



RI TRANSPARENCY REPORT

2018

Challenger Limited

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 2018 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 TG		-	n/a							
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	✓	Private							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	✓	Private							✓
OO PR 02	Breakdown of assets by management	✓	Private							✓
OO PR 03	Largest property types	✓	Private							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy 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 07 CC	Climate-issues roles and responsibilities	⚡	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	⚡	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	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	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	🔒	n/a	✓						
FI 05	Negative screening - overview and rationale	🔒	n/a	✓						
FI 06	Examples of ESG factors in screening process	🔒	n/a	✓						
FI 07	Screening - ensuring criteria are met	🔒	n/a	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Private		✓					
FI 16	Engagement method	✓	Private	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Private							✓
FI 19	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	🔒	n/a	✓			✓		✓	
PR 03	Formal commitments to RI	🔒	n/a				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	🔒	n/a							✓
CM1 01.6	Assurance or internal audit	🔒	n/a							✓
CM1 01.7	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Challenger Limited

Reported Information

Public version

Organisational Overview

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.

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

Challenger Limited is an ASX-listed investment management company established in 1985. Challenger has two main businesses - Life and Funds Management.

OO 01.3 Additional information. [Optional]

Challenger Limited is an ASX-listed investment management company established in 1985. Challenger has two main businesses, Life and Funds Management. Challenger Life is the leading provider of annuities and guaranteed retirement income streams in Australia. The Life business is regulated by the Australian Prudential Regulation Authority (APRA) and provides products aimed at investors seeking the security and certainty of guaranteed cash flows with protection against market, inflation and longevity risks. Annuity premiums, along with shareholder capital, are invested in a diversified and high quality portfolio of assets to deliver predictable, long-term cash flows to meet commitments to our annuitants while providing attractive returns for shareholders. Challenger's Funds Management business is comprised of Fidante Partners and Challenger Investment Partners, and is one of Australia's fastest growing fund managers and the seventh largest. Fidante Partners comprises of co-owned, separately branded, boutique active investment managers. Challenger provides administration, distribution and business management support to the boutiques and shares in the profits of the boutique partnerships through its equity ownership. Challenger Investment Partners develops and manages assets under Challenger's brand for the Life business and third party investors. Challenger Investment Partners invests in fixed income and property assets. Challenger's vision is to provide customers with financial security for retirement. Our teams are committed to achieving this goal, and their efforts are being invested in the following strategies to achieve our long term vision: - Increase the Australian retirement savings pool allocation to secure and stable incomes - Be recognised as the leader and partner of choice in retirement income solutions with a broad product offering - Provide clients with relevant investment strategies exhibiting consistently superior performance - Maintain a highly engaged, diverse and agile workforce committed to outstanding client service with a strong risk and compliance culture For more information on Challenger Limited, please refer to our website: www.challenger.com.au

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Australia

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

682

OO 03 **Mandatory** **Public** **Descriptive** **General**

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**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2017

OO 04.2 Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		39	200	000	000
Currency	AUD				
Assets in USD		29	784	117	855

OO 04.5 Additional information. [Optional]

Challenger Limited publicly reported Assets and Funds under management as at 31 December 2017 was AUD \$76.5bn. For PRI purposes the AUM associated with our Funds Management Boutique Partners through external segregated mandate appointments by their third party clients totalling AUD \$37.3bn has been excluded.

OO 06 **Mandatory** **Public** **Descriptive** **General**

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

OO 06.1

Select 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	10-50%	10-50%
Private equity	0	0
Property	10-50%	<10%
Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

Publish asset class mix as per attached image [Optional].

Asset class implementation gateway indicators**OO 10****Mandatory****Public****Gateway****General****OO 10.1**

Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- ☐ 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 factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- ☐ 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

Fixed income SSA – engagement

- ☒ 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 factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- ☒ 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 factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- ☒ 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 factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- ☒ 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 factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

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).

Listed equity

- ☐ We address ESG incorporation.
- ☒ We do not do ESG incorporation.

Fixed income - corporate (financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - securitised

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Property

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Cash

- ☐ We address ESG incorporation.
- ☒ We do not do ESG incorporation.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div> <div></div> <div>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - SSA	<div> <div></div> <div>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (financial)	<div> <div></div> <div>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<div> <div></div> <div>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - securitised	<div> <div></div> <div>Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Property	

	<div>Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </div>
Infrastructure	<div>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </div>

OO 11.4

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

When carrying out due diligence for the appointment of new third party investment managers, Challenger promotes its expectations in respect of ESG considerations as a formal part of the investment manager selection and review process. Challenger seeks to understand the third party investment manager's approach and resource capability with respect to responsible investment and encourages the third party investment manager to discuss ESG considerations undertaken in their own investment decision-making and ownership practices in their reports to Challenger. There is a specific clause contained within the IMA which clearly sets out the third party investment manager's approach to ESG considerations, including an adequate explanation as to how ESG risks are accounted for and the proxy voting reporting arrangements that have been agreed between Challenger and the third party investment manager.

OO 12

Mandatory

Public

Gateway

General

OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- ☒ Fixed income - Corporate (financial)
- ☒ Fixed income - Corporate (non-financial)
- ☒ Fixed income - Securitised

Direct - Other asset classes with dedicated modules

☒ Property

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
- ☐ Property
- ☐ Infrastructure

Closing module

☒ Closing module

Challenger Limited

Reported Information

Public version

Strategy and Governance

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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 type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input 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 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 type="radio"/> Applicable policies cover all AUM <input checked="" 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
- ☐ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☐ Climate change and related issues
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

SG 01.4

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

Challenger is one of the largest investment managers in the Asia-Pacific region. Challenger recognises the responsibilities we have as a company in relation to sustainability and the environment, our people and the community in which we operate. We also acknowledge the relevance of environmental, social (including labour standards) and governance factors and believe that there are links between long-term sustainable returns and the quality of an organisation's ESG practices.

Challenger undertakes to consider ESG factors in investment decision-making and ownership practices. Challenger has adopted an integrated investment management approach to deliver responsible investment outcomes. In line with these practices is our belief that the consideration of ESG factors will provide us with a greater understanding of areas of potential risk and opportunity that could ultimately affect the value, performance and reputation of the investment decision-making that we undertake.

Challenger recognises that ESG considerations cover a wide range of issues and that the means of applying RI Principles in a practical sense are still developing across the industry. Accordingly, Challenger aims to concentrate its efforts on those considerations it considers material, particularly those where Challenger feels it can exert its influence towards achieving a specific outcome.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Challenger's internal listed equity strategies comprise passive investment in stock market indices (e.g. S&P 500, ASX 200) via swaps and ETFs and active quantitative equity market neutral strategies applying factor investing in a long-short format with a global universe.

Our current view is that for passive index products seeking a passive exposure incorporating ESG factors results in an active exposure. Invariably, an active product is more expensive than a passive product. Challenger is however seeking to conduct further research to understand if there is a (net of cost) premium to be earned from investing in companies based on their ESG scores. Two possible approaches of integration being considered are:

1. Adjusting the weights of securities in an index based on their ESG ratings so that securities that rank poorly (highly) on ESG are underweighted (overweighted) and
2. Investing into off-the-shelf or custom responsible investment indices.

For internal equity market neutral strategies, given the strategy is implemented in a systematic manner, ESG integration requires extensive back testing using historical data to examine the impact on portfolio return, volatility and risk-adjusted return. Challenger seeks to conduct further back tests with approaches including:

- Excluding securities with poor ESG ratings from the investable universe
- Setting the maximum exposures of stocks based on their ESG ratings as part of the portfolio construction process and
- Applying ESG scores as a new factor alongside the existing factors, to buy stocks with high ESG ratings and sell stocks with low ESG ratings.

With a trial of Thomson Reuters' Asset4 database in late 2016, Challenger conducted preliminary back tests of using ESG scores as a new factor, and found limited predictive power of ESG ratings as alpha factors with E, S and G having various explanatory power of stock returns in various countries.

Challenger plans to continue further research in the active quantitative space as more data becomes available, and interact with other quant managers to understand how ESG has been integrated into their investment process.

☐ No

SG 02**Mandatory****Public****Core Assessed****PRI 6**

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.

- ☒ Policy setting out your overall approach

URL/Attachment

- ☒ URL

URL

<https://www.challenger.com.au/about/Businesspractices.asp>

- ☐ Attachment (will be made public)
- ☐ Asset class-specific RI guidelines
- ☐ Engagement policy
- ☐ (Proxy) voting policy
- ☐ 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

<http://www.challenger.com.au/about/Businesspractices.asp>

- ☐ Attachment
- ☒ Governance structure of organisational ESG responsibilities

URL/Attachment

- ☒ URL

URL

<http://www.challenger.com.au/about/Businesspractices.asp>

- ☐ Attachment
- ☒ ESG incorporation approaches

	URL/Attachment
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☒ URL

	URL
--	-----

<http://www.challenger.com.au/about/Businesspractices.asp>

☐ Attachment

☐ Active ownership approaches

☐ Reporting

☐ Climate-related issues

☐ We do not publicly disclose any investment policy components

SG 02.3	Indicate if your organisation's investment principles, and overall investment strategy is publicly available
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☐ Yes

☒ No

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Challenger Limited is required to have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by it or its representatives in the provision of financial services.

Challenger Limited's Conflicts of Interest Policy aims to ensure that:

- Challenger Limited's financial services are not significantly compromised by conflicts of interest and that adequate management procedures are in place;
- any actual and potential conflicts of interest between Challenger companies and their clients are identified, managed effectively and, if necessary, reported in a timely and consistent manner in accordance with applicable laws, regulatory and prudential requirements, industry codes of practice and licensing obligations;
- Challenger Limited maintains the integrity of its advice and services to clients;
- Challenger Limited and its representatives act efficiently, honestly and fairly;
- Challenger Limited and its representatives comply with all relevant financial services laws; and
- Challenger Limited and its representatives comply with their agency and fiduciary obligations under the common law.

Challenger Limited also has other policies in place which cover related issues, such as:

- Corporate Code of Conduct
- Staff Trading - personal account dealing;
- Trade Allocation;
- Related Party Transactions and

- Information Barriers.

☐ No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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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 set/reviewed

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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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
Asset Class Heads

- ☐ 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
- ☐ ESG portfolio manager
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Dedicated responsible investment staff
- ☒ 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)
- ☐ Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Challenger's Directors, relevant Chief-level staff, and all Investment Management Heads and their teams (the relevant Challenger employees) are responsible for the effective management of the integration of ESG matters into the investment decision-making process and for ensuring that proper procedures are in place to meet the obligations outlined within the RI Policy. Challenger's Investment Management Heads monitor the integration of ESG considerations and their management strategies in Challenger's investment decision-making and ownership practices.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

0

SG 07.4

Additional information. [Optional]

At present accountability for Responsible Investment practices and implementation is incorporated into a variety of existing Chief level, investment management, risk and compliance roles across the organisation.

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.

SG 09.1	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]
--	--

2 May 2017 - PRI briefing - Supporting you to be an Active Owner

Session provided PRI analysis of 2016 Assessment reports looking at how Australia performed relative to rest of world Asset Owner category signatories highlighting areas of opportunity for improvement.

16 May 2017 - PRI Credit Ratings Initiative

Demonstrated support for formal integration of ESG factors into credit ratings as a primary user of credit ratings as a fixed income investor through signing of PRI Investment statement on ESG in credit ratings.

21 June 2017 - PRI Launch of Responsible Investment Blueprint

PRI Chair introduced the Blueprint which sets out the vision and areas of focus for the next 10 years for the PRI as a signatory organisation (coalition of asset owners, investment managers and service providers from around the world representing the majority of the worlds professionally managed assets) now governed separately from the UN

26 October 2017 - Governance and Asset Owner ballot

2017 PRI Governance Asset Owner Ballot votes cast on behalf of Challenger Limited

- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ AFIC – La Commission ESG
- ☐ BVCA – Responsible Investment Advisory Board
- ☐ CDP Climate Change
- ☐ 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)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ EVCA – Responsible Investment Roundtable
- ☐ 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)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ 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) 'RI Australia 2017 - Shape the Future'

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]

Institutional Client Manager attended RIAA 2 day annual conference as part of a research effort to gain a better understanding on how Fidante can assist boutique Fund Managers to stay up to date on the latest developments in RI.

- ☐ 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

Fidante Boutiques - PRI signatories

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]

Challenger's Funds Management business is comprised of Fidante Partners and Challenger Investment Partners. Fidante Partners comprises of co-owned, separately branded, boutique active investment managers. As part of growing the business, Fidante establishes and acquires stakes in new boutiques. During 2017, Fidante established a new boutique Lennox Capital Partners Pty Ltd and acquired Avenir Capital Pty Ltd. As part of partnering with these new boutiques and in line with Challenger's Responsible Investment Policy, Fidante assisted both boutiques to document a Responsible Investment Policy and become signatories to the PRI.

In addition, in October 2017, Fidante organised and hosted an event 'Demysifying ESG' for Fund Managers with speakers from RIAA and Willis Towers Watson. Attendees were Fidante Boutique Manager investment professionals.

- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- ☒ Yes

SG 10.2

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- ☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Investment staff have completed PRI Academy courses

Frequency of contribution

- ☐ Quarterly or more frequently
☐ Biannually
☒ Annually
☐ Less frequently than annually
☐ Ad hoc
☐ Other
- ☐ Provided financial support for academic or industry research on responsible investment
☐ Provided input and/or collaborated with academia on RI related work
☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

Signatory to PRI Statement on ESG in Credit Ratings

Frequency of contribution

- ☐ Quarterly or more frequently
☐ Biannually
☐ Annually
☐ Less frequently than annually
☒ Ad hoc
☐ Other
- ☐ 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

Description

Challenger's Funds Management business is comprised of Fidante Partners and Challenger Investment Partners. Fidante Partners comprises of co-owned, separately branded, boutique active investment managers. As part of growing the business, Fidante establishes and acquires stakes in new boutiques. During 2017, Fidante established a new boutique Lennox Capital Partners Pty Ltd and acquired Avenir Capital Pty Ltd. As part of partnering with these new boutiques and in line with Challenger's Responsible Investment Policy, Fidante assisted both boutiques to document a Responsible

Investment Policy and become signatories to the PRI.
In addition, in October 2017, Fidante organised and hosted an event 'Demysifying ESG' for Fund Managers with speakers from RIAA and Willis Towers Watson. Attendees were Fidante Boutique Manager investment professionals.

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other <input type="checkbox"/> Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.) <input type="checkbox"/> Wrote and published articles on responsible investment in the media <input type="checkbox"/> A member of PRI advisory committees/ working groups, specify <input type="checkbox"/> On the Board of, or officially advising, other RI organisations (e.g. local SIFs) <input type="checkbox"/> Other, specify <input type="radio"/> No

Outsourcing to fiduciary managers and investment consultants				
SG 12	Mandatory	Public	Core Assessed	PRI 4

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

SG 12.1	Indicate whether your organisation uses investment consultants.
<input type="checkbox"/> Yes, we use investment consultants <input checked="" type="checkbox"/> No, we do not use investment consultants.	

SG 12.5	Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers
----------------	--

- ☐ Including responsible investment as a standard agenda item at performance review meetings
- ☐ Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- ☒ Reviewing the fiduciary manager's PRI Transparency or Assessment reports
- ☐ Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports)
- ☐ Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- ☒ Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes
- ☐ Reviewing the impact of ESG factors on financial performance
- ☒ Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- ☐ Including responsible investment criteria as a formal component of overall manager performance evaluation
- ☐ Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring
- ☐ Reviewing how ESG materiality is defined by the fiduciary manager
- ☐ Other general aspects of your monitoring; specify
- ☐ We do not consider responsible investment in the monitoring processes for fiduciary managers.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 13.1	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 consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- ☐ We execute other scenario analysis, specify
- ☒ We do not execute such scenario analysis and/or modelling

Asset class implementation not reported in other modules

SG 17	Mandatory	Public	Descriptive	General
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SG 17.1

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
Fixed income - SSA	<p>As part of the Challenger Limited Group, an ASX-listed investment management firm we operate a global asset management business Fidante Partners which forms long term alliances with talented investment teams to create, support and grow specialist asset management businesses. As the Responsible Entity for funds that are managed by the boutique investment managers, Fidante funds fall under the Group PRI signatory.</p> <p>New IMAs entered into by Challenger for mandates make reference to Challenger's Responsible Investment Policy. All existing IMAs will make reference to this policy as they are reviewed and progressively updated.</p>
Fixed income - Securitised	<p>As part of the Challenger Limited Group, an ASX-listed investment management firm we operate a global asset management business Fidante Partners; which forms long term alliances with talented investment teams to create, support and grow specialist asset management businesses. As the Responsible Entity for funds that are managed by the boutique investment managers, Fidante funds fall under the Group PRI signatory.</p> <p>New IMAs entered into by Challenger for mandates make reference to Challenger's Responsible Investment Policy. All existing IMAs will make reference to this policy as they are reviewed and progressively updated.</p>
Property	<p>As part of the Challenger Limited Group, an ASX-listed investment management firm we operate a global asset management business Fidante Partners; which forms long term alliances with talented investment teams to create, support and grow specialist asset management businesses. As the Responsible Entity for funds that are managed by the boutique investment managers, Fidante funds fall under the Group PRI signatory.</p> <p>New IMAs entered into by Challenger for mandates make reference to Challenger's Responsible Investment Policy. All existing IMAs will make reference to this policy as they are reviewed and progressively updated.</p>
Infrastructure	<p>Infrastrucure investment management is outsourced to third party managers.</p> <p>A standard due diligence questionnaire has been developed, for appointing external managers which looks at the following considerations:</p> <ul style="list-style-type: none"> • Review of responsible investment policies, including discussion of how ESG considerations impact on potential investment decisions • Whether the organisation is a signatory to the PRI and/or other relevant organisations • Governance and risk management framework • Review of available reporting, including reporting relating to ESG • Assessment of approach to manager engagement of entities into which they invest <p>Quarterly reporting, which updates on asset performance including ESG considerations is reviewed. A meeting is held with external managers at least once per year, with ESG as a standing agenda item for discussion, including:</p> <ul style="list-style-type: none"> • Adherence by the manager to Challenger's responsible investment requirements; • Review of the manager's responsible investment reporting; • Review of impact of ESG issues on financial performance; and • Discussion of current trends and industry best practice

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 6

SG 19.1

Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Fixed income

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☒ We disclose to clients/beneficiaries only.
- ☐ We disclose to the public

Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries

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

Frequency

- ☒ Quarterly
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc/when requested

Property

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☒ We disclose to clients/beneficiaries only.
- ☐ We disclose to the public

	Disclosure to clients/beneficiaries
	<div>Disclosure to clients/beneficiaries</div> <input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other
	<div>Frequency</div> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested

Selection, Appointment and Monitoring

Do you disclose?

- ☒ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☐ We disclose to the public

Challenger Limited

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.

Listed Equity and Fixed Income Strategies

SAM 01	Mandatory	Public	Gateway	PRI 1
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SAM 01.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity	FI - Corporate (financial)	FI - Corporate (non-financial)
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<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"/>

SAM 01.2

Additional information. [Optional]

Challenger Limited expects and encourages appropriate approaches to ESG integration from our third party investment managers across the different investment arrangements. Challenger's Funds Management business is comprised of Fidante Partners and Challenger Investment Partners (internal asset managers). Fidante Partners comprises of co-owned, separately branded, boutique active investment managers (external investment managers). Challenger provides administration, distribution and business management support to the boutiques and shares in the profits of the boutique partnerships through its equity ownership.

Seven of our eight external Listed Equity managers are PRI signatories. We have three external Fixed Income managers, one of which is a signatory to the PRI. The remaining two both have a documented approach to and actively consider ESG factors as part of their investment process.

Selection and appointment of third party investment managers

When carrying out due diligence for the appointment of new third party investment managers, Challenger will:

- promote its expectations in respect of ESG considerations as a formal part of Challenger's investment manager selection and review process;
- seek to understand the third party investment manager's approach and resource capability with respect to responsible investment;
- encourage the third party investment manager to discuss ESG considerations undertaken in their own investment decision-making and ownership practices in their reports to Challenger; and
- encourage the third party investment manager to become a signatory to the PRI Principles.

Challenger also expects that the third party investment managers it appoints will:

- demonstrate an acceptable level of commitment to the management of key ESG risks and opportunities as set out in the PRI Principles; and
- apply principles of active ownership and investment stewardship, particularly in relation to proxy voting and engagement, in a manner similar to that set out in Challenger's Responsible Investment Policy.

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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SAM 02.1

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

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)					
Investment strategy and how ESG objectives relate to it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG incorporation requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Other	<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"/>					

SAM 02.2

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

Strategy

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)				
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input 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"/>				
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review the manager's firm-level vs. product-level approach to RI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

ESG people/oversight

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)?				
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review how is ESG implementation enforced /ensured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Process/portfolio construction/investment valuation

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)?				
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree the use of ESG data in the investment decision making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree the impact of ESG analysis on investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review how ESG materiality is evaluated by the manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				

SAM 02.3

Indicate the selection process and its ESG/RI components

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

SAM 02.4

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

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)?					
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Other RI considerations	<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"/>					

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

We require our external managers to apply principles of active ownership and investment stewardship as relevant for the investment strategy and asset class particularly in relation to proxy voting and engagement.

SAM 03**Mandatory****Public****Additional Assessed****PRI 2****SAM 03.1**

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

Engagement

	LE		FI - Corporate (financial)	FI - Corporate (non-financial)	
Review the manager's engagement policy	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Ensure that engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other engagement issues in your selection process specify	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

(Proxy) voting

	LE
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input checked="" type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input checked="" type="checkbox"/>
Ensure that voting outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<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 03.2

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

- ☐ Impact on investment decisions
- ☐ Financial impact on target company or asset class
- ☐ Impact on ESG profile of company or the portfolio
- ☐ Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- ☐ Other, specify
- ☒ None of the above

SAM 03.3

Describe how you assess if the manager's voting approach is effective/appropriate

- ☐ Impact on investment decisions
- ☐ Impact on ESG profile of company or the portfolio
- ☐ Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- ☐ Other, specify
- ☒ None of the above

Appointment**SAM 04****Mandatory****Public****Core Assessed****PRI 1****SAM 04.1**

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 and/or commitment process

- ☒ Sets standard benchmarks or ESG benchmarks
- ☐ Defines ESG objectives
- ☐ Sets incentives and controls linked to the ESG objectives
- ☐ Requires reporting on ESG objectives
- ☒ Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- ☐ None of the above
- ☐ None of the above, we invest only in pooled funds and have a thorough selection process

SAM 04.2

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

- ☒ Listed equity (LE)

Benchmark

- ☒ Standard benchmark
- ☐ ESG benchmark, specify

ESG Objectives

- ☒ We do not define ESG objectives

Incentives and controls

- ☒ We do not set incentives and controls

Reporting requirements

☒ We do not require the reporting on ESG objectives

☒ Fixed income - Corporate (financial)

Benchmark

☒ Standard benchmark, specify

Examples include:

Bloomberg AusBond Composite Bond 0-3 year Index

Bloomberg AusBond Bank Bill Index

☐ ESG benchmark, specify

ESG Objectives

☒ We do not define ESG objectives

Incentives and controls

☒ We do not set incentives and controls

Reporting requirements

☒ We do not require the reporting on ESG objectives

☒ Fixed income - Corporate (non-financial)

Benchmark

☒ Standard benchmark, specify

Examples include:

Bloomberg AusBond Composite Bond 0-3 year Index

Bloomberg AusBond Bank Bill Index

☐ ESG benchmark, specify

ESG Objectives

☒ We do not define ESG objectives

Incentives and controls

☒ We do not set incentives and controls

Reporting requirements

☒ We do not require the reporting on ESG objectives

SAM 04.4

Indicate 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
- ☐ Place investment manager on a “watch list”
- ☒ Track and investigate reason for non-compliance
- ☐ Re-negotiate fees
- ☒ Failing all actions, terminate contract with the manager
- ☐ Other, specify
- ☐ No actions are taken if any of the ESG requirements are not met

Monitoring

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

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)					
ESG objectives linked to investment strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Compliance with investment restrictions and any controversial investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG portfolio characteristics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Information on any ESG incidents	<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"/>					
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
PRI Assessment Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Other general RI considerations in investment management agreements; specify	<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"/>					

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

For relevant asset classes Challenger and Fidante Partners as RE applies principles of active ownership and investment stewardship through discussions with management and or the board of directors and by exercising proxy voting. Proxy voting is monitored and reviewed by internal operations to ensure voting is submitted accordingly.

SAM 05.2

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

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)					
ESG score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG performance minimum threshold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Other RI considerations	<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"/>					

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

For relevant asset classes Challenger and Fidante Partners as RE applies principles of active ownership and investment stewardship through discussions with management and or the board of directors and by exercising proxy voting. Proxy voting is monitored and reviewed by internal operations to ensure voting is submitted accordingly.

SAM 06	Mandatory	Public	Additional Assessed	PRI 1
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SAM 06.1	When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls
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	Engagement
--	------------

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)	
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Information on any escalation strategy taken after initial unsuccessful dialogue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alignment with any eventual engagement programme done internally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Information on the engagement activities' impact on investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other RI considerations relating to engagement in investment management agreements; specify	<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"/>	

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

For relevant asset classes Challenger and Fidante Partners as RE applies principles of active ownership and investment stewardship through discussions with management and or the board of directors and by exercising proxy voting. Proxy voting is monitored and reviewed by internal operations to ensure voting is submitted accordingly.

(Proxy) voting

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

SAM 07	Mandatory	Public	Core Assessed	PRI 2
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SAM 07.1	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%)

	%
100	

	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

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1	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.
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☒ Add Example 1

Topic or issue	Approach to Responsible Investment for new equity boutique manager
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	During the due diligence review and selection process for a new boutique equity manager to be added to the Fidante Funds management business, we determined that the manager did not have a formal Responsible Investment Policy and was not a signatory to the PRI. The manager was actively considering ESG factors as part of their investment process.
Outcomes	The manager agreed to work with us to develop and document a formal Responsible Investment Policy adopting the PRI Principles. The manager became a PRI signatory in June 2017.

- ☐ Add Example 2
- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ We are not able to provide examples

Challenger Limited

Reported Information

Public version

Direct - Fixed Income













PRI disclaimer

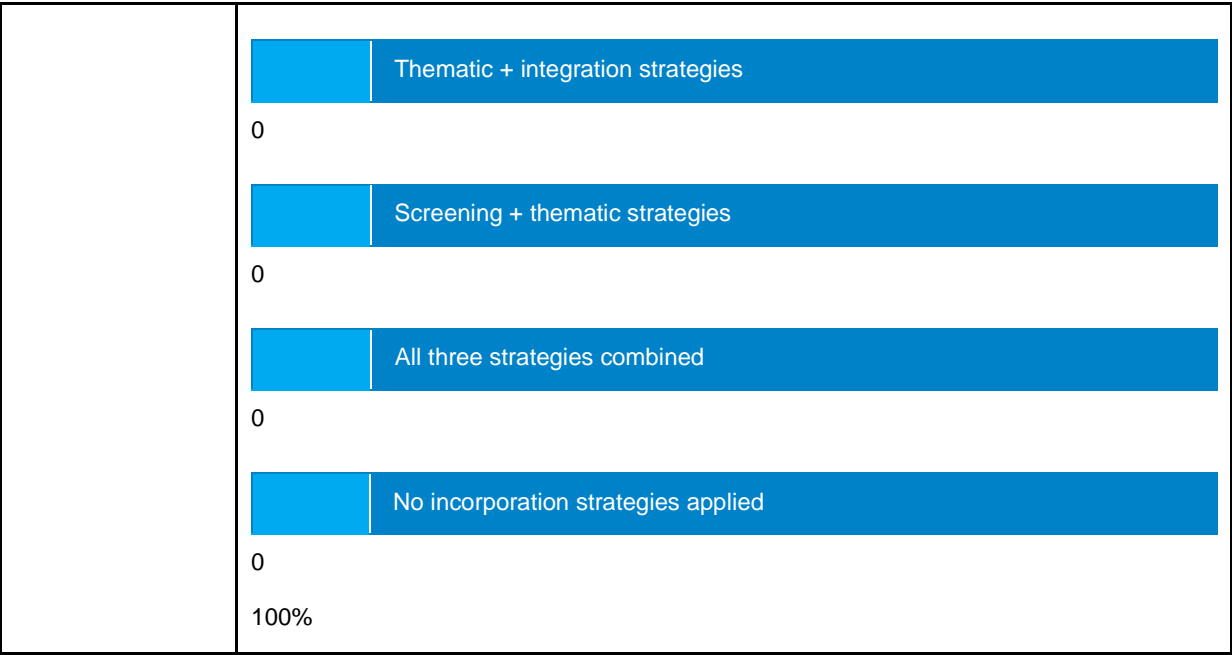
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ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

Corporate (financial)	 Screening alone	0
	 Thematic alone	0
	 Integration alone	100
	 Screening + integration strategies	0
	 Thematic + integration strategies	0
	 Screening + thematic strategies	0
	 All three strategies combined	0
	 No incorporation strategies applied	0
		100%
Corporate (non-financial)	 Screening alone	0
	 Thematic alone	0
	 Integration alone	100
	 Screening + integration strategies	0



Securitised		Screening alone
	0	
		Thematic alone
	0	
		Integration alone
	100	
		Screening + integration strategies
	0	
		Thematic + integration strategies
	0	
		Screening + thematic strategies
	0	
		All three strategies combined
	0	
		No incorporation strategies applied
	0	
	100%	

FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Challenger considers ESG issues as part of the investment process since these issues can influence the current and/or future risk adjusted return of a Fixed Income investment. Challenger has decided to not to actively screen out any particular opportunity purely on ESG considerations, instead incorporating ESG risk factors into its relative value analysis to determine if ESG risks have been rewarded in the expected return.

FI 03

Mandatory

Public

Additional Assessed

PRI 1

FI 03.1	Indicate how you ensure that your ESG research process is robust:
----------------	--

- ☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits of ESG research are undertaken in a systematic way
- ☐ ESG analysis is benchmarked for quality against other providers
- ☐ Other, specify
- ☐ None of the above

FI 03.2	Describe how your ESG information or analysis is shared among your investment team.
----------------	--

- ☐ ESG information is held within a centralised database and is accessible to all investment staff
- ☐ ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☒ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

(C) Implementation: Integration
--

FI 11	Mandatory	Public	Descriptive	PRI 1
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FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.
----------------	---

ESG risks are included in the overall required return analysis - i.e. the required return for a company with ESG risks will be higher than a similar company with no such risks.

Where significant and quantifiable ESG issues are identified, these factors are incorporated into financial modelling for scenario stress testing of debt investments.

	Corporate (financial)
--	------------------------------

ESG risks are included in the overall required return analysis - i.e. the required return for a company with material ESG risks will be higher than a similar company with no such risks.

	Corporate (non-financial)
--	----------------------------------

ESG risks are included in the overall required return analysis - i.e. the required return for a company with material ESG risks will be higher than a similar company with no such risks.

	Securitised
--	-------------

ESG risks are included in the overall required return analysis - i.e. the required return for a security with material ESG risks will be higher than a similar security with no such risks.

FI 12	Mandatory	Public	Core Assessed	PRI 1
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FI 12.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	Corporate (financial)	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 13	Mandatory	Public	Additional Assessed	PRI 1
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FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
Corporate (financial)	<input type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Governance <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitised	<input type="checkbox"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Governance <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all

Corporate (financial)

The portfolio manager will identify ESG issues and determine whether the expected return provides satisfactory compensation for the risks identified via relative value analysis.

Corporate (non-financial)

ESG factors are systematically assessed for their likely impact on every new investment. This includes, where applicable, factors relating to the issuer and the sector in which it operates. Where material ESG factors are quantifiable, these factors are included in stress testing analysis.

The portfolio manager will identify ESG issues and determine whether the expected return provides satisfactory compensation for the risks identified via relative value analysis.

Securitised

The portfolio manager will identify ESG issues and determine whether the expected return provides satisfactory compensation for the risks identified via relative value analysis.

Challenger Limited

Reported Information

Public version

Direct - Property

PRI disclaimer

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Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 01.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

☒ Yes

PR 01.2 Provide a URL or attach the document

☒ URL

<http://www.challenger.com.au/about/Businesspractices.asp>

☐ Attach Document

☐ No

PR 01.3 Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.

Challenger Investment Partners is an investment advisory business within the Challenger Group. Challenger Investment Partners accesses opportunities globally and manages real estate assets on behalf of institutional investors, including Challenger Life Company Limited.

Challenger Investment Partners is committed to continually developing its approach to the integration of ESG considerations into property investment decision making and asset management.

Challenger Investment Partners believe that ESG factors form an integral part of the property selection and management process. We acknowledge that achieving safety, sustainability and diversity outcomes will have the benefit of delivering long term value for investors, the environment and the communities we live in.

Challenger Investment Partners have a successful global portfolio of real estate assets, with a key focus on Australia and Japan. We manage approx. A\$4.9 billion of real estate equity assets and A\$0.5 billion of real estate debt investments on behalf of our largest client; Challenger Life, who in turn is the largest provider of annuities to policy holders in Australia. Investment in real property assets is a core strategy for Challenger Life given the liability profile underpinning the guaranteed returns paid to policy holders. A key business strategy for Challenger Life is set out as 'managing long term guaranteed income streams to annuitants backed by a portfolio of assets, delivering predictable over-the-cycle returns to shareholders'. In reference to the Real Estate Team, this starts with the investment selection process, as well as efficient property management. This is key to providing a 'bed-rock' to asset values and ensuring as a team, we concentrate our focus on more value adding initiatives. In turn, this will lead to long-term value to our investors, the environment and communities we reside in.

Further to this, Challenger Investment Partners has a key focus on third party institutional clients from across the globe, with the ability to leverage local knowledge and relationships in the domestic market to originate assets and provide a strong execution. A number of successful investment partnerships include an Asian Sovereign Wealth Fund, a Middle East Sovereign Wealth Fund, a Chinese family office, various Korean institutions as well as a number of domestic superannuation funds.

As mentioned above, we have a key focus on two markets; Australia and Japan. Beginning with the Australian market, we are committed to integrating ESG considerations into both the pre and post investment process. We consider various ESG issues during the due diligence process, for example; NABERS rating, energy efficiency, natural hazards, building safety and materials, occupier satisfaction, and the relevant regulatory standards. We believe these details are key to understanding our assets and allow us to ensure we can actively asset manage post acquisition with the long term objective to provide value for our investors, as well as our environment and our community.

In reference to our overseas assets; specifically shopping centres in Japan, we apply the same thorough due diligence process, conducting external reports and assessing relevant applicable benchmarks to ensure we are making informed decisions upon acquisition.

Pre-investment (selection)

PR 04	Mandatory	Public	Gateway/Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 04.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
----------------	--

☒ Yes

PR 04.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.
----------------	---

We believe that the consideration of ESG factors begins at the earliest stage of the property investment process. The due diligence process is disciplined and details and seeks to identify and assess the market and sector and key attributes of a target asset including the potential opportunities in the future as well as risks that could materialise over the investment horizon such as changes in government policy and legislation, tenant demand and customer and investor sentiment.

On an asset specific basis, we consider NABERS rating, energy efficiency, natural hazards, building safety and materials, occupier satisfaction, local community and stakeholder engagement and any applicable regulatory standards. We believe these details are key to understanding the asset, and are imperative when assessing asset pricing, undertaking negotiations with the vendor and ultimately our potential to effectively manage or develop the asset over the lifecycle of the asset.

The due diligence process is internally managed by approximately 8 individuals within the Real Estate Team, as well as external consultants appointed to advise on specialist skills or technical knowledge. ESG considerations form part of this analysis with engineers or environment consultants setting out the performance of the asset, energy ratings, current health, safety and wellbeing risks, and forming an opinion as to whether the building meets regulatory standards. These are critical considerations during the investment selection process.

PR 04.3	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.
----------------	--

ESG issues

☒ Environmental

List up to three typical examples per E, S and G issue
--

- ☐ Climate change adaptation
- ☐ Contamination
- ☒ Energy efficiency
- ☐ Energy supply
- ☐ Flooding
- ☐ GHG emissions
- ☐ Indoor environmental quality
- ☐ Natural hazards
- ☐ Resilience
- ☐ Transportation
- ☐ Water efficiency
- ☐ Waste management
- ☐ Water supply
- ☐ Other
- ☐ Other

Description [OPTIONAL]

For investments in our domestically located assets (Australia) we conduct external valuation reports and obtain external engineering opinions from specialists to understand the NABERS rating of an asset. This would more specifically apply to office buildings, and we look to a minimum NABERS rating of 4.5.

List up to three typical examples per E, S and G issue
--

- ☐ Climate change adaptation
- ☒ Contamination
- ☐ Energy efficiency
- ☐ Energy supply
- ☐ Flooding
- ☐ GHG emissions
- ☐ Indoor environmental quality
- ☐ Natural hazards
- ☐ Resilience
- ☐ Transportation
- ☐ Water efficiency
- ☐ Waste management
- ☐ Water supply
- ☐ Other
- ☐ Other

	Description [OPTIONAL]
--	------------------------

During the due diligence process an external consultant would be appointed to advise on the condition of an asset and whether there is a risk of contamination. As an investment manager, it is key to identify such risks as part of the selection process given these assets are managed on a lifecycle basis.

	List up to three typical examples per E, S and G issue
--	--

- ☐ Climate change adaptation
- ☐ Contamination
- ☐ Energy efficiency
- ☐ Energy supply
- ☒ Flooding
- ☐ GHG emissions
- ☐ Indoor environmental quality
- ☐ Natural hazards
- ☐ Resilience
- ☐ Transportation
- ☐ Water efficiency
- ☐ Waste management
- ☐ Water supply
- ☐ Other
- ☐ Other

	Description [OPTIONAL]
--	------------------------

During the due diligence process the risk of flooding for an asset is considered as relevant and external consultants are engaged as necessary for prospective assets within the Australian market but also in Japan where elements like Flooding and Earthquake are key issues.

☒ Social

	List up to three typical examples per E, S and G issue
--	--

- ☒ Building safety and materials
- ☐ Health, safety and wellbeing
- ☐ Socio-economic
- ☐ Accessibility
- ☐ Affordable Housing
- ☐ Occupier Satisfaction
- ☐ Other
- ☐ Other
- ☐ Other

	Description [OPTIONAL]
--	------------------------

Understanding the quality of a building in terms of safety and materials is key during the due diligence period. If there is a potential issue with the build or the materials used, there can be a risk of asset

damage in the future which can cause disruption to the individuals occupying the asset, the community within which the asset is located as well as our investors. Furthermore, a technical adviser would provide insight into the risk of structural failure, and safety of the building.

	List up to three typical examples per E, S and G issue
--	--

- ☐ Building safety and materials
- ☐ Health, Safety and wellbeing
- ☐ Socio-economic
- ☐ Accessibility
- ☐ Affordable Housing
- ☒ Occupier Satisfaction
- ☐ Other
- ☐ Other
- ☐ Other

	Description [OPTIONAL]
--	------------------------

Occupier satisfaction is an area of interest given the importance of understanding whether an asset is being utilised as efficiently as possible.

	List up to three typical examples per E, S and G issue
--	--

- ☐ Building safety and materials
- ☒ Health, Safety and wellbeing
- ☐ Socio-economic
- ☐ Accessibility
- ☐ Affordable Housing
- ☐ Occupier Satisfaction
- ☐ Other
- ☐ Other
- ☐ Other

	Description [OPTIONAL]
--	------------------------

The health, safety and wellbeing credentials of an asset is an area of importance for us and is considered during due diligence. Additional requests for information as part of the due diligence process are scoped as required based on the prospective asset.

- ☒ Governance

List up to three typical examples per E, S and G issue

- ☐ Anti-bribery & corruption
- ☐ Board structure
- ☐ Conflicts of interest
- ☐ Governance structure
- ☐ Regulatory
- ☒ Shareholder structure & rights
- ☐ Supply chain governance
- ☐ Other
- ☐ Other
- ☐ Other

Description [OPTIONAL]

Working with third party institutional clients requires consideration of voting rights amongst shareholders, appointment of directors, changes to capital structures that may affect shareholder value and corporate conflicts of interest.

List up to three typical examples per E, S and G issue

- ☐ Anti-bribery & corruption
- ☐ Board structure
- ☐ Conflicts of interest
- ☐ Governance structure
- ☒ Regulatory
- ☐ Shareholder structure & rights
- ☐ Supply chain governance
- ☐ Other
- ☐ Other
- ☐ Other

Description [OPTIONAL]

Whether a prospective asset meets the applicable regulatory requirements is a key focus of due diligence and as necessary will involve the assistance of external technical specialists. For example fire safety precautions for industrial use assets.

	List up to three typical examples per E, S and G issue
--	--

- ☒ Anti-bribery & corruption
- ☐ Board structure
- ☐ Conflicts of interest
- ☐ Governance structure
- ☐ Regulatory
- ☐ Shareholder structure & rights
- ☐ Supply chain governance
- ☐ Other
- ☐ Other
- ☐ Other

	Description [OPTIONAL]
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Internal legal, risk and compliance teams are part of the transaction process and all staff are subject to the obligations set out in the Fraud and Corruption Policy.

☐ No

PR 06	Mandatory	Public	Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 06.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ☒ ESG issues helped identify risks and/or opportunities for value creation
- ☐ ESG issues led to the abandonment of potential investments
- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☐ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☒ ESG issues were considered but did not have an impact on the investment selection process
- ☐ Other, specify
- ☐ Not applicable, our organisation did not select any investments in the reporting year
- ☐ We do not track this potential impact

PR 06.2	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
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- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☒ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☐ ESG issues were considered but did not have an impact on the deal structuring process
- ☐ Other, specify
- ☐ Not applicable, our organisation did not select any investments in the reporting year
- ☐ We do not track this potential impact

PR 06.3	Additional information.
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In the acquisition of an asset, during due diligence process a number of issues with the building and specifically the majority of the building façade comprising of aluminium composite cladding (the dangers of which were evident with the Grenfell Tower tragedy in the UK and the Lacrosse Building fire in Melbourne in 2014) were identified. As a result, a condition subsequent of the contract was negotiated with the Vendor requiring the provision of a satisfactory Fire Safety certificate and if required, the removal and replacement of some or all of the non-fire rated cladding. In addition to the retention sum to support the Vendor warranties, an additional amount of money was retained as security for the vendors post completion works including the cladding related works.

Selection, appointment and monitoring third-party property managers

PR 07	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 07.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.
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☒ Yes

PR 07.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.
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☒ Selection process of property managers incorporated ESG issues

	Types of actions
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- ☒ Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- ☐ Request track records and examples of how the manager implements ESG in their asset and property management
- ☐ Discuss property level out-performance opportunities through greater integration of ESG criteria
- ☐ Request explanation of engaging stakeholders on ESG issues
- ☐ Other, explain

	Coverage
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- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ >25% to 50%
- ☐ >0% to 25%

☒ Contractual requirements when appointing property managers includes ESG issues

Types of actions	
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- ☒ Include clear and detailed expectations for incorporating ESG
- ☐ Require dedicated ESG procedures in all relevant asset and property management phases
- ☐ Clear ESG reporting requirements
- ☐ Clear ESG performance targets
- ☐ Other, explain

Coverage	
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- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ >25% to 50%
- ☐ >0% to 25%
- ☒ Monitoring of property managers covers ESG responsibilities and implementation

Types of actions	
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- ☒ Performance against quantitative and material environmental / resource targets over specified timeframe.
- ☐ Performance against quantitative and material environmental / resource targets against relevant benchmarks
- ☐ Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- ☐ Other, explain

Coverage	
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- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ >25% to 50%
- ☐ >0% to 25%
- ☐ No

PR 07.3	Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.
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Our third party property management services provider is aligned with our approach of an active asset management strategy with day-to-day considerations of ESG risks and opportunities. Our third party property management serviced provider has an obligation to provide regular reporting on risk management, WH&S, energy reporting requirements and audit and compliance.

The performance and actions set for ESG is measured through:

- NABERS ratings- target is a minimum 4.5 star average rating across the office portfolio
- Life cycle performance audits
- Energy usage monitoring via RM3 audits - The Rm3 Risk Management System is an online and web-based software platform which enables effective management of health and safety, risk and compliance obligations. The system enables tracking of compliance& risk control actions, including exception reporting.

- BEECS certificates (Defined as a Building Energy Efficiency Certificate setting out the energy efficiency rating of a building or area of a building that is offered or sale, lease or sublease. BEEC's contains two parts: 1. Part 1 consists of a National Australian Built Environment Rating System (NABERS) Energy for offices rating for the building - The NABERS Energy for offices rating provides information on the building's energy efficiency. It must be a base or whole building rating (a whole building rating also covers the tenanted space and is disclosed if there is inadequate metering to obtain a base building rating). 2. Part 2 consists of a CBD Tenancy Lighting Assessment (TLA) for the area of the building that is being sold, leased or subleased. The TLA is an assessment of tenancy lighting that measures the power density of the installed general lighting system.

The Commercial Building Disclosure (CBD) Program requires most sellers and lessors of office space of 2000 square metres (1000 square metres from 1 July 2017) or more to have an up-to-date Building Energy Efficiency Certificate (BEEC). This is necessary to comply with legal obligations under the Building Energy Efficiency Disclosure Act 2010.

Post-investment (monitoring and active ownership)

Overview

PR 08	Mandatory	Public	Gateway	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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☒ Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and major renovations.
- ☒ We consider ESG issues in property occupier engagements
- ☒ We consider ESG issues in community engagements related to our properties
- ☐ We consider ESG issues in other post-investment activities, specify

PR 08.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
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Challenger Investment Partners have a strong Asset Management team who strive to deliver long term, sustainable investment performance. As such ongoing identification, analysis and management of ESG risks and opportunities are undertaken as part of the asset management process. In doing so, we seek external contractors that have ESG credentials, and specialist skills, for example; Honeywell, AE Smith.

Further to this, a key member of the Real Estate Team is the National Operations and Sustainability Manager whose role is heavily involved in ESG matters such as NABERS, BEECS, ENGERS, WH&S, risk management, building & operational compliance, service/supply/works contract procurement, lifecycle audits and capital expenditure approvals.

We have conducted tenant surveys across our office assets within the Portfolio which have influenced areas for focus as part of the asset management plan. The purpose of the surveys was to interview and assess tenant satisfaction in multi-tenanted buildings or buildings that could be multi-tenanted in the near future. We had 79 tenants receive the survey across our office buildings portfolio, with 55 responses received. This led to an overall response rate of 70%, with a performance score achieved of 72/100 vs an Index of 77/100. The results and findings of these surveys led to key areas of focus and improvement for the coming year to increase occupier satisfaction.

We have also commenced monitoring community events run in our retail shopping centres for local residents. Events vary from allowing charitable organisations space to promote awareness to their cause, offering healthcare services, creating engaging events and activities for young children and organising and hosting key special events for example 'Sensitive Santa' for disabled children with sensory difficulties who may not like crowds or noisy environments to come and greet Santa as well as a community event whereby local law enforcement officers offer their time to answer questions from members of the community.

☐ No

Property monitoring and management

PR 09

Mandatory

Public

Core Assessed

PRI 2,3

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

PR 09.1

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- ☒ >90% of property assets
- ☐ 51-90% of property assets
- ☐ 10-50% of property assets
- ☐ <10% of property assets

(in terms of number of property assets)

PR 09.2

Indicate which ESG targets your organisation and/or property managers typically set and monitor

☒ Environmental

Target/KPI	Progress Achieved
Annual NABERS rating for office assets - Energy and Water Monitor energy usage for BEEC/NABERS and NGER reporting Adhere to Federal Government NGER obligations	National Operations and Sustainability Manager monitors, records and reports on NABERS ratings for office assets Monthly monitoring and reporting National Greenhouse and Energy Report lodged as required

☒ Social

Target/KPI	Progress Achieved
Facilitate charitable initiatives with local community Undertake occupier satisfaction surveys for office assets	Retail Centres within portfolio provide space and facilities for charitable organisations to raise awareness, fund raise and interact with local community Tenant surveys completed and results analysed

☒ Governance

Target/KPI	Progress Achieved
Complete agreed schedule of RM3 audits GS007 Internal Controls annual audit Third Party Property Asset Manager audit of trust accounts	Target met (RM3 is the property asset management risk and compliance system that documents and manages all property asset risk and compliance controls. Completed by appointed external audit firm and provided to clients per contractual terms of mandate Completed and reported annually per contracted SLA

☐ We do not set and/or monitor against targets

PR 09.3 Additional information. [Optional]

The above KPI's encompass ongoing operational practices the Real Estate Team employ and are key to the active asset management strategy.

With regards to our international assets, asset managers consult with engineers, and relevant other experts to provide reports on the condition of assets on an annual basis. They look at various different factors, including; the building structure, safety and energy efficiency. The property managers are contracted to conduct monthly checks to ensure assets remain compliant. This is in line with the expectations we have of our domestic property managers.

Property developments and major renovations

PR 11	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.

PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- ☒ >90% of active developments and major renovations
- ☐ 51-90% of active developments and major renovations
- ☐ 10-50% of active developments and major renovations
- ☐ <10% of active developments and major renovations
- ☐ N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

PR 11.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
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- ☐ Environmental site selection requirements
- ☐ Environmental site development requirements
- ☐ Sustainable construction materials
- ☒ Water efficiency requirements
- ☒ Energy efficiency requirements
- ☒ Energy generation from on-site renewable sources
- ☒ Waste management plans at sites
- ☒ Health and safety management systems at sites
- ☐ Construction contractors comply with sustainability guidelines
- ☐ Resilient building design and orientation
- ☐ Other, specify

PR 11.3	Additional information. [Optional]
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In CY17 the Real Estate Team managed the completion of the first stage of a brand new shopping centre development in Darwin, NT. A core aspect of this development was water and energy efficiency.

Occupier engagement

PR 12	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.

PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- ☐ >90% of occupiers
- ☐ 50-90% of occupiers
- ☒ 10-50% of occupiers
- ☐ <10% of occupiers

(in terms of number of occupiers)

PR 12.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- ☐ Distribute a sustainability guide to occupiers
- ☐ Organise occupier events focused on increasing sustainability awareness
- ☐ Deliver training on energy and water efficiency
- ☐ Deliver training on waste minimisation
- ☐ Provide feedback on energy and water consumption and/or waste generation
- ☐ Provide feedback on waste generation
- ☒ Carry out occupier satisfaction surveys
- ☐ Offer green leases
- ☐ Other, specify

PR 12.3	Additional information. [Optional]
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In 2017, occupier surveys were undertaken for Office asset tenants. The purpose of the survey was to interview and assess tenant satisfaction in multi-tenanted buildings or buildings that could be multi-tenanted in the near future.

- 79 tenants received the survey
- 55 responses were received a response rate of 70%;
- Overall performance score achieved was 72/100 vs Index of 77/100.

Across the office portfolio, the key areas of focus and improvement relating to energy efficiency include:

- Air conditioning - review inconsistency in temperatures across floors
- Sustainability - communicate to the tenants the building recycle program, building efficiency/ NABERS ratings
- Lifts - improvement in waiting times and presentation of lifts

Other areas of focus identified:

- Tenant service requests - improve tenant education and use of the system
- Communication - improve frequency and nature of communication to tenants regarding for example new capex, building information handbook, contact details, property management team response times to tenants.

PR 13	Voluntary	Public	Additional Assessed	PRI 2
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PR 13.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
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- ☒ >90% of leases or MoUs
- ☐ 50-90% of leases or MoUs
- ☐ 10-50% of leases or MoUs
- ☐ <10% of leases or MoUs
- ☐ 0% of leases or MoUs
- ☐ N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

Office leases executed across our Portfolio over the course of CY17 with a broad range of tenants either included detailed Green Lease Schedules or reference to NABERS/ BEEC clauses.

Challenger Limited

Reported Information

Public version

Assurance

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.

Assurance				
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CM1 01.1	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- ☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - ☒ Whole PRI Transparency Report has been internally verified
 - ☐ Selected data has been internally verified
- ☐ Other, specify
- ☐ None of the above

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- ☐ Whole PRI Transparency Report will be assured
- ☐ Selected data will be assured
- ☒ We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
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CM1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:
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- ☐ We adhere to an RI certification or labelling scheme
- ☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ☐ ESG audit of holdings
- ☐ Other, specify
- ☒ None of the above

CM1 01.7	Mandatory	Public	Descriptive	General
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CM1 01.7	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
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Who has conducted the verification

- ☒ CEO or other Chief-Level staff

	Sign-off or review of responses
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- ☒ Sign-off
- ☐ Review of responses
- ☐ The Board
- ☐ Investment Committee
- ☐ Compliance Function
- ☐ RI/ESG Team
- ☒ Investment Teams
- ☐ Legal Department
- ☐ Other (specify)