Annual Members' Meeting Questions

The following questions reflect the questions we received before and during our Annual Member meetings in 2021. We have consolidated questions into broad subject headings.

Some questions were answered during the event. These answers are available in our Annual Members' Meeting websites, in the recording of the event and in the meeting minutes:

Aware Super

aware.com.au/amm

VicSuper

vicsuper.com.au/amm

The responses to these questions contain general information only and do not take into account your specific objectives, financial situation or needs. We recommend that you consider obtaining professional financial advice, consider your own circumstances and read our product disclosure statements before making a decision about your personal situation and Aware Super or VicSuper.

Past performance is not indicative of future performance. Our latest investment returns are available on our websites:

Aware Super

aware.com.au/returns

VicSuper

vicsuper.com.au/returns

If you have any further questions, please feel welcome to contact us:

Aware Super

enquiries@aware.com.au

General Enquiries: 1300 650 873

Advice Enquiries: 1800 620 305

VicSuper

vicsuper.com.au/contact-us

General Enquiries: 1300 366 216

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Merger Questions

1. Is Aware continuing to seek opportunities to merge with other super funds?

The superannuation industry is continuing to consolidate and Aware Super continues to engage in merger discussions with the objective of building scale in order to pass on benefits such as lower fees, broader investment opportunities and enhanced products and services to all of its members. Our merger discussions are only progressed where it is in the best interests of our members.

General Retirement Questions

2. Many baby boomers are retiring now. Will Aware increase and step up support for this very important section of its membership?

We are undertaking some major initiatives to help support the increasing number of members who will be either moving into retirement or in retirement in the future.

We are redesigning and creating new support material on our website and in our webinars to help members understand their options, make more informed decisions and monitor their investments and income payments. We are also evolving our service teams in the future to provide dedicated support for our retired members.

Many of our members are receiving the Govt Age Pension, so we are also exploring ways to help our members understand and manage their entitlements.

As Australia's largest profit to member super fund for retirees[1] we have significant scale and dedicated investment strategies for retirement that we are continually evolving to help deliver our members strong, consistent performance whilst also helping manage any downside risk that can help provide a sustainable income.

1 Based on the DEXXAR Market Share Report December 2020 FUM for Retirement Income Products across AwareSuper, VicSuper and Heritage State Plus members.

Product Questions

3. How do you know what our values are at any given time?

The money you invest with us is pooled with other members' savings and then invested to earn you a return. This allows access to a wider range of investments.

Investments are valued regularly so that transactions can be processed at values that are fair and reasonable. Some investments, such as shares, fixed income and cash investments, are valued daily, while others are valued less frequently.

Listed investments such as shares are valued based on the end of day price quoted for the relevant exchange, for example the Australian Securities Exchange (ASX). Fixed income securities, which are not traded on listed markets, such as government and corporate bonds, are valued using market average prices from independent sources.

Assets valued less frequently than daily include investments in real property and infrastructure, private equity, and some hedge funds. The timing of the valuations for these assets varies, but is typically quarterly or monthly, with all assets valued at least on a semi-annual basis. Valuations of these assets are carried out by registered valuers or under pre-determined valuation methods.

We calculate our members' investment returns daily.

Our members' investment options are valued each business day and tax and investment fees are deducted from this value. The resulting amount is the net value of each investment option. We obtain the unit price by dividing this figure by the number of units issued for that investment option. Finally, we multiply that day's unit price by the number of units our members have, obtaining the daily value of our members' accounts. Investment returns can be positive or negative.

Our members' accounts go up or down in value as a result of the daily fluctuation in the unit price. More information about the current and historical unit prices for all our investment options can be found here for Aware Super members and here for VicSuper members.

Past performance is not indicative of future performance.

4. Regarding MySuper Lifecycle - After 55years of age, when do the annual adjustments to investment mix occur? Is it closer to the member's birthday, or does it occur at the end of the birthday month?

Switches are effective on a member's birthday or the business day after if a birthday falls on a non-business day (processing may take 1-2 days when unit pricing becomes available).

5. Will VicSuper members aged over 55 be contacted before their funds are transferred into the default option?

Assuming this means prior to transferring to Lifecycle then, yes, there will be member communication ahead of transition (at least 30 days prior).

6. As part of the My Super Product Design, are there Lifecycle options for retired people at different stages of their retirement?

MySuper Lifecycle is Aware Super's default super investment approach for the Aware Super Accumulation phase product. For our members in retirement products, if you do not make a choice, your savings will be invested in the default Balanced Growth option. This is the option members who are in the 'Enjoy' stage of MySuper Lifecycle (those aged 65 and over) are invested in. However, you may change your option should you wish.

Fees Questions

7. Please could you tell me, and all members why superannuation funds charge fees as a percentage of each investment? Why does the amount charged go up as the corpus increases? I presume that when the fund makes investments with outside bodies that the fund is not charged as a percentage, in other words, with any particular investment, does it cost twice as much to invest twice the amount? Hence, for a simple example -10 times as much for $10 million as to invest $1 million?

Please do not say that it is to make it fairer for those with small amounts of super. That they should not pay as much as for a retiree with a million dollars, or that all other funds do it this way. Because, as my amount increases I pay more in fees, thus I am penalised for having my superannuation grow.

Surely fees should be charged according to the dollar amount, including all the office administration outgoings, of that which it costs to make the particular investment.

I ask you to be transparent and inform all members if those with larger accounts are subsidising members with smaller amounts when it comes to fees?

As a profit-for-member fund, we try to keep our fees down and our costs as reasonable as possible. Our fees are set only to cover the costs of running the fund and investing on our members' behalf, not to make a profit for shareholders or pay commissions to advisers.

Our investment fees predominantly reflect amounts we pay to third parties such as investment managers, brokers, our custodian and government authorities to cover the expenses we incur in managing the fund's investments. Amounts paid to investment managers are paid on a percentage basis, whereas the other fees and costs may be paid on a combination of percentage or flat dollar amounts. Our external managers would not take on more money to invest if they could not make a profit from it, as any new money would effectively be a cost to them. With this in mind our members would not have access to these managers without the percentage based fee. The only component of investment fees that is charged to members is the trustee charge or management fee which helps cover the costs associated with running the trustee office and offering a range of member services (e.g. member seminars). Again, a flat fee here would mean the trustee office would not be able to employ additional staff or invest in technology in line with the growth in funds under management if only a flat fee were charged. It's important to remember that investment fees vary from year to year and cannot be precisely calculated in advance.

Investment fees are paid from the assets of the investment option and underlying investment vehicles before we calculate the unit prices and are not deducted directly from members' accounts. Each investment option is a pooled investment where members own units their selected pool and all unit holders have to be treated the same way for the pooled investment to work. This means that all units have to be allocated the same amount of fees otherwise you could not have a single unit price (unit prices are net of fees). As most fees are dollar based (such as custody fees) the members with the most funds under managements are responsible for a higher portion of the fees. In saying this, pooled structures such as mutual funds keep fees considerably lower than each member directly holding the same assets as well as make more investment opportunities that would otherwise be inaccessible available to them.

In addition, members pay administration fees which have a dollar based and percentage based component for the administration or operation of the super fund. The amount of these fees is capped at $750 per year for VicSuper and heritage First State Super accumulation/transition to retirement members and $1500 for pension members. Heritage StatePlus members have a cap of $1500 for all products. These costs are deducted from your account at the end of each month.

8. **Are there any plans to review the Asset based monthly fee?**

Yes. We review our fees on a regular basis including the asset based administration fee. As we consolidate onto a single operating platform we will generate operational savings. And we will pass on the benefits to members via lowering fees. We expect to be able to pass on fee savings in 12 to 18 months' time.

9. **What about the high investment fees and general fees of almost 1 per cent compared to other super funds like Australian Super?**

The majority of investment fees are paid to third party investment managers. We have commenced a program of work to internalise investment management. This will allow us to save on investment fees and pass on these savings to members. The program will deliver fee savings over the next few years.

Brand Questions

10. When do you expect that Aware Super and VicSuper will be reporting as one?
Aware Super is our new national identity. Over the next year or two we aim to phase out the VicSuper brand – as we build awareness amongst VicSuper members of the Aware Super brand and ensure the wonderful history, responsible investment approach and service culture of VicSuper is preserved. Our move towards one national brand also drives efficiency and value for members – reducing the cost of supporting and building multiple brands in market.
11. The amount of advertising by Aware Super over the last two years is concerning, much of which seems to be virtue signalling and woke causes for management rather than member returns. What will you do to minimise fees, waste and improve returns?
Aware Super is a relatively new brand, only launched in September 2020. We have been investing in advertising since launching the new brand to ensure that our members and our broader market know who we are and what we stand for. Doing so builds our brand, enables us to compete effectively and helps us in achieving our strategic growth objectives. The superannuation sector has been changing for a while with more people exercising choice – the *Your Future Your Super* legislation has further accelerated the shift toward choice. This shift is a welcome one but does require us to have a brand that is known and that our target market are attracted to. Our commitment to doing well for our members at exactly the same time as doing good for all, reflects the way we invest and how we behave. This is a commitment we know is important to many of members and to our target market – it is therefore something that we reinforce in our advertising. Meeting our strategic growth objectives is important as being big helps us to deliver better value to our members – by being able to access unique and valuable investment opportunities that support stronger returns and by being able to put downward pressure on the fees we're charged by suppliers. From a returns' perspective, members in our default MySuper option have already benefited top 10 returns over the past five years[1] and as we grow, and rationalize our technology platforms, we'll pass the costs savings back to members in reduced fees. 1 Source: SuperRatings Fund Crediting Rate Survey 30 September 2021 (Default Options Index - approximately 220 options). Aware Super High Growth ranked number 1 for 3, 5, 7 and 10 year periods. Past performance is not a reliable indicator of future performance.
12. I would like to ask how much Aware spent on the cost of advertising during the Tokyo Olympics coverage in 2020/21?
We were a broadcast sponsor of Ch7's Broadcast of the Olympics and Paralympics and were highly visible to more than 20m Australians that watched the event. The total cost of our agreement for the year with Channel 7 is $5.7m. This includes significant coverage over the Olympics and Paralympics and advertising placement through the rest of the year. By working with Ch7 in this way we have been able to negotiate preferential terms and because of the success of the Olympics and Paralympics we have received significantly better value than we would have been able to achieve through more traditional advertising. The cost of the advertising was met through our existing marketing budget and was money we had already allocated to advertising.

13. Is Aware Super fund headquartered in Wollongong or Melbourne?
While Aware Super is headquartered in Sydney a majority of our team are spread equally between Sydney and Melbourne. We also have a sizable presence in Perth and offices in many regional locations including Wollongong, Newcastle, Geelong, Orange and many other places.

General Questions

14. When will form submission be accepted online?
Aware is committed to implementing efficient ways for our members to interact with us and send us requests. One example is the acceptance of forms electronically. We are in the process of reviewing this to determine if and how we can implement this for our members in future.
15. Can trustees access Aware Super Services on a member's behalf after the member passes?
Where a deceased member has a valid will Aware Super may deal with the executors of the will (or a third party appointed by the executors e.g. a solicitor) in gathering the information required to allow the Trustee to make a determination for the payment of the death benefit. Unless there is a valid binding death benefit nomination on the account, the Trustee will determine who should receive the benefit. It is important to note that super does not automatically form part of the estate. Where there are known dependents, the Trustee will usually consider their claims as a priority over an estate.
16. Is it possible for AWARE to upgrade the on-line dashboard so that members can create reports on the historical performance of each investment account?
Members are able to access the Unit Price Page, available here, where they can see historical trends for each of the investment options. This is also available through the portal. We have passed on your feedback to our management and will evaluate the possibility of making this information more accessible via the members' dashboard. Past performance is not indicative of future performance.
17. Do SASS members have access to the Aware App?
They don't currently have access to the Aware app unless they have one of the Aware Accum or TTR/Pension products. As part of the Catalyst Project we are looking to give access to all members to the app in coming years.
18. Is the mobile app available to StatePlus members?
Not at present, but in coming years, we are looking to give access to all members to the app.
19. When would State Plus customers be able to use the Aware App?
As part of Project Catalyst, State Plus customers are expected to have access to the app in coming years. This step is scheduled for mid-2023.

Advice Questions

20. When I retire do I combine my super with my partner, which is in a different fund?
Your individual super or income account(s) must remain held in trust as the beneficiary for each of your respective retirement needs. Thus no combining of individual account with another partner's super account is permitted. Couples/partners do however have choice of fund or service provider as to which super product provider(s) they each use. However, any product replacement should involve an assessment/advice on any product features/costs/benefits that may be lost as a result of any replacement product decision.
21. How can you help someone who started to save for their retirement 5 years ago, and they are over 50 years old?

Our Members have access to simple advice (for no additional charge) via our superannuation advice team, which covers advice relating to your superannuation interests at Aware, including topics such as choosing and investment option, contribution options, commencing an income stream, reviewing payments from an income stream, retirement income projections. For comprehensive/complex advice this can be accessed via our comprehensive advice team, a fee may apply for any comprehensive advice provided.
22. Can you please clarify if govt regulations have/will changed requiring independent advisers to be involved, as opposed to Aware's own advisers/planners advising about Aware's products and concern about possible conflict of interest?
Government regulations do not currently require "independent advisers" only to be involved in providing advice on Aware products. There is however choice of a range of advice providers/advisers in the market, including salaried/ aligned and self-employed advice channels. The law, as well as the Financial Adviser Standards and Ethics Authority (FASEA) code of ethics, requires all licensed advisers to meet/have stringent obligations to act in the best interest duty of clients when providing personal advice, including mitigating/avoiding any real or perceived conflicts of interest.
23. Can it be anticipated by when face to face member consultations can be reimplemented in Regional Victorian cities?
Geelong and Ballarat have permanent planners at these locations and have recommenced face-to-face by client/member request subject to planner availability at these locations. From 10th Jan 2022, face-to-face appointments will fully resume. Our comprehensive planers also attend/travel to Bendigo and Albury so we can facilitate a face-to-face appointment in these locations (from 10th Jan 2022) subject to planner availability.
24. What is the will service I think was mentioned earlier? Does that include advice on power of attorney?
Aware Super members have access to Estate Planning Advice via Aware Super Legal Pty Ltd . More information on this service can be found here.
25. Will you consider to make a policy to allow members in their retirement age to have a free personal financial planning before they go to retire?
Our Members have access to simple advice (for no additional charge) via our superannuation advice team, which covers advice relating to your superannuation interests at Aware, including topics such as choosing and investment option, contribution options, commencing an income stream, reviewing payments from an income stream, retirement income projections. For comprehensive/complex advice this can be accessed via our comprehensive advice team, a fee may apply for any comprehensive advice provided.
26. Is Damian suggesting that there will be reduced opportunities for face to face FP advice meetings for members who came from StatePlus and are now retired?
There is no plan/intent to reduce access to face-to-face meetings/appointments for our members in accumulation or retirement phase. In addition to comprehensive face to face appointments, there are available to our members access to both simple and comprehensive advice by phone or digitally depending on the members preference.
27. Why did you shut the parramatta office branch?
In May 2021, we implemented a range of changes to improve the advice business sustainability and to ensure we continue to provide high quality advice services to our members. The changes included the consolidation of our two Parramatta offices into our Phillip Street Office. We moved our Parramatta teams into our Phillip St Office, which provides members walk in services and financial planning appointments.

circumstances and read our product disclosure statements before making a decision about your personal situation and Aware Super or VicSuper.

Service Questions

28. VicSuper members had personal consultants & could speak to the same person each call. Now we wait 1-2 hrs to get through to a different person each time which is totally unacceptable. Will you go back to the prior system or do I change Super company?
Servicing our members is a high priority to VicSuper, we make every effort to connect with our members as quickly as possible. We appreciate that your time is valuable, and we can assure you it is never the Fund's intention to keep members on hold. In May 2021, VicSuper changed the telephony system for the Member Support Team, we acknowledge during the transition VicSuper experienced higher call wait times. As our Member Support Team continued to learn how to use a new system, these wait times decreased to our normal expected level. We aim to manage our staffing levels to provide a prompt and efficient member experience, however there can be times during peak periods when this is not always achievable. Our telephony system is designed to route an incoming call to the next available agent, if there are no available agents the call is placed in a queue until one becomes available. During peak times we offer a call back service which holds your place in the queue. Unfortunately, we do not offer a service where you speak to the same agent each time you call our Member Support Team.
29. To what extent is Aware Super reducing lengthy periods for responses with regards to communication, documents and arranging appointments?
Thank you for recently attending our Annual Members' Meeting. **Your enquiry with Aware Super** We refer to your concerns regarding delays in communication. By your email we understand that you may have experienced delays and we do wish to apologise for any inconvenience that may have occurred. Your concerns are important and we hope we can assist you as much as possible. Servicing our members is a high priority for Aware Super and we are making every effort to connect with our members as quickly as possible. We appreciate that your time is valuable, and we can assure you it is never the Fund's intention to leave you waiting. For any urgent assistance with your account please confirm your member number, contact number and best time to call and we can arrange a call back to you to discuss this further. Alternatively, please feel free to call us today on 13 29 27 for more support. We value you as a member of Aware Super and hope we can work together to better address and resolve your concerns. **Further information**

If you would like to find out more about our financial advice services, please visit the financial planning pages on our website.
30. Is Aware implementing the dire need for a dedicated tel no and email address for RIS & Transition customers?
We would like to apologise for any insufficient service you may have experienced in the past. Servicing our members is a high priority for Aware Super and we are making every effort to connect with our members as quickly as possible. Your feedback and suggestion is greatly appreciated and has been passed onto to our management for consideration. We are committed to servicing all our members as efficiently as possible. We aim to manage our staffing levels to provide a prompt and efficient member experience.
31. While many attended webinars, why is it that the number 1300 650 873 was today answering that that line is attended at a limited capacity?
Thank you for recently attending our Annual Members' Meeting and taking a proactive approach to your super. **Your enquiry with Aware Super** We refer to your enquiry regarding recent messaging on our Member Support Team line that you may have come across recently. We can confirm that we did have temporary messaging on our phone-lines due to some unforeseen movements in our Melbourne-based office. This messaging on our phone-lines should now be removed. We want to assure you that servicing our members is a high priority for Aware Super and we are making every effort to connect with our members as quickly as possible and do appreciate your patience where you may have experienced any delays. We hope this provides you with further clarity and assists you with your enquiry. **Further information** If you have any further questions, please call us on 1300 650 873 or send us an email at enquiries@aware.com.au. If would like to find out more about our financial advice services, please visit the financial planning pages on our website.
32. Where can a member receive tuition for the Aware Super portal?
Thank you for recently attending our Annual Members' Meeting and taking a proactive approach to your super. **Navigating your online account** We refer to your request for support with navigating your online account. We understand that navigating your online account can be confusing, so our Member Support team are here between Monday and Friday, 8.30am - 6:00pm (AEST) to help guide you through it. Feel free to call us today on 13 29 27 or email us at enquiries@aware.com.au for more assistance.

Alternatively, if you would prefer correspondence by email, please send us further details of what you are hoping to achieve through your online account by return email. We look forward to assisting you further with your requests. **Further information** If you would like to find out more about our financial advice services, please visit the financial planning pages on our website.

Insurance Questions

33. When will Aware allow a choice for just death cover as TDP insurance is useless for retired people?
This is allowed today. The TPD cover can be cancelled at any time leaving just the death benefit.

Investment Questions

34. Wouldn't it be more ethical to invest in the countries of member origin so that our families and communities can benefit from that investment?
We do agree that supporting local communities is important. Our community investments include a range of strategies that offer positive socio-economic benefits such as job creation, regional development or climate mitigation. Specific community projects include our property and social infrastructure investments in Sydney, significant agricultural investments, the Bendigo Hospital in Victoria, the Sunshine Coast Public University Hospital in Queensland, and providing affordable rental housing for essential services workers across Australia (most recently committing to more than 300 units overlooking Albert Park in Melbourne's inner south east). We also have a range of single asset options for members to invest in the Australian domestic market and this includes an SRI option for the ethical investor. For these investment options, it is up to the individual member to make that decision. If the question is why the default option is not 100% domestic, then the reasoning has to do with the fact that super funds also have an obligation to act in the best financial interests of its members. Investing both domestically and overseas increases diversification and available investments, giving the default member the best opportunity to invest in an option that can achieve its investment objectives over the relevant timeframe.
35. What is Aware's % forecast for investment strategies groupings for the EOY 2021 / 2022 FY period?
Due to the unpredictable nature of investment markets and the ongoing uncertainty around COVID-19, we aren't able to forecast investment earnings over short time horizons. Over longer time periods, we expect our diversified options to meet their CPI+ objectives. However, you should keep in mind that the investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

While we do not know how things will play out in the immediate future, it is important to remember that the majority of the value added to your superannuation portfolio comes from the ability of the investments to generate earnings over the long term.

36. Why don't you have one summary report for all investment strategies in the TTR portal?

Investment performance for all our Aware Super products are available in our pages on asset allocations and returns.

Past performance is not indicative of future performance.

37. What is the chance of our Super find not be so secretive and advise its members how WE vote at other companies' AGM's?

We disclose our full voting record on our website here.

38. Can AWARE clarify the definition of the "Cash" investment fund? Is it real cash or "cash-like"?

At Aware, cash as a single asset option has an objective to meet or exceed the return of the Bloomberg AusBond Bank Bill Index (over rolling 12-month periods, before fees, costs and tax), and to meet this objective it invests in short-term investments such as term deposits, bank bills, and treasury notes with a maturity of less than a year. With this in mind, to directly answer your question, this fund is not 100% cash at bank as it would not be possible to consistently meet the option objective with bank deposits as the only holding.

39. How is VicSuper managed currently - e.g. are the returns and strategies for VicSuper the same as Aware Super or is it managed separately at the moment?

Since the merger on 1 July 2020, the VicSuper investment options have been managed in accordance with the Aware Super investment approach, that is, the VicSuper investment options have the same asset allocations and invest into the same underlying investment pools as the ex-FirstState Super (FSS) investment options. The only exception to this is an investment in the StatePlus asset, which is held by the exFSS diversified investment options only.

40. As we get graph reading for our super, why isn't the management fee included or statement annual, sent to us?

We were unsure what the question was asking. If it is about fee transparency, then estimated fees are to be found here.

If not, please contact us again and we can address your concerns.

41. We know that FED will start increasing the interest rate in coming years. I assume this will have negative impact on Stock markets. Other than having balance portfolio, how do you anticipate to protect our super funds against this negative impact?

As a result of the policy response to the pandemic, interest rates are currently at historically low levels around the globe and it is likely that central banks continue their slow move away from their emergency monetary settings as the growth and inflation outlook improves.

When the US Federal Reserve (Fed) begins to raise interest rates, we must remember that this gradual tightening in policy is happening because the downside risks are reducing and the growth and inflation outlook are stronger as we exit the worst of the pandemic. The fact that the economic outlook is brightening means a tightening cycle is not necessarily negative for equities.

When we look back at the two most recent Fed tightening cycles of 2004-06 or 2016-2018 it is hard to say the commencement of the Fed tightening cycle saw substantial weakness in equities.

42. Passive / active investments - what does this mean ?

Investment managers use different approaches to select investments, with two of the main approaches, passive and active management, described below. No single approach is guaranteed to outperform all others in all market conditions.

Passive management Also known as index managers, passive managers choose investments to form a portfolio that closely tracks a market benchmark (or index). Passive managers usually charge lower fees because they don't require extensive resources to select investments. Active management Active managers select investments which they believe will perform better than a market benchmark over the long term. They buy or sell investments when their market outlook alters, or their investment insights change.
43. Thank you for the past year's rate of return for Growth. Can you please tell me what was the percentage return for Balanced?
Aware Super returns can be found here and you can toggle the date using the filter option and then pressing "Apply Filter". For the Balanced Growth option in Super and Transition to Retirement, the 12-month return to June 2021 was 11.55%, and in the Retirement Income Stream it was 12.67%. All data as at 30 June 2021. Net investment returns are compound average returns after allowance for tax (accumulation options only) and investment management expenses, but before the deduction of administration fees. We do not guarantee the performance of the investment options and the value of your account balance can go up or down. Past performance is not a reliable indicator nor is it a guarantee of future performance.
44. Regarding "Positive Year" and "rallied strongly" for investment performances as Ms Stewart advised: Conservative Growth in RIS has Not at all performed strongly, rather affected RIS detrimentally - Why is this?
Damian addressed this on his member meeting video which can be found here. Just click on the "Watch the videos about our performance and assets" drop down menu and select his video. Please contact us should you have any further queries.
45. What is being done in tangent with that commitment to divesting to ensure returns are not affected?
In Australia, Super Fund trustees are obliged to only use members' money to maximise members' retirement savings, with this in mind Aware Super's primary obligation is to provide long-term, sustainable returns for all our members. Our purpose is to be a force for good – do well for members while doing good for all. We believe members value our dedicated approach to addressing climate change risks in their portfolio. Over the past six years we have been openly and actively responding to climate-change risks through our 2015 Climate Change Adaptation Plan and 2020 Climate Change Portfolio Transition Plan (CCPTP). We view climate change as one of the most significant financial risks to our portfolio in the long-term and therefore to our members' financial future. As part of the CCPTP, we have set transparent and measurable short and medium-term targets and goals for how we will deliver on net zero 2050. We recently published our first progress report for our CCPTP. Some of the highlights of this report include: • The finalisation of our divestment from thermal coal mining companies. • Reduced emissions in our listed equities portfolio by 45%, achieving our target of 35% emissions reduction by 2023. • Invested $1bn in renewables and low-carbon technologies. • Through our comprehensive engagement strategy we have achieved significant positive and long-term change with a number of companies committing to emissions reduction strategies and net zero by 2050. Our CCPTP will continue to be reviewed and updated so Aware Super can remain agile in its response to the climate change risks in its portfolio. Further information on our approach including our full CCPTP, 1 Year on Report and Destination Net Zero report can be found here.

Our approach is designed to be considered and measured as we manage the risks of climate change across our portfolio and continuing to invest in a diversified portfolio to deliver strong long-term returns. We hope this has addressed your concerns. Please reach out if you have further questions.
46. How do you measure the funds' carbon footprint?
A portfolio's carbon footprint is the sum of a proportional amount of each portfolio company's Scope 1 and 2 emissions (proportional to the amount of stock held in the portfolio). A carbon footprint is a useful quantitative tool that can inform the creation and implementation of a broader climate change strategy. At Aware Super we utilise a third party provider - ISS - to calculate the carbon footprint of our listed equity portfolio and can compare that to a benchmark. We will be working on a project next year to better report on the carbon footprint of our equities portfolio. As part of our Climate Change Portfolio Transition Plan we have introduced a custom benchmark for our listed equities portfolio that achieves a 45% reduction of emissions in our portfolio compared to the standard benchmarks.
47. Damian Graham, with the risk of Australia being potentially drawn by the USA into war with China, what plans do you have to protect members' investments in the event that war does occur?
These sort of unpredictable external risks are why we hold a well-diversified portfolio and focus on longer-term outcomes. The recent period through COVID-19 has been a good example of that. Very few would've predicted a global pandemic, yet by holding a well-diversified portfolio we try to minimise any negative effects on members' retirement savings, through investments that are resilient to various market and economic outcomes.
48. How do you expect the projected residential property prices drop of up to 10% to impact returns?
It is worth noting that out Single asset option "Property" currently holds mainly listed Property which is mainly non-residential and also out diversified option can hold a range of property holdings also. To answer the question though, if apartment prices drop by 10% in 2022 and then a moderate growth rate of 2.5% p.a. thereafter (conservative when compared to the 10-year historical apartment price growth rate of 4-6% p.a. depending on locations), the forecast return for the property sector could be reduced by around 1.5%-2.0%. The responses to these questions contain general information only and do not take into account your specific objectives, financial situation or needs. We recommend that you consider obtaining professional financial advice, consider your own circumstances and read our product disclosure statements before making a decision about your personal situation and Aware Super or VicSuper.
49. The govt deficit is over $300 Billion, and it will take more than 30 years to recover. This means the next generation will live on borrowed funds. Can Aware safeguard from any levy/tax by the govt on Super Funds?
While we cannot safeguard against any unforeseen changes to government tax policy, we are in constant communication with regulators as well as closely monitor and put forward any concerns we have in regard to any upcoming regulations or policy to make sure that the voice of our members is heard.
50. There appears a forward leaning approach for younger investors re sustainability and as reflected in returns for high growth, high risk funds. What were low risk "retirees" returns? We have fund erosion are we expected to explore high risk investment?
Aware offers a range of risk-profiled investment options for our Retirement Income Stream (RIS) members. You can view these from page 22 onwards in our RIS PDS, available here. However, the options a member may chose comes down in part to their risk tolerance. More can be read about this in this link, but in general the more risk a member takes on the more volatile their returns will be (both positive and negative returns) although these tend to smooth out in the longer

term. Members are welcome to seek a financial planner's advice on this and what options is best for them personally.

The majority of our retired members choose to invest in the Balanced Growth investment option; this is also our default option for the pension phase and provided strong returns (12.7% for the 20/21 FY).

Regardless of what option was chosen, all our diversified investment options have outperformed their CPI objectives for financial year 20/21, and, as expected for these strong equity market conditions, our higher risk/growth oriented investment options have outperformed our more balanced and conservative options. However, we would expect more balanced and conservative options to outperform during periods of market volatility, such as those experience in March 2020, owing to their relatively greater focus on capital preservation.

For our pension members, especially for the Balanced and more conservative investment options , we aim to be mindful of the need for balance. We aim to provide growth and protection from the effects of inflation, while at the same time looking to reduce the impact of large equity market falls during the draw-down period.

All data as at 30 June 2021. Net investment returns are compound average returns after allowance for tax (accumulation options only) and investment management expenses, but before the deduction of administration fees. We do not guarantee the performance of the investment options and the value of your account balance can go up or down. Past performance is not a reliable indicator nor is it a guarantee of future performance.

Investing in Sustainability and Climate Change Questions

51. Earlier this year UniSuper sold down billions of dollars of active holdings in pure play oil and gas funds like Woodside and Santos. Australian Super no longer has any pure play oil and gas producers in its active portfolio. And Vision super has an oil and gas exit in its ESG policy. Is Aware reviewing its investment exclusions in light of these shifts, and will our fund implement an oil and gas exclusion policy?

Aware has stressed that the company prefers to engage with other companies rather than divesting. However, over the last four years Aware has only voted in favour of 40% of climate related resolutions in Australia. Why is Aware failing to vote for all these climate resolutions?

Q1. Aware Super believes climate change poses one of the most significant long-term risks to our portfolio and to our members retirement savings. Over the past six years we have been actively responding to these risks through our 2015 Climate Change Adaptation Plan and 2020 Climate Change Portfolio Transition Plan (CCPTP).

As part of this approach, we have committed to net zero by 2050, and have set transparent and measurable short and medium-term targets and goals for how we will deliver on this aim.
The CCPTP establishes the roadmap for how we are responding to the risks and opportunities of climate change. We recently published our first progress report for our CCPTP. Some of the highlights of this report include:

- The finalisation of our divestment from thermal coal mining

- Reduced emissions in our listed equities portfolio by 45%, achieving our target of 35% emissions reduction by 2023.
- Invested $1bn in renewables and low-carbon technologies
- Through our comprehensive engagement strategy we have achieved significant positive and long-term change with a number of companies committing to emissions reduction strategies and net zero by 2050.

In relation to your specific question regarding our exposure to Woodside and Santos, despite recent reports that have suggested otherwise, we can confirm that our exposure to these companies has actually decreased between 2018 and 2021. We have reached out to the media outlets who have reported this claim and provided more accurate information regarding our exposure to Woodside and Santos.

Our focus is on ensuring that we deliver the best possible strong, sustainable long-term returns to our members. Responding to the risks of climate change is a keyway that we will continue to do this not just today, but for years to come.

To learn more about our CCPTP and what we are doing to protect your retirement savings please visit our website.

Q2.

Aware Super is very proud of the work we have done in addressing climate change risks in our portfolio, particularly with our industry-leading Climate Change Portfolio Transition Plan (CCPTP), which we mentioned in our previous email.

It is important to remember that shareholder proposals are just one way Aware Super engages with a company regarding climate change. We have an extensive engagement program that runs year round, that focuses on encouraging appropriate emissions reduction targets, disclosure and ensuring a just transition for companies and its workforce.

During the AGM season, we prefer to approach shareholder proposals on a case by case basis rather than a blanket response, which lacks the appropriate level of individual, company based analysis. We look to understand the ask of the proposal in relation to the company, engage all appropriate stakeholders (the company, our proxy advisor, fund managers), assess how a company has responded to our engagement (both direct or collaborative engagement) and form our decision based on this work.

In FY21, globally we have seen an increase in the number of shareholder resolutions relating to environmental and social issues, for example climate change and human rights. We supported 75% of these, including proposals regarding companies reporting on their lobbying activities, diversity & inclusion, cultural heritage and climate related activities. We also supported resolutions asking companies to undertake a racial equity audit, paying the living wage, forming a Human Rights Oversight Committee and reducing GHG emissions.

In Australia, we abstained from a majority of climate-related shareholder proposals directed to companies (e.g. Santos and Woodside) because we believe it signals to the company that while we acknowledge the work they have already done in addressing climate change risks in their business, we know that more work needs to be done and we expect our constructive dialogue to continue. We disclose our full voting record on our website here.

With regards to investing in banks, infrastructure companies and manufacturing which support the coal industry, we currently only divest from thermal coal mining companies across our whole

portfolio. We do offer Socially Responsible Investment (SRI) options for members who wish to have very limited exposure to fossil fuels. These options provide members with the opportunity to invest in ways that were aligned with their values and interests, while still receiving all of the benefits of being part of a large fund. Importantly, these options exclude fossil fuels including coal, oil and gas, as well companies involved in the supply chain, including transportation and services.
We trust this has addressed your concerns.

52. In September, the Australian Centre for Corporate Responsibility reports in Table 34 on Page 37 that AWARE supported only 42% of Climate Related Proposals in 2020 (40% over the period 2017-20). Why is Aware's performance on this metric so poor?

In Australia, Super Fund Trustees are obliged to only use members' money to maximise members' retirement savings, with this in mind Aware Super's primary obligation is to provide long-term, sustainable returns for all our members. Our purpose is to be a force for good – do well for members while doing good for all.

Shareholder proposals are just one way Aware Super engages with a company regarding climate change. We have an extensive engagement program that runs year round, that focuses on encouraging appropriate emissions reduction targets, disclosure and ensuring a just transition for companies and its workforce. Our engagement program is among a number of actions outlined in our 2020 Climate Change Portfolio Transition Plan (CCPTP), which we encourage you to read for more detail on our climate change approach. You can also read more about our Responsible Investment approach here.

During the AGM season, we prefer to approach shareholder proposals on a case by case basis rather than a blanket response, which lacks the appropriate level of individual, company focused analysis. We look to understand the ask of the proposal in relation to the company, engage all appropriate stakeholders (the company, our proxy advisor, fund managers and proponent of the resolution), assess how a company has responded to our engagement (both direct or collaborative engagement) and form our decision based on this work.

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In Australia, we abstained from a majority of climate-related shareholder proposals directed to companies (e.g. Santos and Woodside) because we believe it signals to the company that while we acknowledge the work they have already done in addressing climate change risks in their business, we know that more work needs to be done and we expect our constructive dialogue to continue.

53. I understand that between 1/7/2010 and 30/6/2020, stocks in Woodside Petroleum, Oil Search and Santos would have lost us money. Can you guarantee to members that ongoing investments in these fossil fuel companies won't result in massive losses?

At Aware Super, our primary obligation is to deliver all our members strong, sustainable returns. While noting that we do offer options for members that would like these types of businesses excluded. We view climate change as one of the most significant financial risks to our portfolio in the long-term and therefore to our members' financial future.

We continue to invest in a well-diversified portfolio of listed and unlisted assets, and consider each sector and investments within that sector, based on its merits, opportunities and risks (including climate change), and how it contributes to the broader fund and member returns. Our investment approach considers the likely returns from assets over months, years and potentially decades. More information on our approach to Climate Change can be found here.

54. Damian Graham was on Radio National this morning looking for 'policy certainty' from the Federal Government on emissions reduction. Damian, why not get Aware's house in order by divesting from companies that are undermining the Paris Agreement?

At Aware Super, our primary goal is to deliver all our members strong, sustainable returns. Our approach to climate change can be found here.

As you will see from our 1 Year on Report we have divested thermal coal mining companies as part of our climate change transition strategy. We continue to engage with both policymakers and the companies we invest in to set Paris aligned targets on reducing emissions and thereby limiting our portfolio emissions by 45% by 2030 in line with the Paris Agreement.

55. Earlier this year laws changed to let everyone choose any superannuation fund. Is Aware management concerned that health workers will choose a fund that doesn't invest in dirty oil and gas companies, which damage both health and the climate?

Aware Super's primary goal is to provide long-term, sustainable returns for all our members. Our purpose is to be a force for good – do well for members while doing good for all.

We believe members value our dedicated approach to addressing climate change risks in their portfolio. Over the past six years we have been openly and actively responding to climate-change risks through our 2015 Climate Change Adaptation Plan and 2020 Climate Change Portfolio Transition Plan (CCPTP).

As part of the CCPTP, we have set transparent and measurable short and medium-term targets and goals for how we will deliver on net zero 2050. We recently published our first progress report for our CCPTP. Some of the highlights of this report include:

- The finalisation of our divestment from thermal coal mining companies.
- Reduced emissions in our listed equities portfolio by 45%, achieving our target of 35% emissions reduction by 2023.
- Invested $1bn in renewables and low-carbon technologies.
- Through our comprehensive engagement strategy we have achieved significant positive and long-term change with a number of companies committing to emissions reduction strategies and net zero by 2050.

Our CCPTP will continue to be reviewed and updated so Aware Super can remain agile in its response to the climate change risks in its portfolio. More information on our approach can be found here.

We hope this has addressed your concerns. Please reach out if you have further questions.

56. What improvements in the level of support for climate related proposals does Aware management intend to make in 2021, and all subsequent years?

Aware Super's primary purpose is to generate the best possible long-term sustainable returns for our members. We view climate change as one of the most significant financial risks to our portfolio in the long-term and therefore to our members' financial future.

Shareholder proposals are just one way Aware Super engages with a company regarding climate change. We have an extensive engagement program that runs year round, that focuses on encouraging appropriate emissions reduction targets, disclosure and ensuring a just transition for companies and its workforce. Our engagement program is among a number of actions outlined in

our 2020 Climate Change Portfolio Transition Plan (CCPTP), which we encourage you to read for more detail on our climate change approach. You can also read more about our Responsible Investment approach here. During the AGM season, we prefer to approach shareholder proposals on a case by case basis rather than a blanket response, which lacks the appropriate level of individual, company focused analysis. We look to understand the ask of the proposal in relation to the company, engage all appropriate stakeholders (the company, our proxy advisor, fund managers and proponent of the resolution), assess how a company has responded to our engagement (both direct or collaborative engagement) and form our decision based on this work. In FY21, globally we have seen an increase in the number of shareholder resolutions relating to environmental and social issues, for example climate change and human rights. We supported 75% of these, including proposals regarding companies reporting on their lobbying activities, diversity & inclusion, cultural heritage and climate related activities. We also supported resolutions asking companies to undertake a racial equity audit, paying the living wage, forming a Human Rights Oversight Committee and reducing GHG emissions. In Australia, we abstained from a majority of climate-related shareholder proposals directed to companies (e.g. Santos and Woodside) because we believe it signals to the company that while we acknowledge the work they have already done in addressing climate change risks in their business, we know that more work needs to be done and we expect our constructive dialogue to continue.
57. How will Aware improve transparency regarding the composition of the 'ethical investments' fund?
Aware Super offers members a Diversified Socially Responsible investment option - what we would consider an Ethical option. We disclose our full listed equities holdings and example of assets in our property and infrastructure portfolio on our website - you can find this information here. Aware will also be providing full holdings data from 31 March as part of ASIC's Portfolio Holdings Disclosure regulations.
58. Woodside's Scarborough gas project has the real potential to generate significant opposition in the Australian community. Can you explain if your commitment to "net zero by 2050" includes complete divestment from fossil fuels? And if not, why not?
Aware Super divested permanently from businesses that derive more than 10 per cent of their revenue from thermal coal mining in October 2020. Regarding other fossil fuels, including gas, and our approach, as set out in our Climate Change Portfolio Transition plan, we have stated that we will continue to monitor other high emitting sectors as part of our transition plan and in particular relating to divestment state the following: As Aware Super progresses its proposed lower carbon portfolio transition, it is pertinent that exposures to other high emitting sectors are reviewed in the context of: Can those investment dollars be moved to invest in lower carbon intensive substitutes and companies? Examples of where this may occur in the future includes as metallurgical coal can be substituted in steel making, oil with greater penetration of electric vehicles and gas as renewables, storage and distributed electricity networks reduce reliance on gas as a transition fuel in electricity generation. A focal point for Aware Super will be to continually re-evaluate its position on each of these sectors to avoid late mover disadvantage, diminishing value for members in the event of late exit, as well as being perceived as laggard on portfolio transitioning. We believe that thermal coal is already fully substitutable, and these companies are at risk of becoming stranded assets, which is why we felt the

time was right to divest from these assets. We will continue to review all other assets in our portfolio and undertake an extensive comprehensive engagement strategy to understand and influence how companies are preparing to transition to a low-carbon economy.

59. Firstly, congratulations on your policies to date to address climate change. My question is: Does Aware Super takes into account Scope 3 emissions when considering whether to invest in, or to divest from, companies and industries?

As part of the targets outlined in our Climate Change Portfolio Transition Plan (CCPTP), we are currently undertaking an emissions baselining of our portfolio. The decision has been made to start the emissions baselining on scope 1 & 2 only. Reasons for this include the substantial size of our portfolio ($155bn[1]), as well as the complexity of calculating scope 3 emissions, which remains an area of emerging calculation and accounting. However, scope 3 will remain a natural consideration when we review our CCPTP targets going forward, and we have recognized the need to formulate a methodology to estimate the scope 3 emissions of our portfolio. Members will be kept informed as we evolve our understanding of calculating of Scope 3 emissions, and subsequently, how we address these in our portfolio.

1 As at 31 Oct 2021.

60. The climate has changed. It's adversely affecting our physical and mental health right now. We want our super supporting a rapid transition in line with 1.5 degrees. Why didn't Aware support the climate change shareholder resolution at the AGL AGM?

It is important to remember that shareholder proposals are just one way Aware Super engages with a company regarding climate change. We have an extensive engagement program that runs year round, that focuses on encouraging appropriate emissions reduction targets, disclosure and ensuring a just transition for companies and its workforce. Our engagement program is among a number of actions outlined in our 2020 Climate Change Portfolio Transition Plan (CCPTP), which we encourage you to read for more detail on our climate change approach. You can also read more about our Responsible Investment approach here.

During the AGM season, we prefer to approach shareholder proposals on a case by case basis rather than a blanket response, which lacks the appropriate level of individual, company focused analysis. We look to understand the ask of the proposal in relation to the company, engage all appropriate stakeholders (the company, our proxy advisor, fund managers and proponent of the resolution), assess how a company has responded to our engagement (both direct or collaborative engagement) and form our decision based on this work.

We ABSTAINED from the climate-related shareholder proposal put to AGL at the 2021 AGM. We believe that the ask of the resolution, to a certain extent, is in line with what AGL have already agreed to disclose in the demerger documents expected fourth quarter FY22. Further, the resolution is poor timing considering AGL is in the demerger process. We also acknowledged that AGL has committed to a “Say on Climate” for both companies (AGL Australia and Accel Energy) and we therefore feel an ABSTAIN vote signals that we expect AGL to proceed with its Say on Climate commitment at their 2022 AGMs.

61. Can you please explain Aware's investment strategy regarding climate change?

Aware Super’s primary goal is to provide long-term, sustainable returns for all our members. Our purpose is to be a force for good – do well for members while doing good for all.

We believe members value our dedicated approach to addressing climate change risks in their portfolio. Over the past six years we have been openly and actively responding to climate-change risks through our 2015 Climate Change Adaptation Plan and 2020 Climate Change Portfolio Transition Plan (CCPTP).

As part of the CCPTP, we have set transparent and measurable short and medium-term targets and goals for how we will deliver on net zero 2050. We recently published our first progress report for our CCPTP. Some of the highlights of this report include:

- The finalisation of our divestment from thermal coal mining companies.
- Reduced emissions in our listed equities portfolio by 45%, achieving our target of 35% emissions reduction by 2023.
- Invested $1bn in renewables and low-carbon technologies.
- Through our comprehensive engagement strategy we have achieved significant positive and long-term change with a number of companies committing to emissions reduction strategies and net zero by 2050.

Our CCPTP will continue to be reviewed and updated so Aware Super can remain agile in its response to the climate change risks in its portfolio. More information on our approach can be found here.

We hope this has addressed your concerns. Please reach out if you have further questions.

62. How do you respond to the criticism that active engagement, although laudable at times, is inappropriate for companies that are just in the wrong business, like fossil fuels, or worse, it's just a smoke screen for continuing to invest in bad coys?

Thank you for taking an engaged and proactive approach to your superannuation.

Aware Super's primary goal is to provide long-term, sustainable returns for all our members. We recognise climate change poses one of the most significant long-term risks to our portfolio and to our members' retirement savings. Over the past six years we have been actively responding to these risks through our 2015 Climate Change Adaptation Plan and most recently, as outlined in our 2020 Climate Change Portfolio Transition Plan (CCPTP), which you can read more about here. You can also find more information on our Responsible Investment approach here.

Engagement
As part of our approach to climate change, we have an extensive engagement program that runs year round, which focuses on encouraging appropriate emissions reduction targets, disclosure and ensuring a just transition for companies and its workforce. Engagement, we believe, gives us the ability to exact lasting change in companies' behaviour.

We see good outcomes from our engagement program with high emitting companies and see the value of these outcomes presenting as pushing high emitting companies to address climate change, rather than these companies fall out of our reach to influence.

Divestment
We have a formal exclusion framework which helps guide our decisions regarding any exclusions from the fund. Where we determine that certain companies or industries are not able to adequately transition to a low carbon future, we have the ability to reduce our exposure to them or divest from that organization or sector (as we did with thermal coal miners in October 2020).

We will continue to monitor high emitting sectors as part of our CCPTP and in relation to our engagement program and divestment framework.

63. Did I hear you say you are aiming for net zero by 2050 … if so, don't you accept the science that is saying 2050 is FAR FAR FAR too late?

While Aware Super have an ultimate target of net zero emission by 2050, we do have interim goals and targets which we know are imperative to achieving the climate action needed now. These short, medium and long term goals are outlined in our industry-leading Climate Change Portfolio Transition Plan (CCPTP). We have already met and exceeded one of those interim goals, having reduced our emissions in our equities portfolio by 45% through our carbon constrained benchmark in 2021. You can see more of our achievements in our CCPTP "1 year on" report.

To strengthen our targets, and as per our CCPTP, we are currently undertaking an emissions baselining of our entire portfolio. The decision has been made to start the emissions baselining on scope 1 & 2 only. Reasons for this include the substantial size of our portfolio ($155bn[1]), as well as the complexity of calculating scope 3 emissions, which remains an area of emerging calculation and accounting. However, scope 3 will remain a natural consideration when we review our targets, and we have recognized the need to formulate a methodology to estimate the scope 3 emissions of our portfolio.

Aware Super's primary goal is to provide long-term, sustainable returns for all our members. We recognise climate change poses one of the most significant long-term risks to our portfolio and to our members' retirement savings and remain dedicated to addressing these risks.

1 As at 31 Oct 2021.

64. What is Aware's policy around human rights violations in your investments, in particular steps being taken to ensure divestment from any of the 112 companies listed on the UN Database https://bit.ly/3CMtgAK ?

We have very little exposure to Israeli companies and an immaterial exposure (approximately 0.10% of funds under management) to the US, UK and other non-Israel companies listed in the list provided. This includes small holdings in Expedia, Booking.com and other companies that operate their business in many jurisdictions across the world.

We are not aware of any of the Israeli companies we are invested in being identified as having breached human rights norms. If we become aware that any portfolio company has been involved in such a breach, we would review its position in our portfolio on a case by case basis.

At Aware Super we are committed to responsible ownership and you can find out more about our approach on our website here.

65. Please answer the Woodside question directly, yes or no? That really didn't tell us much.

We have timelines for net zero here, this includes goals for 2030 and 2050. Assuming divesting was the question this is currently not part of the 2030 commitments.

66. What does "net" zero mean for a super fund ... does it mean there will be no fossil fuel investments, or is their scope for offsets within the portfolio?

Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere. At Aware Super we have committed to achieving net zero in our investment portfolio by 2050. However we have also set shorter and medium term targets as we transition our portfolio. To achieve net zero we will be undertaking a number of activities which will include a combination of investing in renewables; engaging with our portfolio companies; divesting thermal coal for example. You can read more about our approach, targets, commitments and actions here. Our 2021 Destination Net Zero Report is a great summary of what we are doing, available here.

67. What is Aware's approach to investing in renewables as you transition out of Carbon intensives?

Finding and leveraging opportunities as we transition to a low carbon economy is an important aspect of our approach to delivering members long-term sustainable returns.

Our CCPTP outlines annual portfolio targets to increase Aware Super investment in renewables, clean technology and transition technologies. As a large superfund, we have access to a range of renewables investment opportunities. In fact, in FY21, we achieved our $1bn target for investments in renewables in the first year of our CCPTP implementation. You can find more information on our

investments here. Additionally, Aware Super are actively looking to increase our participation in green bonds as that market evolves.
68. In the Climate Change Transition Plan, it mentions 'Engagement' : Active participant in advocacy. Would Aware Super act together with other groups, or would Aware Super work directly through investment and company boardroom appointment?
When engaging on ESG themes directly with companies or indirectly via fund managers, we pay close attention to issues and opportunities that can impact the long-term sustainability of our investments. These themes include but are not limited to climate change, worker safety, diversity and culture. We may escalate our engagement by voting against remuneration reports, a specific director or supporting a shareholder proposal (for example). If we do not see improvement in a company's business model or there are potentially stranded assets (assets that won't meet a viable economic return), we may divest our holdings. We engage directly with Australian companies, through our fund managers, partnering with ACSI and collaborative groups (e.g. Climate Action 100+). When engaging with international listed companies, we partner with Hermes EOS and fund managers. For more information refer to our website, available here and our 2021 Stewardship Report, available here.
69. Are you investing in Electric vehicles like Tesla?
From a listed equity perspective, 0.22% of Aware Super's total net assets are held in Tesla Inc. From an infrastructure perspective, we believe there will be opportunities for investment in electric vehicle charging stations. There are a range of proposed business models in the market for charging stations; however, all are at a fairly early stage and at small scale. We will continue to watch this space closely for good opportunities. From a private equity perspective, we have invested in manufacturers of autonomous electric vehicles and parts of the value chain. These tend to be early-stage investments where we have gained exposure through venture capital.
70. Can Damian explain why it takes several years to adjust the portfolio to eliminate fossil fuels - why can't it be done in at least one investment option and let those who choose that option to take the risks?
Aware Super offers members Socially Responsible Investment options that exclude fossil fuels, supply chain services to the fossil fuel industry, as well as other sectors. For more information please refer to page 18 of our Product Disclosure Statement, available here. More information is also available here.

Administrative Questions

71. As the public sector super fund, what are you doing to ensure that the public sector values and ethics are entrenched in Aware Super's culture, both with its staff and its investments?
Values and ethics are central to a person being invited to join Aware Super. Our Values are defined as Members First, Care Deeply, Deliver Honourably and Lead Bravely. They are a part of our employee value proposition and are represented and reinforced in many ways: • During the hiring process we test against our Values through a number of behavioural questions and expectations

- Upon accepting a role new employee signs and accepts our code of conduct - our behavioural, ethical and cultural expectations of how you will conduct yourself when you work here.
- Inducted through an Aware Super orientation process, with deep dive into our Values, as well as supporting mandatory learning around ethics, values and behaviours
- Every person, including our Executive are measured according to our Values and behaviours – this has a direct impact on their pay
- We constantly review, enhance, and develop our ethic and values and are embedded into all people practices.
- A new enhanced code of conduct and implementation plan is being presented to our Board 8th Dec to reinforce the importance of adapting, enhancing and reapplying the code regularly to reinforce the expectations to all employees.
- Ongoing yearly mandatory learning for all staff on values, ethics and behavioural expectations
- Our employee engagement survey highlights that our 'members first' culture pervades the whole organisation and is a core reason why people want to work with us

72. With the mergers, how have staff been managed (surplus staff?)

Our recent mergers have focussed not just on the member experience, but also on the people experience for our employees. This is important to us as an organisation who understands the value and impact of its people. As we have brought organisations together (as we have with our recent mergers with VicSuper and WA Super) we have merged departments, teams and roles. In order to ensure that the merger delivers the best outcomes for members, this has sometimes meant that employees from both organisations may be in roles that are no longer required. In that case, we have always provided strong (and early) communication, support and guidance to those employees affected – and have often sought to redeploy impacted people into vacant roles. Where people have ultimately left us, we have supported them by providing as much notice as possible, career transition support and, of course, paying all of their entitlements promptly. During the early impacts of COVID-19 in Victoria, we also delayed the departure of a large number of VicSuper employees due to the uncertain job market at that time. We believe this was the right thing to do – and a strong example of our value of Care Deeply.

73. What is the gender pay gap at Aware Super?

The methodology for measuring the gender pay gap used by the Workplace Gender Equality Agency (WGEA) is a generic one that considers the number of men and women in an organisation at various levels. Based on the WGEA methodology our reportable pay gap was 20.3% for 2021. This is the first year that we submitted our data to WGEA for the merged entity of Aware Super acknowledging the coming together of First State Super and StatePlus and the mergers with VicSuper and WA Super into one common organisational structure. As a result of transformation our gender representation profile and pay gap has changed. Contributing factors to our reportable gap were the different pay arrangements that existed in the companies we merged with, and/or that we didn't apply to rectify any pay discrepancies in the 2020 financial year as we didn't apply a general remuneration increase for our people due to the uncertain COVID-19 environment. No matter what the reason, we have acted on the gaps in a number of ways, these include: rectifying pay gaps through our recent annual remuneration review; setting minimum gender representation targets; ensuring we maintain diversity in all of recruitment practices; and regular enhanced oversight and reporting, including to our Board and senior management.

As an WGEA Employer of Choice for Gender Equality citation holder for the past five years, we believe that we need to really understand what is specifically happening in our business to determine whether we actually have a pay gap where women and men are employed in the same roles. We conduct our own internal analysis of pay information regularly and the most recent review in August 2021 acknowledges that we do not have a gender pay gap across the majority of our like-for-like roles as our organisation continues to change. That said, where we have a pay gap in

like for like roles, action plans have been put in place to resolve them, in addition to proactive measures we have put in place.
74. Was the event open to non-members?
Yes, anyone could attend.

The responses to these questions contain general information only and do not take into account your specific objectives, financial situation or needs. We recommend that you consider obtaining professional financial advice, consider your own circumstances and read our product disclosure statements before making a decision about your personal situation and Aware Super.