

Environmental, Social and Governance (ESG) policy

At Commonwealth Bank Group Super, we recognise we have a responsibility to manage environmental, social and governance risks, and to proactively identify opportunities that will help enhance the financial wellbeing of our members and their families for retirement.

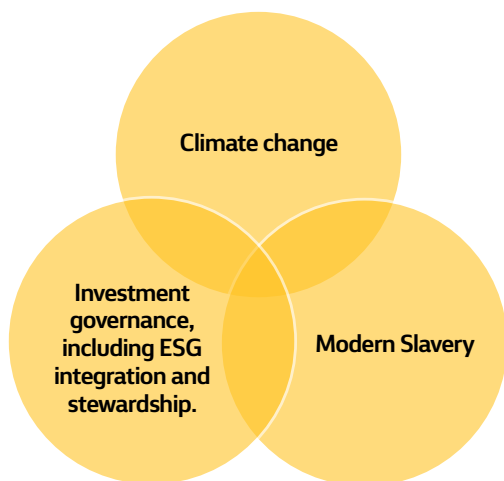
We are committed to embedding ESG considerations into our business processes, which includes the selection and monitoring of all service providers, and decision making underpinned by our governance practices and reporting to members.

Integrating ESG considerations into how we invest, allows us to reduce risks, maximise investment opportunities and contribute to a sustainable future.

About our ESG policy

The ESG Policy provides a reference point for our members and service providers on the minimum standards we seek to abide by, the targets and commitments we are adopting, and the governance and oversight in place to support our endeavours.

Areas of focus



Guiding principles and values

Our approach to ESG matters is facilitated by our investment framework and risk management framework and is underpinned by the following guiding principles:

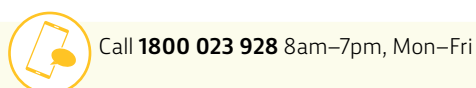
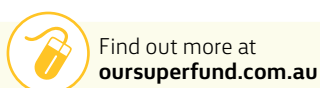
- always acting in the best financial interests of members and beneficiaries of the fund
- integrating ESG considerations and risk management into business processes and investment practices and procedures
- promoting alignment of our behaviours, decisions and actions to our Code of Conduct
- applying due diligence and seeking appropriate disclosure on ESG issues to material outsourced arrangements, suppliers and investments
- adopting responsible stewardship practices for our investments
- complying with the changing regulatory and prudential landscape
- staying abreast of member expectations
- keeping members informed through transparent disclosures (where possible); and
- establishing appropriate governance of, and assurance over, adherence to our ESG commitments¹

Climate change

We accept the scientific consensus that climate change is occurring and are committed to net zero emissions across our investment portfolio and operations by 2050, in line with the 2015 Paris Agreement goal of keeping global average temperatures to well below two degrees Celsius.

We believe everyone has a role to play in transitioning to a net zero emissions economy. This transition will present opportunities for us to take advantage of and risks for us to manage to ensure we protect and enhance the long term financial wellbeing of our members.

¹ Our ESG commitments are confined to the commitments outlined in this ESG policy



We have a Climate Change Action Plan. To achieve our net zero 2050 commitment, we have set a 45% portfolio carbon emissions (Scope 1 and 2) expected reduction by 2030².

We are addressing climate change by:

- better understanding the impacts of climate change on the fund, both at an investment portfolio and operations level
- integrating climate change opportunities and risks into our investment decision-making
- understanding and monitoring our service providers' position on climate change, with an increased focus on ESG credentials of our investment managers
- conducting scenario analysis and stress testing our investment portfolio resilience.

Modern slavery

Respect for human rights is a key component of how we undertake our role as the trustee of the fund.

We assess and address risks of modern slavery and forced labour in our operations, supply chain and investments. We manage these risks by:

- identifying, managing, monitoring and mitigating the risks of modern slavery in our operations, supply chains and investments
- engaging with our service providers to promote the importance of mitigating and redressing the risks of modern slavery;
- reporting as required by the *Modern Slavery Act 2018* (Cth). Refer to our website for a copy of our Modern Slavery statement.

Investment governance

ESG integration

We believe the integration of ESG considerations will have an influence on the long-term investment outcomes of our members. We therefore consider ESG opportunities and risks, including climate change, when determining the fund's investment strategy.

Stewardship

We believe that active ownership can influence company performance and protect and enhance long term investor value.

We delegate the exercise of our voting rights in relation to shares in listed Australian and international companies to our appointed investment managers.

We therefore expect our investment managers to vote on shares they manage on the fund's behalf and to use their

voting powers to actively engage with company management, where appropriate to the type of investment strategy.

We have ultimate responsibility on decisions relating to proxy voting and may direct our investment managers on how to vote under certain circumstances.

We monitor the voting practices of our investment managers, where applicable, and publish the fund's voting record for Australian and international listed companies following the end of each financial year on our website.

Investment exclusions

We consider exclusions within our investment strategy in instances where continued investment does not align with our ESG values and commitments and to ensure compliance with applicable sanction regulations. At present, we exclude investment in companies:

- whose primary purpose is tobacco manufacturing
- that derive more than 10% of its revenue from thermal coal mining or oil/tar sands mining; and
- produce controversial weapons.

Further, as an extension of applicable sanction regulations, we will not invest in Russian investments including currency³.

These exclusions extend to the fund's direct holdings in listed shares and fixed interest portfolios. For indirect holdings, such as derivatives, unit trusts and structures like exchange-traded funds, the trustee does not maintain the same degree of control over individual investments, therefore these exclusions may not apply to these investments.

Governance and oversight

We are committed to embedding ESG considerations into our business processes and decision making.

Our directors, committee members and executive officers bring a diverse range of experience, skills and knowledge to help govern our fund.

The trustee board comprises nine directors, all of whom serve in a non-executive capacity. The board has three independent directors, three member-elected directors and three employer-appointed directors.

We aim to maintain a board which has an appropriate mix of diversity, skills and experience, including a target of 40% of women on the Board as part of our Board diversity policy and remains above this target.

Our overall approach to embedding our ESG policy is facilitated by our investment governance framework and our risk management framework.

The board is responsible for overseeing adherence to the ESG policy.

² Using a baseline of 30 June 2020

³ Since this exclusion decision (31 March 2022), the Trustee recognises it will take time to divest from the fund's current Russian holdings given the illiquidity or inability to trade these assets in the financial market.



Find out more at
[oursuperfund.com.au](https://www.oursuperfund.com.au)



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