

A photograph of three people walking away from the camera through a field of tall grass and wildflowers. The scene is set during sunset, with the sun low on the horizon, creating a warm, golden glow and long shadows. The background shows rolling hills and some trees.

# Responsible investment policy

1 July 2026

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Vision Super Pty Ltd ABN 50 082 924 561 AFSL 225054 RSE licence number L0000239 is the Trustee of the Local Authorities Superannuation Fund ABN: 24 496 637 884, Level 14, 321 Exhibition Street, Melbourne, PO Box 18041, Collins Street East, Victoria 8003. [visionsuper.com.au](http://visionsuper.com.au). Member hotline 1300 300 820, Employer hotline 1300 304 947, Retirement hotline 1300 017 589.



# 1. Statement of policy

Vision Super recognises that we operate in a world facing significant and interconnected challenges, including climate change, social inequality and pressure on public institutions. These factors influence the economy our members retire into and the conditions in which companies, markets and communities operate.

A well-functioning environment, cohesive society and strong governance frameworks support economic stability, trust and participation, which in turn underpin long-term member outcomes.

Consistent with this, Vision Super's core investment belief on responsible investment (RI) is that environmental, social and governance (ESG) considerations form an integral part of investment governance and risk management. These factors can materially affect the long-term performance of investments. Poor management of ESG risks may expose investments to regulatory, legal, reputational and operational risks, potentially impairing value and adversely impacting members' retirement outcomes.

This policy sets out the Fund's responsible investment framework. All decisions and actions under this policy must be consistent with the Trustee's duty to act in the best financial interests of members.

This policy should be read in conjunction with other relevant investment policies, including the Proxy voting policy and Modern slavery statement.

## 1.1 Definitions

Vision Super Pty Ltd (Vision Super) – RSE L0000239, ABN 50 082 924 561 – is the trustee of the Local Authorities Superannuation Fund (LASF).

Unless otherwise specified:

- > Board means the Board of Directors of Vision Super
- > Directors means the Directors of Vision Super
- > Trustee means Vision Super
- > Fund/LASF means the Local Authorities Superannuation Fund
- > RIT means the Responsible Investment Team
- > RIM means the Responsible Investment Manager
- > RI issues means ESG-related issues identified from time to time
- > RI risks means risks arising from ESG considerations.

## 1.2 Roles and responsibilities

Role	Responsibilities
<b>Board</b>	<ul style="list-style-type: none"> <li>&gt; Has ultimate responsibility for the policy and overall responsibility for the sound and prudent management of the investments</li> <li>&gt; Makes decisions as detailed in this policy including approving amendments to this policy</li> <li>&gt; Reviews and approves exclusions and limitations from time to time as appropriate</li> <li>&gt; Approves proposals to extend sell down times to longer than six months.</li> </ul>
<b>Investment Committee</b>	<ul style="list-style-type: none"> <li>&gt; Reviews the policy annually and endorses any changes to the Board.</li> </ul>
<b>Chief Investment Officer (CIO)</b>	<ul style="list-style-type: none"> <li>&gt; Supervises implementation of this policy</li> <li>&gt; Supervises implementation of Board decisions</li> <li>&gt; Makes decisions in accordance with this policy</li> <li>&gt; Approves extensions in sell-down times up to six months</li> <li>&gt; Approves the exclusions list developed to reflect the exclusions determined by the Board.</li> </ul>
<b>Responsible Investment Manager</b>	<ul style="list-style-type: none"> <li>&gt; Coordinates RIT activities</li> <li>&gt; Maintains the exclusions list (as approved by the CIO)</li> <li>&gt; Responsible for ensuring investment manager mandates are consistent with Board approved exclusions and limitations</li> <li>&gt; Responsible for responding to identified instances of non-compliance with Board approved exclusions and limitations within the sell-down period</li> <li>&gt; Responsible for ensuring member disclosures and communications are consistent with Board approved exclusions and limitations</li> <li>&gt; Provides secretariat support to the RIT.</li> </ul>
<b>Responsible Investment Team</b>	<ul style="list-style-type: none"> <li>&gt; Oversees day-to-day RI activities</li> <li>&gt; Reviews initiatives for escalation to IC/Board</li> <li>&gt; Reviews this policy at least annually</li> <li>&gt; Oversees RI memberships, service providers and data providers to ensure value and alignment with members' best financial interests.</li> </ul>

All responsibilities under this policy form part of broader investment governance. RI considerations must not be assessed in isolation and must include an evaluation of financial risk and member outcomes.



## 2. RI monitoring and oversight

### 2.1 Responsible Investment Team

The RIT comprises:

- > RI Manager (Chair)
- > Chief Investment Officer
- > Up to three additional staff members as determined by the Chief Investment Officer.



## 3. RI guidelines, exclusions and carbon budgets

### 3.1 Principles

Vision Super applies the following principles:

- > Act in members' best financial interests at all times
- > Integrate RI considerations into investment processes to the extent the CIO considers appropriate
- > Seek RI disclosure from investee companies and fund managers to the extent the CIO considers appropriate
- > Exercise voting rights where permitted, subject to the Proxy voting guidelines
- > Maintain transparency with members on substantive RI issues to the extent the CIO considers appropriate
- > Any decisions made must be informed by an assessment of the expected financial impact on risk and return including for any exclusions or restrictions
- > Base decisions on evidence and data provided by reputable vendors
- > The CIO will ensure appropriate analysis is supplied utilising internal expertise and expert external advice as appropriate
- > Comply with member disclosures, which will be prepared subject to the above principles.

### 3.2 Approval of exclusions and limitations

The Board is responsible for determining exclusions and limitations and the extent to which they apply.

Exclusions and limitations generally take the form of objective or quantitative rules for determining whether or not an investment can be acquired for or on behalf of Vision Super and to what extent.

The exclusions and limitations approved by the Board generally would not refer to particular named issuers of securities. For example, the Board may determine exclusions that apply to issuers that (based on certain specified criteria) fall within excluded sectors or categories.

The Board also has discretion to approve exclusions on a different basis and may, for example, exclude particular issuers, governments or jurisdictions.

The CIO then approves an exclusion list based on the Board approved exclusions, which is maintained by the RIM.

The RIM is responsible for taking steps directed towards ensuring that investment managers are aware of and comply with the exclusions and limitations approved by the Board.

For the avoidance of doubt, responsibility for determining which issuers are affected by the Board approved exclusions and limitations will be instructed to Vision Super's investment managers through the terms of their investment management agreements.

The Board has also approved a carbon budget. This is different from the exclusions and limitations referred to above because it does not have the implication that certain holdings are not permissible at all. Refer to section 3.7 for further details.

### 3.3 Scope of exclusions and limitations

The Board has determined that exclusions and limitations only apply to the following:

- > Directly held listed equities that are part of the indexes specified by the Board for this purpose (as explained below):
  - A 'directly held listed equity' is an equity (such as a share) that is listed on a relevant securities exchange where (a) the investment decision to acquire the equity was made by the trustee or by an investment manager appointed by the trustee to manage a segregated portfolio for the trustee and (b) the relevant holding is registered in the name of the trustee or Vision Super's custodian. Investments made by an externally managed fund that Vision Super has invested in are not directly held listed equities.
  - When designing and implementing our exclusions, we rely on third parties who create market indexes. Indexes are hypothetical portfolios of investments which have been classified by those third parties. Our exclusions only apply to directly held listed equities that are included in the market indexes that have been chosen for this purpose. Currently the Board has chosen the MSCI ACWI Investable Market Index (for international equities) and the ASX 300 index (for Australian equities). Our exclusions may not apply to listed equities that are not included in these indexes.
- > Directly held debt portfolios but only where the CIO has determined that compliance is practicable.

The above are subject to the other provisions of this policy, such as the exceptions listed below and the provisions allowing for non-compliant exposures to be divested within specified time frames.

The exclusions and limitations do not apply to:

- > Any Fund assets not specified above
- > Listed equities that are not included in the indexes specified by the Board for the purposes of the exclusions and limitations
- > Unlisted equities
- > Debt (except for particular direct debt investments if the CIO has determined it is practicable to apply the exclusions to those direct debt investments)
- > Exposures arising in connection with derivatives
- > Securities held as collateral for derivative exposures that have been provided by counterparties
- > Any indirect exposures arising in connection with any investment by Vision Super in any fund, trust, partnership or other vehicle that Vision Super has invested in
- > Any exposure or holding that was acquired or held by an investment manager appointed by Vision Super in breach of the terms of their investment management or similar agreement
- > Any securities acquired in conjunction with a successor fund transfer
- > Any securities distributed pursuant to an in specie distribution by a fund, trust, partnership or other vehicle
- > Any securities issued or transferred to Vision Super or its custodian as a result of a corporate action, amalgamation, scheme of arrangement or rights issue
- > Any securities that have been incorrectly classified by the index provider or affected by an error that affected Vision Super's compliance
- > Any holdings that are the result of unintentional operational errors and that are corrected within the time frames permitted by this policy
- > Any holdings that are unable to be traded (including, for example, due to sanctions).

### 3.4 Principles when approving exclusions and limitations

The Board may approve rules for excluding or limiting investments where this is considered to be in members' best financial interests. These exclusions and limitations will only apply to holdings that this policy states are covered by the exclusions and limitations (unless the Board expressly approves otherwise).

In the context of this policy this may occur where:

- > Risks are material to the business of the underlying investment/s and difficult to mitigate
- > Engagement is unlikely to be effective.

Relevant factors may include:

- > Regulatory or policy dependency
- > Climate transition and physical risks
- > Governance or conduct failures
- > If a company is headquartered, listed or incorporated in a conflict zone<sup>1</sup>
- > Reputational risk.

When considering exclusions or restrictions, Vision Super generally takes the following approach and takes into account considerations such as the following:

1. Clearly define the scope (category or specific investment)
2. Assess materiality and impact on portfolio risk/return
3. Confirm alignment with this Policy
4. Assess implementation practicality and operational impacts
5. Determine governance and oversight arrangements
6. Establish transition arrangements (if required)
7. Define review triggers.

Exclusions and limitations are implemented through:

- > Investment mandates
- > Portfolio constraints
- > Manager instructions.

Any decisions made must be informed by an assessment of the expected financial impact on risk and return.

<sup>1</sup> The Board may determine to exclude specific investments that may be impacted by an event which is in violation of an international treaty or accord which the Australian Government has ratified or that could have financial and/or reputational consequences for the Fund.

### 3.5 Implementation of Board approved exclusions and limitations

The exclusions and limitations may be disclosed on Vision Super's website or in disclosure or communication materials. Where disclosure occurs, the CIO is responsible for ensuring that the disclosures are consistent with the exclusions and limitations approved by the Board.

The rules constituting the exclusions and limitations are reviewed at least twice a year.

Compliance with the rules constituting the exclusions and limitations is monitored at least twice a year (subject to the sell-down periods contemplated by this policy to address any non-compliance).

The Board has determined that:

- > The exclusions and limitations will be specified by reference to external indexes or other data methodologies and will be implemented in conjunction with third party investment managers
- > Errors by external benchmark providers, data providers or other third parties will not constitute a breach of this policy.

Where pre-existing holdings cease to comply with the exclusions and limitations, they will be sold in an orderly manner consistent with members' best financial interests within the time frames specified by this policy. Holdings that cease to comply with the exclusions or limitations between compliance checks will not constitute a breach of this policy provided that action is taken to return to compliance within the time frames specified by this policy.

### 3.6 Transitional implementation arrangements

A transition period (or sell-down period) will be applied where:

- > A new exclusion or limitation is introduced by the Board
- > An existing exclusion or limitation is varied by the Board
- > A compliance check reveals that an existing holding no longer complies (or does not comply) with an exclusion or limitation.

Non-compliance with an exclusion or limitation during the transition period will not constitute a breach of this policy.

Typically, the transition period will be up to 30 days for standard changes but may be longer where required to protect member outcomes. The CIO may approve transition periods up to six months. Longer periods require Board approval.

Transition periods may apply in cases such as:

- > Changes to exclusions or limitations
- > Portfolio transfers (eg mergers)
- > Manager changes
- > Material changes to our RI approach.

### 3.7 Carbon budgets

The Board may approve carbon budgets. These may differ from the other exclusions and limitations discussed in this policy because they do not necessarily preclude particular holdings from being held.

The carbon budget:

- > Does not apply to any category of investment that the other exclusions and limitations would not apply to (as described in section 3.3)
- > Otherwise apply in accordance with the Board approved carbon budget.

The following sections apply in relation to any carbon budgets:

- > Section 3.5 (Implementation)
- > Section 3.6 (Transitional implementation arrangements).

## 4. Other RI activities

### 4.1 Stewardship, collaboration and engagement

Vision Super may participate in industry initiatives to promote better RI outcomes.

Where considered appropriate by the Board, we engage with investee companies to address RI opportunities and risks. Engagement activities may include:

- > Direct company engagement
- > Collaborative investor initiatives
- > Voting and shareholder resolutions.

Engagement decisions are made case-by-case, considering:

- > Members' best financial interests
- > Materiality
- > Ownership level
- > Likely effectiveness
- > Resource requirements.

### 4.2 Shareholder class actions

Shareholder class actions are generally considered on a case-by-case basis. We will participate where it is in members' best financial interests and consistent with this policy. Vision Super will not act as lead plaintiff and will retain discretion to decline to participate. The CIO has been delegated authority to decide or approve:

- > Whether or not to participate in a class action and, in circumstances where there is more than one class action in which Vision Super is eligible to participate, which of those class actions (if any) to participate in
- > The appointment of a vendor to manage participation in international class actions that have settled
- > The terms on which Vision Super participates in a class action.

### 4.3 Proxy voting

Vision Super generally seeks to vote all eligible holdings. Proxy voting is undertaken in accordance with our Proxy voting policy, and our voting records are publicly disclosed at: [visionsuper.com.au/investment/responsible-investment/active-ownership](https://visionsuper.com.au/investment/responsible-investment/active-ownership)

## 5. Use of external parties

### 5.1 Investment manager selection and monitoring

Investment managers are assessed on their ability to identify, assess and manage RI risks.

This includes:

- > Integration of ESG considerations into investment processes
- > Availability of internal expertise and external research
- > Engagement practices with investee companies.

Where appropriate, RI requirements are incorporated into investment management agreements.

The Investment team monitors exposures to material RI risks (eg climate risk), and asset consultants are expected to incorporate RI considerations into their advice.

### 5.2 Other service providers

External service providers may be engaged to support:

- > Data analysis
- > Engagement activities
- > Proxy voting
- > Other activities relevant to good stewardship.

Providers are reviewed to ensure value and alignment with members' best financial interests.



## 6. Reporting

Categories of material exclusions (>3%) of an option will be disclosed publicly on our website here as may other exclusionary categories. Our current disclosures are here: [visionsuper.com.au/investment/responsible-investment/company-exclusions](https://visionsuper.com.au/investment/responsible-investment/company-exclusions).

Disclosures may be limited or restricted by intellectual property constraints.

Any other restrictions will be explained on our website. Current restrictions are explained here [visionsuper.com.au/investment/responsible-investment/carbon-budget](https://visionsuper.com.au/investment/responsible-investment/carbon-budget).

Additional information may be provided to members with a positive account balance on request or where required by law.



## 7. Policy review

This Policy must be reviewed at least every two years by the Investment Committee and Board.

All amendments must be incorporated in an updated version of this policy.

## Here to help

### Telephone

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(not including Victorian public holidays)

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