Sustainable Investment Policy

TelstraSuper Pty Ltd

Current Date of Policy	Changes Made	Approved by	Board Approval date
1 November 2015	Published		
December 2016	Update of "Trustee" name from Telstra Super Ltd to Telstra Super Pty Ltd.	Graeme Miller	June 2017
April 2018	New format & branding applied, review frequency amended.		

Contents

Sustainable Investment Policy 1
1. Purpose 3
2. Scope 3
3. Policy 3
4. Implementation and Delegation 3
5. Policy Review and Reporting 3
5.1 Policy Review 3
5.2 Policy Reporting 4

1. Purpose

The purpose of this document is to set out the policy of Telstra Super with regard to sustainable investment.

2. Scope

The policy applies to all of Telstra Super's assets in all jurisdictions where investments exist.

3. Policy

Telstra Super's investment mission is to achieve the best financial outcomes for its members, subject to maintaining risk at an acceptable level and upholding high standards of Environmental, Social and Governance (ESG) practice.

Telstra Super considers superannuation to be a long-term investment and believes it appropriate to invest over a long term time horizon. The fund aims to maximise risk-adjusted returns over the long term and will not pursue strategies that put the sustainability of long term returns at risk.

Telstra Super believes that ESG factors may affect investment risk and return over the medium to long term i.e. poor ESG practices are likely to give rise to unrewarded investment and reputational risks, whereas good ESG practices may give rise to more sustainable investment returns.

Telstra Super believes incorporating ESG factors into investment decision making is part of good risk management and making better investment decisions. Telstra Super therefore has a preference for investments with good ESG credentials provided there is no compromise on expected risk-adjusted returns for the portfolio.

The Telstra Super Board may determine that certain assets, industries or activities with undesirable ESG or ethical credentials are to be excluded from its investment portfolio where the exclusion is aligned with the investment mission of the fund, is implemented in a rigorously defined manner, and is not expected to have a material detriment on risk-adjusted long term investment returns for the portfolio.

4. Implementation and Delegation

The role of the Telstra Super Board is to set the beliefs and policy for the Fund with respect to sustainable investment, and to make determinations about any investments to be excluded from the portfolio.

The Investment Committee is responsible for the implementation of this policy. The Investment Committee provides direction to Management on the processes, procedures and strategies to be followed in the implementation of the policy.

Management uses best endeavours to ensure that investment mandates, incentive structures and monitoring frameworks are established in a consistent manner with this policy.

Telstra Super recognises that the execution of ownership rights including voting and engagement can positively influence risks and returns. Consequently, where practical, Management ensures that ownership rights are exercised in a manner that is consistent with this policy.

5. Policy Review and Reporting

5.1 Policy Review

Telstra Super acknowledges that sustainable investment is an evolving area and the approach to sustainability as well as the implementation of that approach needs to be monitored.

This policy will be reviewed at least biennially by the CIO to ensure it remains appropriate. The review of the policy is to include an assessment of the sustainability approach to ensure it is appropriate and effective. All amendments must be recommended by the Investment Committee to the Board for approval.

5.2 Policy Reporting

The Investment Committee will report to the Board on the progress of the implementation of the policy on an annual basis.

This policy will be made available to members via the Telstra Super website.