




Gateway		Reason
Monetary		Gateway
<p><b>LEA 02</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking &amp; company internal ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> To engage internal staff</li> <li><input type="checkbox"/> Other: specify</li> </ul>	
<p>Collaborative engagements</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking &amp; company internal ESG issues</li> <li><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify</li> </ul>	
<p>Service provider engagements</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking &amp; company internal ESG issues</li> <li><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify</li> </ul>	

# RI TRANSPARENCY REPORT

2020

Colonial First State

## 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 reporting period specified above. 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.

## 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.

## Usage restrictions

Public Transparency Reports are the intellectual property of PRI. Under no circumstances, can this report or any of its contents be sold to third parties.

OO 01.1	Select the services and funds you offer
---------	---

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

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

Colonial First State Investments Limited (CFSIL) is an Australian Registrable Superannuation Entity Trustee (RSE Trustee) and Responsible Entity (RE) that provides a range of investment, superannuation and retirement products to individuals and corporate superannuation solutions to employers in Australia. We have over 1 million members, administer over AUD\$116 billion and are the largest provider of private pensions in Australia.

CFSIL as a RSE and RE offers investment, superannuation and retirement products. These products have a range of investment options to offer choice and to cater to the needs of individuals. The time horizon of the investment options are aligned to the risk return objectives of the individual options. However, with the purpose of superannuation in Australia being to invest and generate income for retirement, the time horizon is long term.

The different investment options provided by CFSIL ensure that they incorporate the needs of members of various risk profiles. The governance structure ensures that options are managed in member's best interest, considering investment returns and risk as well as the fees and other costs incurred by the member. CFSIL is not an Investment Manager and does not manage any monies internally. It has a sub advisory relationship with Investment managers, each governed through a bilateral Investment Management Agreement with CFSIL.

CFSIL employs a specialist investment team that is responsible for the investment decisions of the default investment option offered by CFSIL under the APRA regulated MySuper regime. These decisions include the determination of strategic asset allocation, sector strategy and investment manager selection. The investment decisions are governed by the Board delegated Investment Committee that has an Independent non-Executive Chair and two other Independent non-Executive directors

CFSIL has a majority-independent board. The CFSIL Board comprises of an Independent Non-Executive Chair, three Independent Non-Executive Directors, and one non-Independent Non-Executive Director. The Board operates three Independent Non-Executive Director-chaired sub-committees: the Board Investment Committee, the Member Outcomes Committee, and the Board Audit and Risk Committee, to whom management presents various strategic, product, risk and investment recommendations. The Board and associated Committees have oversight of and approval rights for all strategic, risk, product, investment and outsourcing decisions as well as executive management appointment.

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).
---------	---

1244

OO 02.4	Additional information. [Optional]
---------	------------------------------------

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

Colonial First State Investments Limited, this signatory, is a subsidiary of the Commonwealth Bank of Australia. .

Colonial First State Investments Limited has distribution partnerships with Acadian, Milliman, Generation, Aspect, Baillie Gifford and Affirmative Investment Management but these are not subsidiaries of CFSIL. All except for Milliman are signatories to PRI.

Across all of our funds over 3/4 of our managers are PRI signatories.

**OO 04** Mandatory Gateway/Peering General

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

31/12/2019

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

Total AUM  
116,417,393,140 AUD  
78861096715 USD

**OO 04.4** Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 04.5** Additional information. [Optional]

We have expanded our reporting from last year so that it now covers all assets for which CFSIL is Responsible Entity. Please note another change from last year's report is the absence of any internally managed funds. Previously we reported Colonial First State Global Asset Management FUM as 'internal' due to them being a subsidiary of the Commonwealth Bank of Australia Group (as are we). However, in August 2019 they left the Group and rebranded as First Sentier Investments (a subsidiary of Mitsubishi UFJ Trust and Banking Corporation (MUTB)).

**OO 05** Mandatory to Report, Voluntary to Disclose Gateway General

**OO 05.1** Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	0	>50%
Fixed income	0	10-50%
Private equity	0	0
Property	0	0
Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	<10%
Money market instruments	0	0
Other (1), specify	0	<10%
Other (2), specify	0	0

Externally managed 'Other (1)' description

Bank deposits within BankWest

**OO 06** Mandatory Descriptive General

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

- as percentage breakdown
- as broad ranges

**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.
<input type="radio"/> Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.	
<input checked="" type="radio"/> No, we do not use fiduciary managers.	

OO 06.6	Provide contextual information on your AUM asset class split. [Optional]
<p>Our allocation to direct infrastructure is within our MySuper product and within the younger cohorts only. A small allocation in percentage terms it has grown to AUD\$397.3 M since 2017 .</p> <p>Within our listed equity allocation we include Australian and global equities, listed property securities and listed infrastructure securities.</p>	

OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General
Private			

OO 08	Mandatory to Report, Voluntary to Disclose	Peering	General
Private			

OO 09	Mandatory	Peering	General
-------	-----------	---------	---------

OO 09.1	Indicate the breakdown of your organisation's AUM by market.								
<table border="1"> <tr> <td style="width: 50px; text-align: center;">94</td> <td style="background-color: #0070C0; color: white;">Developed Markets</td> </tr> <tr> <td style="text-align: center;">6</td> <td style="background-color: #0070C0; color: white;">Emerging Markets</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="background-color: #0070C0; color: white;">Frontier Markets</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="background-color: #0070C0; color: white;">Other Markets</td> </tr> </table>		94	Developed Markets	6	Emerging Markets	0	Frontier Markets	0	Other Markets
94	Developed Markets								
6	Emerging Markets								
0	Frontier Markets								
0	Other Markets								

OO 09.2	Additional information. [Optional]
---------	------------------------------------

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
Listed equity – engagement	
<input type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers.	
<input checked="" type="checkbox"/> We require our external managers to engage with companies on ESG factors on our behalf.	
<input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors.	
Listed equity – voting	
<input type="checkbox"/> We cast our (proxy) votes directly or via dedicated voting providers	
<input checked="" type="checkbox"/> We require our external managers to vote on our behalf.	
<input type="checkbox"/> We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf	
Fixed income SSA – engagement	
<input type="checkbox"/> We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.	
<input type="checkbox"/> We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.	
<input checked="" type="checkbox"/> 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.	
Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.	
<p>We require our managers to have considered ESG risks before making their investment. The credit managers all have ESG overlay of some type, using either internal or external providers. The ESG teams will have differing levels of engagement with the issuers. We are investigating the possibility of employing an external provider to engage on our behalf. During the calendar year 2019, CFSIL began the process of identifying suitable third parties for the purposes of proxy voting and engagement. The initial focus is to have a consolidated report for CFSIL on equity voting across all managers. Further, we will review the process of engagement with the investee companies (across equity and fixed income), as we believe this is part of us being an active owner. We are currently participating in the PRI collaboration to engage with index providers in order to encourage them to exclude controversial weapons from their indices.</p>	

<b>Fixed income Corporate (financial) – engagement</b>	
<input type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We require our external managers to engage with companies on ESG factors on our behalf. <input checked="" type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.	
<b>Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.</b>	
<p>We require our managers to have considered ESG risks before making their investment. The credit managers all have ESG overlay of some type, using either internal or external providers. The ESG teams will have differing levels of engagement with the issuers. We are investigating the possibility of employing an external provider to engage on our behalf. During the calendar year 2019, CFSIL began the process of identifying suitable third parties for the purposes of proxy voting and engagement. The initial focus is to have a consolidated report for CFSIL on equity voting across all managers. Further, we will review the process of engagement with the investee companies (across equity and fixed income), as we believe this is part of us being an active owner. We are currently participating in the PRI collaboration to engage with index providers in order to encourage them to exclude controversial weapons from their indices.</p>	
<b>Fixed income Corporate (non-financial) – engagement</b>	
<input type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We require our external managers to engage with companies on ESG factors on our behalf. <input checked="" type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.	
<b>Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.</b>	
<p>We require our managers to have considered ESG risks before making their investment. The credit managers all have ESG overlay of some type, using either internal or external providers. The ESG teams will have differing levels of engagement with the issuers. We are investigating the possibility of employing an external provider to engage on our behalf. During the calendar year 2019, CFSIL began the process of identifying suitable third parties for the purposes of proxy voting and engagement. The initial focus is to have a consolidated report for CFSIL on equity voting across all managers. Further, we will review the process of engagement with the investee companies (across equity and fixed income), as we believe this is part of us being an active owner. We are currently participating in the PRI collaboration to engage with index providers in order to encourage them to exclude controversial weapons from their indices.</p>	
<b>Fixed income Corporate (securitised) – engagement</b>	
<input type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We require our external managers to engage with companies on ESG factors on our behalf. <input checked="" type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.	
<b>Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.</b>	
<p>We require our managers to have considered ESG risks before making their investment. The credit managers all have ESG overlay of some type, using either internal or external providers. The ESG teams will have differing levels of engagement with the issuers. We are investigating the possibility of employing an external provider to engage on our behalf. During the calendar year 2019, CFSIL began the process of identifying suitable third parties for the purposes of proxy voting and engagement. The initial focus is to have a consolidated report for CFSIL on equity voting across all managers. Further, we will review the process of engagement with the investee companies (across equity and fixed income), as we believe this is part of us being an active owner. We are currently participating in the PRI collaboration to engage with index providers in order to encourage them to exclude controversial weapons from their indices.</p>	

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

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.										
<b>Asset class</b>	<b>ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>										
Listed equity	<table border="1"> <tr> <td colspan="2"><b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager selection process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager appointment process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager monitoring process</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not do ESG incorporation</td> </tr> </table>	<b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>		<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process	<input type="checkbox"/>	We do not do ESG incorporation
<b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>											
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process										
<input type="checkbox"/>	We do not do ESG incorporation										
Fixed income - SSA	<table border="1"> <tr> <td colspan="2"><b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager selection process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager appointment process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager monitoring process</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not do ESG incorporation</td> </tr> </table>	<b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>		<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process	<input type="checkbox"/>	We do not do ESG incorporation
<b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>											
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process										
<input type="checkbox"/>	We do not do ESG incorporation										

Fixed income - corporate (financial)	<p><b>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></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>
Fixed income - corporate (non-financial)	<p><b>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></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>
Fixed income - securitised	<p><b>Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></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><b>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></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>
Fund of hedge funds	<p><b>Fund of hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></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>
Cash	<p><b>Cash - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <p><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input 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 checked="" type="checkbox"/> We do not do ESG incorporation</p>
Other (1)	<p><b>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <p><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input 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 checked="" type="checkbox"/> We do not do ESG incorporation</p>

**OO 11.3b** If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not.

Within alternatives we incorporate ESG factors in our review of long short equity managers and Multi strategy credit managers. We have not incorporated the process in Macro strategies due to the extensive use of derivatives.

Within Cash and Bank Deposits we do not incorporate ESG factors into investment decisions.

**OO 11.4** Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Our ESG and Climate Risk Management policy requires that a manager's ESG integration, voting and engagement process is considered as part of the manager selection and monitoring processes for all assets.

During the year, we changed our process to conduct ESG and climate risk analysis on managers much earlier in the selection process. It is now conducted on the shortlist of new managers. This allows for a more informed strategic allocation of funds and portfolio construction within asset classes with respect to ESG and climate risks of manager strategies.

Equity managers are required to report on their voting as part of their appointment process, and we plan to extend this to engagement and climate risk reporting.

We do not make separate allocations to FI - Corporate (Financials) and FI - Corporate (Non Financials), and see this as one allocation FI-Corporate.

OO 12	Mandatory	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			
<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance			
RI implementation via external managers			
Indirect - Selection, Appointment and Monitoring of External Managers			
<input checked="" type="checkbox"/> Listed Equities <input checked="" type="checkbox"/> Fixed income - SSA <input checked="" type="checkbox"/> Fixed income - Corporate (financial) <input checked="" type="checkbox"/> Fixed income - Corporate (non-financial) <input checked="" type="checkbox"/> Fixed income - Securitised <input checked="" type="checkbox"/> Infrastructure			
Closing module			
<input checked="" type="checkbox"/> Closing module			
OO 12.2	Additional information. [Optional]		
The process for Fixed income - SSA, Corporate (financial), Corporate (non-financial) and Securitised is the same so the same process applies across all 4 FI categories.			

OO SAM 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
<i>Private</i>			

OO Checks			Checks
<input checked="" type="checkbox"/> If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.			

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.

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 type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> 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.

CFSIL has an in-house investment management function (Investments Team) which constructs and manages multi-manager portfolios for which CFSIL is RE and RSE. The Funds offer single sector and multi sector investment options to members which invest into these Schemes. The team uses an external investment consultant, Mercer, who provides advice on strategic asset allocation, manager selection and portfolio construction.

The Investments Team capability is also used to construct the portfolios for the MySuper products. The investment strategy used for the default is known as Lifestage, which utilises a lifecycle approach. We believe that the lifecycle philosophy (with asset allocation that changes with the age of the member) is a superior approach to manage the superannuation assets of members who do not select their own strategy, than a default that has a single asset allocation for all members (making it necessary for the member to change options with age or when circumstances change).

CFSIL recognises that ESG factors can have a material impact on investments as disclosed in our Responsible Investment Framework on our public website.

A CFSIL wide exclusions policy applies to the producers of tobacco and manufacturers of controversial weapons across our equity and bond holdings.

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 RSE Trustee considers the best interests of Fund members in making investment related decisions. CFSIL recognises that ESG factors can have a material impact on the risk and returns of investments over the long term, and as such, the CFS Responsible Investing Framework is made available on the CFS website. <https://www3.colonialfirststate.com.au/content/dam/colonial-first-state/docs/about-us/trustee-documents/CFS%20Responsible%20Investing%20Framework.pdf>

The relevance of ESG factors to investment decision making is subject to the Responsible Investing Framework, which aims to integrate ESG considerations into investment processes and support the pursuit of sustainable long term investment outcomes for members. For CFSIL, including its MySuper offering, ESG risks are addressed under the Environmental, Social & Governance Risk Management and Voting Policy, and a CFSIL wide exclusions policy applies to the producers of tobacco and manufacturers of controversial weapons, for all equity and bond holdings.

The RSE Trustee aims to provide transparency to members regarding its approach to ESG factors. For that reason, product-specific approaches to ESG factors are outlined in relevant product disclosure documents.

Furthermore, the investment manager of an Investment Option may take into account ESG factors when making investment decisions.

More information on our responsible investment approach is available on our public website at: <https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/our-beliefs-lead-to-our-approach.html>

No

## 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
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-governance/trustee-and-fund-documents/labour-standards-and-ESG-considerations.html">https://www3.colonialfirststate.com.au/about-us/corporate-governance/trustee-and-fund-documents/labour-standards-and-ESG-considerations.html</a>
<input type="checkbox"/> Attachment (will be made public)

- Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/active-ownership.html#exclusions">https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/active-ownership.html#exclusions</a>
<input type="checkbox"/> Attachment (will be made public)

- Engagement policy

- (Proxy) voting policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-governance/proxy-voting.html">https://www3.colonialfirststate.com.au/about-us/corporate-governance/proxy-voting.html</a>
<input type="checkbox"/> 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
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment.html#environmental">https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment.html#environmental</a>
<input type="checkbox"/> Attachment

- Time horizon of your investment

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/our-approach.html">https://www3.colonialfirststate.com.au/about-us/corporate-profile/our-approach.html</a>
<input type="checkbox"/> Attachment

- Governance structure of organisational ESG responsibilities

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-governance/trustee-and-fund-documents.html">https://www3.colonialfirststate.com.au/about-us/corporate-governance/trustee-and-fund-documents.html</a>
<input type="checkbox"/> Attachment

- ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/our-beliefs-lead-to-our-approach.html">https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/our-beliefs-lead-to-our-approach.html</a>
<input type="checkbox"/> Attachment

- Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/active-ownership.html">https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/active-ownership.html</a>
<input type="checkbox"/> Attachment

- Reporting

- Climate change

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/climate-change.html">https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/climate-change.html</a>
<input type="checkbox"/> Attachment
<input type="checkbox"/> We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
---------	------------------------------------

In order to understand and incorporate member sustainability preferences we are updating our Member survey in 2020. Results from previous survey have been disclosed on our public website.

<https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/our-responsible-investing-journey.html>

Our Modern Slavery approach will be disclosed as it continues to evolve <https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/modern-slavery.html>

Our climate change approach will be disclosed as it continues to evolve <https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/climate-change.html>

Because the nature of CFSIL's investment platforms, products and strategy differ across platform. There is no one set of investment principles or overall investment strategy applied.

Product Disclosure Statements (PDS) are linked below and describe the additional investment philosophies and approaches of the various platforms, products and investment strategies offered within.

FirstChoice Investment  
<https://www3.colonialfirststate.com.au/content/dam/prospects/fs/1/4/fs1492.pdf?8>

FirstChoice Wholesale Super and Pension  
<https://www3.colonialfirststate.com.au/content/dam/prospects/fs/5/7/fs5735.pdf?8>  
<https://www3.colonialfirststate.com.au/content/dam/prospects/fs/6/0/fs6080.pdf?6>

SG 03	Mandatory	Core Assessed	General
-------	-----------	---------------	---------

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.
---------	---

All Board and executive leadership team members are required to declare all conflicts of interest at all meetings, and conflicts of interest between business units or parties are required to be declared in all recommendations as per the CFSIL Conflicts of Interest Policy and regulatory requirements.

In practice, where perceived conflicts of interest exist between the parent company (Commonwealth Bank of Australia) and other internal business entities, the Non-Independent Non-Executive Director and any relevant members of the management team excuse themselves from supporting management recommendations to ensure decision making is led by the business area of expertise and the Independent Non-Executive Directors.

As a limited liability company, CFSIL is required to comply with laws outlined in the Australian Corporations Act 2001 issued by the Australian Government. As a RE and scheme operator, CFSIL is required to hold an Australian Financial Services license (AFSL) issued by the Australian Securities and Investment Commission (ASIC) which allows the business to operate, market-make and deal financial products, issue managed investment schemes, administer our products and funds, and transact on behalf of our members. CFSIL as an RE is required to comply with all ASIC issued regulation applicable to AFSL holders.

No

SG 03.3	Additional information. [Optional]
---------	------------------------------------

In addition to complying with both the Corporations Act 2001, AFSL licensee and ASIC regulations, as a superannuation provider and thus an RSE Trustee, CFSIL is also required to hold an RSE License and comply with all Australian superannuation regulation, prudential and reporting standards issued by the Australian Prudential Regulatory Authority (APRA). This licensing requirement and set of regulations only applies to Australian superannuation funds (i.e. asset owners) and provides strict guidance on superannuation fund governance, business structure, remuneration, strategic planning, member outcomes, managing conflicts of interest, investment governance and operational and investment risk management.

In relation to investments or other arrangements through related parties, the CBA Group implements governance procedures that are designed to ensure that the RSE Trustee and each other entity involved has identified the relevant considerations (e.g. acting in the best interests of relevant members), and makes the required decision in the correct capacity, having regard to these considerations.

CFSIL has operated as an RSE Licensee and superannuation fund for over 20 years. We believe we are compliant with all the legal and regulatory requirements of an asset owner including those relating to board and investment governance, business structuring, remuneration and managing conflicts of interest. We recognise that, like any asset owner, there are processes that can be improved, and we are working to make these improvements to ensure better member outcomes.

SG 04	Voluntary	Descriptive	General
Private			

SG 05	Mandatory	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]
<p>CFSIL has a three year Responsible Investment strategy which outlines the objectives for annual and overall activities.</p> <p>While this is a three year strategy, it is reviewed each year as we progress the implementation of our Responsible Investment Framework and to identify industry / regulatory changes which impact the way in which we can implement the Responsible Investment Framework.</p> <p>Our ESG Risk Management and Proxy Voting Policy is also reviewed on an annual basis, and activities are reported to the CFSIL Board and Board Investment Committee on a regular basis.</p>	

SG 06	Voluntary	Descriptive	General
Private			

SG 07	Mandatory	Core Assessed	General
-------	-----------	---------------	---------

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		
<input checked="" type="checkbox"/> Board members or trustees <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Internal Roles (triggers other options) <table border="1" style="margin-left: 20px;"> <tr> <td style="background-color: #0070C0; color: white;">Select from the below internal roles</td> </tr> <tr> <td> <input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee           <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify            General Manager Investments           <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Portfolio managers           <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Investment analysts           <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Dedicated responsible investment staff           <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input type="checkbox"/> Investor relations  <input type="checkbox"/> Other role, specify (1)  <input type="checkbox"/> Other role, specify (2)         </td> </tr> </table> <input checked="" type="checkbox"/> External managers or service providers <ul style="list-style-type: none"> <li><input type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>	Select from the below internal roles	<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify General Manager Investments <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Portfolio managers <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Investment analysts <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Dedicated responsible investment staff <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input type="checkbox"/> Investor relations <input type="checkbox"/> Other role, specify (1) <input type="checkbox"/> Other role, specify (2)
Select from the below internal roles		
<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify General Manager Investments <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Portfolio managers <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Investment analysts <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Dedicated responsible investment staff <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input type="checkbox"/> Investor relations <input type="checkbox"/> Other role, specify (1) <input type="checkbox"/> Other role, specify (2)		

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
---------	---

The General Manager, Investments has oversight from a monitoring perspective to ensure CFSIL meets and delivers its Responsible Investment commitments (as outlined in our RI Framework), manages and mitigates ESG risks according to the ESG Risk Management and Proxy Voting Policy, and invests according to the PRI Principles as stated in our ESG and Climate Risk Management Policy.

They receive regular reporting on the ESG and climate risks of the MySuper and FirstChoice multi manager options, ad-hoc reports for approval and/or noting in relation to policy updates, various pieces of analysis, and a semi-annual update on the progress of the RI strategy and delivery of commitments. At these updates they are given the opportunity to provide feedback and reflect on the direction and delivery of the RI strategy.

The General Manager Investments and Responsible Investment team are responsible for the implementation of the RI strategy, ensuring RI commitments and ESG risk management processes are embedded and followed by the investment management team and by appointed fund managers. Where policies and IMAs need to be updated, reports written, analysis undertaken, service providers hired, and surveys filled - we are responsible for executing these pieces of work, reporting at an appropriate level of detail to the CEO, Investment Committee and Board, and attesting that relevant policies and processes are being followed, our commitments met, and the general RI agenda is being progressed.

Actual ESG integration, engagement and voting activities are all currently outsourced to our fund managers.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
	3

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

SG 08	Voluntary	Additional Assessed	General
Private			

SG 09	Mandatory	Core Assessed	PRI 4,5
-------	-----------	---------------	---------

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.
---------	---

Principles for Responsible Investment

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

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

We were one of only two Australian members to participate in a collaboration when CFS co-signed the Sustainable Finance Geneva 'open letter to global index providers' to exclude controversial weapons from global indices

Also we extended our promotion of the Tobacco Free Finance Pledge by completing our divestment of tobacco producers from our portfolios.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

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

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

As part of the CBA Group we participate in annual reporting ( providing details of the investment strategy and approach to managing environmental and climate change risk, and carbon foot printing).

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- 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)

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

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

- Investor Group on Climate Change, Australia/New Zealand (IGCC)

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

- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

RIAA

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
We are a member, attended the annual conference and participated in webinars and collaborative engagement opportunities throughout 2019.	

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

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

- United Nations Global Compact

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

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			

SG 10	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

- Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
---------	--

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

Description
Provided input into Financial Services Council (FSC) guidance for creating exclusions

Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

- A member of PRI advisory committees/ working groups, specify

Description
PRI Plastics Working Group
Frequency of contribution
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other

- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
Joint RIAA and FSC Modern Slavery Working Group
Frequency of contribution
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other

- Other, specify

No

**SG 10.3** Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

We have built responsible investment pages within our public website to educate and promote responsible investment to our members, We are also building a responsible investment education module to be used by our Corporate Super staff when presenting to employees at our member companies. We expect this to be rolled out in the first half of CY2020.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
-------	-----------	---------------------	-----------

Private

SG 12	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

**SG 12.1** Indicate whether your organisation uses investment consultants.

- 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
<input checked="" type="checkbox"/> Listed Equity (LE) <input checked="" type="checkbox"/> Fixed income - SSA <input checked="" type="checkbox"/> Fixed income - Corporate (financial) <input checked="" type="checkbox"/> Fixed income - Corporate (non-financial) <input checked="" type="checkbox"/> Fixed income - Securitised <input checked="" type="checkbox"/> Infrastructure (INF) <input checked="" type="checkbox"/> Other asset classes

- We use investment consultants in our monitoring of external managers

Asset class
<input checked="" type="checkbox"/> Listed Equity (LE) <input checked="" type="checkbox"/> Fixed income - SSA <input checked="" type="checkbox"/> Fixed income - Corporate (financial) <input checked="" type="checkbox"/> Fixed income - Corporate (non-financial) <input checked="" type="checkbox"/> Fixed income - Securitised <input checked="" type="checkbox"/> Infrastructure (INF) <input checked="" type="checkbox"/> 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

**Describe how responsible investment is incorporated**  
 We expect our investment consultant, Mercer, to take our Responsible Investing Framework into consideration when advising on investment policy development.

- Strategic asset allocation

**Describe how responsible investment is incorporated**  
 We expect our investment consultant, Mercer, to take our Responsible Investing Framework into consideration when advising on strategic asset allocation. The investment consultant conducts climate scenario analysis on the proposed strategic asset allocation annually. Mercer conducted a stress test for sudden change in scenario expectations using their methodology and systems for the MySuper lifestage options . This analysis was used in the annual review of strategic asset allocation process.

- Investment research

**Describe how responsible investment is incorporated**  
 We expect the investment consultant to take our Responsible Investing Framework into consideration when advising on investment research. The investment consultant provides top down external manager ESG scores on associated strategies. Over the years, the consultant has built extensive resources to conduct ESG research on managers and provide clients with a separate ESG score to assess managers on ESG risks along side investment research.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

No, we do not use investment consultants.

**SG 12.7** Additional information [Optional].

Through a third party ESG service provider we monitor our managers' ESG ratings and the direction of their rating over time as well as using the ESG ratings from our investment consultant.

Due to the complexity of our investment offerings across our portfolios we rely on this external research to add value to our own (non ESG) manager research to inform our view on managers.

**SG 13** **Mandatory** **Descriptive** **PRI 1**

**SG 13.1** Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

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

**Describe**  
 As part of the annual strategic asset allocation review by our internal strategic asset allocation team, we require our investment consultant to provide climate scenario analysis as an added measure for risk and opportunity identification,

No, our organisation does not currently carry out scenario analysis and/or modelling

**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

SG 13 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			
SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
Private			
SG 14 CC	Voluntary		General
Private			
SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			
SG 17	Mandatory	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.		
<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>		
Hedge funds - DDQ (Fund of Hedge Funds)	<div style="background-color: #0070C0; color: white; padding: 2px;">Select whether you use the PRI Hedge Fund DDQ</div> <input type="radio"/> Yes <input checked="" type="radio"/> No		
Fund of hedge funds	We incorporate ESG factors in our review of long short equity managers and Multi strategy credit managers. We have not incorporated the process in Macro strategies due to the extensive use of derivatives.		
SG 18	Voluntary	Descriptive	General
Private			
SG 19	Mandatory	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.		
Selection, Appointment and Monitoring			
Do you disclose?			
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public			
The information disclosed to clients/beneficiaries is the same			
<input checked="" type="radio"/> Yes <input type="radio"/> No			
<b>Disclosure to public and URL</b>			
Disclosure to public and URL			
<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other			
Annually			
<a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/our-beliefs-lead-to-our-approach.html">https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/our-beliefs-lead-to-our-approach.html</a>			
SG 19.2	Additional information [Optional]		
We publish our full exclusion list on our public website and update it as necessary (at least annually). <a href="https://www3.colonialfirststate.com.au/content/dam/prospects/fs/7/2/fs7278.pdf">https://www3.colonialfirststate.com.au/content/dam/prospects/fs/7/2/fs7278.pdf</a>			
We disclose some of the voting activity of our managers and intend to evolve this as we bring on board a third party service provider. <a href="https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/active-ownership.html">https://www3.colonialfirststate.com.au/about-us/corporate-profile/responsible-investment/active-ownership.html</a>			
SG Checks			Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

**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 (financial)	FI - Corporate (non-financial)	FI - Securitised
Screening	<input checked="" type="checkbox"/>	<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"/>	<input type="checkbox"/>
Integration	<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"/>

  

Passive investment strategies					
Passive investment strategies	Listed Equity	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Fixed income -Securitised
Screening	<input checked="" type="checkbox"/>	<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"/>	<input type="checkbox"/>
Integration	<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"/>

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

Our approach is specified in our ESG Risk Management and Proxy Voting Policy.

In conducting manager research, CFSIL determines whether, and if so, how, investment managers take into account ESG and climate risk factors and opportunities when constructing investment portfolios, conducting stewardship activities and managing investment risk. When monitoring existing, selecting new, and reviewing incumbent investment managers, CFSIL assesses the manager's approach to ESG and climate risk management in the investment due diligence process (where appropriate to the investment strategy and/or asset class). This assessment may include the collection of the ESG rating of the investment strategy from the investment consultant, review of the stewardship activities as they relate to ESG and climate risk management, and understanding the ESG and climate risk ratings and analysis from other third-party specialist service providers (where available). Papers presented to the Board recommending the appointment of an investment manager will include the ESG ratings and carbon foot print of the strategy being proposed, (using the proposed manager holdings), as well as, the investment consultant's ESG rating.

In 2019 we established a 'screen' for all our investment strategies through our divestment from tobacco and controversial weapons. This will be an ongoing screening process.

**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 (financial)	FI - Corporate (non-financial)	FI - Securitised	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"/>
ESG incorporation requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG reporting 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"/>
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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"/>

You selected an 'Other' option in table SAM 02.1 above, please specify

Our exclusion list.

**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 (financial)	FI - Corporate (non-financial)	FI - Securitised	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"/>
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"/>
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"/>

Review the manager's firm-level vs. product-level approach to RI	<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 ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### ESG people/oversight

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitized	Infrastructure
Assess ESG expertise of investment teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the oversight and responsibilities of ESG implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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"/>
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"/>
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Process/portfolio construction/investment valuation

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitized	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"/>
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"/>
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"/>
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"/>
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"/>
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"/>
Review how ESG materiality is evaluated by the manager	<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 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"/>
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

For 'strategy' we need to assess the ability of the manager to satisfy our exclusion list.  
For 'people' we need to review our consultant's view of the manager for ESG risks.  
For 'process' we need the manager to review and agree compliance with our exclusion list.

#### 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

Review manager ESG ratings from external providers as well as our consultant. Discuss ESG integration process in manager research and due diligence meetings

SAM 02.4		When selecting external managers does your organisation set any of the following:				
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Infrastructure
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG score	<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 weight	<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"/>
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

You selected an 'Other' option in table SAM 02.4 above, please specify  
Carbon related metrics

**SAM 02.5** Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]  
The ESG information will be reviewed and discussed as part of the short list process with the relevant investment manager. Selected external manager ESG information will be then discussed with the investment team and be presented in the Board paper as part of the overall selection decision making process. All other things being equal the manager with the better ESG rating will be preferred.

**SAM 03** Mandatory Additional Assessed PRI 2

**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 type="checkbox"/>
Review the manager's engagement process (with examples and outcomes)	<input 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 checked="" type="checkbox"/>

If you select 'Other' option, specify  
We currently do not review our managers' engagement policy, but this is something that is forming part of our project to engage an external provider.

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

**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]

We are currently in the process of defining a proxy voting and engagement project to roll out in 2020, due to the scale of our portfolio and the number of external managers / systems in use this is an extensive project This will enable us to have visibility of votes across managers and across separate issues. Once this is in place we can have more effective conversations with managers around their investment decision making and active ownership. Once the demerger from the CBA group is completed there will no longer be an impediment to us voting across our portfolios, should we choose to take this responsibility from our managers. It is envisaged that we would utilise an external provider to do this on our behalf.

**SAM 04** Mandatory 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)
- 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								
<input checked="" type="checkbox"/> Listed equity (LE) <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Standard benchmark  <input type="checkbox"/> ESG benchmark, specify               </td> </tr> <tr> <th>ESG Objectives</th> </tr> <tr> <td> <input type="checkbox"/> ESG related strategy, specify  <input checked="" type="checkbox"/> ESG related investment restrictions, specify                  Tobacco producers Controversial weapons producers  <input type="checkbox"/> ESG integration, specify  <input type="checkbox"/> Engagement, specify  <input checked="" type="checkbox"/> Voting, specify                  Voting records disclosed annually  <input type="checkbox"/> Promoting responsible investment  <input type="checkbox"/> ESG specific improvements  <input type="checkbox"/> Other, specify  <input type="checkbox"/> ESG guidelines/regulation, principles/standards, specify               </td> </tr> <tr> <th>Incentives and controls</th> </tr> <tr> <td> <input checked="" type="checkbox"/> We do not set incentives and controls               </td> </tr> <tr> <th>Reporting requirements</th> </tr> <tr> <td> <input checked="" type="checkbox"/> We do not require the reporting on ESG objectives               </td> </tr> </tbody> </table>	Benchmark	<input checked="" type="checkbox"/> Standard benchmark <input type="checkbox"/> ESG benchmark, specify	ESG Objectives	<input type="checkbox"/> ESG related strategy, specify <input checked="" type="checkbox"/> ESG related investment restrictions, specify Tobacco producers Controversial weapons producers <input type="checkbox"/> ESG integration, specify <input type="checkbox"/> Engagement, specify <input checked="" type="checkbox"/> Voting, specify Voting records disclosed annually <input type="checkbox"/> Promoting responsible investment <input type="checkbox"/> ESG specific improvements <input type="checkbox"/> Other, specify <input type="checkbox"/> ESG guidelines/regulation, principles/standards, specify	Incentives and controls	<input checked="" type="checkbox"/> We do not set incentives and controls	Reporting requirements	<input checked="" type="checkbox"/> We do not require the reporting on ESG objectives
Benchmark								
<input checked="" type="checkbox"/> Standard benchmark <input type="checkbox"/> ESG benchmark, specify								
ESG Objectives								
<input type="checkbox"/> ESG related strategy, specify <input checked="" type="checkbox"/> ESG related investment restrictions, specify Tobacco producers Controversial weapons producers <input type="checkbox"/> ESG integration, specify <input type="checkbox"/> Engagement, specify <input checked="" type="checkbox"/> Voting, specify Voting records disclosed annually <input type="checkbox"/> Promoting responsible investment <input type="checkbox"/> ESG specific improvements <input type="checkbox"/> Other, specify <input type="checkbox"/> ESG guidelines/regulation, principles/standards, specify								
Incentives and controls								
<input checked="" type="checkbox"/> We do not set incentives and controls								
Reporting requirements								
<input checked="" type="checkbox"/> We do not require the reporting on ESG objectives								
<input checked="" type="checkbox"/> Fixed income - SSA (SSA) <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Standard benchmark, specify                  Various depending on strategy and manager.  <input type="checkbox"/> ESG benchmark, specify               </td> </tr> <tr> <th>ESG Objectives</th> </tr> <tr> <td> <input type="checkbox"/> ESG related strategy, specify  <input checked="" type="checkbox"/> ESG related investment restrictions, specify                  Tobacco producers Controversial weapons producers               </td> </tr> </tbody> </table>	Benchmark	<input checked="" type="checkbox"/> Standard benchmark, specify Various depending on strategy and manager. <input type="checkbox"/> ESG benchmark, specify	ESG Objectives	<input type="checkbox"/> ESG related strategy, specify <input checked="" type="checkbox"/> ESG related investment restrictions, specify Tobacco producers Controversial weapons producers				
Benchmark								
<input checked="" type="checkbox"/> Standard benchmark, specify Various depending on strategy and manager. <input type="checkbox"/> ESG benchmark, specify								
ESG Objectives								
<input type="checkbox"/> ESG related strategy, specify <input checked="" type="checkbox"/> ESG related investment restrictions, specify Tobacco producers Controversial weapons producers								

- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify
- ESG guidelines/regulation, principles/standards, specify

**Incentives and controls**

- We do not set incentives and controls

**Reporting requirements**

- We do not require the reporting on ESG objectives

Fixed income - Corporate (financial)

**Benchmark**

- Standard benchmark, specify  
Various depending on strategy and manager
- ESG benchmark, specify

**ESG Objectives**

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify  
Tobacco producers Controversial weapons producers
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify
- ESG guidelines/regulation, principles/standards, specify

**Incentives and controls**

- We do not set incentives and controls

**Reporting requirements**

- We do not require the reporting on ESG objectives

Fixed income - Corporate (non-financial)

**Benchmark**

- Standard benchmark, specify  
Various depending on strategy and manager
- ESG benchmark, specify

**ESG Objectives**

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify  
Tobacco producers Controversial weapons producers
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify
- ESG guidelines/regulation, principles/standards, specify

**Incentives and controls**

- We do not set incentives and controls

	<b>Reporting requirements</b>
<input checked="" type="checkbox"/>	We do not require the reporting on ESG objectives
<input checked="" type="checkbox"/>	Fixed income - Securitised
	<b>Benchmark</b>
<input checked="" type="checkbox"/>	Standard benchmark, specify Various depending on strategy and manager
<input type="checkbox"/>	ESG benchmark, specify
	<b>ESG Objectives</b>
<input type="checkbox"/>	ESG related strategy, specify
<input checked="" type="checkbox"/>	ESG related investment restrictions, specify Tobacco producers Controversial weapons producers
<input type="checkbox"/>	ESG integration, specify
<input type="checkbox"/>	Engagement, specify
<input type="checkbox"/>	Voting, specify
<input type="checkbox"/>	Promoting responsible investment
<input type="checkbox"/>	ESG specific improvements
<input type="checkbox"/>	Other, specify
<input type="checkbox"/>	ESG guidelines/regulation, principles/standards, specify
	<b>Incentives and controls</b>
<input checked="" type="checkbox"/>	We do not set incentives and controls
	<b>Reporting requirements</b>
<input checked="" type="checkbox"/>	We do not require the reporting on ESG objectives
<input checked="" type="checkbox"/>	Infrastructure
	<b>Benchmark</b>
<input checked="" type="checkbox"/>	Standard benchmark, specify CPI +
<input type="checkbox"/>	ESG benchmark, specify
	<b>ESG Objectives</b>
<input type="checkbox"/>	ESG related strategy, specify
<input checked="" type="checkbox"/>	ESG related investment restrictions, specify Tobacco producers Controversial weapons producers
<input type="checkbox"/>	ESG integration, specify
<input type="checkbox"/>	Engagement, specify
<input type="checkbox"/>	Voting, specify
<input type="checkbox"/>	Promoting responsible investment
<input type="checkbox"/>	ESG specific improvements
<input type="checkbox"/>	Other, specify
<input type="checkbox"/>	ESG guidelines/regulation, principles/standards, specify
	<b>Incentives and controls</b>
<input checked="" type="checkbox"/>	We do not set incentives and controls
	<b>Reporting requirements</b>
<input checked="" type="checkbox"/>	We do not require the reporting on ESG objectives

<b>SAM 04.3</b>	<b>Indicate which of these actions your organisation might take if any of the requirements are not met</b>
<input checked="" type="checkbox"/>	Discuss requirements not met and set project plan to rectify
<input checked="" type="checkbox"/>	Place investment manager on a "watch list"
<input checked="" type="checkbox"/>	Track and investigate reason for non-compliance
<input type="checkbox"/>	Re-negotiate fees
<input checked="" type="checkbox"/>	Failing all actions, terminate contract with the manager
<input type="checkbox"/>	Other, specify
<input type="checkbox"/>	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]
As part of our Investment Management Agreement with each manager we require them to have a voting policy and to report their voting records to us annually. We can also request voting records via our custodians at any time.	

SAM 05	Mandatory	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	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Infrastructure
ESG objectives linked to investment strategy (with examples)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information on any ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PRI Assessment Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

We require our managers to provide us with their ESG policy and on an annual basis, their voting record.

SAM 05.2	When monitoring external managers, does your organisation set any of the following to measure compliance/progress
----------	---

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised	Infrastructure
ESG score	<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 weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG performance minimum threshold	<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"/>
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

We regularly report on holdings of MSCI CCC rating and initiate conversations with the manager to understand why they have invested in these companies.

SAM 06	Mandatory	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

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
----------	--

(Proxy) voting	
	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/> Report on voting undertaken (with outcomes and examples) - LE
Report on voting decisions taken	<input type="checkbox"/> Report on voting decisions taken - LE
Adherence with the agreed upon voting policy	<input checked="" type="checkbox"/> Adherence with the agreed upon voting policy - LE

Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/> Other RI considerations relating to (proxy) voting in investment management agreements; specify - LE
None of the above	<input type="checkbox"/> None of the above - LE

SAM 07	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

**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%)  
60%

Specify the basis on which this percentage is calculated.

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

We do not collect this information.

**SAM 07.3** Additional information [OPTIONAL]

We have voting reporting for our managers from July 2018 – June 2019 (not the December to December of this report. We do not require our managers to engage on our behalf but encourage them when they do. We do not at present record these engagements, but this will form part of our proxy voting project in 2020.

SAM 08	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
--------	--	-------------	-------

Private

SAM 09	Mandatory	Additional Assessed	PRI 1,6
--------	-----------	---------------------	---------

**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	Environment and climate change
Conducted by	Internal staff
Asset class	Listed Equity
Scope and process	A listed infrastructure manager had continued underperformance and maintained a hold rating on a specific stock which was seeing significant share value depreciation from environmental and climate change factors which the internal investment team was not in agreement on.
Outcomes	Deciding factor in the assessment to remove existing manager and replace with a manager that took a long term approach to environmental and climate change factors.

Add Example 2

Topic or issue	Diversity & inclusion
Conducted by	Internal staff
Asset class	Listed Equity
Scope and process	An external manager received significant negative press with respect to Diversity & Inclusion issues.
Outcomes	Internal consultation with investment manager and leadership on how to proceed. A subsequent downgrade provided by our investment consultant has triggered a review of the appropriateness of continuing the existing relationship for potential replacement.

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

SAM Checks	Checks
------------	--------

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.



CM1 01	Mandatory	Additional Assessed	General								
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:										
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input type="radio"/> Whole PRI Transparency Report has been internally verified</li> <li><input checked="" type="radio"/> Selected data has been internally verified</li> </ul> <input checked="" type="checkbox"/> Other, specify Reviewed by General Manager, Investments <input type="checkbox"/> None of the above											
CM1 01.2	Additional information [OPTIONAL]										
The PRI report has been compiled by the responsible investment team and reviewed by the lead portfolio manager for each asset class as well as a review by the General Manager Investments. Some data within this report has also been verified independently by the CFSIL Board members.											
CM1 02	Mandatory	Descriptive	General								
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report										
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.											
CM1 03	Mandatory	Descriptive	General								
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:										
<input checked="" type="checkbox"/> We adhere to an RI certification or labelling scheme <table border="1" style="margin-left: 20px;"> <tr> <td>CM1 03.2</td> <td>Which scheme?</td> </tr> <tr> <td colspan="2"> <input type="checkbox"/> National SRI label based on the EUROSIF Transparency guidelines  <input type="checkbox"/> B-corporation  <input type="checkbox"/> UK Stewardship code  <input type="checkbox"/> GRESB  <input type="checkbox"/> Commodity type label (e.g. BCI)  <input type="checkbox"/> Social label  <input type="checkbox"/> Climate label  <input checked="" type="checkbox"/> RIAA           </td> </tr> <tr> <td></td> <td>% of total AUM the scheme applies</td> </tr> <tr> <td colspan="2"> <input checked="" type="radio"/> &lt; 25%  <input type="radio"/> 25-50 %  <input type="radio"/> 50-70 %  <input type="radio"/> &gt;75 %  <input type="checkbox"/> Other           </td> </tr> </table>				CM1 03.2	Which scheme?	<input type="checkbox"/> National SRI label based on the EUROSIF Transparency guidelines <input type="checkbox"/> B-corporation <input type="checkbox"/> UK Stewardship code <input type="checkbox"/> GRESB <input type="checkbox"/> Commodity type label (e.g. BCI) <input type="checkbox"/> Social label <input type="checkbox"/> Climate label <input checked="" type="checkbox"/> RIAA			% of total AUM the scheme applies	<input checked="" type="radio"/> < 25% <input type="radio"/> 25-50 % <input type="radio"/> 50-70 % <input type="radio"/> >75 % <input type="checkbox"/> Other	
CM1 03.2	Which scheme?										
<input type="checkbox"/> National SRI label based on the EUROSIF Transparency guidelines <input type="checkbox"/> B-corporation <input type="checkbox"/> UK Stewardship code <input type="checkbox"/> GRESB <input type="checkbox"/> Commodity type label (e.g. BCI) <input type="checkbox"/> Social label <input type="checkbox"/> Climate label <input checked="" type="checkbox"/> RIAA											
	% of total AUM the scheme applies										
<input checked="" type="radio"/> < 25% <input type="radio"/> 25-50 % <input type="radio"/> 50-70 % <input type="radio"/> >75 % <input type="checkbox"/> Other											
<input type="checkbox"/> 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 <input type="checkbox"/> ESG audit of holdings <input checked="" type="checkbox"/> Other, specify ESG audit of our managers through our internal manager survey, (being updated in 2020). Our impact manager, Affirmative Investment Management is RIAA certified. <input type="checkbox"/> None of the above											
CM1 04	Mandatory	Descriptive	General								
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?										
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report											

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

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team

What data has been verified	
<input checked="" type="checkbox"/>	Policies
<input checked="" type="checkbox"/>	Overarching strategy and processes
<input checked="" type="checkbox"/>	Asset class specific processes
<input checked="" type="checkbox"/>	Quantitative data related to RI processes
<input type="checkbox"/>	Other

Relevant modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
<input checked="" type="checkbox"/>	Indirect – Manager Selection, Appointment and Monitoring

- Investment Teams

What data has been verified	
<input checked="" type="checkbox"/>	Policies
<input checked="" type="checkbox"/>	Overarching strategy and processes
<input checked="" type="checkbox"/>	Asset class specific processes
<input checked="" type="checkbox"/>	Quantitative data related to RI processes
<input type="checkbox"/>	Other

Relevant modules	
<input type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
<input checked="" type="checkbox"/>	Indirect – Manager Selection, Appointment and Monitoring

- Legal Department
- Other (specify)

specify	
General Manager Investments	

What data has been verified	
<input checked="" type="checkbox"/>	Policies
<input checked="" type="checkbox"/>	Overarching strategy and processes
<input checked="" type="checkbox"/>	Asset class specific processes
<input checked="" type="checkbox"/>	Quantitative data related to RI processes
<input type="checkbox"/>	Other

Relevant modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
<input checked="" type="checkbox"/>	Indirect – Manager Selection, Appointment and Monitoring