




Principle	Engagement	Materiality	Page
LEA 02	Mandatory	Customer	123
Type of engagement			
Individual/ internal staff engagements		Reason for interaction	
Collaborative engagements		<ul style="list-style-type: none"> To the extent investment is considered to be a "strategic" investment To the extent investment is considered to be a "strategic" investment To the extent investment is considered to be a "strategic" investment To the extent investment is considered to be a "strategic" investment 	
Service provider engagements		<ul style="list-style-type: none"> To the extent investment is considered to be a "strategic" investment To the extent investment is considered to be a "strategic" investment To the extent investment is considered to be a "strategic" investment To the extent investment is considered to be a "strategic" investment 	

RI TRANSPARENCY REPORT 2018

HESTA Super Fund

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 02	Mandatory	Peering	General
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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).

147

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

30/06/2017

OO 04.2 Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

Total AUM

41,483,033,000 AUD

31,518,763,874 USD

OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:

	Internally managed (%)	Externally managed (%)
Listed equity	0	10-50%
Fixed income	0	10-50%
Private equity	0	<10%
Property	0	<10%
Infrastructure	0	10-50%
Commodities	0	0
Hedge funds	0	0
Forestry	0	<10%
Farmland	0	0
Inclusive finance	0	0

Cash	0	10-50%
Other (1), specify	0	<10%
Other (2), specify	0	0

If you respond 'Other (1)', specify for Internally Managed

Other corresponds to 'Opportunistic Growth Funds'

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

'Other (1)' specified

Other corresponds to 'Opportunistic Growth Funds'

OO 07

Mandatory to Report, Voluntary to Disclose

Gateway

General

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Externally managed	30	SSA
	20	Corporate (financial)
	45	Corporate (non-financial)
	5	Securitised

OO 08

Mandatory to Report, Voluntary to Disclose

Peering

General

OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s)	Total of the asset class (each row adds up to 100%)												
[a] Listed equity	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	100%												
[b] Fixed income - SSA	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	100%												
[c] Fixed income – Corporate (financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	100%												
[d] Fixed income – Corporate (non-financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	100%												
[e] Fixed income – Securitised	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	100%												

[f] Private equity	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%																	
[g] Property	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%																	
[h] Infrastructure	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%																	
[k] Forestry	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%																	
[n] Cash	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%																	
[o] Other (1), specify	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%																	

OO 08.2 Additional information. [Optional]
Other is Opportunistic Growth

OO 09 Mandatory to Report, Voluntary to Disclose Peering General

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

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Total	100%

OO 10 Mandatory Gateway General

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

We engage with companies on ESG factors via our staff, collaborations or service providers.

We require our external managers to engage with companies on ESG factors on our behalf.

We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

We cast our (proxy) votes directly or via dedicated voting providers

We require our external managers to vote on our behalf.

We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

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

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We are not of the view that we can engage effectively for influence in fixed income SSA. Given finite resources we prefer to direct them in a way that delivers greater benefit risk adjusted returns to members. While note a requirement under our mandates with fixed income managers, where there are material ESG issues we would expect our managers to engage on our behalf. We discuss such engagement with our fixed income managers as part of ongoing manager monitoring.

Fixed income Corporate (financial) – engagement

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

Fixed income Corporate (non-financial) – engagement

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

Fixed income Corporate (securitised) – engagement

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

OO 11	Mandatory	Gateway	General
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OO 11.2 Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p style="background-color: #0070C0; color: white; padding: 2px;">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <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	<p style="background-color: #0070C0; color: white; padding: 2px;">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <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 style="background-color: #0070C0; color: white; padding: 2px;">Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <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 (non-financial)	<p style="background-color: #0070C0; color: white; padding: 2px;">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <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 - securitised	<p>Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Private equity	<p>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Property	<p>Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Infrastructure	<p>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Forestry	<p>Forestry - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Cash	<p>Cash - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</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>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>

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

Manager Selection

When considering a new external investment manager in any of our key asset classes HESTA, as well as our consultant or advisor will assess the prospective Manager's:

- Approach to incorporating ESG within its investment processes and decision making.
- Activities associated with incorporating ESG within its investment processes and decision making across all stages of its investment, including pre-investment, due diligence and post investment asset management.
- Capabilities related to ESG including tools, resources as well as involvement in any external responsible investment collaborations and/or initiatives.

The ESG assessment of a prospective external investment manager will only be one of a range of factors which determine the suitability of a manager and its strategy for inclusion in HESTA's portfolio.

HESTA's Manager ESG Assessment is undertaken by the relevant HESTA Investment Manager with support and advice from the HESTA Investment Manager - ESG. The Manager ESG Assessment is undertaken using our comprehensive suite of ESG criteria which cover the elements identified above and includes a

scoring and weighting framework for each category and criteria. The Assessment is conducted through (i) a desktop review of the ESG assessment provided by HESTA's consultant or advisor, (ii) a desk top review of any documented ESG information e.g. policies, reports etc, provided by the prospective manager and (iii) an ESG focused meeting with the prospective manager.

Feedback is provided to manager's including: thier score relative to peers, the relative strengths and weaknesses of their approach, and examples of best practice to encourage progress.

Manager Appointment

When appointing a new external investment manager in any of our key asset classes, ESG requirements are incorporated into contractual arrangements, either within an investment management agreement or a side letter.

Manager Monitoring

HESTAs manager performance review meetings include responsible investment as a standard agenda item, where relevant. This agenda item provides the opportunity to discuss any of the following that occurred since the last review meeting:

- Any ESG issue(s) identified by the manager during their investment analysis including whether or not the issue(s) impacted investment decisions.
- Any ESG issue(s) that have generated media or public interest.
- Updates on any ESG engagement with underlying investments.
- Updates on any other relevant ownership activities such as proxy voting or board representation.

In addition to the regular performance review meetings, HESTA undertakes a more formal annual manager performance review which includes an ESG Review consisting of:

- A review of any ESG information provided by managers as part of their regular performance review meetings (as outlined above) or their regular investment reports to HESTA.
- A review of any ESG information provided by managers in response to requests from HESTA including their response to HESTA's ESG Issue Survey.
- A review of any specific ESG reports provided by managers e.g. RI Reports, PRI Transparency Reports etc.
- A Manager ESG Review meeting to discuss any change or improvements to the manager's approach, as well as the ESG activities and performance highlights from the year.

An update of the Manager ESG Assessment Framework including update of scoring based on information obtained through the steps outlined above.

OO 12	Mandatory	Gateway	General
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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 directly or via service providers	
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
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"/>	Private Equity
<input checked="" type="checkbox"/>	Property
<input checked="" type="checkbox"/>	Infrastructure
Closing module	
<input checked="" type="checkbox"/>	Closing module

OO SAM 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO SAM 01.1 Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)	Passive	23
	Active - quantitative (quant)	8
	Active - fundamental and active - other	69

Fixed income - SSA	60	Passive
	0	Active - quantitative (quant)
	40	Active - fundamental and active - other
Fixed income - Corporate (financial)	8	Passive
	0	Active - quantitative (quant)
	92	Active - fundamental and active - other
Fixed income - Corporate (non-financial)	4	Passive
	0	Active - quantitative (quant)
	96	Active - fundamental and active - other
Fixed income - Securitised	22	Passive
	0	Active - quantitative (quant)
	78	Active - fundamental and active - other

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"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Climate Change <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 and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

Responsible investment is core to delivering HESTA's vision and mission and is part of our Investment Beliefs.

HESTA Responsible Investment Policy is grounded in HESTA's key investment objective which is to maximise members' long-term investment returns while minimising risk. As such, the consideration of ESG risks and opportunities in HESTA's investment processes and decision making is consistent with maximising HESTA members' long-term investment returns while minimising risk, and is therefore consistent with HESTA's fiduciary duty and the sole purpose test, to act in the best interests of fund members.

HESTA believes that this approach will have the ancillary benefit of contributing to improved environmental and social outcomes, which will in turn:

- * contribute to a stronger economy, which is a prerequisite for delivering the best risk-adjusted returns for members.
- * improve the overall retirement outcome for members, as their retirement outcome will not only be affected by the financial returns received, but by the state of the environment and the society into which they retire.

Additionally, during the reporting period HESTA went through an investment strategy review and ESG is an important part of the new Investment Beliefs.

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]

Purpose

The purpose of the Responsible Investment policy is to formally outline HESTA's principles and commitments in relation to the incorporation of Environmental, Social and Governance (ESG) considerations into investment processes and decision-making.

Scope

The Responsible Investment Policy applies to all of HESTA's investments including:

- All types including direct, mandated and pooled
- All styles including active and passive
- All classes including Australian and international shares, property, unlisted and listed infrastructure, private equity, global bonds and timber
- All geographic locations.

The way in which HESTA incorporates ESG considerations into investment processes and decision-making will differ depending on these investment characteristics.

Variations or exceptions

In general, HESTA's Responsible Investment Policy applies to all of HESTA's investments and HESTA does not seek to restrict investment through the use of exclusions based on ESG considerations. However, HESTA does have the following restrictions:

Portfolio-wide investment restrictions and exclusions

In addition to incorporating ESG issues into our investment processes and decision making, we have imposed some portfolio-wide restrictions and exclusions related to ESG issues.

Tobacco

HESTA excludes investment in any company that manufactures tobacco and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard& Poor's).

Thermal coal

HESTA applies the following restrictions on new investment in:

- Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal.
- Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal.
- The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.

Investment restrictions and exclusions specific to Eco Pool:

Tobacco

In addition to the portfolio-wide tobacco exclusion, Eco Pool excludes investment in companies that derive more than 15% of revenue from the supply of key products necessary for the manufacture of tobacco products, or the distribution or retail of tobacco products (consistent with the MSCI Global Socially Responsible Indices Methodology).

Fossil fuel

Eco Pool has a more extensive exclusion on companies involved in fossil fuel than the thermal coal exclusion in the broader portfolio. Eco Pool excludes investment in any company that derives any revenue from the mining of thermal coal, or the extraction, production or refining of conventional and unconventional oil and gas; or derives more than 15% of revenue from the generation of electricity from fossil fuels or the transportation, distribution or retail of conventional and unconventional oil and gas; or more than 15% of revenue from the supply of equipment or services for the exploration and production of conventional and unconventional oil and gas activities.

Uranium

Eco Pool does not allow any investments in companies involved in the mining or processing of uranium.

Implementation

HESTA will incorporate ESG issues into investment processes and decision-making including:

- Implementing the United Nations Principles for Responsible Investment (PRI).
- Considering ESG in the allocation of assets and the structure and diversification of the portfolio.
- Considering ESG in the selection of external fund managers appointed to manage money on behalf of HESTA and its members - and incorporate ESG into the agreements (Investment Management Agreements) HESTA has with external fund managers.
- Being an active owner by voting all of the shares that it is able to and engage with companies to improve their corporate governance.
- Being active in public policy in relation to ESG matters - either directly or via like-minded organisations - on issues that are of market-wide significance and material in terms of the economic interests of our members.
- Understanding the impact of key ESG issues such as climate change and carbon-related risks and opportunities within each of the major asset classes and across the portfolio as a whole, and Collaborating with other organisations to achieve these objectives.
- HESTA will prioritise activities to implement this policy in accordance with the asset allocations, the importance of the ESG issue and the potential for HESTA to influence change (affected by investment types and styles).

Varying levels of implementation

While HESTA's Responsible Investment Policy applies to all of HESTA's investments, the extent to which it is implemented across all asset classes is dependent on the relevance of ESG issues to that asset class. We are working towards comprehensive implementation across all our key asset classes including equities, infrastructure, property, private equity and timber. However, even within these asset classes, implementation varies depending on the type and style of the investment e.g. active vs passive, mandated vs pooled vehicles.

In a few asset classes the extent to which we can meaningfully implement the Responsible Investment Policy is limited. This includes some fixed income investments e.g. mortgage backed securities and some of the opportunistic growth investments. Further we have not identified any way in which we can meaningfully incorporate ESG issues into our investment processes and decision making in relation to cash.

Approval

The Responsible Investment policy was first approved by HESTA's Board in April 2010. The most recent revisions to this policy were approved by the Board in June 2017.

Review

The Responsible Investment policy will be reviewed every three years in line with HESTA's strategic review process. In addition, this policy is required to be updated as necessary to reflect changes in:

- The legal or regulatory environment as it relates to ESG.
- The asset classes in which HESTA invests.
- The investment processes including asset allocation, portfolio structuring and diversification, asset consultant and investment manager selection and management and investment analysis.
- Strategic or operational changes to HESTA.
- Member or community expectations.

Subordinate Policies

HESTA's Responsible Investment Policy Framework also includes two subordinate policies:

- Active Ownership Policy
- Climate Change Policy

No

SG 02

Mandatory

Core Assessed

PRI 6

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL
https://www.hesta.com.au/content/dam/hesta/Documents/Responsible_Investment_Policy.pdf
 Attachment (will be made public)

Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Responsible_Investment_Policy.pdf <input type="checkbox"/> Attachment (will be made public)

Engagement policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Active_Ownership_Policy.pdf <input type="checkbox"/> Attachment (will be made public)

(Proxy) voting policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Active_Ownership_Policy.pdf <input type="checkbox"/> Attachment (will be made public)

Other, specify (1)

Other, specify (1) description
Climate Change

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Climate_Change_Policy.pdf <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

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

Time horizon of your investment

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Responsible_Investment_Policy.pdf <input type="checkbox"/> Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Responsible_Investment_Policy.pdf <input type="checkbox"/> Attachment

ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Responsible_Investment_Policy.pdf <input type="checkbox"/> Attachment

Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Active_Ownership_Policy.pdf <input type="checkbox"/> Attachment

Reporting

Climate-related issues

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.hesta.com.au/content/dam/hesta/Documents/Climate_Change_Policy.pdf
<input type="checkbox"/> Attachment

We do not publicly disclose any investment policy components

SG 02.3	Indicate if your organisation's investment principles, and overall investment strategy is publicly available
<input checked="" type="radio"/> Yes https://www.hesta.com.au/content/dam/hesta/Documents/Investment-choices.pdf	
<input type="radio"/> No	

SG 03	Mandatory	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
<input checked="" type="radio"/> Yes	

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
<p>HESTA has a range of policies managing and mitigating potential conflicts of interest in the investment process.</p> <p>Conflicts Management Framework and Policy</p> <p>An overarching policy defining conflicts and how they will be managed.</p> <p>Compliance Plan</p> <p>Documents the regulatory obligations that must be met when managing conflicts - specifically those arising from Superannuation Prudential Standard 521.</p> <p>Risk Management Framework and Strategy</p> <p>Documents the controls implemented to manage the risks associated with conflicts.</p> <p>Fit and Proper Policy</p> <p>Requires conflicts to be considered during the initial and ongoing assessment of the propriety of Responsible Persons.</p> <p>Outsourcing Policy</p> <p>Requires conflicts to be considered during the appointment of material outsource service providers (including investment managers).</p> <p>Record Keeping Policy</p> <p>Requires documents to be maintained in relation to the management of any conflicts.</p>	
<input type="radio"/> No	

SG 04	Voluntary	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
<input checked="" type="radio"/> Yes	
<input type="radio"/> No	

SG 04.2	Describe your process on managing incidents
<p>HESTA: ESG escalation process The purpose of the framework is to outline a clear and consistent process for identifying and managing Environmental, Social and Governance (ESG) issues that may give rise to significant investment-related or reputational risk for HESTA. Part 1 – Identify ESG issues that should be managed through this escalation process Step 1.1: Identify and monitor ESG issues Step 1.2: Flag ESG issues that potentially pose a 'significant' investment-related or reputation risk to HESTA Step 1.3: Identify 'priority 1' ESG issues Step 1.4: Manage priority ESG issues – escalation process Step 1.5: Determine if the ESG issue relates to a specific company Step 1.6: Determine if the ESG issue relates to a particular activity, product or service Part 2 - Managing 'priority 1' ESG issues that relate to a specific company Step 2.1: Determine whether the ESG issue is caused by the company and concern is appropriately directed at the company Step 2.2: If not, report on determination to not engage or take any other action in relation to the company Step 2.3: Identify whether the investment is 'meaningful' Step 2.4: Determine whether engagement has the potential to address the ESG issue and/or the associated investment-related or reputation risk to HESTA Step 2.5: Report on determination to engage Step 2.6: Engage directly with the company Step 2.7: Report on progress of the engagement Step 2.8: Determine whether the change objectives have been progressed or achieved Step 2.9: Report on outcome of engagement Step 2.10: Monitor the ESG issue Part 3 - Managing 'priority 1' ESG issues that relate to a particular activity, product or service Step 3.1: Determine the ESG issue is caused by the particular activity, product or service and concern is appropriately directed to the particular activity, product or service Step 3.2: If not, report on determination to not take any other action in relation to the activity, product or service Step 3.3: Identify whether the investment is 'meaningful' Step 3.4: Determine whether a risk management strategy has the potential to address the ESG issue and/or the associated investment-related or reputation risk to HESTA Step 3.5: Report on determination to implement a risk management strategy Step 3.6: Implement the risk management strategy Step 3.7: Report on progress of the implementation of the risk management strategy Step 3.8: Determine whether the risk management strategy has adequately addressed the ESG issue and/or the associated investment-related or reputation risks to HESTA Step 3.9: Report on outcomes Step 3.10: Monitor the issue Part 4 - Consider divestment Step 4.1: Determine that divestment has the potential to adequately address the ESG issue and/or the associated investment-related or reputation risk to HESTA not possible to address through Parts 2 & 3 Step 4.2: Identify strong demand and broad support for divestment Step 4.3: Identify investment impacts Step 4.4: Report on determination to not divest Step 4.5: Implement the divestment Step 4.6: Report on the divestment</p>	

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
<input type="radio"/> Quarterly or more frequently	
<input type="radio"/> Biannually	
<input checked="" type="radio"/> Annually	

- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 06	Voluntary	Descriptive	General
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SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
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Responsible investment processes

- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

Key performance indicator

Implementation of ESG/responsible investment education and content generation strategies.

Progress achieved

Developed a training module on our brand pillar 'we invest responsibly' to enable employees to articulate a consistent, unique and compelling message about our leadership in responsible investment and sustainability.

Developed a responsible investment lexicon of terms that consistently, accurately and vividly describe our approach, to support internal and external communication of ESG activity at HESTA.

Implemented regular collaboration between the HESTA ESG investment team, Brand and Communications team and Media Relations team to identify and leverage content opportunities across internal and external channels.

Developed and delivered content on our impact investments and engagements on climate change and board diversity across internal and external channels.

- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

HESTA became a signatory to the Climate Action 100+ in December 2017

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

SG 07	Mandatory	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager

- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- 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.

For the purposes of this report 'Portfolio Managers' refers to 'HESTA General Managers' including the General Manager - Listed Assets, the General Manager - Unlisted Assets and the General Manager - Strategy and Risk and 'Investment Analysts' refers to 'HESTA Investment Managers and Investment Analysts'.

Board members or trustees

Oversight/accountability for responsible investment

The full Board of HESTA has accountability and oversight of HESTA's Responsible Investment program including the Responsible Investment Policy, Active Ownership Policy and Climate Change Policy. The Board executes this accountability and oversight by approving these policies, monitoring their implementation at least annually, and ensuring they are reviewed every three years. HESTA's Board approves annual actions, including ESG actions, and monitors their achievement at the end of each year through the review of the HESTA Action Plan. The Board also oversees implementation of the various policies and monitors implementation through quarterly ESG reports, an annual ESG Review and ad hoc reports and updates.

Chief Investment Officer (CIO)

Oversight/accountability for responsible investment

The CIO has accountability and oversight of HESTA's Responsible Investment program including the implementation of the Responsible Investment Policy, Active Ownership Policy and Climate Change Policy. This responsibility is executed through weekly meeting with the IM - ESG and the annual ESG Review.

General Managers (GMs)

Oversight/accountability for responsible investment

GMs have responsibility to ensure that HESTA's Responsible Investment program is appropriately incorporated. Their areas of responsibility including strategy & risk, listed and unlisted assets.

Implementation of responsible investment

GMs implement HESTA's Responsible Investment program, including the Responsible Investment Policy, Active Ownership Policy and Climate Change Policy through monthly meetings with IM - ESG to discuss priorities and activities. GMs also ensure ESG questions are incorporated into manager due-diligence framework and questions as to how a manager integrates ESG considerations into decision making are also included into our on-going monitoring program. The Listed Assets team also monitor portfolio ESG metrics through our MSCI BarraOne risk system.

Investment managers (IMs) and Investment analysts (IAs)

Implementation of responsible investment

IMs and IAs assist with the implementation of HESTA's Responsible Investment program to their asset class. With the support of the IM - ESG the IMs and IAs:

- incorporate ESG into the selection, appointment and monitoring of investment managers in their asset classes
- identify and progress key ESG actions

Investment manager - ESG (IM - ESG)

Implementation of responsible investment

The IM - ESG is responsible for coordinating the implementation of the HESTA's Responsible Investment program and for providing advice on the implementation of these Policies to HESTA's investment team and other relevant HESTA staff.

Senior Investment Analyst - ESG (SIA - ESG)

Implementation of responsible investment

The SIA - ESG are responsible for providing implementation support to the IM - ESG to deliver the Responsible Investment program, including proxy voting and company engagement.

External managers or service providers

Implementation of responsible investment

HESTA has appointed a range of external managers and service providers to assist in the implementation of Responsible Investment program. Each external manager or service provider is responsible for implementation of a specific aspect of HESTA's ESG program. For example, external managers assist HESTA to implement our Responsible Investment Policy by incorporating ESG into their investment processes and decision making, as well as their active ownership policies and practices. ESG engagement service providers assist HESTA to implement our Active Ownership Policy by engaging with companies on ESG issues on behalf of HESTA and ensuring progress towards achieving the behaviour change objectives.

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

2.8

SG 07.4	Additional information. [Optional]
<p>A range of other HESTA staff play a role in assisting with the implementation of HESTA's Responsible Investment Policy, Active Ownership Policy and Climate Change Policy. For example, staff in the Marketing and Communications Unit assist with the development of communications for members and other key stakeholders on our approach to ESG as well as our ESG policies, processes, practices and performance. The staff in the Engagement Strategy and Advice Unit assist with the direct communication with our members and employers.</p>	

SG 08	Voluntary	Additional Assessed	General
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SG 08.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Board members/Board of trustees

- Responsible investment included in personal development and/or training plan

SG 08.2	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.
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Activities undertaken to develop and maintain Board members' skills and knowledge in relation to responsible investment included:

1. Responsible investment is a dedicated module in the induction training for all new Board members.
2. The board's annual ESG review focussed on the UN's Sustainable Development Goals (SDGs) and their application to HESTA's strategy.
3. Key experts in the responsible investment industry are identified and invited to present to the Board on a relevant topic.
4. A number of HESTA Board members attend the annual Australian Council of Superannuation Investor (ACSI) Conference which is dedicated to responsible investment topics and issues.
5. From time to time HESTA's Trustees are involved in various Responsible Investment collaborations and initiatives. For example, in 2016 our Chair, Angela Emslie, become a member of the board of the PRI.
6. At each Board investment committee meeting one or more external investment managers presents to HESTA's Trustees including on their approach to responsible investment.

- None of the above

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

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

SG 08.3	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
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Note: Remuneration for all HESTA staff including the Investment Manager - ESG is 100% fixed pay i.e. no variable pay. As such, the 'Variable pay linked to responsible investment performance' is 'not applicable' rather than 'none'.

Portfolio Managers i.e. HESTA General Managers (GMs)

The extent to which HESTA GMs have 'Responsible investment KPIs and/or goals included in objectives' and 'Responsible investment included in appraisal process' differs considerably depending on the particular GM as well as the particular asset class for which they are responsible.

Investment Analysts i.e. HESTA Investment Managers (IMs) and Investment Analysts (IAs)

The extent to which HESTA IMs and IAs have 'Responsible investment KPIs and/or goals included in objectives', 'Responsible investment included in appraisal process', and 'Responsible investment included in personal development and/or training plan' differs considerably depending on the particular IM or IA as well as the particular asset class for which they are responsible.

Dedicated responsible investment staff i.e. Investment Manager - ESG (IM - ESG)

The performance of the IM - ESG is evaluated through a formal performance assessment undertaken annually. Performance is evaluated against a framework including responsibilities, objectives, specific activities, KPIs and training and development all of which relate to responsible investment.

SG 08.4	Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.
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HESTA's Executive Investment Execution Mr. Rob Fowler, has extensive experience integrating ESG into investment decision making, both at the implementation level earlier in his career and more so at the strategy level in more recent years. After joining HESTA in 2004 Rob was responsible for the further development of HESTA's Corporate Governance Policy and brought proxy voting in-house so as to ensure decisions were made on a fully informed basis and to ensure consistency across the votes. In 2005 Rob developed a paper on 'Ethical considerations and investing' for the board. In 2006 Rob championed HESTA becoming a shareholder of Regnan - Engagement and Research and was a member of their Board of Directors. In 2006 he also became a member of the Management Committee at the Investor Group on Climate Change (IGCC) when HESTA joined IGCC. Rob remains the inaugural Chair of ESG Research Australia, formed in 2009. Since 2007, Rob has taken a role more focused on overseeing the implementation of HESTA's responsible investment program, which includes prioritising asset managers successfully integrating ESG and encouraging low-carbon and impact investments. HESTA's CEO Ms. Debby Blakey is very involved in HESTA's responsible investment program and is also member of the board at the Australian Council of Superannuation Investors (ACSI) and the 'Investor CEO Panel' of the Investor Group on Climate Change Australia/New Zealand (IGCC). HESTA's Chair of the board, Ms. Angela Emslie, has sat on HESTA's board since 1994 and has therefore been involved in the oversight and evolution of HESTA's ESG strategy since early days. She was also elected to the board of the PRI in 2015. HESTA's trustee directors are all from the health and the community services sectors of the economy. They all come with an interest in ensuring our members get to live in an improving society and are very interested in the development and implementation of HESTA's ESG policies.

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

HESTA is a member of the PRI and has been since 2007.

HESTA's Chair of the board, Angela Emslie has been on the PRI board since the end of 2015.

HESTA is an active participant in PRI with HESTA's Investment Manager - ESG participating in various advisory committees, working groups and initiatives.

HESTA has regularly attended PRI annual conferences. From time to time HESTA has contributed to the development of PRI policies, papers and guidance documents.

HESTA promotes PRI and their policies and programs to our external investment managers and the broader investment market.

Asian Corporate Governance Association

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 participate on ACGA's quarterly update calls.

Australian Council of Superannuation Investors

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

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

HESTA is a member of ACSI and has been since inception in 2001.

HESTA is a very active participant in ACSI with HESTA's CEO being on the ACSI Board and a HESTA Trustee Director being on the ACSI Member Council. HESTA's Investment Manager - ESG is a participant on the ACSI Member Council and the ESG Group.

HESTA actively provides input to ACSI policies, programs and activities and promote ACSI and their policies, programs and activities in the broader investment market.

HESTA participates in ACSI coordinated meetings with a range of companies on key corporate governance issues such as board composition including diversity and independence, executive remuneration, corporate and capital structures, and social and environmental issues such as climate change strategy, stranded assets and coal seam gas.

AFIC – 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]
--

HESTA is a signatory to CDP Climate Change and has been since 2007.

CDP Forests

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]

HESTA is a signatory to CDP Forests.

CDP Water

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]

HESTA is a signatory to CDP Water.

- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia

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

Advanced

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

HESTA is a founding member of ESG RA (founded in 2009).
HESTA is a very active participant in ESG RA. For the seventh consecutive year, HESTA's CIO was chair of ESG RA. For five years until 30 June 2013 HESTA also provided the secretariat support for ESG RA.
HESTA actively promotes ESG RA to our external investment managers and the broader investment market.

- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

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]

HESTA is a member of the GRESB and has been since 2014.
HESTA is an active participant in GRESB having requested all our external property managers complete the GRESB Survey.
HESTA regularly attends GRESB seminars.
HESTA promotes GRESB and their policies and programs to our external investment managers and the broader investment market.

- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

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

Basic

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

HESTA is a signatory to ICGN and has been since 2007.
HESTA has attended ICGN annual conferences. From time to time HESTA has contributed to the development of ICGN policy.

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

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

Advanced

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

HESTA is a member of IGCC and has been since incorporation of the association in 2006.
HESTA is a very active participant in IGCC. HESTA's EIE is a member of the IGCC Management Committee (and has been since 2006) and HESTA's General Manager - Unlisted Assets is the Chair of the Low Carbon Finance Working Group.
HESTA actively provides input to IGCC policy and programs and promotes IGCC and their policy and programs in the broader investment market.

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

Responsible Investment Association Australasia (RIAA)

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]

HESTA is a signatory to RIAA and has been since 2009.

HESTA is an active participant in RIAA, with HESTA's Investment Manager - ESG participating in various projects and meetings including the RIAA / ASFA Impact Investment Working Group.

HESTA has regularly attended RIAA conferences. From time to time HESTA has contributed to the development of RIAA policies and papers.

HESTA also reports to RIAA's superfund responsible investment benchmark.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Montreal Carbon Pledge

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

Basic

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

HESTA became a signatory to the PRI's Montréal Carbon Pledge in 2014.

- 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
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Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.

80%

SG 10	Mandatory	Core Assessed	PRI 4
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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.)

Description
HESTA produced educational online content for members, including on our approach to climate change, active ownership and exclusion of tobacco. https://www.hesta.com.au/stories/good-investments-dont-cost-the-earth.html https://www.hesta.com.au/stories/climate-change.html https://www.hesta.com.au/stories/no-butts-about-it.html https://www.hesta.com.au/about-us/what-we-stand-for/responsible-investment/active-ownership.html

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

- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description
During the reporting year, HESTA's encouraged better transparency and disclosure by: * Requesting all managers respond to HESTA's manager ESG assessment. * Requesting our property managers respond to the Global Real Estate Sustainability Benchmark (GRESB).

Frequency of contribution
<input type="radio"/> Quarterly or more frequently

- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

Description
HESTA spoke at the following events during the period: PRI PEI Private Equity Forum, GRESB Results Forum, Milken Institute Conference, Shared Value Conference and CIE Alternatives Conference.

Frequency of contribution
<ul style="list-style-type: none"> <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

Wrote and published in-house research papers on responsible investment

Encouraged the adoption of the PRI

Description
During our regular meetings with managers that are not PRI signatories, we highlight the importance of becoming a PRI signatory by disclosing to all managers that being a signatory to PRI is a KPI in HESTA's manager ESG assessment.

Frequency of contribution
<ul style="list-style-type: none"> <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

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
HESTA chairs the PRI Infrastructure advisory committees and had representatives on the ESG Engagements, Fixed Income Private Equity and the Australia Network advisory committees.

Frequency of contribution
<ul style="list-style-type: none"> <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

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

Description
All board and advisory positions are included in the collaborative initiatives list (SG09)

Frequency of contribution
<ul style="list-style-type: none"> <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

Other, specify

No

SG 11

Voluntary

Additional Assessed

PRI 4,5,6

SG 11.1 Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

Yes

Yes, individually

Yes, in collaboration with others

SG 11.2 Select the methods you have used.

Endorsed written submissions to governments, regulators or public policy-makers developed by others

Drafted your own written submissions to governments, regulators or public-policy markers

Participated in face-to-face meetings with government members or officials to discuss policy

Other, specify

No

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

HESTA engages with public policy makers, regulators and standard setters on ESG and other matters to protect or enhance the long-term value of our investments through our expert third-party engagement service providers. For engagement internationally we have appointed Hermes Equities Ownership Services (EOS) and for engagement in Australia we have appointed the Australian Council of Superannuation Investors (ACSI) and Regnan - Governance Research & Engagement.

During the reporting year, HESTA contributed to the development of EOS, ACSI's and Regnan's Public Policy Engagement Plans. We also reviewed the progress of these Plans quarterly. During the reporting year, EOS, ACSI and Regnan contributed to the development of policy and best practice on a range of ESG issues and other matters through:

- * Meeting with public policy makers, regulators and standard setters.
- * Preparing a number of submissions to governments, regulators or standard setters

Some of the issues engaged on were:

Conduct culture: including on whistleblower legislation and the Banking Executive Accountability Regime.

Human rights: providing submissions to the Australian Government and Treasury on proposed modern slavery legislation and a review of the National Contact Point for the OECD Guidelines for Multinational Corporations

Climate change: Detailed feedback was provided to the TCFD on its guidelines for climate disclosure encouraging greater clarity. Contributions were also made to a carbon lobbying collaboration and an investor guide to climate risk disclosure. Input was also provided to the review committee for the PRI and US Environmental Defense Fund's publication "An investor's guide to methane: engaging with oil and gas companies to manage a rising risk."

Integrated Reporting: Active advocacy of including input into a joint CPA-IIRC focus group on supporting the uptake of in Australia as well as participation in a number of roundtables and panel sessions.

ESG-related regulatory reform: Contributions to a research project seeking to develop law reform proposals to enable greater use of shareholder resolutions on ESG matters in Australia and advocacy to encourage enhanced APRA guidance on SPG530.

SG 12	Mandatory	Core Assessed	PRI 4
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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"/> Private equity (PE)
<input checked="" type="checkbox"/> Infrastructure (INF)
<input checked="" type="checkbox"/> Property (PR)
<input type="checkbox"/> Other asset classes

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.

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"/>	Private equity (PE)
<input checked="" type="checkbox"/>	Infrastructure (INF)
<input checked="" type="checkbox"/>	Property (PR)
<input type="checkbox"/>	Other asset classes

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.

We do not use investment consultants for selection, appointment and monitoring of external managers.

SG 12.4 Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation

Describe how responsible investment is incorporated

Our asset consultant is largely responsible for setting allocations to major asset classes. Their allocation process incorporates expectations about returns within each asset class and also the volatility and correlations between asset classes. Our asset consultant does not price or evaluate ESG considerations at the asset class level.

- 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].

Consideration of ESG issues in allocation of assets between (or within) asset classes and/or between geographic markets is undertaken informally. ESG considerations are not specifically built into any asset allocation model.

Allocation between asset classes

Our asset consultant is largely responsible for allocations to major asset classes. Their allocation process incorporates expectations about returns within each asset class and also the volatility and correlations between asset classes. Our asset consultant does not price or evaluate ESG considerations at the asset class level.

Allocation of assets between geographic markets

Our asset consultant does not set the allocation of assets between geographic markets, rather, this is generally outsourced to the fund managers within the asset class. When selecting fund managers that may impact the allocation of assets between geographic markets, HESTA considers any specific ESG issues associated with different regions or countries.

Allocation to ESG themed/focused investments

During 2016 HESTA's Board approved a new allocation to a low carbon passive international equities portfolio, the objective of which is to deliver 50% less emissions for a similar risk and return profile.

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1 Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities

- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG 13.3	Additional information. [OPTIONAL]
By June 2018 we intend to conduct a scenario planning exercise to assess how HESTA's investment strategy will be impacted by climate change risks (in line with TCFD recommendations).	

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
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SG 14.1	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.
<p>During the reporting period HESTA compiled a regular report that highlighted potential and actual ESG controversies that had the potential to lead to short term reputational risk impacts.</p> <p>For longer term risks, HESTA has used the SASB methodology to identify sector exposures across its portfolio. We intend to use third party ESG data analysis to identify those companies with the highest residual risk. The Manager ESG Assessment process has also identified ESG issues through discussions with managers on megatrends.</p>	

SG 14.2	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
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- Changing demographics
- Climate change and related issues

SG 14.3	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
<ul style="list-style-type: none"> <input type="checkbox"/> Established a climate change sensitive or climate change integrated asset allocation strategy <input checked="" type="checkbox"/> Targeted low carbon or climate resilient investments <input checked="" type="checkbox"/> Reduced portfolio exposure to emissions intensive or fossil fuel holdings <input checked="" type="checkbox"/> Used emissions data or analysis to inform investment decision making <input checked="" type="checkbox"/> Sought climate change integration by companies <input checked="" type="checkbox"/> Sought climate supportive policy from governments <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above 	

SG 14.4	Indicate which of the following tools you use to manage emissions risks and opportunities				
<ul style="list-style-type: none"> <input type="checkbox"/> Scenario analysis <input type="checkbox"/> Disclosure on emissions risk to clients/trustees/management/beneficiaries <input type="checkbox"/> Climate-related targets <input checked="" type="checkbox"/> Encourage internal and/or external portfolio managers to monitor emissions risk <input type="checkbox"/> Emissions risk monitoring and reporting are formalised into contracts when appointing managers <input checked="" type="checkbox"/> Weighted average carbon intensity <input checked="" type="checkbox"/> Carbon footprint (scope 1 and 2) <input checked="" type="checkbox"/> Portfolio carbon footprint <input type="checkbox"/> Total carbon emissions <input type="checkbox"/> Carbon intensity <input type="checkbox"/> Exposure to carbon-related assets <input type="checkbox"/> Other emissions metrics <input checked="" type="checkbox"/> Other, specify <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="background-color: #0070C0; color: white;"></td> <td style="background-color: #0070C0; color: white;">other description</td> </tr> <tr> <td colspan="2">Encourage our external investment managers to incorporate climate change and carbon emissions risks and opportunities into their investment decision making processes</td> </tr> </table> <ul style="list-style-type: none"> <input type="checkbox"/> None of the above 			other description	Encourage our external investment managers to incorporate climate change and carbon emissions risks and opportunities into their investment decision making processes	
	other description				
Encourage our external investment managers to incorporate climate change and carbon emissions risks and opportunities into their investment decision making processes					

- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.6	Additional information [Optional]
<p>HESTA has a specific Climate Change Policy which outlines our principles and commitments in relation to the incorporation of climate change considerations into investment processes and decision-making. Given our outsourced investment model, encouraging our external investment managers to incorporate climate change and carbon emissions risk into their investment decision making processes is central to our approach.</p> <p>On the road to Paris COP21, HESTA supported the Global Investor Statement on Climate Change signed by 409 investors representing more than US \$24 trillion in assets</p> <p>The information below outlines in more detail the activities undertaken by HESTA to respond to climate change risk and opportunity in our portfolio.</p> <p>Targeted low carbon or climate resilient investments - At 30 June 2017 HESTA had nearly AUD 2.4 billion invested in 'low carbon' assets as defined by the Global Investor Coalition on Climate Change Low Carbon Investment Registry. HESTA reports on our low carbon investments publically in the Low Carbon</p>	

Investment Registry.

Reduced portfolio exposure to emissions intensive or fossil fuel holdings: In 2015 HESTA introduced a portfolio wide restriction on new investment in companies materially involved in new or expanded thermal coal assets. In our environmentally and socially responsible investment option, Eco Pool, we introduced a further restriction on investment in companies with material involvement in

- exploration, production or transportation of thermal coal assets;
- contracting or supplying to listed companies undertaking these activities; or
- generation of electricity from brown coal or lignite.

Sought climate supportive policy from governments - this is undertaken on our behalf by the Investor Group on Climate Change and to a lesser extent, our engagement service providers, the Australian Council of Superannuation Investors, Regnan - Governance Research & Engagement and Hermes Equity Ownership Services.

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1													
SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.															
✓ Yes																
SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.															
3%																
SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.															
Area																
<input checked="" type="checkbox"/> Clean technology (including renewable energy)																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070C0; color: white;">Asset class invested</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Listed equity</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - SSA</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - Corporate (financial)</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - Corporate (non-financial)</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - Securitised</td> </tr> <tr> <td><input type="checkbox"/> Private equity</td> </tr> <tr> <td><input type="checkbox"/> Property</td> </tr> <tr> <td><input checked="" type="checkbox"/> Infrastructure</td> </tr> <tr> <td style="padding-left: 20px;">3% of AUM</td> </tr> <tr> <td><input type="checkbox"/> Forestry</td> </tr> <tr> <td><input type="checkbox"/> Cash</td> </tr> <tr> <td><input type="checkbox"/> Other (1)</td> </tr> </tbody> </table>				Asset class invested	<input type="checkbox"/> Listed equity	<input type="checkbox"/> Fixed income - SSA	<input type="checkbox"/> Fixed income - Corporate (financial)	<input type="checkbox"/> Fixed income - Corporate (non-financial)	<input type="checkbox"/> Fixed income - Securitised	<input type="checkbox"/> Private equity	<input type="checkbox"/> Property	<input checked="" type="checkbox"/> Infrastructure	3% of AUM	<input type="checkbox"/> Forestry	<input type="checkbox"/> Cash	<input type="checkbox"/> Other (1)
Asset class invested																
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<input checked="" type="checkbox"/> Infrastructure																
3% of AUM																
<input type="checkbox"/> Forestry																
<input type="checkbox"/> Cash																
<input type="checkbox"/> Other (1)																
Brief description and measures of investment																
We have a number of private equity investments in clean technology, climate solutions and renewable energy e.g. wind farms and infrastructure assets in renewable energy.																
<input checked="" type="checkbox"/> Green buildings																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070C0; color: white;">Asset class invested</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Listed equity</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - SSA</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - Corporate (financial)</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - Corporate (non-financial)</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - Securitised</td> </tr> <tr> <td><input type="checkbox"/> Private equity</td> </tr> <tr> <td><input checked="" type="checkbox"/> Property</td> </tr> <tr> <td style="padding-left: 20px;">0.5% of AUM</td> </tr> <tr> <td><input type="checkbox"/> Infrastructure</td> </tr> <tr> <td><input type="checkbox"/> Forestry</td> </tr> <tr> <td><input type="checkbox"/> Cash</td> </tr> <tr> <td><input type="checkbox"/> Other (1)</td> </tr> </tbody> </table>				Asset class invested	<input type="checkbox"/> Listed equity	<input type="checkbox"/> Fixed income - SSA	<input type="checkbox"/> Fixed income - Corporate (financial)	<input type="checkbox"/> Fixed income - Corporate (non-financial)	<input type="checkbox"/> Fixed income - Securitised	<input type="checkbox"/> Private equity	<input checked="" type="checkbox"/> Property	0.5% of AUM	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Forestry	<input type="checkbox"/> Cash	<input type="checkbox"/> Other (1)
Asset class invested																
<input type="checkbox"/> Listed equity																
<input type="checkbox"/> Fixed income - SSA																
<input type="checkbox"/> Fixed income - Corporate (financial)																
<input type="checkbox"/> Fixed income - Corporate (non-financial)																
<input type="checkbox"/> Fixed income - Securitised																
<input type="checkbox"/> Private equity																
<input checked="" type="checkbox"/> Property																
0.5% of AUM																
<input type="checkbox"/> Infrastructure																
<input type="checkbox"/> Forestry																
<input type="checkbox"/> Cash																
<input type="checkbox"/> Other (1)																
Brief description and measures of investment																
A large portio of our property assets are defined as 'low carbon' according to the definition provided by the Global Investor Coalition on Climate Change Low Carbon Investment Registry.																
<input checked="" type="checkbox"/> Sustainable forestry																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070C0; color: white;">Asset class invested</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Listed equity</td> </tr> <tr> <td><input type="checkbox"/> Fixed income - SSA</td> </tr> </tbody> </table>				Asset class invested	<input type="checkbox"/> Listed equity	<input type="checkbox"/> Fixed income - SSA										
Asset class invested																
<input type="checkbox"/> Listed equity																
<input type="checkbox"/> Fixed income - SSA																

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Forestry
- 0% of AUM
- Cash
- Other (1)

Brief description and measures of investment

Close to one hundred percent of HESTA's forestry investments certified to an appropriate certification scheme.

- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Sustainable or low carbon themed investments

Asset class invested

- Listed equity
- 5% of AUM
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Forestry
- Cash
- Other (1)

Brief description and measures of investment

HESTA has two listed equities mandates where companies are selected on the basis of "Best in Class" ESG criteria. These investments meet the criteria for an environmental and social themed investment but do not fit solely within any of the social or environmental themes provided. The listed companies included in these investments operate across all sectors.

In addition, this year we have a partnered with an investment manager to allocate funds to a low-carbon passive mandate.

No

SG 17	Mandatory	Descriptive	General
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SG 17.1 Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Forestry	<p>Our policies, processes and practices to incorporate ESG issues into our forestry investments are consistent with those in the other unlisted asset classes.</p> <p>When selecting and appointing new forestry managers we undertake an assessment of their ESG capability and their integration of ESG issues into their investment processes including selection, management and monitoring of forestry assets. However, it should be noted that we did not select and appoint any new forestry managers in the reporting period.</p> <p>When monitoring our existing forestry manager we assess their ESG capabilities and integration of ESG issues into their investment processes and decision making including selection, management and monitoring of forestry assets. Where their ESG capabilities and/or the integration of ESG issues into their investment processes and decision making is below our expectation we would engage further with the manager to seek improvements.</p> <p>Over ninety five percent of all our forestry assets are certified under an appropriate certification standard.</p>

Other (1) [as defined in Organisational Overview module]	<p>Our policies, processes and practices to incorporate ESG issues into our opportunistic growth investments are consistent with those in the other unlisted asset classes.</p> <p>When selecting and appointing new opportunistic growth managers we undertake an assessment of their ESG capability and their integration of ESG issues into their investment processes and decision making including selection, management and monitoring of underlying opportunistic growth assets. However, it should be noted that we did not select and appoint any new opportunistic growth managers in the reporting period.</p> <p>When monitoring our existing opportunistic growth managers we assess their ESG capabilities and integration of ESG issues into their investment processes and decision making including selection, management and monitoring of underlying opportunistic growth assets. Where their ESG capabilities and/or the integration of ESG issues into their investment processes and decision making is below our expectation we would engage further with the manager to seek improvements.</p>
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SG 18	Voluntary	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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ESG Integration - Manager ESG assessment framework

Our Manager ESG Assessment Framework comprises a comprehensive suite of criteria for managers on their approach to, and practices for, incorporating ESG into their investment processes and decision making. We also developed a scoring and weighting framework so that we can assess and score each criteria, consistently and comparably.

During the period we developed a feedback pack to improve the level of engagement with managers. The pack provides managers with scores relative to peers, an assessment of their strengths and weaknesses and examples of best practice to encourage progress.

An analysis of relative manager performance against our scoring methodology is also reported to HESTA's Investment Committee and Board for the purposes of evaluating portfolio level ESG performance.

Benefits of this approach are that it:

- provides a comprehensive, robust and documented assessment;
- ensures assessments are consistent and comparable across managers; and
- highlights strengths and weaknesses in a manager's approach to, and practices for, incorporating ESG.
- encourages managers to continue advancing their ESG integration efforts.

Active Ownership

In Australia, we engage with our managers holding the companies on our behalf when determining the way in which we will vote on contentious resolutions. With close to twenty Australian equities managers, depending on the company, this can be an extensive exercise.

We consolidate all the feedback from our managers for each contentious resolution, and along with advice from our proxy voting advisor, we determine the way in which we will vote. Where relevant, we provide feedback to our managers when we vote against company management on a resolution including why we voted against the resolution and request that they communicate our feedback to the company in question.

Benefits of this approach are that it:

- evidences HESTA's commitment to active ownership;
- ensures consistency on voting for companies held by different managers on HESTA's behalf;
- ensures appropriate consideration of any contentious resolutions by our managers;
- facilitates greater understanding by our managers of HESTA's view on key governance issues;
- encourages increased engagement by our managers with companies on key governance issues; and
- enhances knowledge and understanding on key governance issues across the industry.

We know from our proxy advisor that this approach is not common in the market place.

No

SG 19	Mandatory	Core Assessed	PRI 6
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SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
---------	---

Listed equity - Engagement

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same
--

- Yes
- No

Disclosure to public and URL

Disclosure to public and URL	
<input checked="" type="checkbox"/>	Details on the overall engagement strategy
<input type="checkbox"/>	Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
<input checked="" type="checkbox"/>	Number of engagements undertaken
<input checked="" type="checkbox"/>	Breakdown of engagements by type/topic
<input type="checkbox"/>	Breakdown of engagements by region
<input checked="" type="checkbox"/>	An assessment of the current status of the progress achieved and outcomes against defined objectives
<input checked="" type="checkbox"/>	Examples of engagement cases
<input type="checkbox"/>	Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
<input type="checkbox"/>	Details on whether the provided information has been externally assured
<input type="checkbox"/>	Outcomes that have been achieved from the engagement
<input type="checkbox"/>	Other information
Annually	
https://www.hesta.com.au/about-us/what-we-stand-for/reports-magazines.html http://NA	

Listed equity – (Proxy) Voting

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

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/>	Explain all voting decisions
<input type="radio"/>	Explain some voting decisions
<input type="radio"/>	Only explain abstentions and votes against management
<input checked="" type="radio"/>	No explanations provided
Biannually	
https://www.hesta.com.au/about-us/what-we-stand-for/responsible-investment/active-ownership.html	

Selection, Appointment and Monitoring

Do you disclose?	
<input checked="" type="radio"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="radio"/>	We disclose to clients/beneficiaries only.
<input type="radio"/>	We disclose to the public

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 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 checked="" type="checkbox"/>	<input 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"/>

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 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 checked="" 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]

Screening

All active and passive listed equities and fixed income managers with a corporate (non-financial) strategy are required to apply a screen restricting investment in:

- Any company that manufactures cigarettes and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard & Poor's).

Also across our entire portfolio we are implementing the following restrictions on new investment in:

- Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal.
- Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal.
- The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.

Integration

HESTA expects all passive listed equities managers to integrate ESG issues into their ownership activities, and when possible engage with companies on any material ESG issues.

Thematic

HESTA has limited thematic strategies. These include: an international passive low carbon shares strategy. The strategy aims to achieve a carbon footprint at or below 50% of the Index while delivering index-like return, cleantech private equity funds and impact investment funds.

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	Private equity	Property	Infrastructure
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

HESTA's listed equities assessment includes an assessment of specific portfolio characteristics i.e. portfolio turnover.

HESTA's property, infrastructure assessments also includes specific portfolio ESG characteristics such as water, energy, waste and GHG emissions management and consumption.

All assessments also include assessment policies, high level oversight, risk identification processes and the use of internal and external resources.

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 - Securitized?	Private equity	Property	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG people/oversight								
	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?	FI - Securitized?	Private equity	Property	Infrastructure
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>

Process/portfolio construction/investment valuation								
	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?	FI - Securitized?	Private equity	Property	Infrastructure
Review the process for ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree the impact of ESG analysis on 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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree manager's ESG risk framework	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<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"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Strategy:

We also assess the institutionalised process for identifying material ESG risks and opportunities

ESG people/oversight:

We also assess at what level are ESG and related policies signed-off (i.e. board, compliance, executive)

SAM 02.3 Indicate the selection process and its ESG/RI components

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

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

	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?	FI - Securitised?	Private equity	Property	Infrastructure
ESG performance development targets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

HESTA carries out an ESG Assessment which evaluates each manager's:

- ESG Policy and philosophy
- Internal and external ESG resources
- Pre-investment ESG integration
- Active ownership
- ESG performance monitoring, transparency and reporting
- Portfolio ESG characteristics

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
- 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
- None of the above
- None of the above, we invest only in pooled funds and have a thorough selection process

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

Asset class

- Listed equity (LE)
 - Benchmark**
 - We do not set benchmarks
 - ESG Objectives**
 - ESG related strategy, specify
 - ESG related investment restrictions, specify

Tobacco Across our entire portfolio we do not allow investment in any company that manufactures cigarettes and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard & Poor's). Thermal coal Also across our entire portfolio we are implementing the following restrictions on new investment in: • Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal. • Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal. • The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.
 - ESG integration, specify

HESTA's Investment Management Agreement (IMA) states that we expect managers to have regard to HESTA's policies including the Active Ownership Policy and ESG Policy. The IMA also states that: - The Manager agrees to consider ESG risks, opportunities and/or performance in their: (i) Investment including due diligence, ownership and exit processes. (ii) Monitoring of Portfolio Assets including (without limitation) encouraging Portfolio Asset management to identify, manage and minimise material ESG risks, opportunities and/or improve performance in their ordinary business activities. - The Manager agrees to facilitate communication between the Trustee and certain portfolio companies regarding ESG issues if deemed necessary. - The Manager acknowledges that the Trustee may reasonably request the Manager to provide information to assist the Trustee to assess the delivery of its ESG and Active Ownership Policies and its obligations under the PRI. - The Manager will report to the Trustee at least on an annual basis on: (i) The development and/or implementation of any policies, process and practices regarding ESG. (ii) the Manager's thinking about and approach to ESG, and ESG activities including research and engagement with companies (iii) How the Manager incorporated ESG risks, opportunities and/or performance when making investments for the Portfolio including any examples of where it impacted the investment, ownership or exit activities during the period. (iv) Any actions undertaken to improve the ESG performance of the portfolio during the period. (v) Any material changes to ESG risks, opportunities or performance of the portfolio during the period.

- Engagement, specify
- Voting, specify

Executing the voting rights attached to shares HESTA holds in public companies is something we regard as being an integral element of active ownership. Share voting is an important tool for engaging with companies. HESTA will seek to vote 'for' or 'against' all resolutions on the meeting agenda in order to send a clear signal to the company. Where there is a recommendation to vote in opposition to management HESTA will request each of our external investment managers holding the stock to provide their views on the resolution. HESTA regards this advice as critical as our external investment managers have a detailed understanding of both the governance and operations of their investee companies. It is also part of our process of encouraging fund managers to take a closer interest in ESG matters.

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

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

- Fixed income - SSA (SSA)

Benchmark

- We do not set benchmarks

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify

Tobacco Across our entire portfolio we do not allow investment in any company that manufactures cigarettes and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard & Poor's). Thermal coal Also across our entire portfolio we are implementing the following restrictions on new investment in: • Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal. • Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal. • The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.

- ESG integration, specify

HESTA's Investment Management Agreement (IMA) states that we expect managers to have regard to HESTA's policies including the Active Ownership Policy and ESG Policy. The IMA also states that: - The Manager agrees to consider ESG risks, opportunities and/or performance in their: (i) Investment including due diligence, ownership and exit processes. (ii) Monitoring of Portfolio Assets including (without limitation) encouraging Portfolio Asset management to identify, manage and minimise material ESG risks, opportunities and/or improve performance in their ordinary business activities. - The Manager agrees to facilitate communication between the Trustee and certain portfolio companies regarding ESG issues if deemed necessary. - The Manager acknowledges that the Trustee may reasonably request the Manager to provide information to assist the Trustee to assess the delivery of its ESG and Active Ownership Policies and its obligations under the PRI. - The Manager will report to the Trustee at least on an annual basis on: (i) The development and/or implementation of any policies, process and practices regarding ESG. (ii) the Manager's thinking about and approach to ESG, and ESG activities including research and engagement with companies (iii) How the Manager incorporated ESG risks, opportunities and/or performance when making investments for the Portfolio including any examples of where it impacted the investment, ownership or exit activities during the period. (iv) Any actions undertaken to improve the ESG performance of the portfolio during the period. (v) Any material changes to ESG risks, opportunities or performance of the portfolio during the period.

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

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

- Fixed income - Corporate (financial)

Benchmark

- We do not set benchmarks

ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify

Tobacco Across our entire portfolio we do not allow investment in any company that manufactures cigarettes and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard & Poor's). Thermal coal Also across our entire portfolio we are implementing the following restrictions on new investment in: • Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal. • Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal. • The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.

- ESG integration, specify

HESTA's Investment Management Agreement (IMA) states that we expect managers to have regard to HESTA's policies including the Active Ownership Policy and ESG Policy. The IMA also states that: - The Manager agrees to consider ESG risks, opportunities and/or performance in their: (i) Investment including due diligence, ownership and exit processes. (ii) Monitoring of Portfolio Assets including (without limitation) encouraging Portfolio Asset management to identify, manage and minimise material ESG risks, opportunities and/or improve performance in their ordinary business activities. - The Manager agrees to facilitate communication between the Trustee and certain portfolio companies regarding ESG issues if deemed necessary. - The Manager acknowledges that the Trustee may reasonably request the Manager to provide information to assist the Trustee to assess the delivery of its ESG and Active Ownership Policies and its obligations under the PRI. - The Manager will report to the Trustee at least on an annual basis on: (i) The development and/or implementation of any policies, process and practices regarding ESG. (ii) the Manager's thinking about and approach to ESG, and ESG activities including research and engagement with companies (iii) How the Manager incorporated ESG risks, opportunities and/or performance when making investments for the Portfolio including any examples of where it impacted the investment, ownership or exit activities during the period. (iv) Any actions undertaken to improve the ESG performance of the portfolio during the period. (v) Any material changes to ESG risks, opportunities or performance of the portfolio during the period.

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

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

- Fixed income - Corporate (non-financial)

Benchmark

- We do not set benchmarks

ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify

Tobacco Across our entire portfolio we do not allow investment in any company that manufactures cigarettes and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard & Poor's). Thermal coal Also across our entire portfolio we are implementing the following restrictions on new investment in: • Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal. • Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal. • The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.

- ESG integration, specify

HESTA's Investment Management Agreement (IMA) states that we expect managers to have regard to HESTA's policies including the Active Ownership Policy and ESG Policy. The IMA also states that: - The Manager agrees to consider ESG risks, opportunities and/or performance in their: (i) Investment including due diligence, ownership and exit processes. (ii) Monitoring of Portfolio Assets including (without limitation) encouraging Portfolio Asset management to identify, manage and minimise material ESG risks, opportunities and/or improve performance in their ordinary business activities. - The Manager agrees to facilitate communication between the Trustee and certain portfolio companies regarding ESG issues if deemed necessary. - The Manager acknowledges that the Trustee may reasonably request the Manager to provide information to assist the Trustee to assess the delivery of its ESG and Active Ownership Policies and its obligations under the PRI. - The Manager will report to the Trustee at least on an annual basis on: (i) The development and/or implementation of any policies, process and practices regarding ESG. (ii) the Manager's thinking about and approach to ESG, and ESG activities including research and engagement with companies (iii) How the Manager incorporated ESG risks, opportunities and/or performance when making investments for the Portfolio including any examples of where it impacted the investment, ownership or exit activities during the period. (iv) Any actions undertaken to improve the ESG performance of the portfolio during the period. (v) Any material changes to ESG risks, opportunities or performance of the portfolio during the period.

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

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

- Fixed income - Securitised

Benchmark

- We do not set benchmarks

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify

Tobacco Across our entire portfolio we do not allow investment in any company that manufactures cigarettes and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard & Poor's). Thermal coal Also across our entire portfolio we are implementing the following restrictions on new investment in: • Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal. • Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal. • The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.

- ESG integration, specify

HESTA's Investment Management Agreement (IMA) states that we expect managers to have regard to HESTA's policies including the Active Ownership Policy and ESG Policy. The IMA also states that: - The Manager agrees to consider ESG risks, opportunities and/or performance in their: (i) Investment including due diligence, ownership and exit processes. (ii) Monitoring of Portfolio Assets including (without limitation) encouraging Portfolio Asset management to identify, manage and minimise material ESG risks, opportunities and/or improve performance in their ordinary business activities. - The Manager agrees to facilitate communication between the Trustee and certain portfolio companies regarding ESG issues if deemed necessary. - The Manager acknowledges that the Trustee may reasonably request the Manager to provide information to assist the Trustee to assess the delivery of its ESG and Active Ownership Policies and its obligations under the PRI. - The Manager will report to the Trustee at least on an annual basis on: (i) The development and/or implementation of any policies, process and practices regarding ESG. (ii) the Manager's thinking about and approach to ESG, and ESG activities including research and engagement with companies (iii) How the Manager incorporated ESG risks, opportunities and/or performance when making investments for the Portfolio including any examples of where it impacted the investment, ownership or exit activities during the period. (iv) Any actions undertaken to improve the ESG performance of the portfolio during the period. (v) Any material changes to ESG risks, opportunities or performance of the portfolio during the period.

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

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

- Quarterly
- Monthly

Private equity

Benchmark

We do not set benchmarks

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify

Tobacco Across our entire portfolio we do not allow investment in any company that manufactures cigarettes and other tobacco products (as defined by the Global Industry Classification Standard developed by MSCI and Standard & Poor's). Thermal coal Also across our entire portfolio we are implementing the following restrictions on new investment in: • Any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal. • Any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal. • The provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.
- ESG integration, specify

HESTA's Private Equity Agreements encourages private equity partners to keep ESG considerations in mind when making investment decisions, noting HESTA's membership of PRI requires the consideration of ESG in investment decision-making and ongoing management.
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify

Incentives and controls

We do not set incentives and controls

Reporting requirements

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

Property

Benchmark

We do not set benchmarks

ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify

Environmental, Social and Governance (ESG) Principles and Policies The Manager acknowledges the Trustee's view that ESG issues have the potential to impact investment risks and returns and that considering these issues alongside traditional financial and business risk factors in investment decision-making can improve long-term risk-adjusted returns. To the extent that it is consistent with their primary objective to maximise the value of the investments, the Manager will have regard to: (i) The Trustee's Responsible Investment Policy which outlines the Trustee's principles and commitments in relation to responsible investment, including the integration of ESG risks and/or opportunities into investment processes and decision-making. (ii) The Trustee's Active Ownership Policy which outlines the Trustee's principles and commitments to being an active owner of entities to which it provides capital and to exerting influence to improve the management and performance in relation to ESG issues. (iii) The United Nations backed Principles for Responsible Investment (PRI) to which the Trustee is a signatory and is committed to implementing across all its investments. The requirements of this clause shall not prohibit, restrict or otherwise negatively impact the Manager's ability to execute its investment strategy or their obligation to carry out their fiduciary duty to act in the best interests of the Trustee and in accordance with the Agreement. The Manager agrees to consider ESG risks, opportunities and/or performance in their: (i) Investment processes including due diligence, ownership and exit processes. (ii) Monitoring of Portfolio Assets including (without limitation) encouraging Portfolio Asset management to identify, manage and minimise material ESG risks, opportunities and/or improve performance in their ordinary business activities. The Manager agrees to facilitate communication between the Trustee and certain portfolio companies regarding ESG issues. ESG Reporting The Manager acknowledges that the Trustee may reasonably request the Manager to provide information to assist the Trustee to assess the delivery of its Responsible Investment and Active Ownership Policies and its obligations under the PRI. The Manager will report to the Trustee at least on an annual basis on: (i) The development and/or implementation of any policies, process and fund terms regarding ESG. (ii) How the Manager incorporated ESG risks, opportunities and/or performance when making investments for the Portfolio including any examples of where it impacted the investment, ownership or exit activities during the period. (iii) A summary of key ESG performance indicators for each Portfolio Asset including electricity consumption (kwh), water consumption (ltrs), greenhouse gas emissions (tonnes CO2-e), waste generation (tonnes) and recycling (tonnes). (iv) Actions to improve the ESG performance of Portfolio Assets during the period. (v) Any material changes to ESG risks, opportunities or performance at the Portfolio Asset or portfolio level during the period. The Manager agrees to use reasonable effort to provide (or procure that the Asset Management provides) any further information necessary to assist the Trustee to assess the delivery of its ESG and Active Ownership Policies and its obligations under the PRI. The Manager agrees to participate in the survey for the Global Real Estate Sustainability Benchmark (GRESB) specific to the portfolio in which the Trustee is invested on an annual basis and to make the

survey available to the Trustee. The Manager agrees to report any material ESG-related incidents at the Manager or Portfolio Assets including actions taken in response to the incident, within 2 working days where the incident breaches legal or regulatory requirements or within 5 working days otherwise. Right of veto (on ESG grounds) The Manager acknowledges the Trustee will take ESG factors into consideration when assessing potential assets included in the investment pipeline and during the 5 day veto right period. The Trustee reserves the right to exercise its right of veto on ESG grounds.

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

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

- Infrastructure

Benchmark

- We do not set benchmarks

ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify

HESTA's Investment Management Agreement (IMA) states that we expect managers to have regard to HESTA's policies including the Active Ownership Policy and ESG Policy. The IMA also states that: - The Manager agrees to consider ESG risks, opportunities and/or performance in their: (i) Investment including due diligence, ownership and exit processes. (ii) Monitoring of Portfolio Assets including (without limitation) encouraging Portfolio Asset management to identify, manage and minimise material ESG risks, opportunities and/or improve performance in their ordinary business activities. - The Manager agrees to facilitate communication between the Trustee and certain portfolio companies regarding ESG issues if deemed necessary. - The Manager acknowledges that the Trustee may reasonably request the Manager to provide information to assist the Trustee to assess the delivery of its ESG and Active Ownership Policies and its obligations under the PRI. - The Manager will report to the Trustee at least on an annual basis on: (i) The development and/or implementation of any policies, processes and fund terms regarding ESG. (ii) How the Manager incorporated ESG risks, opportunities and/or performance when making investments for the Portfolio including any examples of where it impacted the investment, ownership or exit activities during the period. (iii) A summary of key ESG performance indicators for each Portfolio Asset including electricity and water consumption, greenhouse gas emissions and waste generation. (iv) Any actions undertaken to improve the ESG performance of the portfolio during the period. (v) Any material changes to ESG risks, opportunities or performance of the portfolio during the period.

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

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

SAM 04.4

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

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a "watch list"
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify

No actions are taken if any of the ESG requirements are not met

SAM 05	Mandatory	Core Assessed	PRI 1
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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	Private equity	Property	Infrastructure
ESG objectives linked to investment strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on any ESG incidents	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRI Transparency Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRI Assessment Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

HESTA undertakes ESG Assessments of its external managers and considers the following criteria:

- ESG Philosophy and policy
- **Pre-investment ESG integration**
- **Post-investment asset management and monitoring**
- Active ownership
- Internal and external ESG resources
- ESG performance monitoring, transparency and reporting
- Portfolio ESG characteristics

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	Private equity	Property	Infrastructure
ESG score	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 08	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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SAM 08.1 Describe how you ensure that best RI practice is applied to managing your assets

- Encourage improved RI practices with existing investment managers

Measures

During the year, HESTA undertook ESG review meetings with a number of managers across all asset classes, discussing key ESG integration highlights and challenges and engaging them on prominent ESG issues. HESTA's Manager ESG Assessments provides a comparison of managers relative to peers and identifies strengths and weaknesses of each manager's approach that we can then engage with to improve manager performance.

- Move assets over to investment managers with better RI practices

- Other, specify
- None of the above

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	Manager Selection - ESG Assessment
Conducted by	Internal staff
Asset class	Listed Equity
Scope and process	<p>As part of the selection of new investment managers or investment strategies, we undertake a formal ESG Assessment. The ESG Assessment includes assessing the approach to incorporating ESG issues in the investment process and decision making of the particular strategy.</p> <p>While the Manager's materials described the approach as leading to a superior ESG outcome, our assessment found that the rules only required the weighted ESG score of the portfolio not be less than the weighted ESG score of the index, which does not necessarily result in a superior ESG outcome.</p>
Outcomes	<p>Through discussions with the manager during the selection process we were able to influence them, not only to amend the rules such that the weighted ESG score of the portfolio was required to be greater than the weighted ESG score of the index, but to amend the rules such that the weighted ESG score of the portfolio was required to be 10% greater than the weighted ESG score of the index. This was able to be achieved with very little change to the tracking error.</p>

Add Example 2

Topic or issue	Manager monitoring
Conducted by	Internal staff
Asset class	Property
Scope and process	<p>Monitoring of ESG integration of an Australian property investment manager with whom HESTA invests in three funds.</p> <p>HESTA undertakes annual manager ESG assessments of most external managers. In the case of property, we assess the following categories: Policy and oversight, pre investment integration, internal and external resources, asset management, reporting and portfolio performance.</p>
Outcomes	<p>We undertook an annual assessment of an Australian property investment manager. The assessment was based on available policies, manager reporting, PRI report, GRESB and direct contact, including calls and meetings.</p> <p>We shared the results of the ESG assessment with the manager and discussed their relative strengths and weaknesses. HESTA's main feedback to the manager was to expand its reporting to GRESB for all the funds we are invested in order to better assess portfolio performance.</p> <p>Following this engagement, the manager started reporting to GRESB for (one or the remaining?) funds. Access to this additional GRESB report will allow us to understand better the manager's portfolio performance and use that information for better monitoring and engagement.</p>

Add Example 3

Topic or issue	Analysing ESG risks for a co-investment
Conducted by	Internal staff
Asset class	Private equity
Scope and process	<p>HESTA co-invested with a general partner (GP) in a retail business that sells women's accessories.</p> <p>When investing with a GP, HESTA's role in assessing ESG risks and opportunities is to oversee, and ensure we are comfortable with, the GP's ESG assessment of the deal. Key elements we look for are:</p> <ul style="list-style-type: none"> - Ensuring due diligence covers a broad and relevant range of ESG risks and opportunities when assessing materiality and avoiding narrow approaches (i.e. limited to OH&S issues); - Ensuring that the most material risks have been addressed, and where relevant, included in valuation, decision-making and post-acquisition asset management; - Verifying that risk mitigants are established, ideally as robust documented policies and processes in portfolio companies, including compliance reporting.

Outcomes	<p>The GP, as part of its investment analysis, undertook an ESG due diligence on the company's supply-chain in China. The analysis highlighted the long-term, direct relationship between the company and its Chinese suppliers, along with regular visits by the company to the suppliers' factories and the requirement for the suppliers to fill out a 'capability statement' to ensure operations met minimum capabilities and standards.</p> <p>HESTA uses a proprietary ESG due diligence/monitoring framework to identify the most material issues. Material risks are analysed and contrasted with mitigants identified in the GP's due diligence. In this case, most of the supply-chain risk mitigants relied on anecdotal information, such as factory visits. HESTA built on the GP's due diligence and followed up with questions to better understand the accountability measures the company had in place.</p> <p>While HESTA was sufficiently comfortable with the answers provided by the GP and the company to proceed to investment, we will continue monitoring post-acquisition management of supply-chain risks. HESTA has an observer seat on the board of this co-investment, which allows us to gain more nuanced insights of the company's approach to ESG issues.</p>
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- Add Example 4
- Add Example 5
- We are not able to provide examples

LEA 01.1 Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2 Attach or provide a URL to your engagement policy.

Attachment provided:

URL provided:

<https://www.hesta.com.au/about-us/what-we-stand-for/responsible-investment/active-ownership.html>

LEA 01.3 Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4 Provide a brief overview of your organization's approach to engagement

HESTA undertakes engagement with priority companies for the purpose of improving their Environmental, Social and/or Governance (ESG) performance and/or disclosure in order to protect or enhance the value of our investments. Priority companies are defined as those companies that most need to improve their performance and/or disclosure in relation to key ESG issues.

HESTA has limited resources with which to perform the functions of an active owner including company engagement. Therefore, it is important that these resources are employed in such a way that achieves the maximum possible outcome. HESTA has determined that the best way to do this is to outsource this function to expert engagement service providers to undertake engagement on HESTA's behalf. Each of the expert engagement service providers represents a number of institutional investors and therefore often represents a meaningful investment in the company with which they are engaging.

We have appointed Hermes Equities Ownership Services (Hermes EOS) to undertake engagement with companies held by our international equities managers. We have appointed the Australian Council of Superannuation Investors (ACSI) and Regnan Governance Research and Engagement (Regnan) to undertake engagement with companies held by our Australian managers.

No

LEA 01.6 Additional information [optional]

Across all service providers, engagements are largely proactive (planned) to focus on priority companies and priority ESG issues and aim to achieve specified behaviour change objectives. All service providers measure progress towards and achievement of these behaviour change objectives. There are also instances where engagement may be reactive to address ESG issues that have arisen during the reporting period.

In relation to planned engagements, HESTA contributes annually to the development and/or review of the Hermes EOS, ACSI and Regnan Engagement Plans. We also regularly review each service provider's engagement activities and the success of these activities.

To assist with our review, HESTA has developed detailed Engagement Objectives and Measures, which outline our expectations in relation to the planning, delivery and outcome of engagement services, and the way in which we will assess and measure whether these expectations have been met. Our Objectives and Measures include:

Company Engagement Planning

Objectives

1. To identify companies that most need to improve their performance and/or disclosure in relation to key ESG issues.
2. To identify priority ESG issues.

Measures

- * Develop a robust process to identify and prioritise ESG issues and/or companies with which to engage.
- * Develop or maintain an Engagement Plan which (1.) Identifies priority companies with which to engage, (2.) Identifies the key ESG issues relevant to each company, and (3.) outlines behaviour change objectives and measurable targets for each company to be achieved over a specified timeframe.
- * Consult HESTA on the Engagement Plan annually.
- * Develop and implement a process to determine which ESG issues or company behaviours that arise during the period warrant engagement (i.e. reactive engagements).

Company Engagement Activities & Outcomes

Objectives

1. To improve ESG performance and/or disclosure of priority companies.

Measures

- * Engage with a minimum number of priority companies in the specified time period (determined for each service provider).
- * Demonstrate progress on a reasonable number of the measurable targets for each behaviour change objectives for each priority companies engaged with during the specified time period (determined for each service provider).

All engagement with companies occurs via face-to-face meetings, teleconferences and written correspondence, most often at the company Chairman or

Director level.

From time to time, HESTA internal staff participate in engagements arranged by our engagement service providers or by our external investment managers with companies on specific ESG issues. From time to time, we also participate in collaborative engagements through industry organisations of which we are a member including IGCC.

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

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">Please specify why your organisation does not engage via internal staff.</div> <p>HESTA believes that we can most efficiently and effectively influence company ESG practice, performance and/or disclosure through the use of specialist engagement service providers. Each of the specialist engagement service providers represents a number of institutional investors and therefore often represents a meaningful investment in the company with which they are engaging.</p>
Collaborative engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">Please specify why your organisation does not engage via collaborative engagements.</div> <p>HESTA believes that we can most efficiently and effectively influence company ESG practice, performance and/or disclosure through the use of specialist engagement service providers. Each of the specialist engagement service providers represents a number of institutional investors and therefore often represents a meaningful investment in the company with which they are engaging.</p>
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

LEA 02.2 Additional information. [Optional]

HESTA believes that we can most efficiently and effectively influence company ESG practice, performance and/or disclosure through the use of specialist engagement service providers. Each of the specialist engagement service providers represents a number of institutional investors and therefore often represents a meaningful investment in the company with which they are engaging.

HESTA has appointed Hermes Equities Ownership Services (Hermes EOS) to undertake engagement with companies held by our international equities managers. We have appointed the Australian Council of Superannuation Investors (ACSI) and Regnan Governance Research and Engagement (Regnan) to undertake engagement with companies held by our Australian equities managers.

- Hermes EOS helps institutional share owners around the world to meet their fiduciary responsibilities and become active owners of public and private companies and represents more than £336 billion in assets under management.
- ACSI is a collaborative membership organisation of 38 Australian and international asset owners and institutional investors, with a combined \$2.2 trillion under management.
- Regnan provides ESG engagement services on behalf of long term investors with AUD\$73.1 billion invested in S&P/ASX200 companies.

LEA 07	Mandatory	Core Assessed	PRI 2,4
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LEA 07.1 Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

✓ Yes

LEA 07.2 Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- Discuss the topic (or ESG issue(s)) of engagement
- Discuss the rationale for engagement
- Discuss the objectives of the engagement
- Select the companies to be engaged with
- Discuss the frequency/intensity of interactions with companies
- Discuss next steps for engagement activity
- Participate directly in certain engagements with your service provider
- Other, specify

Annually we review and contribute to each service provider's Engagement Plan which specifies the issues, companies and objectives for engagements for the coming year.

We play no role in engagements that our service provider conducts.

No

LEA 07.3 Additional information. [Optional]

On an annual basis, HESTA reviews each service provider's Engagement Plan and discusses it with them to ensure that the plan:

- Outlines a robust process for identifying and prioritising ESG issues and/or companies with which to engage.
- Identifies the priority companies and key ESG issues (or vice versa depending on the service providers approach) for engagement and the rationale for engagement.
- Outlines behaviour change objectives and measurable targets for each company to be achieved over a specified timeframe e.g. 3 months, 6 months, 1 year, 3 years, 5 years etc.
- Outlines a robust process for identifying and prioritising ESG issues or company behaviours that arise during the period warrant engagement (i.e. process of reactive engagement).

HESTA places particular emphasis on ensuring there are robust processes for identifying and prioritising companies and/or ESG issues for engagement. We believe that the right processes will ensure that the right companies and/or ESG issues will be identified and prioritised. Therefore, we focus our oversight on the processes for identifying and prioritising companies and/or ESG issues for engagement and generally do not specify the companies and/or the ESG issues or the objectives for engagement. We also believe that the process and the prioritisation should dictate the frequency/intensity of interactions with companies, so again we generally do not specify frequency/intensity of interactions.

However, if we identify a specific company or ESG issue that is of particular importance to HESTA we have the ability to request that it be added to the Engagement Plan.

We don't generally participate directly in the engagements with our service providers. However, from time to time we do participate directly in the engagements when the specific company or ESG issues are of particular importance to HESTA. From time to time, we also participate directly in engagements arranged by our external equities managers with companies on specific ESG issues.

HESTA actively monitors and reviews the engagement activities undertaken by each service provider. We do this through a review of the engagement activity reports provided by each service provider and a follow up meeting to discuss the engagement activity report. This generally occurs quarterly.

We monitor and review the engagement activities to ensure that:

- Engagement with a minimum number of priority companies occurs within the specified time period.
- Progress on a reasonable number of measurable targets has been achieved for each behaviour change objective for each priority company engaged with during the specified time period.

LEA 08 Mandatory Core Assessed PRI 2.6

LEA 08.1 Do you monitor and review the outcomes of the engagement activities undertaken by your service providers on your behalf?

- Yes, periodically
- Yes, ad hoc basis
- We do not monitor or review them

LEA 08.2 Additional information. [Optional]

HESTA actively monitors and reviews the engagement activities undertaken by each service provider. We do this through a review of the engagement activity reports provided by each service provider and a follow up meeting to discuss the engagement activity report. This generally occurs quarterly.

We monitor and review the engagement activities to ensure that:

- Engagement with a minimum number of priority companies occurs within the specified time period.
- Progress on a reasonable number of measurable targets has been achieved for each behaviour change objective for each priority company engaged with during the specified time period.

We also review:

- The details of the engagement activity undertaken during the period.
- What progress has been made on measurable targets and to what extent is the behaviour change objective achieved.
- Outcomes achieved as a result of the engagement activity or next steps for the engagement.
- Engagements that have failed to progress and whether or not they should be discontinued.
- New planned or reactive engagements undertaken during the period.

Outside of this structured monitoring and reviewing process, when a specific company or ESG issues is of particular importance to HESTA we will discuss these directly with our service providers on an ad hoc basis.

LEA 09 Voluntary Additional Assessed PRI 1.2

LEA 09.1 Indicate if insights gained from your engagements are shared with your internal or external investment managers.

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

LEA 09.2 Additional information. [Optional]

Insights gained from our engagements are shared with HESTA's internal investment managers and analysts on an ad hoc basis. In addition, from time to time, the applicable internal investment analyst participates in engagements arranged by our engagement service provider with a particular company.

Insights shared with HESTA's internal investment managers and analysts are communicated to the applicable external investment managers through the regular manager review meetings (to the extent possible, given that most of the engagement service providers undertake their engagements on a confidential basis and limit the extent to which HESTA can share this information outside of our organisation).

From time to time our engagement service provider Hermes EOS provides examples of engagement successes that can be communicated publicly.

LEA 10 Mandatory Gateway PRI 2

LEA 10.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Service provider engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track and cannot estimate our engagements

LEA 11	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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LEA 11.1 Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	Number of companies engaged <small>(avoid double counting, see explanatory notes)</small>	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Service provider engagements	537	55Proportion (to the nearest 5%)	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings

LEA 11.2 Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Service provider engagements	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> None

LEA 11.4 Indicate the percentage of your service provider engagements that you had some involvement in during the reporting year.

Type of engagement	% of engagements with some involvement
Service provider engagements	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> None

LEA 12	Voluntary	Additional Assessed	PRI 2
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LEA 12.1 Indicate which of the following your engagement involved.

- Letters and emails to companies
 - In some cases
 - In majority cases
 - In all cases
- Meetings and/or calls with the appropriate team
 - In some cases
 - In majority cases
 - In all cases
- Visits to operations
 - In some cases
 - In majority cases
 - In all cases
- Participation in roadshows
 - In some cases
 - In majority cases
 - In all cases
- Other, specify

LEA 12.2 Additional information. [Optional]

HESTA uses several engagement service providers. We have appointed Hermes Equities Ownership Services (Hermes EOS) to undertake engagement with companies held by our international equities managers and we have appointed the Australian Council of Superannuation Investors (ACSI) and Regnan Governance Research and Engagement (Regnan) to undertake engagement with companies held by our Australian managers.

Each of our engagement service providers has their own approach to engagement and therefore respond differently to this question. For example, all of Regnan's engagements involve meetings and/or calls with members of senior management or Board at the target company. However, some of ACSI's thematic engagement such as the research into company Sustainability Reporting involves sending letters and copies of the research to the relevant person at the company.

LEA 13 Voluntary Descriptive PRI 2

LEA 13.1 Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

Yes

LEA 13.2 Do you track number of companies that changed or made a formal commitment to change in the reporting year following your organisation's and/or your service provider's engagement activities?

Yes, we do track information

LEA 13.2 Indicate the number of companies that changed or made a formal commitment to change in the reporting year following your organisation's and/or your service provider's engagement activities.

	Number of companies	% of total portfolio
Service provider engagements	213	38% of total Portfolio

We do not track this information

No

LEA 14 Voluntary Additional Assessed PRI 2

LEA 14.1 Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

Add Example 1

ESG factors	Environment
ESG issue	Climate change
Conducted by	Service provider
Objectives	ACSI seeks disclosure of the way in which climate-related risks and opportunities are considered within governance, strategy and risk management processes which gives us an understanding of how companies incorporate risks arising from climate change into their business.
Scope and Process	ACSI's focus is on 16 ASX300 companies from materials & building, energy, transport and insurance sectors.
Outcomes	Climate change was a topic of discussion raised with all 16 priority companies, and more broadly with other ASX300 companies who have a material exposure. Across this group, there has been a notable uplift in climate-related disclosure, with zero companies not reporting some climate risk information. Four of these companies have done disclosure to a comprehensive level. On average, ACSI met with all carbon-risk priority companies twice and some companies up to five times.

Add Example 2

ESG factors	Social
ESG issue	Board gender diversity
Conducted by	Service provider
Objectives	Increase the representation of women on ASX200 company boards to 30% by 2017.
Scope and Process	ACSI targeted 13 ASX200 companies who has zero women on their board, at the start of 2017. The engagement was conducted through a means of face-to-face meeting, teleconferences, and formal letters and through proxy voting.
Outcomes	Of the 13 companies targeted at the start of 2017 nine companies appointed their first female director and one company stated they were in late negotiations with a female candidate. ACSI also opposed director re-elections at four ASX200 companies as they failed to demonstrate a plan to reach 30% women on their board.

Add Example 3

ESG factors	Environment
ESG issue	Climate change risk
Conducted by	Service provider
Objectives	Research into this ASX-listed diversified financial stock identified concerns regarding the physical risks of climate change on its infrastructure and property portfolios, as well as the potential for systemic risks to impair economic growth. Both risks have the potential to affect its ability to service pre-set annuity payments in the longer term and were particularly acute in this instance because of its liability matching scheme. In light of these risks, we sought that the company (i) stress tested its portfolio for these risks, (ii) understand the impacts of climate change with respect to asset allocation across and within asset classes, and (iii) disclose actions undertaken.
Scope and Process	Regular annual dialogue with the company ensured that we were able to develop a good relationship such that we were able to credibly raise these concerns with the company. The chair acknowledged that while they look at risks arising due to their approach of matching assets and liability, climate change was not something they had assessed nor had it been raised before, accepting that it was something they would need to investigate further. Our concerns were reinforced in a follow up letter and raised again in a meeting with the chair the following year. During our second meeting, the chair stated that this was an area on which the board should spend more time. Again our concerns were outlined in a follow up letter.
Outcomes	Evidence that our concerns have been accepted by the company was provided in its 2017 reporting in which marked improvements were noted in the discussion of climate change risk. This was coupled with a public commitment to assess portfolio risks against climate research. We will continue to monitor progress and reinforce investor expectations with respect to the scope of this work.

Add Example 4

ESG factors	Social
ESG issue	Strategic human capital
Conducted by	Service provider
Objectives	In 2015 Regnan commenced a thematic engagement on the importance of human capital and culture to the achievement of strategic objectives with specific focus on the role and nature of board oversight in this context. Despite the central role human capital plays in value creation, boards do not typically have a clearly defined role in this area, unlike executive compensation and CEO transition. Progress on the mitigation of these risks was seen to lag other material ESG risks; despite the increased representation of service-based companies on the ASX. Given this context, priority was placed on those sectors employing a significant number of knowledge workers as well as those experiencing significant change in the external operating environment. This included an ASX200 health company known for its strong culture developed under its founder. Following the death of the founder and continued international expansion, we sought assurances that the board were attentive to the risks from failing to maintain the company's strong culture, including across its new businesses. In addition to board oversight, we sought assurances that programs and procedures were embedded to ensure that this important organisational asset was being sufficiently safeguarded given its changed operating conditions.
Scope and Process	We met with the company five times over a three year period. Initially our concerns were dismissed by the rem committee chair who was confident that the culture was strong, but was unable to point to any examples of formal or informal monitoring, despite having been notified of the specifics of our interest prior to the meeting. Further meetings with management revealed limited reporting on whistleblowing to the board risk and audit committees, however, the management of HR appeared siloed both from the business and across geographies. We sought to allay disclosure concerns by encouraging an emphasis on only those items material to the company's own strategy. Further meetings with the chair of the risk and audit committees, and a follow up with the rem committee chair, enabled us to further build the case for oversight and test progress, reinforcing that our concern was not with the culture per se but rather how this strategic asset was being maintained.
Outcomes	Later meetings with the company indicated an acceptance of the need to more formally protect the company's cultural assets. Since commencing our engagement, the company has appointed a global head of HR, indicating an acknowledgement of the need to more formally manage human capital across its growing international operations. The role has a specific focus on talent strategy (including future needs) suggesting a more strategic view of human capital consistent with our engagement. Further, disclosures of cultural governance have been enhanced. The board skills matrix has been revised to explicitly call out people and culture as a competency. The Global Risk Management Committee, comprised of a number of directors and executives now has a sub-committee for workplace health, safety and culture. Disclosures also confirm the role of this committee in monitoring whistleblowing complaints.

Add Example 5

ESG factors	Social
ESG issue	Labour & human rights
Conducted by	Service provider
Objectives	To ensure these companies have adequate systems, policies and practices in place to monitor and modify contractor/supplier behaviours. This includes encouraging public disclosure of training efforts, auditing outcomes, lists of suppliers and engagement with Governments where issues are systemic.
Scope and Process	ACSI focus is on 12 companies in the ASX300 who have a material exposure. This includes four companies targeted for franchise business sustainability. ACSI added these four ASX-listed, franchising-related companies to our 2017 priorities in response to growing community concern about the sustainability of the model and wage fraud.

Outcomes	ACSI met formally with each priority company at least once, and often this was followed by many phone calls and emails. All but five companies have made some improvement on the issues.
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Add Example 6

ESG factors	Governance
ESG issue	Corporate governance
Conducted by	Service provider
Objectives	<p>Improve specific company practices in governance of:</p> <ul style="list-style-type: none"> a. Executive remuneration b. Directors and board composition c. Capital raising practices
Scope and Process	ACSI had 23 ASX300 companies as priority targets for governance and remuneration issues.
Outcomes	<p>Of the 12 remuneration priority companies ACSI saw over 90% of them improve their remuneration practices and structures. These improvements included improving the quantum of STI, the cessation of retention plans, making hurdles more sufficiently challenging, introducing executive and director minimum shareholding requirements.</p> <p>Of the remuneration priorities, 9 companies were a priority company because they received a strike against the remuneration report in 2016 (under Australia's 'two-strike' regime). Only two companies out of the nine ACSI targeted received a consecutive strike in 2017.</p> <p>ACSI also targeted 11 ASX300 companies on boarder governance grounds. The issues raised with companies included board composition, tenure and renewal and board independence. ACSI saw 10 out of the 11 companies improve.</p>

Add Example 7

ESG factors	Governance
ESG issue	Remuneration and board
Conducted by	Service provider
Objectives	Regnan first developed change objectives for a property company in 2012 with respect to remuneration disclosure. The lack of detail (even retrospectively) on performance was insufficient in allowing investors to assess whether remuneration practices are in their interests, particularly in light of high quantum. Further change objectives seeking board renewal were added in 2014 in order to address tenure concerns, particularly with respect to the need to retain key financial skills on the board as longer serving directors retire.
Scope and Process	Following the establishment of these objectives, remuneration was discussed in 10 meetings with the company (two with management and eight with the board, including with the chair and the chair of the remuneration committee). We continued to raise concerns that disclosures did not allow a comprehensive assessment of the suitability of incentive payments. Where initial disclosure gains were made, they were provided on a selective basis and, in our view, did not provide a representative assessment of overall performance. The chair's initial reluctance to include discussion of areas that had underperformed was overcome through the provision of peer examples and a page by page walk through of the disclosures with the head of investor relations. Later meetings also raised concerns regarding the long tenure of the current directors, noting the issues this may pose in the future, in particular, were transition risk concerns with regards to financial skills.
Outcomes	After a series of incremental improvements, the company's 2017 remuneration report included diagrammatic depictions of STI performance against targets clearly linked to each aspect of the company's value creation story. Increased context for selected performance data was well received and encouraged as a useful approach that should be applied more widely. In addition the company appointed two new directors with strong financial skills (one in 2016, the other in 2017). Both are members of the audit committee and one of the appointees also chairs this committee.

Add Example 8

ESG factors	Governance
ESG issue	Disclosure
Conducted by	Service provider
Objectives	During 2017 we engaged with a range of companies subject to shareholder resolutions, most commonly related to the management of climate risk. Due to constraints in the legal framework in Australia, the company is often not obligated to disclose shareholder proxy voting on the substantive items within the resolution (i.e. climate change aspects), as these components are contingent on an enabling constitutional amendment passing with 75% or more support. In this instance, we sought that an energy company disclose the shareholder votes lodged comprehensively, even in the absence of being obliged to.
Scope and Process	Building on our long history of engagement with this ASX-listed energy company, we held two separate meetings with management and with the board ahead of its AGM. In addition to discussing the relative merits of each proposal, we encouraged the company to interpret support for the resolution as encouragement and direction for the company's efforts, rather than a rebuke. Further, we cautioned that a more combative approach may impact on the company's brand and social licence more generally and communicated our view that publishing the shareholder proxy votes in full would be a good step in demonstrating this commitment.

Outcomes	In releasing the results of its AGM, the company disclosed the shareholder voting proxies on all resolutions, despite the obligation to do so not being triggered, providing a transparent indication of investor interest/concern on the substance of the resolution. This was the first disclosure of its kind in the Australian market and sets a looked-for precedent that demonstrates the potential for an effective advisory resolution model to emerge without the need for law reform.
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- Add Example 9
- Add Example 10

LEA 15	Mandatory	Core Assessed	PRI 1,2,3
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LEA 15.1	Indicate whether your organisation has a formal voting policy.
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Yes

LEA 15.2	Indicate what your voting policy covers:
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- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe

other description	
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- Proxy voting guidelines - Engagement with external managers - Exceptions to voting e.g. pooled vehicles, power of attorney

None of the above

LEA 15.3	Attach or provide a URL to your voting policy. [Optional]
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https://www.hesta.com.au/content/dam/hesta/Documents/Active_Ownership_Policy.pdf

LEA 15.4	Provide a brief overview of your organization's approach to (proxy) voting.
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HESTA's approach to share voting is outlined in our Active Ownership Policy. HESTA has retained the voting rights for all shares held on our behalf by our external equities managers. We seek to vote on all resolutions on the meeting agenda of all the companies in which we hold shares, taking into account the specifics of the resolution and the individual circumstances of the company (rather than applying blanket rules). However, our process for voting differs for companies held by our Australian equities managers and those held by our international equities managers.

No

LEA 16	Mandatory	Descriptive	PRI 2
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LEA 16.1	Indicate how you typically make your (proxy) voting decisions.
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Approach	
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- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

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

LEA 16.2	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).
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Process for voting on shares in companies held by our Australian equities managers

For voting on shares in companies held by our Australian managers, HESTA determines how we will vote and execute the vote. To assist in determining how we will vote we have appointed proxy voting advisors.

When there is a 'contentious resolution(s)' defined as a resolution where (i) our proxy advisors are recommending a vote in opposition to the company's Board or management, or (ii) any of our external investment managers holding the company on our behalf are intending to vote against the company's Board or

management, HESTA will request each of our managers holding shares in that company to advise us as to how they intend to vote on the contentious resolution(s) and their rationale for their vote. HESTA regards this advice as critical, as our managers have a detailed understanding of both the governance and operations of their investee companies. It is also part of our approach to encourage fund managers to take greater interest in ESG matters.

The decision on how HESTA will vote is made by HESTA's Investment Manager - ESG (IM-ESG). In determining how HESTA will vote, the IM-ESG considers the advice provided by the proxy voting advisor, as well as the advice provided by the external investment managers, having regard to the individual circumstances of the company. The decision on how HESTA will vote will ultimately be based on what is in the best long-term interests of HESTA members.

In Australia, HESTA has not been involved in filing and/or co-filing a shareholder resolution.

Process for voting on shares in companies held by our international equities managers

For voting on shares in companies held by our international managers, HESTA has appointed Hermes EOS to determine how we will vote and to execute the vote on our behalf. To assist in determining the vote Hermes EOS has appointed a proxy voting advisor. Hermes EOS makes recommendations in accordance with those of the proxy advisor except where there is a 'contentious resolution(s)' i.e. a resolution where their proxy advisor is recommending a vote in opposition to the company's Board or management. In these cases, Hermes EOS will undertake further analysis on the resolution(s).

In determining how Hermes EOS will vote, they consider the relevant corporate governance guidelines and the advice provided by the proxy voting advisor, having regard to the individual circumstances of the company. Where Hermes EOS intend to vote against the company's Board or management on a resolution, they endeavour to engage with the company before the meeting to highlight the contentious resolution(s) and to seek to have the issues resolved.

Hermes EOS will advise HESTA's international equities managers of their voting intention. Unless HESTA's managers notify Hermes EOS that they have an issue with the voting intention, Hermes EOS will execute the vote in accordance with their advice. If HESTA's managers identify an issue with Hermes EOS' voting intention, HESTA's managers are expected to engage with Hermes EOS on the matter. If agreement cannot be reached, the matter is referred to HESTA for HESTA to make the final decision in the same manner as outlined above.

Internationally, Hermes EOS files shareholder proposals in markets where it is relevant to do so, typically in Germany and the US, either as lead filer or as co-filer alongside other investors. This typically forms part of a wider engagement with the company and is used as a tool for leverage in its dialogue with management.

LEA 18	Voluntary	Descriptive	PRI 2
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LEA 18.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .		
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Voting confirmation for shares held by Australian equities managers. HESTA submits voting instructions using an electronic interface (Glass Lewis' Viewpoint) to a proxy voting platform (ProxyEdge). The voting platform is provided by Broadridge through our custodian, JP Morgan. During the reporting period, JP Morgan was responsible for sending our voting instructions from ProxyEdge to the registries. If there were any issues with the voting instruction e.g. over vote or vote rejection, JP Morgan worked with the particular registry to resolve the issue. JP Morgan receives electronic confirmation from the registries for over 95% of voting instructions. It confirms votes have been received by share registries and provides voting results. Voting confirmation for shares held by international equities managers. Hermes EOS use ISS's electronic proxy voting platform (ProxyExchange) which provides transparency on the status of votes, as reflected in the change from votes being instructed / approved to being sent / confirmed. When ISS is notified of a vote rejection, this is reflected in the system. If no such notification is received, the votes will show as sent / confirmed. This means that the votes have been received and confirmed by the next intermediary in the voting chain which, depending on the custodian being used, can be a sub-custodian or another proxy voting provider (registries). Vote confirmations are typically not directly provided by the issuer company, which means that ISS does not have the information to guarantee that votes have been cast. Hermes EOS receive vote confirmation directly from a minority of companies. Voting process/pipeline improvement projects. In previous years, our proxy voting service providers have participated in projects to identify and improve problems with proxy voting process/ pipeline. They have also advocated to regulators and other industry participants to identify and improve problems in the proxy voting pipeline.

LEA 19	Voluntary	Additional Assessed	PRI 2
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LEA 19.1	Indicate if your organisation has a securities lending programme.		
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Yes

LEA 19.3	Indicate how voting is addressed in your securities lending programme.
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- We recall all securities for voting on all ballot items
- We systematically recall some securities to vote on their ballot items
- We recall some securities to vote on their ballot items on an ad hoc basis
- We empower our securities lending agent to decide when to recall securities for voting purposes
- We do not recall our shares for voting purposes.
- Others

No

LEA 20	Mandatory	Core Assessed	PRI 2
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LEA 20.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting		
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- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.		
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- Yes, in most cases
- Sometimes, in the following cases.
 - Votes in selected markets
 - Votes on certain issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients

- On request by companies
- Other

This is also undertaken in an ad-hoc manner via our external investment managers.

- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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We do track or collect this information

	Votes cast (to the nearest 1%)
	99%

	Specify the basis on which this percentage is calculated
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- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 21.2	Explain your reason(s) for not voting certain holdings
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- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- On request by clients
- Other

Some shares on loan

We do not track or collect this information

LEA 22	Mandatory	Additional Assessed	PRI 2
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LEA 22.1	Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.
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Yes, we track this information

LEA 22.2	Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:
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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	89%
Against (opposing) management recommendations	11%
Abstentions	0%

LEA 22.3	Describe the actions you take in relation to voting against management recommendations.
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Votes in selected markets - ASX300 listed companies When our service provider has concerns with a resolution(s) they endeavour to engage with the company on this resolution(s), alerting the company to the fact that they have concerns and that they may recommend their clients vote against the company's Board or management on the resolution(s). Where, notwithstanding this engagement, our service provider ultimately recommends voting against the company's Board or management on the resolution(s), they advise the company in writing of the final recommendation and the rationale for the recommendation. Where our service provider has concerns with a resolution(s), has not been able to engage with the company on the resolution before the voting recommendation is due, and recommends their clients vote against the company's Board or management on the resolution(s), they advise the company in writing of the recommendation and the rationale for the recommendation. This letter is generally provided to the company following the company meeting. Where proxy voting highlights material concerns with a company, the company may become an engagement priority. In this case our service provider typically holds face to face meetings with the company urging it to change its practices.

No, we do not track this information

LEA 22.4	Additional information. [Optional]
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Votes in selected markets - ASX ex300 listed companies

When our service provider recommends their clients a vote against the company's Board or management on a resolution(s) our service provider advises the company in writing of the recommendation and the rationale for the recommendation on an ad hoc basis.

Votes for significant shareholdings (all markets) - Companies listed on international exchanges

Where, in accordance with its policies, Hermes EOS is voting for a significant shareholding or the company is high-profile, and is voting against the company's

Board or management on the resolution(s), Hermes EOS advise the company in writing the rationale for the against vote and the steps it would like to see the company take to rectify the issue.

LEA 23	Voluntary	Descriptive	PRI 2
LEA 23.1	Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.		
<input type="radio"/> Yes <input checked="" type="radio"/> No			

LEA 24	Voluntary	Descriptive	PRI 2
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LEA 24.1 Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Remuneration
Conducted by	Service provider
Objectives	Ensure alignment of executive and shareholder interests, and appropriate board oversight.
Scope and Process	ACSI provided our fund with voting advice on remuneration-related resolutions at each [ASX200/ASX300] company. (At least one remuneration vote is held by each company per year.)
Outcomes	For FY17, there were 16 'strikes' against company remuneration reports in the ASX300 compared to 19 in FY16. Of ACSI's remuneration priorities, 9 companies were a priority company because they received a strike against remuneration in 2016. Only two companies out of the nine ACSI targeted received a consecutive strike in 2017.

Add Example 2

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Board diversity
Conducted by	Service provider
Objectives	Increase the representation of women on ASX200 company boards to 30% by 2017. Where companies failed to demonstrate a plan to reach 30% ACSI would consider recommending votes against zero women boards.
Scope and Process	ACSI targeted 13 ASX200 companies who had zero women on their board, at the start of 2017. The engagement was conducted through face-to-face meetings, teleconferences, and formal letters.
Outcomes	Of the 13 companies targeted at the start of 2017 nine ASX200 companies appointed their first female director and one company stated they were in late negotiations with a female candidate. For companies which failed to demonstrate a plan to reach 30% ACSI recommended a vote against the re-election of a long standing director – and communicated this to the company. For 2017 this was four ASX200 companies, of which two have now subsequently appointed a female director.

Add Example 3

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Board composition and accountability
Conducted by	Service provider
Objectives	Broadly, there are two objectives: (1) Ensure appropriate board composition, including a majority of independent directors. (2) Ensure board accountability to shareholders for past decisions.
Scope and Process	ACSI provides voting advice for the ASX300 on board composition and accountability (this includes diversity issues), by voting on director elections and re-elections.

Outcomes	ACSI recommended a vote against 30 director elections among the ASX300 companies with 3 resolutions withdrawn and 3 unsuccessful.
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Add Example 4

ESG Factors	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
ESG issue	Labour & human rights
Conducted by	Service provider
Objectives	To ensure these companies have adequate systems, policies and practices in place to monitor and modify contractor/supplier behaviors. This includes encouraging public disclosure of training efforts, auditing outcomes, lists of suppliers and engagement with Governments where issues are systemic.
Scope and Process	ACSI focus is on companies in the ASX200 who have a material exposure.
Outcomes	ACSI provides analysis on LHR based shareholder resolutions in the Australian market. For 2017, ACSI provided analysis on one LHR based shareholder resolutions.

Add Example 5

ESG Factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance
ESG issue	Climate change
Conducted by	Service provider
Objectives	ACSI seeks disclosure of the way in which climate-related risks and opportunities are considered within governance, strategy and risk management processes which gives us an understanding of how companies incorporate risks arising from climate change into their business.
Scope and Process	ACSI focus is on companies in the ASX300 who have a material exposure.
Outcomes	ACSI provides analysis on climate-related shareholder resolutions in the Australian market. For 2017, ACSI provided analysis on three climate-based shareholder resolutions which resulted in the two companies committing to greater disclosure or reviewing the climate change position.

Add Example 6

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Diversity
Conducted by	Service provider
Objectives	EOS regards shareholder meetings as an annual health check of a company. Often a vote against management will precipitate further engagement with the company. In line with our intelligent voting approach, EOS seeks to have dialogue before recommending voting against or abstaining on any resolution. Diversity was a focus of their engagements in 2017, at the board level and across the wider company. EOS firmly backed gender diversity as the most straightforward and visible entry point to encourage the strengthening of boards and source talent from beyond the traditional pool of candidates, thus facilitating greater diversity overall. Hermes EOS therefore engaged with numerous companies globally on this topic, encouraging them to increase the diversity on their boards and beyond.
Scope and Process	Having the right board composition is at the heart of good governance and key to introducing change at companies. Getting the board right often is the first step in addressing social or environmental issues that the company may be exposed to, which is why it is a significant feature in EOS' engagement. EOS voting recommendations with regard to diversity complemented their engagement programme.
Outcomes	In the UK, EOS opposed the election of nomination committee or board chairs where the proposed board composition fell significantly short of the 2015 target set by the Lord Davies review of a quarter of the directors of FTSE100 companies being women and where companies could not demonstrate credible plans to achieve the goal of 33% women directors by 2020. In the US, EOS supported shareholder proposals seeking greater diversity.

Add Example 7

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Remuneration
Conducted by	Service provider
Objectives	Companies should design and implement remuneration policies that align the interests of management with the interests of shareholders and incentivise executives to optimise long-term value.
Scope and Process	A vote against management in relation to remuneration may indicate that the remuneration policy or report proposed by the board do not demonstrate sufficient alignment with the interests of long-term shareholders. This may be due to a lack of sufficient performance metrics or indicate that the quantum put forward by the company is excessive in view of the company's performance. This, in turn, may be because of overly complex remuneration policies whose outcomes were not fully understood by remuneration committees. A lack of or too much discretion can be another reason for a vote against. Remuneration has been a key theme of EOS' engagement work, which has been supported by voting related discussions with companies. In 2017, EOS engaged with many companies where it identified a misalignment between executive remuneration and the interests of shareholders. EOS also contacted those where it recommended voting against the remuneration scheme put forward by management to outline the concerns and agree an acceptable way forward.
Outcomes	Encouragingly, companies in some markets appear to have listened to the concerns of shareholders on remuneration, and so in 2017 EOS saw some progress, for example a simplification of previously highly complex pay structures and reductions in variable pay. Nevertheless, it opposed pay proposals at a record number of companies due to excessive quantum and variable pay, insufficient disclosure of performance targets, a lack of stretching targets, misalignment between pay and performance and over-complexity. Hermes EOS recommended voting against the remuneration policy of one company, for example, because of a significant increase in the maximum opportunity under the variable remuneration plan without accompanying higher performance targets. Following consultations with shareholders, including EOS, the company announced the withdrawal of the proposal to adopt the new remuneration policy. Another company decided to propose to its board that total variable pay be reduced by 40% following Hermes EOS' engagement and opposition to its remuneration report and the retrospective binding vote to approve the short-term variable pay of the executive board.

Add Example 8

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Rights of minority shareholders
Conducted by	Service provider
Objectives	In EOS' view, adherence to the principle of one-share one-vote is a prerequisite for stewardship. All companies should follow this principle, which ensures proportionality between equity ownership and voting powers and economic risk-bearing. It also ensures management accountability.
Scope and Process	On our behalf EOS engaged with companies with dual-class share structures in an attempt to enhance the rights of minority shareholders, increase transparency, as well as push for effective boards and investor dialogue. Hermes EOS took a stance on the issue through their voting recommendations at the AGMs of companies too.
Outcomes	EOS, for example, opposed the election of the chair of the governance committee at a company with dual-class share structures. Encouragingly, in Brazil some companies moved away from multiple-share class structures. Hermes EOS supported the proposals submitted to the AGMs of two companies there to convert their non-voting into voting shares and to amend their articles of association to incorporate the requirements of the Novo Mercado, the B3 stock exchange segment with higher corporate governance standards.

Add Example 9

Add Example 10

CM1 01.1	Mandatory	Core 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 implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or 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"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above						
CM1 01.2 & 01.8	Mandatory	Descriptive	Planned assurance of this year's PRI Transparency Report			
CM1 01.2	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 01.3 & 01.9	Mandatory	Descriptive	General			
CM1 01.3	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, or we did not have such a report last year.						
CM1 01.4, 10-12	Mandatory	Descriptive	General			
CM1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:					
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <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 type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above						
CM1 01.7	Mandatory	Descriptive	General			
CM1 01.7	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					
<input checked="" type="checkbox"/> CEO or other Chief-Level staff <table border="1" style="margin-left: 20px;"> <tr> <td>Sign-off or review of responses</td> </tr> <tr> <td><input checked="" type="checkbox"/> Sign-off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Review of responses</td> </tr> </table> <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input checked="" type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify)				Sign-off or review of responses	<input checked="" type="checkbox"/> Sign-off	<input checked="" type="checkbox"/> Review of responses
Sign-off or review of responses						
<input checked="" type="checkbox"/> Sign-off						
<input checked="" type="checkbox"/> Review of responses						