






ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT 2023

The Coal LSL Fund provides for long service leave entitlements, benefiting eligible employees in the black coal mining industry since the scheme’s inception in 1949.

Coal LSL believes that risks and opportunities relating to environmental, social and governance (ESG) issues will impact the long-term investment objectives of the investment portfolio. The areas of perceived risks and opportunities will evolve over time. Coal LSL will work with its service providers to manage such risks and capture opportunities on an active basis.

Coal LSL’s consideration of ESG consists of these broad areas:

|  ENVIRONMENTAL |  SOCIAL |  GOVERNANCE |
|---|--|--|
| Climate change | Human rights – modern slavery | Gender pay gap |
| Resource scarcity and efficiency | Labour standards | Bribery and corruption |
| Waste and pollution | Population growth and demographics | Political lobbying and donations |
| Deforestation and biodiversity | Supply chain management | Organisational diversity and structure |
| Food security and sustainable agriculture | Health and safety | Taxation practices |
| Energy security | Stakeholder engagement and communities | Cybersecurity |

Coal LSL is committed to integrating the consideration of ESG into its selection and performance monitoring of investment managers and advisers. The investment managers and advisers are expected to do the same where possible and, where not possible, advise Coal LSL as to why. The Coal LSL Fund’s assets are overseen by an internal investment team. Day-to-day management of the Fund’s assets is outsourced to investment managers.

Coal LSL invests in pooled investment trusts. It is therefore acknowledged that explicit mitigation of specific ESG risks is difficult either through voting or engagement. Coal LSL believes that investment managers are typically in the best position to analyse governance matters concerning the entities in which they invest. Consequently, it is also likely that approaches and outcomes may differ across the different investment trusts in which Coal LSL is invested.

Coal LSL may invest in any entities and assets where it is lawful to do so. If an existing investment manager is unable to comply with applicable laws, sanctions or Coal LSL’s investment beliefs, alternative options will be pursued.

Coal LSL has reporting obligations under the *Modern Slavery Act 2018*, which came into effect on 1 January 2019. Its service providers are required to manage such risks.

All of Coal LSL’s investment managers are signatories to the Principles for Responsible Investment (PRI), which means they will adhere to:

- PRINCIPLE 1**

We will incorporate ESG issues into investment analysis and decision-making processes.
- PRINCIPLE 2**

We will be active owners and incorporate ESG issues into our ownership policies and practices.
- PRINCIPLE 3**

We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- PRINCIPLE 4**

We will promote acceptance and implementation of the principles within the investment industry.
- PRINCIPLE 5**

We will work together to enhance our effectiveness in implementing the principles.
- PRINCIPLE 6**

We will each report on our activities and progress towards implementing the principles.