

ESG GOES MAINSTREAM

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Fit for Purpose Integration Framework



ESG “Culture eats investment strategy for breakfast”



Phased approach *example*



Strategy

- Investment Beliefs
- Investment Policy
- Total Portfolio
- Materiality
- Climate Position

Active Ownership

- Engagement
- Proxy voting policy
- Membership (e.g. ACSI)
- Fund Manager engagement

Internal

- Resourcing
- Budget
- Training

Reporting

- Regulatory reporting
- Proxy voting disclosure
- Member communication
- Measurement: SDGs, CO²



SDG Portfolio Initiatives

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GENDER
EQUALITY



Engage with managers on Diversity

7

AFFORDABLE AND
CLEAN ENERGY



Engage on energy use for direct infrastructure
Renewable energy infrastructure

8

DECENT WORK AND
ECONOMIC GROWTH



Engage on labour regulations *Modern Slavery Act*
Emphasise strong governance frameworks

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CLIMATE
ACTION



Engage with managers on climate risk and resilience programs

Integration and Measurement

Australian Office Performance to June 2018

NABERS Energy Rating	3 Year Return (% p.a.)	5 Year Return (% p.a.)
0 to 2.5 Stars	8.7	8.5
3.5 Stars	12.6	11.7
5.0 Stars	14.9	13.2

13 CLIMATE ACTION



11 SUSTAINABLE CITIES AND COMMUNITIES



Integrated versus Specialist Investment

