Australian Government
Coal Mining Industry
(Long Service Leave Funding) Corporation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT 2026

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 outcomes of the Fund. The areas of perceived risks and opportunities will evolve over time. Coal LSL also considers ESG in the context of organisation-wide risks and opportunities.

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's commitments are as follows:

- Integrate consideration of ESG into the selection and performance monitoring of investment managers and advisers.
- Require investment managers and advisers to do the same where possible and, explain why if it is not possible.
- Expect that investment managers will incorporate ESG issues into investment analysis and decision-making processes, engage constructively with the companies they invest in where appropriate and act in accordance with applicable laws. The internal investment team, who oversees the Fund's assets, will report to the Coal LSL Investment Committee/Board on exceptions.
- Seek annual progress updates from investment managers whereby they can illustrate improvements made over the year to their disclosure on ESG issues. The internal investment team issues a due diligence questionnaire to investment managers each year and compiles and compares the responses from them.
- Comply with Coal LSL's reporting obligations under the *Modern Slavery Act 2018*. Ensure where possible that its service providers manage such risks.

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Coal LSL invests in pooled investment trusts, which means it is not possible to mitigate specific ESG risks through voting and is also difficult via engagement. Coal LSL believes that investment managers are typically in the best position to analyse ESG matters concerning the entities in which they invest. Whilst this is likely to be of overall benefit to the Fund, it also means that approaches and outcomes will 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.

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

PRINCIPLE 1	PRINCIPLE 2
We will incorporate ESG issues into investment analysis and decision-making processes.	We will be active owners and incorporate ESG issues into our ownership policies and practices.
PRINCIPLE 3	**PRINCIPLE 4**
We will seek appropriate disclosure on ESG issues by the entities in which we invest.	We will promote acceptance and implementation of the principles within the investment industry.
PRINCIPLE 5	**PRINCIPLE 6**
We will work together to enhance our effectiveness in implementing the principles.	We will each report on our activities and progress towards implementing the principles.

COAL LSL

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