Responsible Investing Policy

(as at December 2025)

CareSuper

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1 Overview

1.1 Introduction

CareSuper ("the Fund") is a complying superannuation fund under the Superannuation Industry (Supervision) Act 1993 and is regulated by both Australian Securities and Investments Commission (ASIC) and Australian Prudential Regulation Authority (APRA). The Trustee, CareSuper Pty Ltd holds a Registrable Superannuation Entity licence (RSE) with APRA, enabling it to operate the Fund.

1.2 Purpose and Scope

The purpose of this Policy is to describe the Fund's approach to Responsible Investing and the consideration of environmental, social and governance (ESG) risk factors in the management of the Fund's investment program. The Policy documents the approach the Trustee employs to address and manage ESG risks.

The Fund's overall approach to sustainability across its operations is guided by its Corporate Responsibility & Sustainability Policy[1].

This Policy supports the Fund's Investment Policy Statement and should be read in conjunction with the Investment Governance Framework.

1.3 Policy statement

Responsible investing is integral to the Fund's investment approach. The sole purpose of the Fund is to enhance member benefit by investing in assets that are expected to deliver competitive, risk-adjusted returns, over the long term. We believe that long term returns are positively influenced by investment management practices that consider ESG risks and opportunities. Accordingly, ESG factors are a key consideration in the selection and management of investments across all asset classes in which the Fund invests[2]. In administering this policy, the Fund is exercising its judgement in the best financial interests of its members.

2 Guiding Principles

The guiding principles set out below assist the Trustee to manage ESG risks. The impact of ESG factors is considered at each stage of setting the investment strategy and selecting the assets of the Fund.

2.1 Regulatory Framework, Investments

The Trustee acknowledge that its primary duties are to:

- deliver the highest possible risk adjusted return on its investments to its members; and
- assess and manage all foreseeable risk factors, including ESG risks, as effectively as possible.

Other covenants of the SIS Act 1993 on trustees include:

- the requirement to act in the best financial interests of beneficiaries; and
- the ability of the entity to discharge its existing and prospective liabilities.

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[1] Formal Policies of the Fund referred to in this Policy are identified by in green.

[2] As this Policy applies to all asset classes in which CareSuper invests, it is reflected in the Fund's Balanced option (MySuper product) and all Choice Options offered by the Fund.

Further, in order to discharge its fiduciary duty, all risks involved in the investment process must be acknowledged and managed to the best ability of the Trustee.

2.2 Investment Philosophy

The primary goal of the Fund is to deliver strong, risk-adjusted and long-terms returns in line with CareSuper's Investment Philosophy. The Policy and approach to the management of ESG risks and opportunities is consistent with the Investment Philosophy of the Fund which includes active management, downside protection, and long-term investing as key components. For example, active management strengthens the ability of our investment managers to mitigate ESG and other risks of investments made on behalf of our members.

The Fund uses external investment managers alongside some internally managed assets for it's asset classes and manages risk, including ESG risks, primarily through proactive monitoring and assessment of the processes of its appointed managers and/or, in the case of internally managed assets, the underlying business.

2.3 Role of ESG Integration

We believe that incorporating financially material Environmental, Social and Governance (ESG) considerations into investment decision-making can help better manage risk and contribute to stronger investment returns in certain circumstances for our members.

The Fund's approach to ESG integration is described in section 4.1 below.

2.4 Role of Stewardship

We believe that stewardship can assist with the careful and responsible management of our members' capital. CareSuper's stewardship approach involves company engagement, voting, and policy advocacy designed to support responsible investment practices and assist with the careful and responsible management of our members' capital.

The Fund's approach to stewardship is described in section 4.2 below. Refer to the Fund's Stewardship Statement for more information.

2.5 Integrated and Proactive Approach

The Policy aims to achieve the proactive consideration of material ESG risks as a core part of fundamental investment analysis and investment decision-making. The Trustee recognises that addressing the consequences of ESG risks after they have impacted return or in an ad hoc manner does not produce quality risk control or the objectives of this Policy.

Similarly, the Fund's consideration of the ESG policies and practices of investment managers is an integral part of the initial due diligence and the ongoing monitoring and review of all managers, undertaken by both the Fund and its Asset Consultant.

2.6 Practical Application

The Fund adjusts the implementation of this Policy to take account of the inherent practical differences between asset classes, sectors and investment vehicles.

2.7 Transparent and Consistent

Clear and consistent application of Policies is central to quality investment processes. The transparent, clear and repeatable application of the Policy enhances the Fund's control of ESG risks and assists in effective communication of the Policy and its aims.

3 Roles and Responsibilities

3.1 Investment team

The Investment Team is responsible for implementing this policy. The Fund's Investment Team oversees ESG integration by our external investment managers when selecting new external investment managers and when conducting periodic reviews of our external investment managers' ESG programs. The Investment Team may also use asset consultants[3] in conducting due diligence during investment or external investment manager selection and ongoing monitoring and review. These processes are described in the Investment Monitoring and Review Policy and the Investment Selection and Due Diligence Policy.

Our Investment Team also evaluates certain potentially material ESG risks at the overarching investment portfolio level (excluding the Direct Investment Option, where members choose their own investments). We do this by analysing, where sufficient data is available, how these ESG risks or opportunities may arise across asset classes. Oversight at the total investment portfolio level provides insight into how these ESG risks may impact the whole fund (and not just individual investments or investment managers).

Further information about the role of our Investment Team in responsible investing can be found on our website.

3.2 Asset Consultants

CareSuper may require advisers and consultants to take ESG risks into account when providing investment advice to the Fund, including in relation to asset allocation, asset class configuration and investment or manager selection.

3.3 Investment managers

Our external investment managers integrate ESG factors into their decision-making processes where they view these considerations as material and relevant to their investment strategy. They do so using their own specific processes, investment strategies and objectives. ESG integration approaches may vary between investment managers, asset classes and types of ESG consideration.

4 Implementation

The implementation of CareSuper's responsible investment program involves the assessment of ESG risks and opportunities across the fund ('ESG integration'), stewardship, assessment of investment managers' ESG processes during due diligence and ongoing monitoring, the ability to exclude or restrict certain investments, and collaboration with like-minded investors and groups on ESG and stewardship matters.

4.1 ESG integration

ESG integration refers to the consideration of financially material ESG risks and opportunities within investment analysis and decision-making processes. Examples of ESG risks and opportunities that may be financially material to some investment decisions is available on our Responsible Investing webpage. Our approach to ESG integration is two-fold. It involves ESG integration by our external investment managers and ESG oversight by our internal investment team.

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[3] The Investment Committee appoints and reviews the Fund's primary external advisers to provide specialist investment advice and analysis to the Fund, referred to in this Policy as the Asset Consultants.

ESG integration by our external investment managers

At CareSuper, our external investment managers integrate ESG factors into their decision-making processes where they view these considerations as financially material and relevant to their investment strategy. They do so using their own specific processes, investment strategies and objectives. ESG integration approaches may vary between investment managers, asset classes and types of ESG consideration, and may include the following methods:

- **Risk management**: Identifying and seeking to manage ESG risks that could impact investment performance.
- **ESG data analysis**: Using ESG data (such as carbon emissions data) from specialised providers or in-house frameworks to assess the ESG performance of potential investments.
- **Integration into financial models**: Incorporating ESG factors into financial analysis and valuation models to assess the risks and opportunities associated with these factors (potentially over various timeframes).
- **Thematic investing**: investing in certain holdings that in the external investment manager's view can benefit financially from environmental and social themes, such as a listed shares investment manager or fixed interest manager seeking out companies that are involved in renewable energy projects, energy efficiency initiatives or healthcare.

ESG oversight by our Investment Team

Individual investment manager oversight

Our Investment Team oversees ESG integration by our external investment managers in these ways:

- **External investment manager selection**: We review how, and the extent to which, they consider material ESG risks and opportunities in their investment decision-making processes. We do this by reviewing the managers' ESG policies, investment strategies, processes, and ESG-related reporting.
- **Ongoing review**: We periodically review our external investment managers' ESG programs per our ongoing monitoring processes. We review our external investment managers' areas of ESG focus, examples of how the managers have considered material ESG risks and/or opportunities in relation to investments, and examples of the managers' engagement with companies or assets. This may involve discussions with the investment managers on these topics, with the aim of increasing our understanding of any enhancements or changes that may have occurred to their ESG programs. It may also involve asking our managers to provide responses to in-depth surveys on their ESG-related investment practices. These surveys help to provide us with up-to-date information including policy, process and team updates, as well as examples practical examples of ESG integration.

Oversight of the total investment portfolio

Our Investment Team evaluates certain potentially material ESG risks at the overarching investment portfolio level (excluding the Direct Investment Option, where members choose their own investments). We do this by analysing, where sufficient data is available, how these ESG risks or opportunities may arise across asset classes. Oversight at the total investment portfolio level provides insight into how these ESG risks may impact the whole fund (and not just individual investments or investment managers). From time to time, we may use various external data sources, such as carbon emissions data and data relating to contribution to the UN Sustainable Development Goals, to assist with this analysis.

4.2 Stewardship

Our stewardship approach involves company engagement, voting, and policy advocacy designed to support responsible investment practices and assist with the careful and responsible management of our members' capital.

Stewardship activities are undertaken both by our external investment managers, and by the Investment Team. Much of our stewardship work focuses on the Australian and overseas shares asset classes, however stewardship is also relevant to other asset classes, including unlisted asset classes. We undertake some of our stewardship activities in collaboration with relevant organisations.

Further information on CareSuper's approach to stewardship can be found in the Fund's Stewardship Statement.

4.2.1 Company engagement

Company engagement involves discussion between investors and the board or senior management of an investee company on issues such as a company's performance or strategy, its leadership, and the quality of reporting. Engagement can occur in a number of forms, such as meetings and written communication, and will generally have a clear objective. For example, investors may be seeking to gain a better understanding of a company's strategy, seeking to influence company behaviour, or seeking to obtain information to support their voting activity.

For listed share companies we invest in, engagement may occur via our external investment managers and/or through our membership with the Australian Council of Superannuation Investors (ACSI, which provides an ongoing program of engagement with Australian companies).

For more information on ACSI's engagement with companies, see: https://acsi.org.au

For unlisted companies, CareSuper, or our external investment managers, may engage directly with management and boards of unlisted investee companies.

4.2.2 Voting

Voting involves relevant investors exercising their right to vote on matters presented at an investee company's meetings. Investors can use voting at company meetings to provide views on issues such as a company's strategy, leadership, remuneration, mergers and acquisitions activity, and ESG practices and disclosure.

CareSuper exercises share ownership rights to vote for our Australian and overseas listed share holdings. In doing this, we may consider the views of expert proxy advisers and our external investment managers before making voting decisions. CareSuper retains the right to make the final voting decisions.

For more information see our:

- Voting Policy [link]
- Voting History [link]

4.2.3 Policy advocacy

Policy advocacy refers to the practice of investors encouraging policy makers to align regulatory policy with the long-term interests of investors. For example, investors may advocate for public policy settings that enhance investee companies' approaches to managing their long-term financial risks. This represents pursuit of change at the systemic level as a means of enhancing financial outcomes for investors.

CareSuper will consider advocating for government policy change where we consider that doing so is in members' best financial interests. We may choose to support appropriate policy positions through submissions to government and regulators via collaborative initiatives, and by contributing to relevant industry research.

4.2.4 Collaboration

Company Collaboration with like-minded investors and organisations can amplify stewardship influence, while also lowering workload and costs, which can be in the best financial interests of members. By partnering with or participating in various initiatives and organisations, we aim to share knowledge, raise awareness, and support broader ESG efforts of the superannuation industry. CareSuper is involved with the following organisations or initiatives (as at 1 November 2024).

• Australian Council of Superannuation Investors (ACSI)	Founding member
• Principles for Responsible Investment (PRI)	Signatory
• Responsible Investment Association Australasia (RIAA)	Member
• Tobacco Free Finance Pledge	Signatory
• Australian Asset Owner Stewardship Code	Founding Signatory
• Investor Group on Climate Change (IGCC)	Member

Through these stewardship efforts, CareSuper seeks to advocate for investee company decisions and practices that can contribute positively to certain ESG outcomes, where we consider this is in members' best financial interests.

4.3 Investment Restrictions

CareSuper aims to exclude investments in companies that are classified by the Global Industry Classification Standard (**GICS**) as belonging to the "tobacco" sub-industry – defined as manufacturers of cigarettes and other tobacco products[4] – from our Australian and overseas listed shares asset classes, for our pre-mixed and asset class investment options. This tobacco screen is applied by our external investment managers within the Australian and overseas listed shares asset classes. However, CareSuper's tobacco screen is not applied to the Direct Investment Option or to investments in a pooled fund or derivatives.

We require our external investment managers within the Australian and overseas listed shares asset classes to notify us if they become aware that their portfolio holds investments in listed companies that do not meet our tobacco screen (where the portfolio holds shares in a company classified by GICS as

[4] Our external investment managers use data from GICS to identify companies falling within the GICS tobacco sub-industry 30203010 (manufacturers of cigarettes and other tobacco products). More information about the GICS system can be found here.

belonging to the "tobacco" sub-industry). CareSuper will then seek to require that the external investment manager sells the shares in the company, where those shares can be traded at such time and CareSuper considers that sale of the shares would be in members' best financial interests.

In addition, CareSuper's Sustainable Balanced option applies further negative screening criteria regarding a range of business activities (where the listed company's involvement in, or revenue from, certain business activities meets specific thresholds for exclusion), to investments within its Australian and overseas listed shares asset classes. More information about this investment option, including descriptions of exclusions, is available on our Sustainable Balanced option page.

5 Policy Governance

5.1 Reporting

The Trustee commits to disclosing its responsible investment practices including:

- Publication of this Policy on the Fund's website,
- Disclosure documents and reports published by the Fund,
- Member newsletters and communications,
- Making information readily available on the Fund's website, and
- Through reports to third parties such as assessment report for the PRI.

5.2 Other relevant policies & statements

This Responsible Investing Policy is a component within a broader suite of policies. It aligns with internal policies and frameworks that collectively govern the Find's responsible investment program.

5.3 Review

This document is effective immediately on adoption by the Board and supersedes all previous versions. The Responsible Investing Policy will be reviewed by the Investment Committee (IC) and recommended to the Board for approval biennially or sooner if required.

6 Document history

Version	Reason for amendment	Date approved	Approved by
1.0	First version	17 October 2024	Board
2.0	Retirement of relevant policies and statements in section 5.2	22 December 2025	CIO