

# New Zealand Superannuation Fund

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO End	Module confirmation page	✓	-							

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

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Role of investment consultants/fiduciary managers	✓	Public				✓			
SAM 02	RI factors in selection, appointment and monitoring across asset classes	✓	Public	✓						
SAM 03	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
SAM 04	ESG incorporation strategies	✓	Public	✓	✓					
SAM 05	Selection processes (LE and FI)	✓	Public	✓						
SAM 06	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 07.1	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 07.2-5	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 08	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 09	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 10	Percentage of (proxy) votes	✓	Public		✓					
SAM 11	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 12	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM 13	Disclosure of RI considerations	✓	Public						✓	
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 13	ESG issues in index construction	✓	Public	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	✓	Private	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 15	Examples of ESG engagements	✓	Private		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	⚙	n/a		✓					
LEA 20	Confirmation of votes	✓	Private		✓					
LEA 21	Securities lending programme	✓	Public		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 25	Shareholder resolutions	✓	Private		✓					
LEA 26	Examples of (proxy) voting activities	✓	Private		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	
LEA End	Module confirmation page	✓	-							

# New Zealand Superannuation Fund

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Public	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	Public	Peering	General
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**OO 02.1** Select the location of your organisation's headquarters.

New Zealand

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- ☒ 1
- ☐ 2-5
- ☐ 6-10
- ☐ >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

114.8

OO 03	Mandatory	Public	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	Public	Gateway/Peering	General
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OO 04.1

Indicate the year end date for your reporting year.

31/12/2016

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM		32	702	016	000
Currency	NZD				
Assets in USD		23	166	081	996

OO 06

Mandatory

Public

Descriptive

General

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

OO 06.1

How you would like to disclose your asset class mix.

☐ as percentage breakdown

☒ as broad ranges

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

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

	'Other (1)' specified
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Foreign Exchange, Tilts, Synthetics, the Liquidity Pool, Portfolio Completion Cash Offset and market neutral positions.

OO 06.2	Publish our asset class mix as per attached image [Optional].
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OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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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 type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	<i>100%</i>

OO 09.2	Additional information. [Optional]
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For this indicator, we have broken AUM down by specialised emerging market mandates versus global mandates. Therefore, there may be a small amount of exposure to emerging markets accounted for in the 'Developed Markets' statistic.

## Gateway asset class implementation indicators

OO 10	Mandatory	Public	Gateway	General
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<b>OO 10.1</b>	Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.
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- ☒ We incorporate ESG in our investment decisions on our internally managed assets
- ☒ We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- ☐ We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

<b>OO 10.2</b>	Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.
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- ☒ 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 issues on our behalf
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

<b>OO 10.3</b>	Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year
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- ☒ 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

<b>OO 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 11.1</b>	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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- ☒ Fixed income - SSA
- ☒ Fixed income - corporate (financial)
- ☒ Fixed income - corporate (non-financial)
- ☒ Fixed income - securitised
- ☒ Private equity
- ☒ Infrastructure
- ☒ Forestry
- ☒ Other (1)
- ☐ None of the above

'Other (1)' [as defined in OO 05]
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Foreign Exchange, Tilts, Synthetics, the Liquidity Pool, Portfolio Completion Cash Offset and market neutral positions.

<b>OO 11.2</b>	Select the externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)
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- ☒ Fixed income - SSA
- ☒ Fixed income - corporate (financial)
- ☒ Fixed income - corporate (non-financial)
- ☒ Fixed income - securitised
- ☒ Private equity
- ☒ Infrastructure
- ☒ Hedge funds
- ☒ Forestry
- ☒ Farmland
- ☐ None of the above

<b>OO 11.3</b>	Additional information. [Optional]
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As part of our RI policy, our exclusion policy applies to our investment portfolio. Therefore, there is, at minimum, some form of ESG incorporation across the entire portfolio. However, there are two pooled hedge funds where we are unable to impose our exclusions as they are servicing multiple other investors. The managers that run these funds are still subject to our RI review and rating process.

<b>OO 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**You will need to make a selection in OO 12.1 only if you have any voluntary modules that you can choose to report on.**

<b>OO 12.1</b>	Select from below any additional applicable modules or sections you would like to report on voluntarily. You are only required to report on asset classes that represent 10% or more of your AUM.
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	<b>Core modules</b>
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- ☒ Organisational Overview
- ☒ Strategy and Governance

	<b>RI implementation directly or via service providers</b>
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	<b>Direct - Listed Equity incorporation</b>
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- ☒ Listed Equity incorporation

	<b>Direct - Listed Equity active ownership</b>
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- ☒ Engagements
- ☒ (Proxy) voting

#### Direct - Fixed Income

- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised

#### Direct - Other asset classes with dedicated modules

- ☐ Private Equity
- ☐ Infrastructure

#### RI implementation via external managers

#### Indirect - Selection, Appointment and Monitoring of External Managers

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

#### Closing module

- ☒ Closing module

#### OO 12.2

#### Additional information. [Optional]

Note: Last year we voluntarily reported on 'Private Equity' as part of Selection, Appointment and Monitoring of External Managers. This year, we have chosen not to report as we have been dialling down our PE exposure. It now accounts for less than 6% of our total AUM.

# New Zealand Superannuation Fund

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

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

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

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



**SG 01.4**

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- ☒ UN Global Compact Principles
- ☐ UN Guiding Principles on Business and Human Rights
- ☒ Universal Declaration of Human Rights
- ☐ International Bill of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify (1)

other (1) description

WHO Framework Convention on Tobacco Control

- ☒ Other, specify (2)

other (2) description

Convention on Cluster Munitions, Cluster Munitions Prohibition Act (NZ), Ottawa Treaty (Mine Ban Treaty)

- ☒ Other, specify (3)

other (3) description

Nuclear Disarmament & Arms Control Act NZ (1987), Nuclear Non-Proliferation Treaty, South Pacific Nuclear Free Treaty

- ☐ None of the above

**SG 01.5**

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

Our investment beliefs, which complement and underpin our endowments, and are a key driver of our investment decisions. One of our investment beliefs is: "Responsible investors must have concern for environmental, social and governance factors because they are material to long-term returns."

Our approach to Responsible Investment (RI) is governed by our Statement of Investment Policies, Standards and Procedures (SIPSP) which can be found on our public website here:

[https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/Statement%20of%20Investment%20Policies,%20Standards%20and%20Procedures%20\(SIPSP\).pdf](https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/Statement%20of%20Investment%20Policies,%20Standards%20and%20Procedures%20(SIPSP).pdf)

The SIPSP includes a specific section on Responsible Investment, which states our policy, standards and procedures as they relate to responsible investment. It defines RI activities and embeds the RI Framework as the process for implementation. The RI Framework is also available on our website:

[https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible\\_Investment\\_Framework.pdf](https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible_Investment_Framework.pdf)

Our Board have overall responsibility for the SIPSP and RI Framework.

Our RI work is integrated across our investment activities. For example, understanding ESG issues is an important part of our risk assessment and due diligence on prospective individual investments.

☐ No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

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

	URL/Attachment
--	----------------

- ☒ URL

	URL
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<https://www.nzsuperfund.co.nz/how-we-invest/responsible-investment>

- ☐ Attachment (will be made public)

- ☐ Formalised guidelines on environmental factors
- ☐ Formalised guidelines on social factors
- ☐ Formalised guidelines on corporate governance factors
- ☐ Asset class-specific RI guidelines
- ☒ Screening / exclusions policy

	URL/Attachment
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- ☒ URL

	URL
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<https://www.nzsuperfund.co.nz/how-we-invest-responsible-investment/exclusions>

- ☐ Attachment (will be made public)

- ☒ Engagement policy

	URL/Attachment
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- ☒ URL

	URL
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<https://www.nzsuperfund.co.nz/how-we-invest-responsible-investment/engagement>

- ☐ Attachment (will be made public)

- ☒ (Proxy) voting policy

URL/Attachment
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☒ URL

URL
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<https://www.nzsuperfund.co.nz/performance-esg-management/voting-reports>

☐ Attachment (will be made public)

☐ We do not publicly disclose our investment policy documents

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

☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
----------------

☒ URL

URL
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[https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016%20Statement\\_of\\_Investment\\_Policies\\_and\\_Procedures\\_\(SIPSP\).pdf](https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016%20Statement_of_Investment_Policies_and_Procedures_(SIPSP).pdf)

☐ Attachment

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

☒ Processes / approaches to incorporating ESG

URL/Attachment
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☒ URL

URL
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[https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible\\_Investment\\_Framework.pdf](https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible_Investment_Framework.pdf)

☐ Attachment

☒ Time horizon of your investment

URL/Attachment
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☒ URL

	URL
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<https://www.nzsuperfund.co.nz/how-we-invest/endowments>

☐ Attachment

☒ ESG incorporation approaches

	URL/Attachment
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☒ URL

	URL
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[https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible\\_Investment\\_Framework.pdf](https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible_Investment_Framework.pdf)

☐ Attachment

☒ Active ownership approaches

	URL/Attachment
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☒ URL

	URL
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[https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible\\_Investment\\_Framework.pdf](https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/2016-Responsible_Investment_Framework.pdf)

☐ Attachment

☒ Reporting

	URL/Attachment
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☒ URL

	URL
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<https://www.nzsuperfund.co.nz/performance/esg-management>

☐ Attachment

☐ We do not publicly disclose any investment policy components

<b>SG 02.3</b>	Indicate if your organisation's investment principles, and overall investment strategy is publicly available
----------------	--

☒ Yes

URL

<https://www.nzsuperfund.co.nz/how-we-invest/beliefs>

☐ No

**SG 02.4**

Additional information [Optional].

Investment beliefs - which includes ESG: <https://www.nzsuperfund.co.nz/how-we-invest/beliefs>

White paper on why we believe responsible investing pays off:

<https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/White%20Paper%20ESG%20Beliefs.pdf>

New Zealand legislation (<http://www.legislation.govt.nz/act/public/2001/0084/latest/DLM113924.html>) which says that we must administer the Fund on a prudent, commercial basis and, in doing so, must manage and administer the Fund in a manner consistent with:

- Best practice portfolio management;
- Maximising return without undue risk to the Fund as a whole;
- Avoiding prejudice to New Zealand's reputation as a responsible investor of the world community

Information about our approach to RI is available on our website: <https://www.nzsuperfund.co.nz/how-we-invest/responsible-investment>.

We report on our performance at <https://www.nzsuperfund.co.nz/performance/esg-management> and in a dedicated RI report in our Annual Report for the Guardians and Fund. The Annual Report was prepared in accordance with the Global Reporting Initiative (GRI) G4 Core option. <https://www.nzsuperfund.co.nz/publications/annual-reports>.

In October 2016, we also published our carbon footprint for the first time:

<https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/NZSF%202015%20Carbon%20Footprint.pdf>

**SG 03**

**Mandatory**

**Public**

**Core Assessed**

**General**

**SG 03.1**

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

☒ Yes

**SG 03.2**

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

We have a Board and Staff Code of Conduct.

For the Board when a situation arises, they recuse themselves from the issue/matter where the conflict of interest exists.

A copy of the Board's Charter is available at: <https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/Board%20Charter.pdf>

A copy of the Board Code of Conduct is available at: <https://www.nzsuperfund.co.nz/documents/board-code-conduct>

For the Staff, the staff are required to as part of the code of conduct to raise the conflict and step aside. The matter is then discussed with the CEO.

We take a precautionary approach and ask staff and board members to disclose any matter where there could be a perceived conflict.

A copy of our Human Resources Policy (including Code of Conduct and Securities Trading Procedure) is available at: <https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/Human%20Resources%20Policy.pdf>

☐ No

**SG 03.3**

Additional information. [Optional]

Specific details of potential Guardians Board and staff conflicts, and how they are managed, are detailed in our annual disclosures to the Commerce Select Committee (a Parliamentary Committee). See our response to question 40 at: <https://www.nzsuperfund.co.nz/sites/default/files/documents/publications/Select%20Committee%20Written%20Responses.pdf>

## Objectives and strategies

**SG 05**

**Mandatory**

**Public**

**Gateway/Core Assessed**

**General**

**SG 05.1**

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

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

**SG 05.2**

Additional information. [Optional]

Progress on our RI objectives is reviewed by the Investment Committee biannually via a RI dashboard and to the Board annually. In addition, there is a dedicated RI report within each Annual Report and a dedicated section within a confidential Quarterly Report to the New Zealand Minister of Finance.

Further, RI is integrated into the Guardians' Statement of Intent which is produced at least every three years. The Statement of Intent provides an overview of the Guardians and Fund, summarises our five-year strategic plan, and is a vehicle for agreeing, with the Minister of Finance, a set of performance measures against which we are required to report publicly. These performance measures include responsible investment measures. Annually, we also publish a complementary document, the Statement of Performance Expectations. The Statement of Performance Expectations sets out high priority activities (drawn from our strategic plan) and forecast financial statements for the relevant financial year. We report on how we have performed against the Statement of Intent and Statement of Performance Expectations in the Statement of Performance in our Annual Reports.

For dedicated RI staff, performance objectives are set annually and progress is reviewed every 6 months. Performance objectives can be influenced by the reviews that internal staff do regarding the RI capabilities of our managers.

## Governance and human resources

**SG 07**

**Mandatory**

**Public**

**Core Assessed**

**General**

**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.

**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  
**Head of Responsible Investment**
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☒ 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)

**Corporate Strategy and Operations**

Other description (1)
-----------------------

- ☐ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other role, specify (2)

Other description (2)
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#### Leadership Team

- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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Note that Corporate Strategy covers the Communications, Legal & Strategy Teams.

The Guardians has a long-standing commitment to Responsible Investment. In addition, our governing legislation requires us to avoid prejudice to New Zealand's reputation in the world community.

ESG considerations are therefore integrated into all aspects of the Fund's investment activities, from investment selection and due diligence to ownership activities such as monitoring our external investment managers, exercising our voting rights and engaging with companies to improve their ESG policies and practices.

Our responsible investment work programme is led by the RI team, which acts as a RI Centre of Excellence for the Fund. The programme is wide ranging and touches most teams within the organisation. Investment professionals have their own responsibilities to integrate ESG issues within investment decisions. In addition, the operational side (Communications, Legal, Investment Operations etc.) provide relevant support for the RI work that is undertaken.

The Board, CEO, CIO, Leadership Team and Investment Committee have oversight of the RI Programme. The Head of RI reports directly to the CIO, reports bi-annually to the Investment Committee and annually to the Board. Any changes made to the RI Policy and Framework must be approved by the Board.

The Risk Committee also plays a role in oversight of ESG risks that are identified with investments.

We provide responsible investment resources to two other New Zealand Crown Financial Institutions: the Accident Compensation Corporation (ACC) and the Government Superannuation Fund Authority.

As well as applying ESG principles when making investment decisions, we aim to run the Guardians as an organisation in a way that demonstrates good ESG practice and reporting.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

Number
--------

1.8

<b>SG 07.4</b>	Additional information. [Optional]
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The number of dedicated RI staff is increasing from 1.8 to 2.8 in January 2017.

## Promoting responsible investment



SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 09.1</b>	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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**Select all that apply**

☒ Principles for Responsible Investment

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

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

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

NZSF is involved in the following PRI-coordinated collaborative engagements:

- Investor Working Group on Palm Oil
- Carbon Footprint Disclosure
- Human Rights in the Extractive Industries

In addition, Anne-Maree O'Connor is on the Policy & Research Steering Committee; we attended the PRI in Person Conference, including the side trip to Indonesia to visit palm oil plantations; we signed the Global Statement on Investor Obligations and Duties which launched in Paris in June; and we signed a letter to G20 Leaders to ratify the Paris Agreement swiftly, double global investment in clean energy, strengthen climate disclosure, adopt carbon pricing and phase out fossil fuel subsidies.

Further, in November, we hosted the International Forum for Sovereign Wealth Funds (IFSWF) annual conference. This is a market that the UNPRI is not yet widely connected to. We invited Martin Skancke and Lorenzo Saa to come to NZ and speak at the conference, providing the opportunity to promote the UNPRI.

- ☐ AFIC – La Commission ESG
- ☐ Asian Corporate Governance Association
- ☒ Australian Council of Superannuation Investors

	Your organisation's role in the initiative during the reporting period (see definitions)
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- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ BVCA – Responsible Investment Advisory Board
- ☒ CDP Climate Change

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

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

We are a paying member of the organisation. In September, we hosted a CDP workshop for institutional investors.

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

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☒ Investor Group on Climate Change, Australia/New Zealand (IGCC)

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ 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 of Australasia (RIAA)

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

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

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

The Head of RI is on the Board of the Responsible Investment Association Australasia (RIAA). We sponsor and play a key role in organising the NZ RIAA Conference. We also sponsored the RIAA 2016 Responsible Investment Benchmarking Report (New Zealand and Australia).

- ☐ 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  
NZ Crown Financial Institutions resource sharing collaboration

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

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

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

NZSF has a RI resource sharing agreement with two other Crown Financial institutions (CFIs) in NZ. The two CFIs (Accident Compensation Corporation (ACC) and the Government Superannuation Fund Authority) are also UNPRI signatories. We act as their secretariat on RI activities. Meetings are held quarterly to discuss and implement key RI activities such as policies and practices, engagement activities, research and reference and ESG integration.

- ☒ Other collaborative organisation/initiative, specify  
NZ Corporate Governance Forum

	Your organisation's role in the initiative during the reporting year (see definitions)
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- ☐ Basic  
☐ Moderate  
☒ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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NZSF has been a key driver behind the establishment of the NZ Corporate Governance Forum. Anne-Maree O'Connor is the current chair and NZSF has provided the secretariat function for two years. Anne-Maree's Chair position comes to an end in early 2017. NZSF has been working with the incoming Chair to ensure a smooth transition for this important initiative.

☒ Other collaborative organisation/initiative, specify

NZ Human Rights Commission

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

- ☐ Basic  
☒ Moderate  
☐ Advanced

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

NZSF sponsored a week-long programme of events by the Human Rights Commission to strengthen New Zealand's corporate human rights practice. This included hosting a Business and Human Rights workshop for Investors & Directors.

☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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<b>SG 10.1</b>	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

**SG 10.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☒ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Wrote articles on responsible investment in the media.
- ☐ Other, specify

☐ No

**SG 10.3**

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

Over 2016, RI team members as well as the CEO, CIO and Chair of the Board all spoke at public events on various RI related topics. In addition, we:

- hosted an investor meeting for the CDP;
- supported a week long training event on business and human rights for the Human Rights Commission;
- sponsored the RIAA NZ Benchmark Report and annual RIAA NZ Conference;
- hosted the annual conference of the International Forum for Sovereign Wealth Funds (IFSWF) where climate change was a key agenda focus;
- held education sessions with Treasury on responsible investment;
- provided consultation with a number of investment managers in NZ regarding their approach to RI, particularly in regard to exclusions policies;
- provided consultation with a number of companies (both in NZ and internationally) regarding their sustainability reporting;
- provided input or feedback to a number of UNPRI publications;
- undertaken numerous meetings, interviews and contributed to articles on responsible investment related matters.

### Implementation not in other modules

SG 12	Mandatory	Public	Descriptive	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
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- ☒ 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 execute other scenario analysis, specify
- ☐ We do not execute such scenario analysis and/or modelling

<b>SG 12.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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- ☒ We do the following
  - ☒ Allocation between asset classes
  - ☐ Determining fixed income duration
  - ☒ Allocation of assets between geographic markets
  - ☐ Sector weightings
  - ☒ Other, specify  
Allocation and prioritization between different types of investment opportunities.
- ☐ We do not consider ESG issues in strategic asset allocation

<b>SG 12.3</b>	Additional information. [OPTIONAL]
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Regarding SG 12.1: In 2016, we did some scenario planning which examined how the sectoral composition of NZSF's global passive and NZ equity portfolio changes after the most carbon intensive stocks are removed from the portfolio, and then considers the potential impact on tracking error.

Regarding SG 12.2: ESG issues and responsible investment risks and opportunities are considered as part of our portfolio construction process. We rank and map, on a whole-of-fund basis, all our existing and potential investments by:

- a) Attractiveness (expected return, adjusted for confidence and risk); and
- b) Consistency with the Fund's investment style (ESG, Macro-themes and Targeted Operating Model).

As part of this process, we look closely at how good a fit the investment is with our way of investing, including our investment beliefs and themes. ESG issues and each investment opportunity's fit with themes such as resource sustainability therefore feed directly into the rankings of different investments.

The better a prospective or existing investment satisfies each test, the higher its ranking. For a prospective investment, a higher ranking means it is more likely that we will seek an access point - passively, directly or through a manager. Ranking is also key to sizing our investments.

<b>SG 13</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	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

**SG 13.2**

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

- ☐ Established a climate change sensitive or climate change integrated asset allocation strategy
- ☒ Targeted low carbon or climate resilient investments
- ☐ Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- ☒ Used emissions data or analysis to inform investment decision making
- ☒ Sought climate change integration by companies
- ☒ Sought climate supportive policy from governments
- ☐ Other, specify
- ☐ None of the above

**SG 13.3**

Indicate which of the following tools you use to manage emissions risks and opportunities

- ☒ Carbon footprinting
- ☒ Scenario testing
- ☒ Disclosure on emissions risk to clients/trustees/management/beneficiaries

**SG 13.4**

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

In 2016 a significant amount of work was undertaken - and continues to be ongoing - on the best way to improve the resilience of the portfolio to climate change-related risks.

We reviewed many 'off-the shelf products' but decided to develop our own methodology.

A number of methodologies are under review using various ESG filters and ranking procedures to meet an optimal outcome. This is work in progress.

- ☐ Target setting for emissions risk reduction
- ☒ Encourage internal and/or external portfolio managers to monitor emissions risk
- ☐ Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- ☒ Other, specify

other description

We encourage internal+external portfolio managers to consider climate change related risks and opportunities (not just emissions risk). IGCC has been engaging on climate change.

- ☐ None of the above

- ☒ Resource scarcity

- ☐ Technology developments

- ☒ Other, specify(1)

other description (1)

We have an alternative energy strategy which came out of our energy sector and climate change research.

- ☐ Other, specify(2)

- ☐ None of the above

SG 13.5	Additional information [Optional]
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Investment Themes are an important part of how the Fund prioritises its investment research and activities. We have defined Investment Themes as long-lasting impacts on economies and capital markets, that will normally be fairly immune to the ups and downs of the business cycle.

Thematic analysis is about identifying return streams positively and negatively exposed to the themes. Our investment thesis is that these exposures will not usually be fully-priced by markets given they are "slow burn" in nature and subject to uncertainty. Thematic investing is therefore very much aligned with the Fund's long-term investment horizon.

The Fund has three broad Investment Themes we believe will provide areas of investment opportunity in years to come:

- Resource Sustainability
- Emerging Markets Segmentation
- Evolving Demand Patterns

SG 14	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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☒ Yes

SG 14.2	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
--	------

☒ Clean technology (including renewable energy)

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☒ Private equity
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Other (1)



	% of AUM
--	----------

0.5

	Brief description and measures of investment
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The type of investment is similar to private equity but is managed internally via our Direct Investment team. Types of investment include: Fuel cell manufacturer for stationary power generation applications and a wind farm development company.

☒ Green buildings

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☒ Private equity
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Other (1)

	% of AUM
--	----------

0.8

	Brief description and measures of investment
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Energy efficient glass

☒ Sustainable forestry

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Private equity
- ☐ Infrastructure
- ☐ Hedge funds
- ☒ Forestry
- ☐ Farmland
- ☐ Other (1)

	% of AUM
--	----------

4.7

	Brief description and measures of investment
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The large majority of our forestry investments have FSC or PEFC certification. In addition, we have invested in one REDD forest project.

- ☐ Sustainable agriculture
- ☐ Microfinance
- ☐ SME financing
- ☒ Social enterprise / community investing

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Private equity
- ☒ Infrastructure
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Other (1)

	% of AUM
--	----------

0.2

	Brief description and measures of investment
--	--

Social Infrastructure Fund - investing in schools, hospitals and other social infrastructure.

☒ Affordable housing

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Private equity
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☒ Other (1)

	other description (1)
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Foreign Exchange, Tilts, Synthetics, the Liquidity Pool, Portfolio Completion Cash Offset and market neutral positions.

	% of AUM
--	----------

0.01

	Brief description and measures of investment
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We have one property project in which 70% of the development is 'affordable housing'. We define this as homes that will be priced below the regional median house price.

- ☐ Education
- ☐ Global health
- ☐ Water
- ☐ Other area, specify

☐ No

SG 15	Mandatory	Public	Descriptive	General
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**SG 15.1**

Describe how you address ESG issues for internally 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
Fixed income - SSA	Exclusions apply as applicable.
Fixed income - Corporate (financial)	Exclusions apply as applicable. Our engagement service provider engages with corporates that issue both bonds and equity fixed income assets (both financial and non-financial).
Fixed income - Corporate (non-financial)	Exclusions apply as applicable. Our engagement service provider engages with corporates that issue both bonds and equity fixed income assets (both financial and non-financial).
Fixed income - Securitised	Exclusions apply as applicable.
Private equity	Our RI Guidelines for PE assist in our due diligence process and are the basis for identifying relevant ESG risks and opportunities. Internal PE investments are usually direct investments, where we are represented on the board and in this way, can drive management and best practice of ESG issues.
Infrastructure	ESG requirements are integrated into due diligence and post-investment management.
Forestry	We integrate ESG responsibilities through our governance role as a director on the Board.
Other (1) [as defined in Organisational Overview module]	Other equates to FX, Tilts, Synthetics and market neutral positions: Exclusions apply where appropriate. In addition, we have shorted excluded companies which fall into the large market capitalisation category.

**SG 16****Mandatory****Public****Descriptive****General****SG 16.1**

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
Private equity	<p>The consideration of ESG factors is an important element to our private equity investments. ESG risks and opportunities are assessed and monitored pre and post investment. We have also developed specific Private Equity RI guidelines.</p> <p>ESG Due Diligence is a major component in the pre-investment analysis. ESG Management and Reporting is a post-investment requirement. We advocate and promote best practice in this space. ESG requirements for integration and reporting are in the Limited Partnership Agreement.</p>
Infrastructure	<p>ESG Due Diligence is a major component in the pre-investment analysis. ESG Management and Reporting is a post-investment requirement. ESG requirements for integration and reporting is in the Manager's IMA.</p>
Hedge funds	<p>ESG Due Diligence is a major component in the pre-investment analysis. ESG Management and Reporting is a post-investment requirement in our segregated hedge fund mandates. We have developed our own ESG guidelines for some of the different hedge fund categories such as Distressed Credit, Life Settlements and Natural Catastrophe Reinsurance. There are also ESG requirements, where relevant, in the legal documents for our hedge fund mandates. Our exclusion policies apply to all segregated mandates.</p>
Forestry	<p>ESG Due Diligence is a major component in the pre-investment analysis. ESG Management and Reporting is a post-investment requirement. We have developed our own Forestry ESG guidelines to assist in this - these include FSC requirements or equivalent and safety issues. There are also ESG requirements for integration and reporting in the Manager's IMA. Focus this year has been on improving safety in the NZ forestry industry including contractors and suppliers.</p>
Farmland	<p>ESG Due Diligence is a major component in the pre-investment analysis. ESG Management and Reporting is a post-investment requirement. We have developed our own rural ESG guidelines to assist in this. There are also ESG requirements for integration and reporting in the Manager's IMA.</p>

#### SG 16.2

#### Additional information.

We conduct an RI review and rate each manager every 1-2 years. From this, relevant RI performance issues (both good practice and concerns) are integrated into the portfolio management and performance (conviction) ratings of our external managers. These conviction reviews are carried out by portfolio managers in the Investments Group with input from dedicated RI staff.

### Innovation

SG 17	Voluntary	Public	Descriptive	General
SG 17.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.			

☒ Yes

**SG 17.2**

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

We believe our risk allocation process (RAP process) is particularly innovative. The New Zealand Superannuation Fund is a global fund with a long time horizon and certain liquidity. This means there are thousands of potential investment opportunities available to us. How do we choose the best ones for us?

The Risk Allocation Process (RAP) is a portfolio construction process or tool to help with our investment decision-making. We use the RAP to rank and map our existing and potential investment opportunities by:

- attractiveness (expected return, adjusted for confidence and risk); and
- consistency with the Fund's investment style (ESG is a major component of this).

Review and integration of ESG is an integral part of the RAP which prioritises the types of investments we may make.

In addition, we maintain a dedicated RI section and staff education module on RI on our intranet. Video recordings also aid the induction processes.

☐ No

# New Zealand Superannuation Fund

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

<b>SAM 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SAM 01.1** Indicate whether your organisation uses investment consultants and/or fiduciary managers.

- ☐ Yes, we use investment consultants
- ☐ Yes, we use a fiduciary manager that delegates management of some or all of our assets to third-party managers.
- ☒ No, we do not use investment consultants or fiduciary managers.

<b>SAM 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**SAM 02.1** Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - SSA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Corporate (non-financial)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Securitised	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**SAM 02.2** Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Our activities include: RI integration into manager selection, due diligence and ongoing monitoring and review. This is aided by RI guidelines across asset classes. We also include specific RI requirements in mandates and other related legal documents. Our investment professionals in charge of manager relationships work with our RI professionals to integrate the RI process.

As part of our post investment monitoring, we carry out 2-yearly RI reviews of our managers. The objective of the review is to assess and gain more awareness of the manager's management of ESG issues and to require improvement where appropriate. Managers are rated on RI capabilities. The insights of the reviews are integrated into our manager conviction review.

We may also carry out site visits to assess ESG activities in person.



## Listed Equity and Fixed Income Strategies

**SAM 04**

**Mandatory**

**Public**

**Gateway**

**PRI 1,2**

**SAM 04.1**

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf:

### Active investment strategies

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

### Passive investment strategies

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

**SAM 04.2**

Explain how you integrate ESG factors in the selection, appointment and monitoring of your passive funds

**Selection:** Ability to have a segregated portfolio is important to us when selecting passive managers. This enables us to implement our exclusions policy. We also assess the voting and engagement ability of potential passive managers as part of due diligence.

**Appointment:** Appropriate clauses are included in legal documents to ensure adherence to our exclusions policy. We also require passive managers to vote on our behalf, according to our voting policy. Appropriate wording is included in the legal documents.

**Monitoring:** We require quarterly reporting that passive managers have acted in accordance with Investment Mandate Agreements. In addition, we undertake RI Reviews of our managers on a 1-2 yearly basis or as needed.

**SAM 04.3**

## Additional information. [Optional]

Exclusion decisions are based on a clear process and principles that are set out in our Responsible Investment Framework. International conventions, New Zealand law, Crown actions, and companies' involvement and activities, are key factors in our decision-making process.

There are two types of exclusions:

- (a) 'product' exclusions, where companies are excluded based on the products they make (for example tobacco, cluster munitions)
- (b) 'poor ESG practices' exclusions, where companies are excluded for systemic breaches of responsible investment standards.

In addition, the Fund will exclude investment in the government bonds of any nation state where there is widespread condemnation or sanctions by the international community and New Zealand has imposed meaningful diplomatic, economic or military sanctions aimed at the government.

More information is available on our website: <https://www.nzsuperfund.co.nz/how-we-invest-responsible-investment/exclusions>.

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

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

	LE	FI - SSA		FI - Corporate (non-financial)?	FI - Securitised?			
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
ESG incorporation requirements	<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"/>			
Other	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			

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

In the reporting period, we began to include due diligence on how potential managers integrate climate change considerations into their investment decisions for new mandates.

**SAM 05.2**

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

Strategy

	LE	FI - SSA		FI - Corporate (non-financial)	FI - Securitised?			
Assess the time horizon of the investment manager's investment strategy	<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"/>			
Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Other	<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"/>			

ESG people/oversight

	LE	FI - SSA		FI - Corporate (non- financial)?	FI - Securitised?			
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review the ownership of the ESG implementation	<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"/>			
Other	<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"/>			

Process/portfolio construction/investment valuation

	LE	FI - SSA	FI - Corporate (non-financial)?	FI - Securitised?			
Review the process ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree the investment decision making process (and ESG data use in it)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree the ESG incorporation strategy impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree how the manager is targeting returns and ESG objectives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree how the manager identifies, measures and manages ESG risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree return and risk in combination at a portfolio level (portfolio construction) and ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review how ESG materiality is evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Other, specify	<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"/>			

### SAM 05.3

### Describe the selection process

- ☒ Review responses to RfP, RfI, DDQ etc.
- ☒ Review Limited Partners' Responsible Investment Due Diligence Questionnaire (PE DDQ)
- ☒ Review publicly available information
- ☐ Review assurance process
- ☒ Review PRI Transparency Reports
- ☒ Request and discuss PRI Assessment Reports
- ☒ Meetings with the potential shortlisted managers
- ☒ Site visits to potential managers offices
- ☐ Other, specify

**SAM 05.4**

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

	LE	FI - SSA	FI - Corporate (non-financial)?	FI - Securitised?			
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Real world economy targets	<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"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

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

In due diligence, we look at RI strategy(ies), integration of ESG into investment decision making (pre and post investment), engagement and voting activities, RI resources and expertise, and reporting and communication.

**SAM 05.5**

Provide additional information relevant to your organisation's selection approach [OPTIONAL]

When selecting a new manager, the RI team feeds into the due diligence process that is undertaken before hire. We have a set of RI due diligence questions that we send to managers; we undertake a review of their RI activities, we may attend an onsite visit or hold calls or meetings to better understand their approach to RI.

Once we have obtained the information we require, we rate the manager's RI ability, taking consideration of the investment strategy and the type of opportunity that we are trying to access.

If a manager's RI ability is, at that point, lower than what we would expect, then a factor we consider is how willing they are to work with us to further their RI ability. From there, we can set out a plan for improvement, work with the manager and monitor progress over time.

We acknowledge that, currently, there is no industry agreed or defined best practice when it comes to ESG integration into Securitised FI assets. Our exposure to FI is predominantly through one passive fund that tracks the Barclays Global Aggregate Index. Therefore, our ESG requirements of this manager are broad and apply to the fund as a whole rather than to the specific different investments within the fund. It is a segregated mandate which means the fund is able to adhere to our exclusion criteria. The manager runs a number of mandates with us so we are very aware of their RI capabilities.

**SAM 06**

Mandatory

Public

Additional Assessed

PRI 2

**SAM 06.1**

Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager.

Engagement

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

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

Other includes RI related resources and expertise and reporting and communication.

(Proxy) voting

	LE
Review the manager's voting ability within different ownership rights	<input checked="" type="checkbox"/>
Review the manager's voting policy	<input checked="" type="checkbox"/>
Ensure that voting outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

#### SAM 06.2

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

- ☒ Impact on investment decisions
- ☐ Impact on company / asset level
- ☐ Impact on ESG profile or the portfolio
- ☒ Evidence of changes in corporate practices
- ☒ Other, specify

We look at a manager's engagement policy, allocated resource and internal governance procedures. We also review examples of their engagement reporting, which may include, for active managers, how this has influenced their investment view of the company or changes made by the company as a result of engagement.

☐ None of the above

<b>SAM 06.3</b>	Describe how you assess if the manager's voting approach is effective/appropriate
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- ☐ Impact on investment decisions
- ☐ Impact on ESG profile or the portfolio
- ☒ Evidence of changes in corporate practices
- ☒ Other, specify

We look at a manager's voting policy, allocated resource and internal governance procedures. We also review examples of their proxy voting reports. If hired, we review how a manager's voting decisions differ from that of our proxy voting advisor. We also review how often they vote against company management. Our New Zealand managers are required to provide voting recommendations (though we will make the final voting decision) and to undertake relevant engagement with companies.

Sometimes, but not always, the changes in company practices due to voting activities are discussed by managers with companies.

☐ None of the above

<b>SAM 06.4</b>	Additional information [OPTIONAL]
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The engagement undertaken by our service provider covers corporates (both financial and non-financial) from both a listed equity and fixed income perspective. They do not engage on SSA or securitised FI assets.

## Appointment

<b>SAM 07.1</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>SAM 07.1</b>	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
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- ☒ Sets standard or ESG benchmarks
- ☒ Defines ESG objectives
- ☒ Sets incentives and controls linked to the objectives
- ☒ Requires reporting on these objectives
- ☐ None of the above
- ☐ None of the above, we invest only in pooled funds and have a thorough selection process

<b>SAM 07.2-5</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>SAM 07.2</b>	Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.
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Asset class
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- ☒ Listed equity (LE)



### Benchmark

- ☒ Standard benchmark, specify

A manager of NZ listed equities is required to pursue the investment strategy as benchmarked to the S &P/NZX50 Gross Index.

- ☐ ESG benchmark, specify

### Objectives

- ☐ Voting, specify

- ☐ Engagement, specify

- ☐ Integration, specify

- ☒ Investment restrictions, specify

Investment restrictions are stated in the IMAs for all managers. All agreements, where possible, mandate adherence to NZSF's exclusion list. Other examples of restrictions that made be included are investment in derivatives (some mandates) and prudential limits.

- ☐ Strategy, specify

- ☐ Other, specify

### Incentives and controls

- ☐ Fee based incentive

- ☒ Termination

- ☐ No fee/ breach of contract

### Reporting requirements

- ☐ Ad-hoc/when requested

- ☐ Annually

- ☐ Bi-annually

- ☒ Quarterly

- ☐ Monthly

- ☒ Fixed income - SSA (SSA)

### Benchmark

- ☒ Standard benchmark, specify

Our fixed income manager is required to track the Barclays Global Aggregate Index.

- ☐ ESG benchmark, specify

### Objectives

- ☐ Other, specify
- ☐ Voting, specify
- ☐ Engagement, specify
- ☐ Integration, specify
- ☒ Investment restrictions, specify

There are a number of investment restrictions outlined in the IMA. From an RI perspective, a schedule provides a restricted list of entities and countries that the manager is prevented from investing in.

- ☐ Strategy, specify

### Incentives and controls

- ☐ Fee based incentive
- ☒ Termination
- ☐ No fee/ breach of contract

### Reporting requirements

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

### Benchmark

- ☒ Standard benchmark, specify

Our fixed income manager is required to track the Barclays Global Aggregate Index.

- ☐ ESG benchmark, specify

### Objectives

- ☐ Other, specify
- ☐ Voting, specify
- ☐ Engagement, specify
- ☐ Integration, specify
- ☒ Investment restrictions, specify

There are a number of investment restrictions outlined in the IMA. From an RI perspective, a schedule provides a restricted list of entities and countries that the manager is prevented from investing in.

- ☐ Strategy, specify

#### Incentives and controls

- ☐ Fee based incentive
- ☒ Termination
- ☐ No fee/ breach of contract

#### Reporting requirements

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

#### Benchmark

- ☒ Standard benchmark, specify  
Our fixed income manager is required to track the Barclays Global Aggregate Index.
- ☐ ESG benchmark, specify

#### Objectives

- ☐ Voting, specify
- ☐ Engagement, specify
- ☐ Integration, specify
- ☒ Investment restrictions, specify  
There are a number of investment restrictions outlined in the IMA. From an RI perspective, a schedule provides a restricted list of entities and countries that the manager is prevented from investing in.
- ☐ Strategy, specify

#### Incentives and controls

- ☐ Fee based incentive
- ☒ Termination
- ☐ No fee/ breach of contract

#### Reporting requirements

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

**SAM 07.3**

Explain how your organisation evaluates the reporting capacity of the manager to meet your reporting requirements during the selection process

	LE	FI - SSA	FI - Corporate (non-financial)?	FI - Securitised?			
Agree upon ESG reporting requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review ESG reporting processes and capacity in place	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Agree processes for raising ad-hoc ESG issues	<input checked="" 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"/>			
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

**SAM 07.4**

Explain 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
- ☒ Review performance in more detail
- ☒ Place investment manager on a “watch list”
- ☒ Investigate reason for non-compliance
- ☒ Require action plan from the manager
- ☐ Negotiate fees
- ☒ Failing all actions, terminate contract with the manager
- ☐ Other, specify
- ☐ No actions are taken if any of the requirements are not met

**SAM 07.5**

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

From an RI perspective, managers capabilities are reviewed in detail every 1-2 years. If their performance is deemed to be below expectations, a Manager Engagement Plan is put in place and we seek to work with the manager to improve their performance.

**Monitoring****SAM 08****Mandatory****Public****Core Assessed****PRI 1****SAM 08.1**

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates from the investment manager in meetings/calls

	LE	FI - SSA	FI - Corporate (non- financial)?	FI - Securitised?			
ESG objectives linked to investment strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG incorporation objectives (with examples)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
ESG portfolio characteristics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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"/>			
Information on any ESG incidents	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
PRI Assessment Reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

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

We also look at whether there has been any changes in ESG policies, processes governance structures.

#### SAM 08.2

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

	LE	FI - SSA	FI - Corporate (non-financial)?	FI - Securitised?			
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Real world economy targets	<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"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

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

We have also developed ESG guidelines per investment opportunity. When we are assessing a manager's RI capabilities, we use these guidelines to understand the specific ESG risks and opportunities associated with that investment opportunity. This helps us to add some context around the importance of ESG to that particular investment opportunity. This in turn, helps us to define expectations for what a manager could/should be doing from an RI perspective.

<b>SAM 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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#### SAM 09.1

When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

#### Engagement

	LE	FI - SSA	FI - Corporate (non-financial)?	FI - Securitised?
Report on engagements undertaken (outcomes and examples)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Account on engagement ESG impacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements; specify	<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"/>

#### (Proxy) voting

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

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

We also look at deviation of manager voting decisions from ISS recommendations and how often they vote against management.

<b>SAM 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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#### SAM 10.1

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

☒ Votes cast (to the nearest 5%)

%

98

Specify the basis on which this percentage is calculated.

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

☐ We do not collect this information.

### Outputs and outcomes

<b>SAM 11</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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#### SAM 11.1

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

%

88

**SAM 11.2**

Describe how you ensure that best RI practice is applied to managing your assets

- ☒ Encourage improved RI practices with existing investment managers

**Measures**

We review our managers RI capabilities every 1-2 years. If we find that improvement is needed, we develop a Manager RI Engagement Plan and seek to work with that manager to improve practices.

- ☒ Move assets over to investment managers with better RI practices

**Measures**

Over the last calendar year, our % of externally managed assets by PRI signatories has increased from 57% to 88%.

- ☐ Other, specify
- ☐ None of the above

**SAM 12****Mandatory****Public****Additional Assessed****PRI 1,6****SAM 12.1**

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	Climate change
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	In 2016, we dialled up exposure to NZ expansion capital. To align with the Climate Change strategy that we released in October 2016, we added a clause into the Limited Partnership Agreement requiring that these managers include assessment of climate change risk and opportunities into their due diligence pre investment and management post investment. We also require reporting on their efforts.
Outcomes	Too early to tell.

- ☒ Add Example 2



Topic or issue	RI Manager Reviews
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	We sent out a request for updated ESG information for all our managers. This was in the form of a questionnaire.
Outcomes	As at 31 December 2016, we had received some information back, but not all. The analysis of the responses and assessment of capabilities will be done in 2017.

☒ Add Example 3

Topic or issue	Manager appointment
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	With one new manager that we took on in 2016, we had identified a lack of RI policies and practices. Before finalising the mandate, we ensured that the manager was willing to work with us to improve their understanding of RI. A teach-in was arranged for January 2017.
Outcomes	Too early to tell.

☐ Add Example 4

☐ Add Example 5

☐ We are not able to provide examples

## Communication

SAM 13	Mandatory	Public	Core Assessed	PRI 6
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<b>SAM 13.1</b>	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
-----------------	---

☒ Yes, we disclose information publicly

	provide URL
--	-------------

<https://www.nzsuperfund.co.nz/how-we-invest/responsible-investment>

	provide URL
--	-------------

<https://www.nzsuperfund.co.nz/publications/annual-reports>

<b>SAM 13.2</b>	Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.
-----------------	--

☒ Yes

<b>SAM 13.3</b>	Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.
-----------------	---

- ☒ How responsible investment considerations are included in manager selection, appointment and monitoring processes
- ☒ Details of the responsible investment activities carried out by managers on your behalf
- ☐ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- ☐ Other, specify

☐ No

☐ Yes, we disclose information to clients/beneficiaries only

☐ We do not proactively disclose information to the public and/or clients/beneficiaries

<b>SAM 13.4</b>	Additional information. [Optional]
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We report through a dedicated Responsible Investment section on our website, in our annual reports and other sections on our website where pertinent. For example, publications, Statement of Policies, Standards and Procedures, and also the UNPRI Transparency Report. Voting activity by managers is reported at an aggregated level.

# New Zealand Superannuation Fund

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Public	Gateway	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

<b>LEI 03.1</b>	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
-----------------	--

#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening and Integration strategies

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div> <div>100</div>
---	--

- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☐ We do not apply incorporation strategies

	Total actively managed listed equities
--	--

100%

<b>LEI 03.2</b>	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.
-----------------	---

We believe ESG factors can impact investment performance over the long-term. Our approach is to integrate ESG into long-term fundamental analysis through company research, income forecasts, scenario analysis, valuations, buy/sell/hold recommendations, sizing and engagement plans.

Exclusion decisions are based on a clear process and principles that are set out in our Responsible Investment Framework. International conventions, New Zealand law, Crown actions, and companies' involvement and activities, are key factors in our decision-making process.

LEI 04	Voluntary	Public	Additional Assessed	PRI 1
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**Type of ESG information**

- ☒ Raw ESG company data

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Country-related analysis or ratings
- ☒ Screened stock list

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Other, specify

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

☒ Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
-----------------	---------------------------------------

In September 2016, for the first time, the RI team participated in our formal counterparty service review. This enabled us to score and provide specific feedback to brokers on RI research. This in turn, contributes to commission paid to brokers. It also impacts the level of trading activity with counterparties.

☐ No

<b>LEI 04.5</b>	Additional information.[Optional]
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We have not indicated that we receive country-related analysis or ratings. This is because our internally managed listed equity holdings are all in New Zealand.

## (A) Implementation: Screening

<b>LEI 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 06.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

### Type of screening

☒ Negative/exclusionary screening

#### Screened by

- ☒ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

	<b>Description</b>
--	--------------------

Exclusion decisions are based on a clear process and principles that are set out in our Responsible Investment Framework. International conventions, New Zealand law, Crown actions, and companies' involvement and activities, are key factors in our decision-making process.

There are two types of exclusions:

(a) 'product' exclusions, where companies are excluded based on the products they make. Currently, companies that are directly involved in the following activities are excluded from the Fund:

- the manufacture of cluster munitions
- the manufacture or testing of nuclear explosive devices (NEDs)
- the manufacture of anti-personnel mines

- the manufacture of tobacco
- the processing of whale meat.

(b) 'poor ESG practices' exclusions, where companies are excluded for systemic breaches of responsible investment standards. Exclusion on the basis of poor ESG practices is a last resort, factoring in the likely success of engagement, the materiality of the issue and our desire to, as a relatively small investor in global terms, focus our limited resource on companies where we believe we can make a difference.

Decisions to exclude companies from the Fund are made public along with the reason why.

More information is available on our website: <https://www.nzsuperfund.co.nz/how-we-invest-responsible-investment/exclusions>.

☒ Positive/best-in-class screening

#### Screened by

- ☐ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
--	-------------

We use EIRiS, ISS, ACSI and in-house research to identify ESG leaders.

☒ Norms-based screening

#### Screened by

- ☒ UN Global Compact Principles
- ☐ The UN Guiding Principles on Business and Human Rights
- ☐ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
--	-------------

EIRiS research helps us to identify if there have been any breaches of the UN Global Compact Principles by NZ companies. This research informs our engagement strategy.

**LEI 06.2**

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

When we do make a decision to engage or exclude, our decision is based on the clear process and principles that are set out in our Responsible Investment Framework which is publicly available (<https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/Responsible%20Investment%20Framework.pdf>).

**LEI 07****Mandatory****Public****Core Assessed****PRI 1****LEI 07.1**

Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**LEI 08****Voluntary****Public****Additional Assessed****PRI 1****LEI 08.1**

Indicate which processes your organisation uses to ensure fund criteria are not breached

- ☒ Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☒ Other, specify  
The Compliance and Operations teams, as well as the Custodian, are constantly monitoring the Fund's holdings to ensure no breaches.
- ☐ None of the above

**LEI 08.2**

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

A breach will be picked up by either our Custodian or one of the Operational Staff. They will then inform the relevant investment professional as well as the investment manager. The investment manager is then required to exit the stock as soon as possible.

## (C) Implementation: Integration of ESG issues



LEI 10	Mandatory	Public	Core Assessed	PRI 1
--------	-----------	--------	---------------	-------

LEI 10.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
----------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<div> <div></div> <div>Environmental</div> </div> <p> <input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly  <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly  <input type="radio"/> We do not review environmental issues         </p>
Social	<div> <div></div> <div>Social</div> </div> <p> <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly  <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly  <input type="radio"/> We do not review social issues         </p>
Corporate Governance	<div> <div></div> <div>Corporate Governance</div> </div> <p> <input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly  <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly  <input type="radio"/> We do not review corporate governance issues         </p>

LEI 12	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 12.1**

Indicate which aspects of investment analysis you integrate ESG information into.

- ☐ Economic analysis
- ☒ Industry analysis
- ☒ Systematically
- ☐ Occasionally
- ☒ Quality of management
- ☒ Systematically
- ☐ Occasionally
- ☒ Analysis of company strategy
- ☒ Systematically
- ☐ Occasionally
- ☐ Portfolio construction
- ☒ Fair value/fundamental analysis
- ☒ Systematically
- ☐ Occasionally

**LEI 12.2b**

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- ☒ Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- ☐ Adjustments to valuation tools (discount rates, terminal value)
- ☐ Other adjustments to fair value projections, specify

**LEI 12.4b**

Describe the methods you have used to adjust the income forecast / valuation tool

We identify and assess ESG factors that are most relevant for companies and evaluate the impact either in our central valuation or scenario analysis.

- ☐ Other, specify

**ESG incorporation in passively managed listed equities****LEI 13****Mandatory to Report Voluntary to Disclose****Public****Descriptive****PRI 1****LEI 13.1**

Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

- ☐ Yes
- ☒ No

**Outputs and outcomes**

LEI 14	Voluntary	Public	Descriptive	PRI 1
--------	-----------	--------	-------------	-------

LEI 14.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
----------	---

☒ Screening

	Describe any reduction in your starting investment universe or other effects.
--	---

Currently no NZ companies are listed on our exclusion list, therefore the impact is nil.

	Specify the percentage reduction (+/- 5%)
--	---

	%
--	---

0

☒ Integration of ESG issues

	Select which of these effects followed your ESG integration:
--	--

- ☒ Reduce or prioritise the investment universe
- ☒ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☒ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above

LEI 14.2	Additional information.[Optional]
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Our approach is to integrate ESG into long-term fundamental analysis through company research, income forecasts, scenario testing, valuations, buy/sell/hold recommendations, sizing and engagement plans.

## Communication

LEI 17	Mandatory	Public	Core Assessed	PRI 2,6
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LEI 17.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
----------	---

☒ We disclose it publicly

	Provide URL
--	-------------

<https://www.nzsuperfund.co.nz/how-we-invest-responsible-investment/integration>

Provide URL

<https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/White-Paper-ESG-Beliefs.pdf>

**LEI 17.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

**LEI 17.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

**LEI 17.4**

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 17.7**

Additional information. [Optional]

Integration achievements and priorities are reported in the Responsible Investment report within the Annual Report. Changes to our exclusion list are reported biannually on our website, as are our voting reports. There is a dedicated part of our website that is regularly updated with relevant information.

In November 2015 we published a white paper titled "Why we believe responsible investing pays off". The paper explores the foundations and implications of the belief that responsible investing is good for the portfolio.

# New Zealand Superannuation Fund

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

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

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

☒ Yes

**LEA 01.2** Indicate what your engagement policy covers:

- ☐ Conflicts of interest
- ☒ Prioritisation of engagements
- ☐ Transparency
- ☒ Environmental factors
- ☒ Social factors
- ☒ Governance factors
- ☒ Engagements following on from decisions
- ☐ Other, describe
- ☐ None of the above

**LEA 01.3** Attach or provide a URL to your engagement policy. [Optional]

URL

<https://www.nzsuperfund.co.nz/how-we-invest-responsible-investment/engagement>

Attach document

[File 1:NZSF-Engagement-process.pdf](#)

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

Our portfolio monitoring service identifies companies that have breached - or might breach - recognised ESG standards. We then assess this information, along with data from other sources, to determine whether we should include the company in our engagement programme - through which we seek improvements from companies and play a role in influencing change.

One of the key factors we consider when prioritising our engagement efforts is whether the breach is of international standards or represents a high / significant ESG risk, i.e. is it: long-term or short-term; historic or ongoing; isolated or endemic; a potential reputation risk internationally or nationally.

Other factors we take into account include:

Our ability to participate in collaboration through the UNPRI clearinghouse led by other peers or as a co-lead; our ability to engage directly with the company; the potential effectiveness of the engagement; and the resources required.

☐ No

<b>LEA 01.5</b>	Additional information [optional]
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The schematic (attached above) which outlines our approach to engagement can be found on our public website here: <https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/NZSF-Engagement-process.pdf>

<b>LEA 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1,2,3</b>
---------------	------------------	---------------	----------------	------------------

<b>LEA 02.1</b>	Indicate the method of engagement, giving reasons for the interaction.
-----------------	--

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<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 internal staff
<b>Collaborative engagements</b>	<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 collaborative engagements
<b>Service provider engagements</b>	<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

<b>LEA 02.2</b>	Additional information. [Optional]
-----------------	------------------------------------

We carry out our engagement program in three ways: 1) we engage with companies directly ourselves; or 2) we engage through collaborative efforts; and 3) we employ BMO as a service provider.

## Process

### Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
----------	---

☒ Yes

LEA 03.2	Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.
----------	--

- ☒ Geography/market of the companies targeted
- ☒ Materiality of ESG factors
- ☒ Systemic risks to global portfolios
- ☒ Exposure (holdings)
- ☒ In reaction to ESG impacts which has already taken place
- ☐ As a response to divestment pressure
- ☒ As a follow-up from a voting decision
- ☐ Client request
- ☐ Other, describe

☐ No

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

Systemic risks are governance and climate change risks.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 04.1	Indicate if you define specific objectives for your engagement activities.
----------	--

- ☒ Yes
  - ☒ Yes, for all engagement activities
  - ☐ Yes, for the majority of engagement activities
  - ☐ Yes, for a minority of engagement activities
- ☐ We do not define specific objectives for engagement activities carried out by internal staff.



**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes☒ Yes, in all cases☐ Yes, in the majority of cases☐ Yes, in the minority of cases☐ We do not monitor the actions that companies take following engagement activities carried out by internal staff.**LEA 04.3**

Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

☒ Yes**LEA 04.4**

Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

☒ Define timelines for milestones and goals☒ Tracking, monitoring progress against defined milestones and goals☒ Establish a process for when the goals are not met☒ Revisit and, if necessary revise goals on continuous basis☐ Other, please specify☐ No**LEA 04.5**

Additional information. [Optional]

At the beginning of every (direct) engagement, we put together an engagement plan that provides context and reasoning for the engagement as well as setting performance targets and milestones. Progress of the engagement is recorded and reported on quarterly. Monitoring responses (or lack of) are also looked at quarterly.

Engagement may be undertaken by any of the investment staff, including CEO or CIO.

**Process for engagements conducted via collaborations****LEA 05****Mandatory****Public****Core Assessed****PRI 2**

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

**LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

☒ Yes

**LEA 05.2**

Describe the criteria used to identify and prioritise collaborative engagements

- ☐ Potential to learn from other investors
- ☐ Ability to add value to the collaboration
- ☒ Geography / market of the companies targeted
- ☒ Materiality of ESG factors
- ☐ Systemic risks to global portfolios
- ☒ Exposure (holdings)
- ☒ In response to ESG impacts which has already taken place
- ☐ In response to divestment pressure
- ☐ Client requests
- ☒ Other, describe

other description

Whether the collaborative engagement that is being proposed falls into one of our priority areas.

☐ No
**LEA 06****Mandatory****Public****Core Assessed****PRI 2**

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

**LEA 06.1**

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- ☒ Yes
  - ☒ Yes, for all engagement activities
  - ☐ Yes, for the majority of engagement activities
  - ☐ Yes, for a minority of engagement activities
- ☐ We do not define specific objectives for engagement activities carried out collaboratively.

**LEA 06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
  - ☒ Yes, in all cases
  - ☐ Yes, in the majority of cases
  - ☐ Yes, in the minority of cases
- ☐ We do not monitor the actions that companies take following engagement activities carried out collaboratively

**LEA 06.3**

Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- ☒ Yes

**LEA 06.4**

Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- ☒ Define timelines for milestones and goals
- ☒ Tracking, monitoring progress against defined milestones and goals
- ☐ Establish a process for when the goals are not met
- ☒ Revisit and, if necessary revise the goals on a continuous basis
- ☐ Other, please specify

☐ No

**LEA 06.5**

Additional information. [Optional]

With international collaborations, we only join UNPRI-led collaborations. Therefore, we usually only get involved once objectives and milestones have been set. If there is an opportunity to feed into these once we formally join a collaborative engagement, we would contribute as best we could.

With collaborations in New Zealand, we are often the leading investor, doing our best to run the engagement as professionally and successfully as possible.

## Process for engagements conducted with/on your behalf by service providers

**LEA 07**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2,4**

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

**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 progress towards the engagement objectives
- ☒ Monitor and review outcomes that have been achieved from the engagement
- ☒ Discuss next steps for engagement activity
- ☐ Participate directly in certain engagements with your service provider
- ☐ Ad hoc monitoring and review of engagement processes.
- ☐ Other, specify

☐ No

**LEA 07.3**

Additional information. [Optional]

We receive quarterly reports from BMO followed by quarterly calls to discuss progress, priority companies, and upcoming activities.

In addition, we are members of ACSI, an association that conducts engagement with companies on ESG issues.

**LEA 08**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2,6**

**LEA 08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- ☒ The subject (or ESG issue(s)) of engagement
- ☒ The objectives of the engagement
- ☒ The rationale for engagement
- ☒ The frequency/intensity of interactions with companies
- ☒ Progress towards achieving engagement goals
- ☒ Outcomes that have been achieved from the engagement
- ☒ Next steps for engagement activity
- ☐ Other, specify
- ☐ None of the above

<b>LEA 08.2</b>	Additional information. [Optional]
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We receive quarterly reports from BMO followed by quarterly calls to discuss progress, priority companies, and upcoming activities.

### General processes for all three groups of engagers

<b>LEA 09</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>LEA 09.1</b>	Indicate if insights gained from your engagements are shared with your internal or external investment managers.
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Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

<b>LEA 09.2</b>	Additional information. [Optional]
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The insights gained from our direct, collaborative and service provider engagements are shared with our internal investment managers and staff. Engagement with NZ companies is generally led by our internal staff or external managers. Our NZ engagement tracker document and our BMO quarterly reports are available to all staff on our internal intranet and presented to the Investment Committee on a six monthly basis.

Insights from our engagements are also shared, in confidence, with our engagement service provider. A standing item on the agenda of our quarterly calls with BMO is an update on the direct engagements we are undertaking as well as the collaborative engagements we are both involved in. We recognise the importance of keeping BMO informed of our direct engagement activities.

Currently we are not sharing our engagement insights with our external managers.

<b>LEA 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 2</b>
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<b>LEA 10.1</b>	Indicate if you track the number of engagements your organisation participates in.
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Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

## Communication

LEA 16	Mandatory	Public	Core Assessed	PRI 2,6
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**LEA 16.1** Indicate whether your organisation proactively discloses information on its engagements.

☒ We disclose it publicly

provide URL

<https://www.nzsuperfund.co.nz/performance-esg-management/engagement-reports>

provide URL

<https://www.nzsuperfund.co.nz/sites/default/files/documents-sys/NZSF%202016%20Annual%20Report.pdf>

**LEA 16.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

**LEA 16.3** Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

	Engagement information disclosed
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- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☐ Breakdown of engagements by region
- ☐ An assessment of the current status of the engagement
- ☐ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 16.4	Indicate how frequently you report engagements information.
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- ☐ Disclosed continuously (prior to and post engagements)
- ☒ Disclosed quarterly or more frequently
- ☐ Disclosed biannually
- ☐ Disclosed annually
- ☐ Disclosed less frequently than annually
- ☐ Ad hoc/when requested
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 16.8	Additional information. [Optional]
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Additional information. [Optional]

Engagement table in Annual Report and BMO Quarterly reports.

## (Proxy) voting and shareholder resolutions

### Overview

LEA 17	Mandatory	Public	Gateway	PRI 1,2,3
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 17.1	Indicate whether your organisation has a formal voting policy.
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Indicate whether your organisation has a formal voting policy.

- ☒ Yes

**LEA 17.2**

Indicate what your voting policy covers:

- ☒ Conflicts of interest
- ☒ Prioritisation of voting activities
- ☒ Transparency
- ☒ Decision making processes
- ☒ Environmental factors
- ☒ Social factors
- ☒ Governance factors
- ☐ Filing/co-filing resolutions
- ☒ Extraordinary meetings
- ☐ Share blocking
- ☒ Regional voting practices
- ☐ Record keeping
- ☐ Company dialogue pre/post vote
- ☐ Securities lending process
- ☐ Other, describe
- ☐ None of the above

**LEA 17.3**

Attach or provide a URL to your voting policy. [Optional]

URL

<https://www.nzsuperfund.co.nz/performance-esg-management/voting-reports>

**LEA 17.4**

Provide a brief overview of your organization's approach to (proxy) voting.

Our focus is on encouraging good corporate governance and on protection of shareholder rights in the markets in which we invest. Our voting forms part of this strategy along with engagement on corporate governance with companies, investors and relevant regulatory and market bodies.

NZ is a priority where we vote directly drawing on the recommendations of our managers and our proxy voting agency. We also vote globally by instructing our managers to vote according to their policies or that of a proxy voting agency, depending on the manager's skills set. Our Guidelines include those of the NZ Corporate Governance Forum and ISS recommendations. The OECD Principles of Corporate Governance and the ICGN Global Governance Principles provide a foundation for our Guidelines.

**LEA 17.5**

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).

We instruct our managers to vote according to their policies or that of a proxy voting agency. We monitor when voting decisions go against that of our proxy voting agency or the company management.

☐ No

**Process**



LEA 18	Mandatory	Public	Descriptive	PRI 2
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LEA 18.1	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
----------

- ☒ 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 18.2	Additional information.[Optional]
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For International external managers, we instruct them on the policy they should use in implementing voting - generally the manager's own policy or that of a proxy voting advisor depending on the manager's capabilities. For New Zealand mandates, we take recommendations from our external NZ managers and make the final voting decision ourselves. We also use ISS's research and recommendations to inform our decisions.

LEA 21	Voluntary	Public	Additional Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 21.1	Indicate if your organisation has a securities lending programme.
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- ☐ Yes
- ☒ No

LEA 22	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 22.1</b>	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:
- ☒ Votes for selected markets
  - ☐ Votes relating to certain ESG issues
  - ☐ Votes for significant shareholdings
  - ☐ Votes for companies we are engaging with
  - ☐ On request by clients
  - ☐ Other
- ☐ Neither we nor our service provider raise concerns with companies ahead of voting

<b>LEA 22.2</b>	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.
-----------------	---

- ☐ 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
  - ☒ Other
- Our fund managers also identify key resolutions and engage with companies to communicate the rationale when they abstain or vote against management recommendations.
- ☐ 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

<b>LEA 22.3</b>	Additional information. [Optional]
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We publish our policy on our website. In the New Zealand market where we vote directly, we inform companies of voting decisions pre and/or post AGM if we vote against a resolution or if managers recommend we vote against a resolution. During 2016 we have been active in communicating our expectations to companies in meetings and through the NZ Corporate Governance Forum Guidelines which we are actively involved with.

External investment managers also engage with companies about their policies and voting decisions and provide feedback to us through reporting and/or recommendations.

Sometimes, due to short notice periods in the New Zealand market, if companies release notices to close to the AGM, it is difficult to engage before the vote is taken.

Outputs and outcomes				
<b>LEA 23</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>

<b>LEA 23.1</b>	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%)
--	--------------------------------

	%
--	---

98

	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

<b>LEA 23.2</b>	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)
- ☐ We do not vote on environmental resolutions
- ☐ We do not vote on social resolutions
- ☐ On request by clients
- ☐ Other

☐ We do not track or collect this information

<b>LEA 24</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 24.1</b>	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

<b>LEA 24.2</b>	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	<div> <div></div> <div>%</div> </div> 88.8
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> 9
Abstentions	<div> <div></div> <div>%</div> </div> 2.2

100%

**LEA 24.3** Describe the actions you take after voting against management recommendations.

In some circumstances, our external managers as well as our internal New Zealand active listed equities investment team members, inform companies of the reasons why we have voted against resolutions.

☐ No, we do not track this information

## Communication

**LEA 27**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2,6**

**LEA 27.1** Indicate if your organisation proactively discloses information on your voting activities.

☒ We disclose it publicly

provide URL

<https://www.nzsuperfund.co.nz/performance-esg-management/voting-reports>

**LEA 27.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

**LEA 27.3** Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☐ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☒ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☐ Explain some voting decisions
- ☒ Only explain abstentions and votes against management
- ☐ No explanations provided

**LEA 27.4**

Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☒ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/as requested
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA 27.8**

Additional information. [Optional]

Explanations of abstentions and votes against management are summarised only.

Submissions to regulators or listing agencies on NZ corporate governance are also made public on our website: <https://www.nzsuperfund.co.nz/publications/submissions>