by its clients to advocate for specific issues or outcomes, Glass Lewis' engagement efforts have primarily consisted of information sharing and companies describing shareholder outreach and feedback. Glass Lewis has on occasion inquired about shareholders' feedback on issues related to the environment and climate change, among other environmental and social topics, and will also inquire about any follow up that a company may be taking following a shareholder vote on a shareholder proposal dealing with emissions or climate change.

SG 14 CC	Voluntary	Public		General

SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	☐ All assets ☐ Majority of assets ☑ Minority of assets	We believe that carbon risk is not adequately priced into markets. As such, our index equity exposures are low carbon. We view carbon reporting as part of a broader approach on climate change. It is one of the first steps used in order to create more transparency at a portfolio level, and better understand the carbon intensity of a portfolio versus the benchmark, what's triggering that exposure, is it the sector allocation, or the company selection for example. The next phase would be to engage with respective fund managers and understand their thoughts on the carbon intensity within their portfolios including how prepared they believe the companies in their portfolios are to manage carbon risk and climate change risk. The managers are generally way behind on carbon with some notable exceptions.	Australian Equities are assessed by CO2 tonnes per $1M AUD Revenue. Global Equities assessed by CO2 tonnes per $1M AUD Revenue.	An industry standard calculation methodology is applied for the calculation of Weighted Carbon Intensity for the portfolio. The carbon intensity of a portfolio is the weighted average (weighted by the relative value of each holding) of the carbon intensity of each holding. The carbon intensity of the comparison benchmark is the weighted average (weighted by index holding weight) of the carbon intensity of each benchmark constituent. Portfolio weights are based on listed equities and unlisted equities, cash and cash like securities are removed when calculating the weights within the portfolio. The reporting provides insights into the portfolio and fund exposures to carbon intensive companies. Weaknesses: * Does not capture any measure of investors responsibility * Sensitive to outliers
Carbon footprint (scope 1 and 2)	☐ All assets ☐ Majority of assets ☑ Minority of assets	We decided to use carbon intensity rather than footprint as our most important measure of carbon risk in the portfolio.	Scope 1: Direct emissions (from sources that are owned or controlled by the company. Scope 2: Indirect emissions from consumption of purchased electricity, heat or steam. Currently around 2000 companies publicly report scope 1 & 2 emissions to the Carbon Disclosure Project (CDP) which forms the initial source of carbon reporting data. Sustainalytics then incorporates additional reported carbon emission data from companies annual CSR/Annual Reports where it is publically disclosed but not included in the CDP data.	Sustainalytics estimates absolute scope 1 and scope 2 GHG emissions. In addition to absolute emissions, each company's carbon intensity (emissions normalized by revenue) is calculated. Sustainlytics also uses a modelled group to either sub-industry or peer group for which the estimation model is developed for scope 1 and scope 2. They then use a specific model for each modelled group in their coverage universe, ensuring that relatiosnhsips between features and greenhouse gas emissions are

			Supplementing the reported data, estimates are derived for a further 8,000 companies to ensure maximum portfolio coverage. Estimates are created using industry specific regression models that consider elements including revenue levels and number of employees.	effectively captured. An estimation model is also applied that incorporates three different factors per modelled group, using three input variables (i.e. total revenue, gross PP&E, and employee count). The final estimate is the average of the three different factor outcomes. Carbon footprint is also limited in what it can actually tell us about a portfolio's exposure to carbon risks. Further metrics and data may be needed to get a true analysis. Quality data is crucial and a current limitation.
Carbon intensity	☐ All assets ☐ Majority of assets ☑ Minority of assets	Provides an overall intensity of portfolio by adjusting for the respective market cap of the company.	As outlined in a MSCI report in 2015, "Carbon Footprinting 101", carbon intensity expresses the carbon effiiciency of the portoflio and allows investors to measure the volume of carbon emissions per dollar of sales generated by portfolio companies over a specified time frame. The metric adjusts for company size ans is a more accurate measurement of the efficiency of output, rather than a portfolios's absolute footprint. It can be argued that efficiency at the company level is best calculated using indusrty-specific measures of output, sales are used in the portfolio context as the best available measure of output when undertaking a comparison.	Portfolio carbon intensity is calculated by dividing the portfolio's total carbon emissions by the portfolio's total sales over that same period of time. Weaknesses: * It is a complicated calculation * Carbon intensity requires detailed issuer market cap data * Ownership means it may only be relevant to equity portfolios?

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

⦿ Process for climate-related risks is integrated into overall risk management

	Please describe

Vision Super considers ESG risks to be material risks that have the potential to affect our members' interests. Specifically, we have identified climate change risk as a primary concern among environmental risks. In addition, ignoring sustainable investment opportunities such as energy efficiency, water and waste management in investment portfolios may lead to a loss of value and materially increase risk.

Climate change is one of the greatest environmental risks that our investment portfolio faces. Vision Super is committed to:

- Managing the risks and taking advantage of the opportunities associated with climate change
- Monitoring the carbon performance of the portfolio and striving for improvements
- Ensuring that climate change risks are considered by our advisers and investment managers including proper assessment of the data available and full company disclosures
- Ensuring that climate change risks are analysed as part of the due diligence procedures for new investments
- Participating in climate change related collaborative initiatives.

Furthermore, our investment consultant Frontier Advisors undertakes climate change risk as part of their evaluation of their fund manager reviews.

The Fund also has a diversified set of external fund managers so in effect this also serves to minimize Vision's risks to the effects of climate change risk. We have also made decision to divest from thermal coal, tar sands on revenue metrics along with tobacco manufacturers.

Management is also trying to get better look through on stranded assets or weight of holdings owning fossil fuel reserves in the portfolio. i.e. Thermal coal, gas and oil, as some companies would also have unconventional sources of reserves such as oil sands and shale gas.

Other considerations are potential emissions from fossil fuel reserves and what clean technology solutions they are doing.

The Trustee as outlined in last years reporting framework continues to evolve its evaluation around climate change and climate risks, expected energy supply and demand along with valuations of companies with fossil reserves.

○ Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

◉ Yes

	Please describe

Our external ESG provider, ACSI, uses company engagement and proxy voting advice for ASX-listed companies as tools for managing climate change risks and opportunities.

ACSI has been engaging with ASX companies for years on the disclosure and integration of climate-related risks and opportunities. ACSI engages with a broad range of companies on climate risk and also prioritizes particular companies given their materiality and exposure. For 2018, there were 16 companies which ACSI focused on TCFD adoption as a primary concern.

ACSI is also actively supporting members' efforts in the Climate Action 100+ initiative, directly engaging companies alongside members who are lead investors and providing other insights like briefing members on discussions to date.

ACSI also uses proxy voting advice as a mechanism to create engagement on climate-related resolutions and as a tool for signaling where improvement on climate-related issues can be made."

Vision Super is also a support investor to the Climate Action 100+ initiative which will be conducted over a 5-year period. One focus is to encourage companies to use the Taskforce for Climate-related Financial Disclosures Reporting Framework (TCFD). We are also talking to our managers about TCFD and encourage them to support these recommendations. To date, there has been little initiative shown by our managers and we will be aiming to push them behind this initiative. We are a support investor for Australian based companies South 32 Limited, Qantas Airways Ltd, Woodside Petroleum Ltd and AGL

Energy Ltd.

Our passive Australian low carbon fund manager, (IFM Investors) is currently in the process of mapping their actions and future undertakings against the recommendations that were put forward by the TCFD. This work, to date is a large project and, while they have already progressed on climate change work, IFM are not expect that the implementation of TCFD recommendations will be complete until 2021. The TCFD suggests a three-year implementation plan. At the moment, IFM is actively engaging with companies to understand their extent of understanding of climate change risk and are promoting the adoption of the TCFD.

SSgA who manage our passive low carbon equity mandate take an active role around the TCFD as stewards on behalf of their client's by seeking to influence ESG practices in companies in which they allocate too.

They anticipate to collaborate with the Task Force and other institutional investors in addressing the challenges with the objective of promoting consistent and valuable disclosures over time and have publicly supported the recommendations of the TCFD.

Furthermore, SSgA's support of the TCFD is backed by their commitment to provide meaningful disclosure of relevant information in all aspects of their responsible investment reporting. At this point in time SSgA do not anticipate including climate reporting in their financial statements or other SEC filings. Their public disclosures at this point focus on practises within SSgA and their asset management division.

Other fund managers like Baillie Gifford, have publicly supported the TCFD recommendations who have committed to respond by 2020.

○ No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

◉ Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.

	%

45.0

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

	Area

☑ Energy efficiency / Clean technology

	Asset class invested

☑ Listed equity

	% of AUM

4.0

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☑ Private equity

	% of AUM

0.0002

☐ Property

☐ Infrastructure

☐ Hedge funds

☐ Cash

☐ Other (1)

☐ Other (2)

	Brief description and measures of investment

Listed Equity

The Baillie Gifford's LTGG portfolio has made a number of investment decisions over the period including the purchase of HeartFlow, a company which is helping to identify coronary artery disease in its early stages, in a non-invasive manner. Indigo Agriculture is increasing crop yields, and along with it farmers' incomes and food security. In China, Meituan's meal delivery network is improving food standards and turning it's focus to the broader supply chain, whereas NIO's electric cars will drive the move away from ICE vehicles and the associated environmental and health impacts. A further investment made was to Tanium, a powerful lightweight software agent that provides near real-time visibility and control on computer networks with potentially unlimited scale operating at speeds well ahead of its next best competitor.

Private Equity

Vision's commitment to Generation Investment Management's Climate Solutions Fund (CSF) which was launched 11 years ago now has only a very small number of the less successful investments from which Generation is looking to extract the maximum value they can.

Remaining investments in CSF is Dialight, a company focused on high-efficiency LED lighting for industrioal applications, Greenroad Technologies (software provider for driver behaviour management) and Tigo Energy (MLPE) provider.

☐ Renewable energy

☑ Green buildings

	Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☑ Property

	% of AUM

5.8

☐ Infrastructure

☐ Hedge funds

☐ Cash

☐ Other (1)

☐ Other (2)

	Brief description and measures of investment

Property Asset Class

Our core property managers consider ESG components as part of overall integration with their decision making with real estate investing. Both of our property managers (AMP & ISPT) have Greenstar, Global Real Estate Sustainability Benchmark (GRESB) assessment and or NABERS ratings and improvement objectives.

AMP Capital Real Estate has committed to achieve Zero Net Carbon (scope 1 and Scope 2) by 2030 across all Real Estate Funds. Zero Carbon roadmaps have developed to plot a pathway to achieve this target. In 2018 GRESB: AMP Capital received results for the 2018 GRESB survey in Q3 (early Sept 2018). AMP's average fund score increased from 83% to 85%. Of the 6 Funds rated using GRESB, 5 saw an improvement in score (one separate account went backwards due to an acquisition that changed the portfolio composition). Areas for improvement have been identified to be actioned in the remainder of 2018, in order to improve on next year's GRESB score.

ISPT Core Fund and 50 Lonsdale St Fund received GRESB 5 Star ratings for the 2018 assessment.

In addition, annual NABERS (commercial assets) and Green Star (retail assets) are conducted, providing third party verification over energy performance/carbon intensity.

☐ Sustainable forestry

☐ Sustainable agriculture

☐ Microfinance

☐ SME financing

☐ Social enterprise / community investing

☐ Affordable housing

☐ Education

☐ Global health

☐ Water

☑ Other area, specify

Infrastructure portfolio exposure via IFM Investors Australian and International Funds.

	Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☑ Infrastructure

	% of AUM

8.2

☐ Hedge funds

☐ Cash

☐ Other (1)

☐ Other (2)

	Brief description and measures of investment

Vision Super's infrastructure exposure is through sole manager IFM Investors Australia and International Funds.

In March 2018, IFM Investors secured a A$150 million partnership between the Australian Government's Clean Energy Finance Corporation (CEFC) and the IFM Australian Infrastructure Fund (AI). The investment was awarded on the basis that the carbon footprint of the assets within the Fund will be reduced. This was the first ever funding commitment by the CEFC to a core infrastructure fund.

For both the Australian and global infrastructure assets, IFM places particular emphasis on:

Energy and carbon emission risks and opportunities

Energy and carbon emissions considerations present constantly for large infrastructure assets. As a result, IFM Investors pay close attention to where assets obtain and how they use energy resources. Across the portfolios they have a number of measurement and reporting platforms so they can monitor, manage, measure and report on emergent energy and emissions risks and opportunities.

Environmental risks and opportunities

Environmental risks include greenhouse gas emissions and contamination, water usage and scarcity, waste, pollution and contamination risks and opportunities for improvement that can drive value and improve ESG outcomes.

Health & Safety risks; &

Governance risks

○ No