Brighter Super Sustainability Report

Year ended 30 June 2024

Brighter SUPER

SUPERANNUATION | INVESTMENT | ADVICE | INSURANCE

right by your side

Foreward

We are proud to share Brighter Super's first Sustainability Report for the 2023/24 Financial Year.

Over the last five years, Brighter Super has focused on building great foundations for our members. We have worked through two mergers integrating three funds to increase our scale and efficiency and we have rebuilt our investments ecosystem to ensure that we provide the best possible returns and outcomes to our members. We did all this whilst bringing three different working styles and experiences together into a single fund and trustee. This consolidation phase has been a consuming process, and it is a source of great pride for us and our team that we have completed this work and delivered the planned foundational benefits to our members.

We are now excited to turn our eyes firmly outwards to Brighter Super's members and their communities. At more than $32 billion* in funds under management (as at 30 July 2024), our scale now requires even more focus on how we run our business and invest our members' retirement savings. We are the fourth-largest non-government financial institution in Queensland (as at 31 March 2024) and are designated as a 'Significant Financial Institution' by the Australian Prudential Regulation Authority.

As the super fund for Queensland's energy and local government industries, many of our members are committed to serving their communities and doing so at a time of significant transition for Queensland and the global economy. We share this passion with them.

A considered approach

At Brighter Super we believe that it is crucial that we have a focus on issues of sustainability, across environmental, social and governance (ESG) matters. This is true with respect to how we run the Fund, but also, and very significantly, how we approach the assets in which we invest our members' money.

Brighter Super believes that the approach which asset managers and companies take to managing ESG and sustainability issues can impact their long-term financial returns. Brighter Super is committed to our sustainable investment pillars which have our managers consider ESG matters in their investment process in such a way that risks are reduced and returns enhanced. Therefore, Brighter Super sees managing ESG risks and opportunities in our investment process as consistent with our fiduciary duties, our responsibilities and commitments we make to members, and our investment objectives.

* All reference to $ in this report mean Australian Dollars.

The future is brighter

Given the global and regulatory focus on carbon and its impact on our world, Brighter Super's most significant sustainability focus has been on climate change. Our journey to understand the climate risks in our asset portfolio began in earnest in 2022 when we undertook our first review of the climate change risk inherent in each asset. In doing so, we identified that the biggest risk to the Fund's investment value lies within our listed equity portfolios.

In 2023, our Board made a commitment to targeting a reduction in carbon emissions intensity (TCO_2e per A$m invested) of 30% across the equity investment portfolio from its 2022 emission levels by 2030.

At the end of June 2024, we achieved the 30% reduction, much earlier than expected. Partially, this was a cyclical achievement, however we also proactively managed our outsourced investment managers and the underlying assets within our portfolio, which also made a real difference. We are very keen to ensure we continue to implement our reduction strategy in 2024/25 in a way that locks in these gains, and allows us to set an even bigger aspiration.

During 2023/24, we also made the decision to close our two Socially Responsible investment options. We considered a range of factors, including diminishing member interest and the impact this was having on costs. The closure allowed us to pivot our specialist resourcing to taking a fund-wide approach to assessing climate risks and sustainable investment across our entire asset portfolio, thus protecting more assets for more members over the long-term. We also partnered with the Australian Council of Superannuation Investors (ACSI) to refine our understanding of company-specific ESG risks in our portfolios, so we can use advocacy to reduce them whilst maintaining investment returns.

Operating sustainably

Even whilst we have this focus on the ESG risks in our portfolio, Brighter Super's approach must also consider how we operate as a business. During the last year, we significantly enhanced our People Strategy, which now includes a specific focus on diversity and inclusion, amongst others, through setting up an Inclusion Committee. We have developed our first Innovate Reconciliation Action Plan (RAP) outlining how we can take meaningful action to advance reconciliation and help improve the lives of Aboriginal and Torres Strait Islander people. We will be implementing this plan from 2025. We also commenced measurement of our own direct contribution to carbon emissions as a business in 2024 and will look to set a plan to reduce them in 2025.

Looking ahead

Over the next financial year, we will continue to uplift our aspirations, devise a strategy to deliver them, and work within the business and with our external partners to ensure our ESG Framework and strategies are fit for purpose to support us reaching our targets.

We look forward to refining our approach to climate-related emissions across our whole asset portfolio, and to setting a broader and higher target where we make a real difference to the future, not just through mitigating risks to our assets. We are also incredibly excited about the implementation of our RAP and the benefits we expect this will bring for members from Queensland's 17 First Nations local government councils.

In 2023/24 we have significantly expanded our relationships with key partners and managers on ESG issues. In the coming year, we look forward to refining our approach to this under our new Stewardship Policy.

We are therefore pleased to release our 2023/24 Sustainability Report which gives members an update on the frameworks, measures, and progress we are making across the Fund in efficiently managing our ESG risks, as well as setting ourselves up to take advantage of the opportunities that these present.

John Smith,
Chairman, Brighter Super
November 2024

Kate Farrar,
Chief Executive Officer, Brighter Super
November 2024

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Introduction

1.1. About this report

Brighter Super has prepared a Sustainability Report for the Financial Year 2023/24 in accordance with our commitment to a fund-wide focus on our Environmental, Social and Governance (ESG) Framework.

This report is consistent with the intent of our Sustainable Investment Policy, which can be found on our website at www.brightersuper.com.au

1.2. About Brighter Super

1.2.1. A proud history, a strong future

Brighter Super has been helping Queenslanders save and grow their retirement savings since 1965. We are built on the foundations of three successful Queensland superannuation funds – LGIAsuper, Energy Super and Suncorp Super (SPSL). We are now an open fund, welcoming members from many different sectors, industries and communities across Australia.

1.2.2. Commitment to members

Brighter Super has over 228,000 members and over $32 billion in funds under management (as at 30 June 2024). We are proud to be a sustainable medium-sized superannuation fund providing our members with a personal service. We strive towards sustainable growth and efficiency so we can offer services that meet all our members' needs, delivered with personal care. We're all about personal connections, and guiding members to retire confidently.

Personal relationships with our members make us different from other superannuation funds. Our promise is to be 'right by your side', and we have over 40 superannuation specialists who travel around Queensland to meet with our members where they work and live.

As Brighter Super grows, we remain committed to the strong personal relationships and connections that our foundation funds were built upon.

We are 100% member-owned, focused exclusively on protecting and growing retirement savings for our members. We work hard to keep our fees and costs as low as possible, and our members come first in everything we do.

1.3. Brighter Super's approach to sustainability

Through our ongoing activities, Brighter Super considers a range of ESG risks, and opportunities, but prioritises those which we believe are likely to have the greatest impact on member outcomes, and on our ability to continue to offer our 'boutique at scale' services.

This is consistent with our Risk Appetite Statement, which articulates a need to take a considered approach to ESG given it is a dynamic and increasingly stakeholder-driven aspect of prudent financial management in members' best financial interests.

Brighter Super recognises our greatest leverage when considering ESG issues arises from our ability to use our responsible investing principles to help ensure that member investment returns are protected, or opportunities are identified.

Brighter Super believes that a portfolio asset or company's approach to managing ESG issues may impact long-term financial returns. Accordingly, Brighter Super believes that ESG issues are material investment issues that should be considered as part of the investment process.

In addition to investing our members' retirement contributions, Brighter Super also operates to provide services to our members across Queensland. We are a significant financial institution in Queensland, in the industry and from a regulatory perspective. We are committed to conducting ourselves in a way that earns and maintains the trust of our members, communities and stakeholders in everything we do.

This includes applying ESG principles to the way Brighter Super conducts our own operations, with a focus on the areas that matter for delivering superannuation services. We are always seeking to continuously improve our outcomes and approach.

Our people are a key focus of our operations. We seek to attract, train, develop and retain a high-performing group of people, while meeting their cultural, welfare, and remuneration needs through fair and transparent communications and frameworks.

As a significant financial services institution, Brighter Super is committed to always following the underlying principles articulated by Kenneth Hayne QC in the *Final Report into Misconduct in the Banking, Superannuation and Financial Services Industry*:

- Obey the law.
- Do not mislead or deceive.
- Act fairly.
- Provide services that are fit for purpose.
- Deliver services with reasonable care and skill.
- When acting for another, act in the best interests of that other.

Brighter Super's strategy and product designs were based on our foundation member bases of local government, energy and electrical industry, and Suncorp employees. We remain committed to ensuring that everything we do is tied back to our members and what we know of them, including what most of them expect of us regarding ESG.

While much of Brighter Super's attention and focus has and will continue to be on ESG risks in our investment portfolio, ensuring that we conduct our business consistently with good ESG principles is a concern of the whole organisation. Management of ESG risk is the responsibility of the Board and Executive team.

Brighter Super is also concerned with the ESG issues as they relate to our industry. We seek to engage with industry organisations and thought leaders to provide broader stewardship where we are able.

1.4. Key facts

- More than $32 billion funds under management as at 30 June 2024.
- More than 228,000 members with 246,556 accounts as at 30 June 2024.
- 70% of our members live in Queensland and hold 85% of our funds under management.
- Fourth largest non-government financial institution in Queensland, based on funds under management.
- Over 40 member superannuation specialists working across Queensland.
- Five offices: two in Brisbane, one in Sydney, one in Perth and one in Townsville.
- 30% reduction in listed equities carbon emission intensity from 2021/22 to 2023/24.
- First company greenhouse gas assessment in 2024 complete.
- Innovate Reconciliation Action Plan in place for 2025.

1.5. Case Study - Queensland Investment Strategy

In May 2024, Brighter Super proudly announced our Queensland Investment Strategy to support our members where they live and work with new investments that will underpin jobs and drive growth in our home state while delivering strong returns for members.

Over the next five years, the Strategy will invest an additional $500 million in Queensland assets on top of the $1 billion we already hold in assets in the state, as part of our commitment to be 'right by our members' sides'.

Brighter Super believes that by helping to support the creation of jobs and adding to economic growth locally, all through the lens of long-term sustainable outcomes, we can influence positive ESG outcomes for Queensland.

Brighter Super CEO, Kate Farrar visits a major regional investment - the Central Queensland Livestock Exchange

The Strategy will allow us to have intentional engagement with investment partners who will help us grow Queensland's regions.

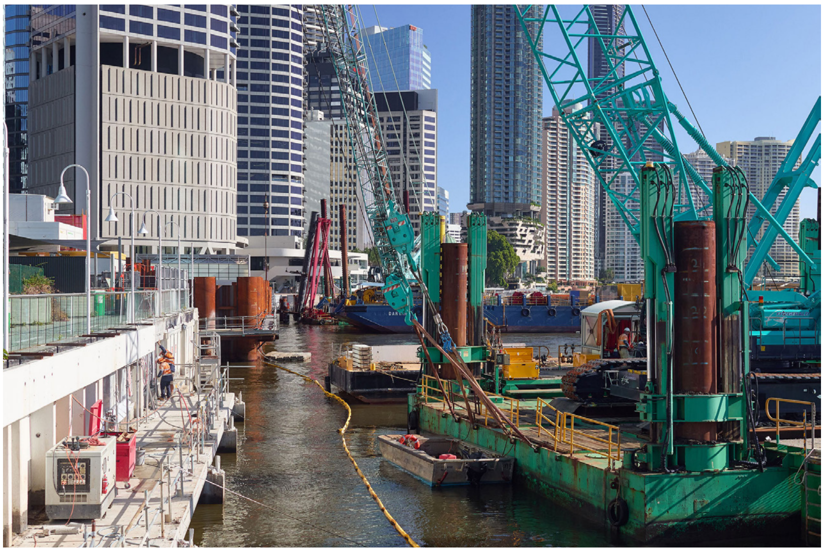
Our investment in the Central Queensland Livestock Exchange is one good example of how thoughtful investment can help create real legacy in an industry where there are genuine opportunities to build a strong economy as well as deliver good returns to members.

Our stake in the Cooper's Gap Wind Farm in the Western Downs and South Burnett is helping drive the energy transition.

In Brisbane, through our investment in the Dexus Wholesale Property Fund, Brighter Super is backing the $2.5 billion Waterfront Brisbane project in the heart of Brisbane's CBD, which is setting a new benchmark with 97 per cent of construction and demolition waste being recycled or reused.

Coopers Gap Wind Farm is owned by Tilt Renewables.

Dexus Riverfront - Architectural Impression.



Dexus Riverfront Construction.

Dexus Riverfront Development, Brisbane - Architectural Impression.

ESG Framework

2.1. Our approach to ESG

ESG – short for environmental, social and governance – is a set of standards for measuring an organisation's impact on society and the environment, as well as its transparency and accountability.

ESG covers a wide range of issues that may have a direct or indirect impact on the organisation's future financial position or sustainability. The goal of ESG is to capture all non-financial risks and opportunities inherent in an organisation's day-to-day activities. For this reason, every organisation's ESG programme and approach is individually defined by its specific context and strategy.

For Brighter Super, our ESG priorities are defined and outlined as follows:

- Environmental (E) – Brighter Super's impact on the natural environment or the impact of the environment on Brighter Super. This includes consideration of: climate change and emissions, Brighter Super's primary focus to date with respect to our financed portfolio; biodiversity; resource use and depletion; contamination and pollution; waste.
- Social (S) – Brighter Super's social impacts on our stakeholders, i.e., how do we treat our members, people and communities? This includes consideration of: members' best financial interests, Brighter Super's overarching legislative requirement; product reputation; anti-discrimination, bullying and harassment, labour and employment; diversity and inclusion; Aboriginal and Torres Strait Islander cultural matters; supply chain integrity including modern slavery; data protection and privacy; local communities and engagement.
- Governance (G) – Brighter Super's governance, integrity and accountability. This includes consideration of: corporate governance, Brighter Super's significant focus in recent years as a regulated organisation; anti-money laundering and counter-terrorism financing; remuneration; tax governance and risk; conflicts of interest; and the responsibilities associated with being stewards of equity capital, including proxy voting, active engagement and advocacy at an investment and an industry level.

2.1.1. Materiality assessment

Because Brighter Super recognises that our greatest leverage when considering ESG issues arises from our work on ESG in our investment portfolio, this has been the focus of our materiality assessment. We have prioritised actions based on financial impact, and on community and regulatory expectations. Within our work on sustainability in our investment portfolio, we have prioritised actions based on financial impact, community and regulatory expectations.

Over the last decade, a global coalition of communities, governments and regulators has shown an increasing focus on the issue of climate change and the need for broad-based social change to mitigate its impacts on the world now and into the future.

In 2022, Brighter Super commissioned a total carbon footprinting exercise with a third-party data provider, which included obtaining data from underlying managers across asset classes, including unlisted investments. As part of this project, it was estimated that approximately 75% of the fund's financed emissions were contributed by the listed equity assets, representing around 52% of the fund's assets.

We therefore determined that Brighter Super's primary area of focus from a materiality perspective should be the climate risks within our investment portfolio, initially within the listed equities asset classes.

2.1.2. Oversight

At Brighter Super, the Board of Directors plays a pivotal role in governing the fund for the benefit of our members, adhering to the fund's Trust Deed and relevant legislation. The Board of Directors holds ultimate responsibility for governance and oversight of actions addressing ESG risks, including climate risks. The Board's commitment to managing risk, including climate risk, is key to achieving strategic objectives and alignment with our values.

Central to our approach to risk management is our Risk Management Framework, within which the Risk Appetite Statement (RAS) is a crucial component. It defines the level of risk we are willing to accept in relation to ESG, ensuring alignment with our strategic goals and members' interests. The RAS is reviewed and approved by the Board annually, reinforcing our commitment to rigorous and responsive risk management practices.

Brighter Super has delegated the oversight of ESG matters within our investment portfolio and process, and particularly on our work on understanding and managing carbon emissions, to our Investment Committee. Our governance structure for managing climate-related risks and opportunities is encapsulated in our comprehensive Investment Governance Framework, underpinned by our Sustainable Investment Policy. This policy outlines our commitment to addressing climate change, recognising it as a significant economic challenge.

We provide regular and detailed reporting to the Board Investment Committee which ensures that all key stakeholders are informed. This proactive stance not only aligns with our commitment to responsible investing, but also positions us to better navigate the complexities of an evolving landscape. Frequent updates foster transparency, enhance external manager oversight and support our strategic objectives in managing both market and climate-related risks effectively.

Summary of Sustainability Governance at Brighter Super

Role/entity	Responsibilities
Board	The Board at Brighter Super plays a crucial role, offering leadership and strategic direction, and is responsible for the approval and oversight of the *Sustainable Investment Policy*, *Investment Governance Framework* and *Risk Management Framework*. The Board ensures climate considerations are integrated into strategic asset allocation decisions and risk management frameworks, while also actively monitoring and evaluating the effectiveness of climate-related strategies and policies.
Board Investment Committee	The Board Investment Committee is responsible for overseeing the management of investments where climate considerations are an integral part. Its duties include the biennial review and endorsement of the *Sustainable Investment Policy* to the Board for approval. Additionally, the Committee stays informed through detailed quarterly reports on climate risks and strategies, facilitating informed decision-making.
Chief Executive Officer	The Chief Executive Officer has overall accountability for Brighter Super's *ESG Framework and Strategy*, and for understanding and mitigating Brighter Super's ESG risks as appropriate.
Executive Investment Committee and Chief Investment Officer	The Executive Investment Committee, chaired by the Chief Investment Officer, assists in fulfilling Brighter Super's statutory, fiduciary, governance and regulatory responsibilities relating to the management of investments, including the climate risks associated with those investments.
Brighter Super ESG Working Group	The ESG Working Group coordinates enterprise-wide activities that are relevant to fulfilling our *ESG Policy and Framework*. The Working Group ensures consistency across our approach, and shared information on emerging issues.
Head of Listed Equities and Sustainable Investment	The Head of Listed Equities and Sustainable Investment is responsible for the preparation and implementation of our *Sustainable Investment and Stewardship Policy.* This role includes ensuring that considerations related to climate change are thoroughly integrated into the Fund's investment process, aligning investment strategies with our commitment to environmental stewardship and sustainable practices.
Head of Investment Risk	The Head of Investment Risk is responsible for identifying, assessing, and monitoring material financial risks within the investment portfolio, including ESG risks. This role is vital in informing the governing bodies and the Investments team to allow them to understand and effectively manage these risks.
Head of Corporate Relations	The Head of Corporate Relations supports the strategic approach to policy development and implementation, focusing on stakeholder expectations, emerging regulatory requirements and corporate ESG matters, including own-source carbon reporting.

2.1.3. Training and development

Brighter Super ensures that our Board, management, and investment teams possess the necessary skills and competencies in climate finance and sustainable investing. This expertise underpins our informed decision-making process. To maintain and enhance these competencies, we conduct, arrange and attend regular training sessions, and provide updates on the latest developments in sustainability, climate science, policy, and investment trends.

Our team also regulary attends industry conferences and participates in break-out sessions in order to share experiences and learn from domestic and international peers. We work with our asset consultant, JANA, to leverage its sustainability and climate expertise, and share learnings with our investment managers and our partners, the Australian Council of Superannuation Investors and Investor Group on Climate Change. We have also partnered with BlackCard to undertake Aboriginal and Torres Strait Islander cultural awareness training.

More broadly, across the organisation we undertake a range of learning and development to ensure that our people are conscious of their legal obligations with respect to each other, members, and the broader community.

2.1.4. External review and audit

Our internal procedures and controls are reviewed by an external auditor as part of the assurance report on our internal controls, which includes sustainability.

This approach encourages feedback from different parties with different remits, which can give us a more diverse range of inputs to incorporate into our processes and procedures for future years.

Whilst the focus of our governance, including independent external audit, is on our disclosures associated with our investment portfolio, for 2023/24, Brighter Super also engaged technical advisers to support assessment of the carbon impacts of our own operations. We see an opportunity to fully embed sustainability concepts in all our decisions by reinforcing the focus internally.

With this in mind, Section 3 of this report looks at our activity with respect to our investment portfolio, and in particular, our work on the emissions intensity of our members' assets. Section 4 provides a high-level update on our organisational sustainability outcomes.

2.2. Case Study - Sunshine Coast Airport

Brighter Super is proud to be a 50 per cent shareholder of the Sunshine Coast Airport.

Located in Marcoola, Queensland and founded in 1959, just six years before the founding of LGIAsuper (one of Brighter Super's heritage funds), the airport has had a long history of bringing the Sunshine Coast to the world.

It also has an enviable sustainability story, and one that we are just as proud of as they rightly are.

In 2017, Sunshine Coast Airport became the first Australian airport to achieve Level 3+ Carbon Neutrality accreditation under the Airports Council International Airport Carbon Accreditation program.

Through intentional planning, the airport has been able to achieve some amazing outcomes:

- 50% reduction in airfield energy use from LED lighting upgrade.
- 11% reduction in waste to landfill per passenger.
- 10% reduction in overall energy consumption.
- 24% reduction in Scope 1 and Scope 2 emissions[1].
- 15% reduction in water consumption through the installation of rainwater tanks.

The airport balances economic opportunity for the Sunshine Coast with environmental outcomes in its development and has achieved the following:

- 90 hectares of environmental conservation area.
- 21 frog ponds to support vulnerable acid frogs and froglets.
- More than 10,000 trees planted in the 40 hectares Conservation Corridor.
- More than 600 endangered Mount Emu She-Oaks planted in offset area.
- 27 hectares set aside for the Wallum Heath Management Area for the vulnerable Eastern Ground Parrot.

In addition to the incredible sustainability and environment conservation work, the airport is actively working to support the local community through other social initiatives. The inaugural Community Support Fund saw 17 community groups and organisations receive grants of up to $1,000 to support local projects and initiatives that will make a lasting impact.

The Sunshine Coast Airport sets a strong benchmark for how Brighter Super actively engages with asset owners to ensure strong environmental and social outcomes for the communities it supports.

[1] Emission scopes as defined by the *Green House Gas (GHG) Protocol.*

3.1. Sustainable Investment integration across our portfolio

Brighter Super invests under the framework of our *Sustainable Investment Policy.* The framework for incorporating consideration of sustainability into our investment process is defined by four key pillars:

1	2	3	4
Must be in the best financial interests of members.	Must have negligible negative impact on investment risk and returns.	Must be genuine in both intent and outcomes.	Must not solely rely on divestment.

To be consistent with these pillars, Brighter Super integrates sustainability into our investment process by explicitly considering ESG factors as part of investment decision-making. This ensures that material ESG factors are considered in conjunction with the more traditional risk / return and financial factors when making investment decisions.

Brighter Super adopts an outsourced investment model – we appoint specialist external managers to manage assets across all of our asset classes – so the sustainability approach of our individual investment managers plays out within our investment portfolio alongside our own strategies aimed at enhancing and protecting the sustainability of our assets. An evaluation of the ESG approach of these external investment managers, as well as their ongoing ESG-related activity and credentials, is incorporated into the assessment framework which Brighter Super uses to evaluate them at the time of appointment and on an ongoing basis.

The ESG assessment framework for managers includes a review of the:

- investment managers' own ESG policies
- integration of ESG-related factors into the manager's investment process, including their research, analysis, valuation, and investment decision-making
- stewardship activities
- collaboration activities
- ESG monitoring and reporting.

Despite adopting an outsourced investment model, Brighter Super has structured our mandates and policies so that we can take a more active approach in relation to ESG integration when we choose to do so.

3.1.1. Climate risk

APRA's prudential practice guide *CPG 229 Climate Change Financial Risks* asks its regulated entities to consider climate in their investment process as follows:

- Identify and measure risks, including high-exposure sectors, to understand potential impacts on our business model.
- Monitor risks through regularly updated metrics, both qualitative and quantitative.
- Consider scenario analysis to inform understanding of long-term risks and opportunities.
- Manage climate risks through mitigation plans, developed through engaging customers and counterparties.
- Report relevant information to the Board and senior management and consider external market disclosures.

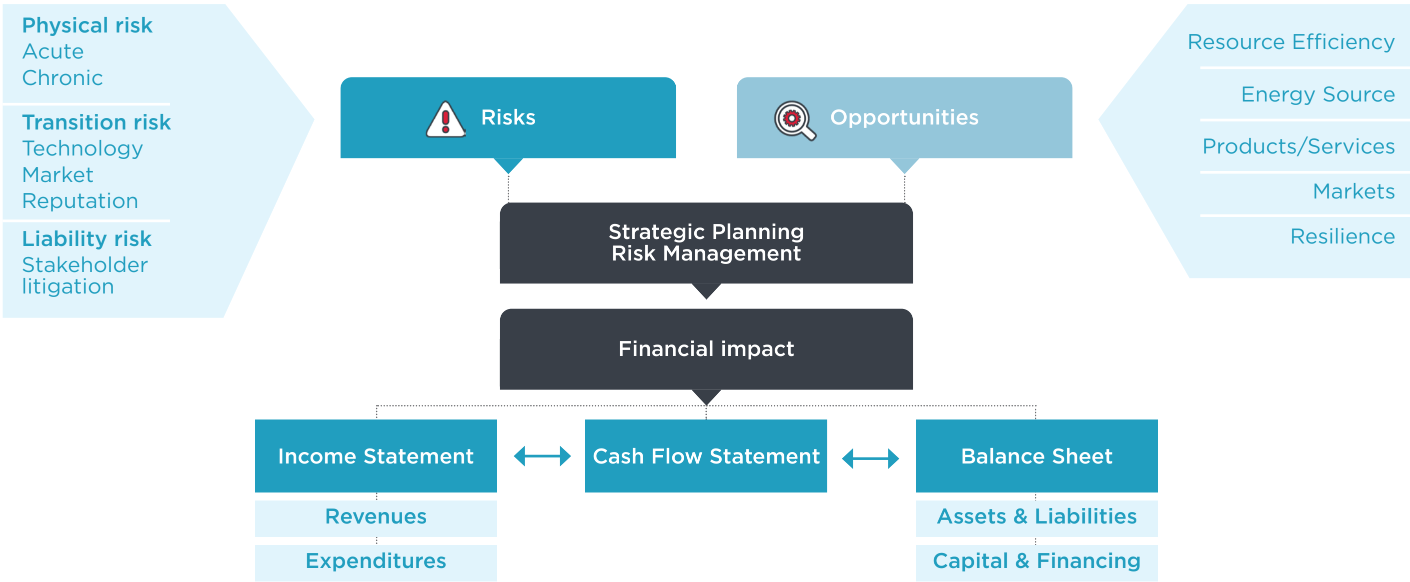
Consistent with our commitment to best practice, Brighter Super is incorporating this guidance into our portfolio management and monitoring processes and regularly reports relevant information to Brighter Super's Investment Committee.

Brighter Super considers that all defined climate risks apply to our business or portfolio:

- Transition risk (disruption from adjustment to a low-emissions economy) – this is a significant risk for Brighter Super given the importance of the energy industry in our member mix.
- Physical risk (direct damage to assets or property) – this is a risk to our assets, for example Sunshine Coast Airport which is partly built on reclaimed land.
- Liability risk (arising from failure to consider or respond to the impacts of climate change) – this is a risk for Brighter Super operations given the diversity of views on climate change across the community, and the litigious nature of some responses.

Brighter Super is committed to considering and mitigating the defined climate risks to our business and portfolio through our business plan, investment strategy, and processes.

Conceptual framework for managing climate change risks and opportunities



Source: APRA Prudential Practice Guide, CPG 229 Climate Change Financial Risks, Nov 2021

3.2. Climate-related reporting

For Brighter Super to better understand and mitigate our climate risk, we must first be able to measure it.

Brighter Super subscribes to ESG and climate risk data through a reputable data vendor, MSCI, and uses our investment risk management system, FactSet, to generate oversight reports.

Integrating comprehensive ESG and climate risk metrics with investment risk metrics through FactSet's robust reporting capabilities ensures that Brighter Super has a thorough understanding of both traditional financial risks and emerging climate-related risks. This alignment with ESG principles allows us to assess ESG factors alongside financial performance, providing a more nuanced view of the potential risks and opportunities within our investment portfolio.

Combining market risk data with climate risk insights facilitates a holistic approach to risk management, enabling us to identify and manage threats while capitalising on opportunities that may arise from the transition to a low-carbon economy.

In considering the public reporting of carbon data, Brighter Super first assesses the data quality and availability for our asset classes. We then seek to ensure we understand it, including any limitations and gaps, and aim to be transparent about the reliability of our reporting. This is achieved through a period of internal monitoring before reporting externally. This means that reporting may sometimes be heavily caveated due to issues with data quality or inconsistencies in the methodology or assumptions used to generate incomplete data.

As part of our first public disclosure, Brighter Super has opted to provide carbon data on listed equities only. This is where the data is most complete and accurate. It is the source of our greatest climate risk, and has, therefore, been the focus of our risk identification, monitoring and mitigation activity.

Our fixed income portfolio is currently undergoing restructuring, which is set to be completed soon. We will then undertake a period of monitoring to assess the data quality and coverage in this area, which, while improving, can be inconsistent.

Carbon footprinting of unlisted investments is particularly challenging because private companies and private equity fund managers often do not report or disclose carbon emissions data. As a result, we are not currently including carbon reporting for our private market assets.

However, we are committed to engaging our investment managers around improving their processes for reporting this data, with a particular emphasis on newly appointed managers.

3.2.1. Metrics

For the purposes of our public disclosure, Brighter Super has chosen to report our Scope 1 and Scope 2 financed emissions[2] per $m invested through our listed equity portfolios. Scope 1 financed emissions are the emissions that are directly emitted by a company in which we invest, and Scope 2 financed emissions are those indirectly emitted through the production of electricity or energy used to power that company's operations.

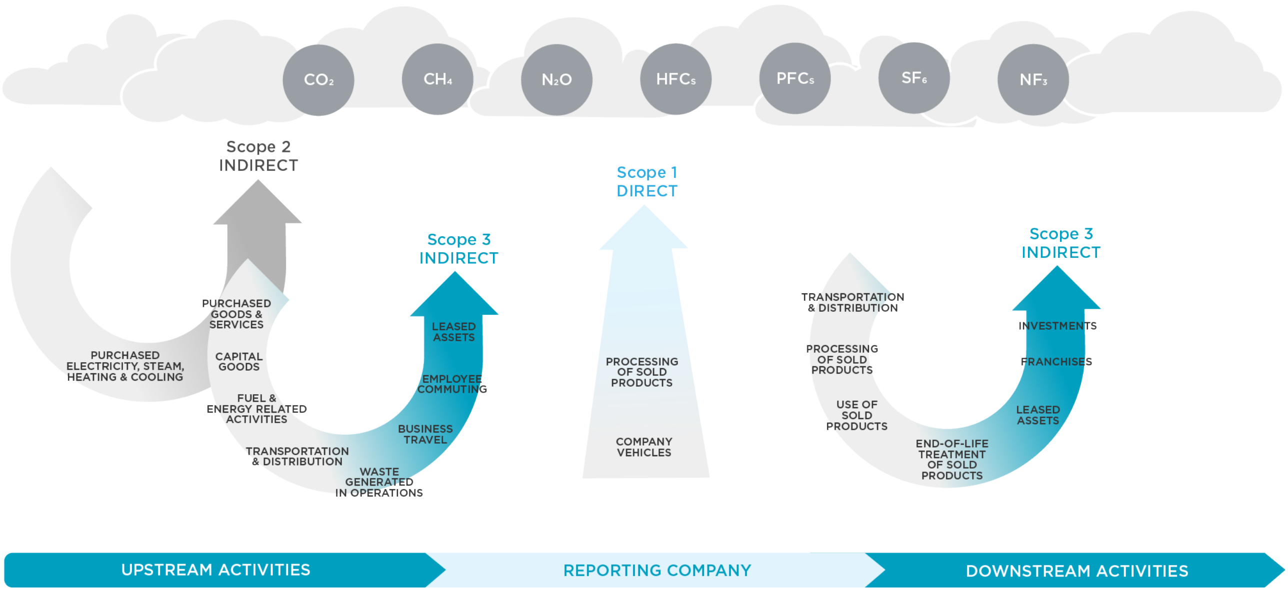
It is important to note that Scope 1 and Scope 2 financed emissions are Brighter Super's Scope 3 emissions (indirect emissions generated by sources owned or controlled by the company) – we do not directly produce these emissions, nor do we consume the electricity or energy involved.

Brighter Super has adopted a range of metrics internally which we monitor as part of our risk management and investment processes. Our key metric, however, is financed emissions per $m invested, which reflects the tonnes of carbon dioxide GHG emissions (tCO_2-e) that Brighter Super is responsible for through its investment per $1m invested.

This metric was chosen as it represents the degree to which Brighter Super finances emissions. As a metric, it meets industry standards, is scalable to changing funds under management, and uses a clear and easily applied methodology.

Brighter Super's 2023/24 disclosure associated with our listed equities portfolios focuses on Scope 1 and Scope 2 financed emissions. This is due to the absence of sufficiently robust methodologies and issues with data quality and availability with respect to Scope 3 financed emissions. We will continue to evaluate data availability and methodologies and work with our partners across the industry with the aim of expanding the scope of our disclosure once methodologies are better established and data quality improves.

Sources of greenhouse gas emissions



Source: Greenhouse Gas Protocol, https://ghgprotocol.org/corporate-standard

3.2.2. Methodology

In this section we provide an overview of our approach to calculating carbon intensity, which is aligned to the Partnership for Carbon Accounting Financials (PCAF) methodology.

Brighter Super has opted to provide Scope 1 and Scope 2 GHG emissions data on listed equities only. This is where the data is most complete and accurate. It is the source of our greatest climate risk, and has, therefore, been the focus of our risk identification, monitoring and mitigation activity. Where possible, we will seek to expand the coverage to include other asset classes, as and when data and methodologies become more reliable.

The equation below shows how we determine the financed emissions for listed equities. Our approach is guided by PCAF, the global Greenhouse Gas (GHG) Accounting and Reporting Standard for the financial industry. The fund's estimated carbon intensity is reported in units of tonnes of CO_2 equivalent per $1m invested.

$$\textbf{Financed Emissions} = \sum \frac{\textbf{Brighter Super Ownership Share}_c}{\textbf{Enterprise Value Including Cash}_c} \times \textbf{Company Emissions}_c$$

*Where c represents a listed company

[2] Emission scopes as defined by the *Greenhouse Gas (GHG) Protocol.*

The financial data used in our calculations was procured from a variety of sources. Listed equity holdings were sourced from our custodian, market values and company enterprise values (including cash) were provided by FactSet, and Scope 1 and 2 company-level emissions were supplied by MSCI. MSCI's methodology involves estimating emissions for companies that do not report scope 1 and 2 emissions by using global industry averages - a recognised approach within the PCAF Standard's hierarchy of emissions estimation methodologies.

Where possible, we used the most recent data available as at 30 June, 2022 and 2024 respectively. Our ability to use the most recent carbon data is dependent on the reporting cycles of companies and the frequency at which MSCI updates its database. The emissions data includes a mix of reported (92.4%) and estimated (7.2%) figures. Where data is not reported publicly, MSCI employs estimation models. Companies with insufficient (0.4%) data (market values, enterprise values, or emissions) are excluded from calculations. Data deficiencies arise due to unreported or unavailable data, and corporate actions.

The 30 June 2022 baseline analysis involved the construction of a blended portfolio, which captured the future state of the combined Brighter Super and Suncorp Super portfolios, ensuring comparability to our 30 June 2024 portfolio. In doing so, the carbon emissions of some passive (i.e., indexed) portfolios were estimated using an applicable benchmark. For instance, some domestic and global portfolios were estimated via the S&P/ASX 300 Index and MSCI All Country World ex-Australia Index, respectively.

3.2.3. Scenario analysis

Brighter Super understands the value of scenario analysis in identifying, assessing, and managing potential risks and opportunities associated with individual investment holdings, portfolios, and strategies affected by climate change. However, we acknowledge the challenges related to scenario analysis, including data limitations and evolving methodologies among providers.

During 2023/24, we assessed various climate scenarios offered by our third-party data provider, carefully examining their key assumptions and limitations. These scenarios incorporate a wide range of climate-related factors such as GDP, population growth, policy frameworks, energy sources, land use, and greenhouse gas emissions to simulate future impacts.

Following this assessment, we have adopted the scenarios from the Network for Greening the Financial System (NGFS), a coalition of central banks and financial regulators. These scenarios are designed to establish a common baseline for assessing climate-related risks across the financial sector.

Our chosen scenarios include orderly transitions, where climate policies are implemented early and progressively tightened, and disorderly transitions, where policy delays or discrepancies increase transition risks.

3.2.4. Targets and activities

In the initial stages of our climate risk mitigation journey, Brighter Super considered developing a 'net zero strategy' to address climate-related risks and opportunities within our portfolio and to determine a feasible decarbonisation pathway. However, given the issues and challenges with identifying an implementable net zero pathway, Brighter Super ultimately determined that our first step should be setting an emissions reduction target for our listed equities portfolio. Listed equities were seen as a logical place to start our journey because they:

- are the only asset class where we have full coverage in terms of carbon data
- are sufficiently liquid
- account for around 77% of Brighter Super's total financed emissions, although only 52% of our funds under management[3].

Brighter Super therefore adopted the following emissions reduction target to express our concrete action with respect to climate change:

To mitigate future potential capital loss in the listed equities portfolios, the fund will set a target to achieve a 30% reduction in emissions intensity (TCO_2e per $1m AUD invested) below the 2022 baseline for our listed equities portfolio (Scope 1 and 2 emissions of those investee companies).

Brighter Super has undertaken a range of actions to deliver on that target.

For example, since 2022 we have been working with one of our portfolio managers on how to reduce the carbon emissions within the passive listed equities portfolios. In 2024, we implemented a climate overlay, balanced alongside more traditional risk and return characteristics, which considers areas such as high emissions, exposure to stranded

[3] Based on internal modelling and analytics of FY22 data.

assets, exposure to the physical risks associated with climate change, low carbon transition plans, and companies with access to new technologies and patents.

During the year, we also completed a procurement exercise to enhance our own capability to monitor and make decisions on ESG and carbon-related matters in anticipation of regulatory requirements for reporting on financed emissions in 2026/27.

We have commenced working directly with a reputable data vendor (MSCI), who provides us significant data on sustainability and carbon emissions, to allow us to make additional and informed decisions about the sustainability and climate risks of our portfolios. This also led us to active and detailed monitoring of the emissions intensity of our investment managers' portfolios. During the year, we removed an investment manager from our lineup where not only was performance not as expected, but the emissions intensity in our listed equity portfolio was also materially reduced.

In addition to risks, climate change offers opportunities for investment in companies and assets that may benefit from a transitioning economy. This may include companies participating in renewable energy, developing new technologies or making investments to diversify their company away from areas of heightened risk of asset-stranding or financial penalty.

Through our *Queensland Investment Strategy*, Brighter Super is well progressed in sourcing additional climate-related investment opportunities for our unlisted portfolio, including infrastructure and natural capital.

3.2.5. Outcomes to date

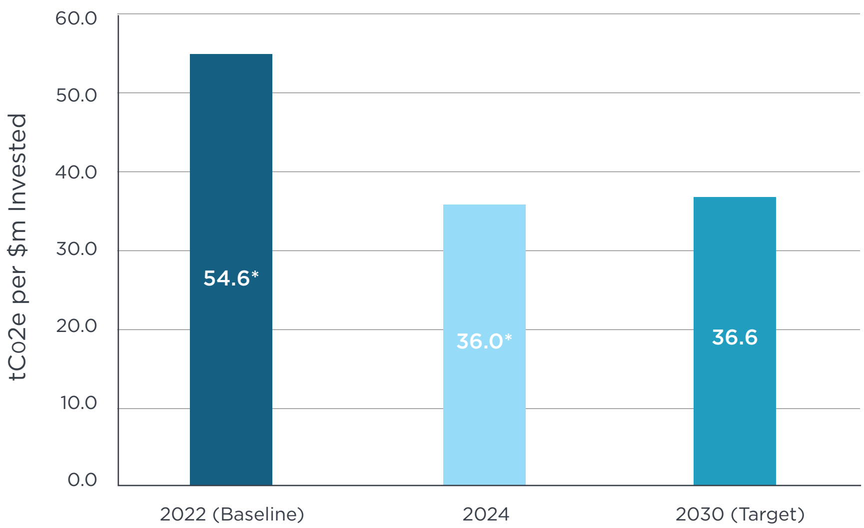
Across our listed equities portfolio we have tracked well against our 2023/24 financed emissions target. As at 30 June 2024, the target set by the Board has been met (see chart below). This is due to a combination of factors, including:

- Implementation of the first phase of our climate risk overlay on a proportion of our listed equity assets
- Portfolio construction and manager lineup decisions resulting in a significant reduction in exposure to high-emitting companies
- Changing emissions profile at some key emission-contributing companies
- Market returns over the period.

Given the recency of the target being met and the often volatile nature of these numbers, Brighter Super will continue to review and monitor our position ahead of any decision to set a revised target. During 2024/25, our plan is to consider a broader range of metrics and targets which will further embed Brighter Super's emissions reduction strategy, with the goal that by the end of 2024/25 we have a new aspirational target that allows us to build on the gains we have made to date.

We engaged EY to provide limited assurance over the FY22 and FY24 financed emissions intensity values. The values assured by EY are indicated by an asterisk (*) in the graph below. Refer to **Appendix C** for a copy of the EY *Independent Limited Assurance Statement*.

Listed equity financed emissions for Brighter Super vs baseline and target

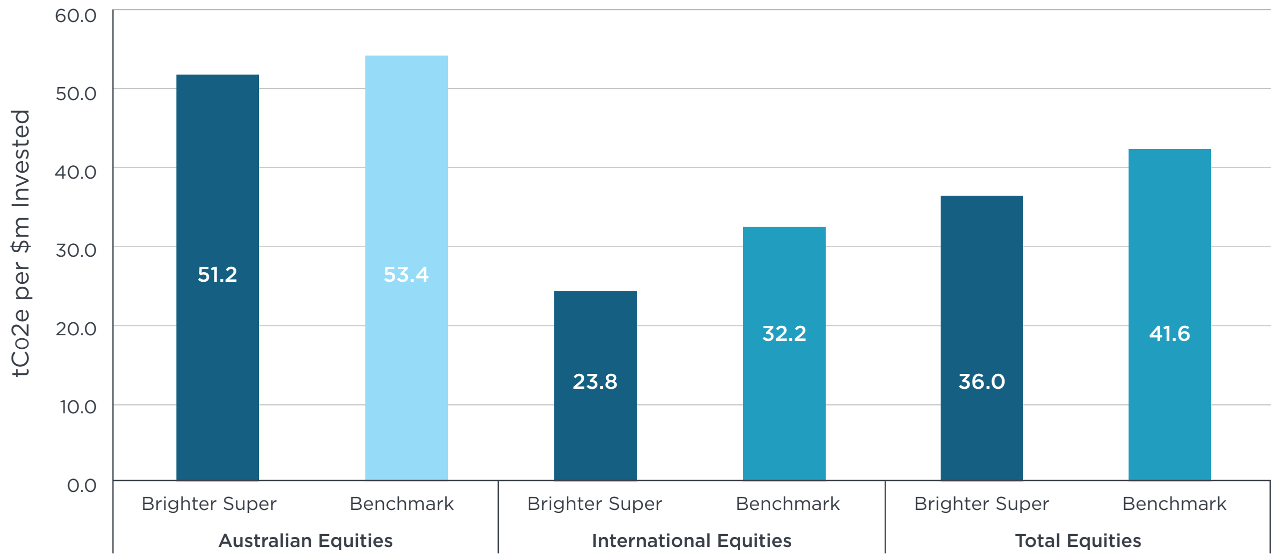


Source: FactSet financial data and analytics

The chart below shows our portfolio financed emissions against the benchmarks, as a proxy for the market. Both our domestic and international equity portfolios are below their respective benchmarks at the reporting date, and this is driven by both the implementation of our climate risk overlay, alongside active positioning from our external managers.

The disparity in carbon emissions intensity between Australian and international equities predominately arises from Australia's energy production and fossil fuel exports, followed by transport, agriculture, and industrial processes.

Listed equity financed emissions vs benchmarks



Source: FactSet financial data and analytics

Australian Equities benchmark - S&P ASX 300 Index | International Equities benchmark - MSCI All Country World ex-Australia Index | Total Equities benchmark – Composite of the Australian and international indices

3.2.6. Data availability

The table below shows the proportion of carbon emissions data for our listed equities portfolio, which is reported by the company or estimated by our data provider. As can be seen, the majority of data within listed equities is reported, which gives us greater comfort in including these numbers within our metrics and targets disclosure.

	Proportion of carbon emissions data for Brighter Super's listed equities portfolio
Reported	92.4%
Estimated	7.2%
No data	0.4%

3.3. Other sustainability activity within our investment process

3.3.1. Modern slavery

Consistent with our Modern Slavery Statement, Brighter Super closely reviews the modern slavery submissions annually of all our external investment managers to make informed investment decisions.

Using our new access to international data, we have undertaken a screening exercise on our listed equity assets to identify companies deemed to be in breach of the UN Global Compact Labour Standards. We have now established a process where if appropriate, we can exclude such companies from our equity portfolios, and to support this decision-making, we have enhanced our capability to form sound and well-rounded judgements on such investment decisions.

3.3.2. Engagement

Brighter Super believes engagement with our investee companies facilitates a better understanding of their corporate governance approach, their leadership, and their strategies, which can then be used to understand the risk and return potential more meaningfully.

We are currently formalising our framework to guide Brighter Super's engagement activities into the future, initially focusing on our Australian listed equities portfolios.

3.3.3. Investment managers

Brighter Super is working towards our external investment managers engaging with investee companies and assets as part of their mandate. We encourage managers to report on this activity either formally or as part of our regular meetings. The quality of a manager's engagement approach is evaluated as part of our manager review process.

3.3.4. Collaboration

Where practical, we look to collaborate with other like-minded investors and organisations to amplify Brighter Super's voice on behalf of our members. We recognise that addressing market-wide and systemic risks requires collaborative efforts, and we are committed to engaging with other stakeholders on these issues.

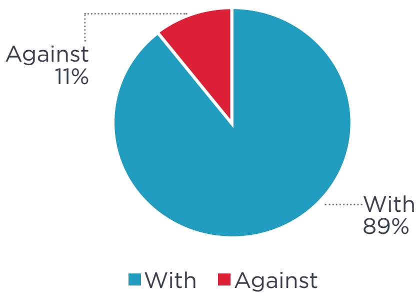
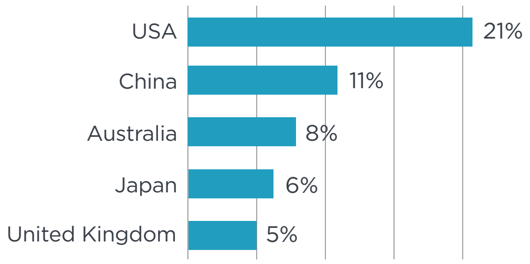
During 2023/24, we joined two organisations with a view to enhancing our engagement efforts:

- The Australian Council of Superannuation Investors (ACSI) provides evidence-based research and insight that informs engagement activity with Australian companies on behalf of and alongside its members.
- The Investor Group on Climate Change (IGCC) is the leading network of institutional investors in Australia. It aims to mitigate risks and seize the opportunities associated with the global transition to net zero. The network aids members with knowledge building, connecting with peers, and collaborative engagement with companies and policymakers. Members are invited to actively participate in engagement meetings and Brighter Super began attending meetings from March 2024 on a materiality basis.

3.3.5. Voting

Brighter Super's mandate with our listed equities managers delegates them the exercising of voting rights as part of their overall investment responsibilities. Voting activity, particularly with respect to companies deemed material to the risk and return outcomes for our members, is monitored and discussed with managers as part of the review process.

FY24 Voting Statistics

Meetings voted	Alignment with management	Votes by market
		

Operating responsibly

4.1. A diverse and safe place to work

Reflecting Brighter Super's membership base, with around 85% of our funds under management owned by Queenslanders, Brighter Super employs around 260 people, with around 80% of our workforce in Queensland.

Brighter Super's people strategy is evolving and maturing as we scale our 'people-centred' operational delivery. Our commitment to personalised education and advice for our members, positions our people as a key differentiator, because as we know 'Our brand is a promise. And it all starts with the people who will keep that promise'.

Our team members are required to demonstrate these behaviors throughout their work in Brighter Super and this is formally evaluated at our mid-year and end of year performance cycles, along with informal review on a more frequent basis via weekly/monthly check-ins with leaders. We are a highly member focused organisation committed to delivering our strategic goals through our highly engaged team members.

4.1.1. Culture and capability

During 2023/24, Brighter Super implemented a deliberate uplift in culture, with a focus on three aspects:

1. Behaviours (comprising decision-making, meetings, and norms and rules).
2. Mindsets (comprising cultural priorities, purpose, values, and targeted behaviours).
3. Emotions (comprising rituals, feedback, and psychological safety).

In 2023/24, we also focused significantly on psychosocial safety in the workplace, implementing an extensive training program from Board, to Leaders, as well as frontline employees. We also use a multitude of tools to monitor and validate our progress, including surveys, a performance and culture system, and a broad range of engagements.

Additionally, as we have developed Brighter Super's first Enterprise Agreement, we proactively included significant initiatives such as:

- Establishing a competitive, sustainable and transparent approach to remunerating our people fairly and at market value.
- Providing a flexible approach to working at Brighter Super, including specific cultural leave, parental leave and an enhanced commitment to hybrid (work at home) options for our people.

4.1.2. Diversity and inclusion

Brighter Super believes that diversity and inclusion is critical within the workplace to ensure we represent the communities in which our members belong and because we believe the best outcomes are achieved through diversity of thinking. We take a broad approach to diversity and inclusion, including through:

- Implementing and sharing with our key partners a Respectful Contact Policy.
- We set an objective to achieve a minimum 30% female composition of our Board alongside a target of 40% female composition, 40% male composition and flexibility around the remaining 20%. As at 30 June 2024 we had achieved our target of 40% female representation on our Board.
- Within our management team we are at 37% female composition (as at 30 June 2024), with recent promotions and recruitment strategies bridging the historical gaps from our foundation funds.
- In 2023/24 Brighter Super completed our first submission as a combined entity to the Workplace Genger Equality Agency. Brighter Super's Gender Pay Gap is currently 16%, below the Australian average of 21.7%. Our commitment to equity has seen this gap narrow through manager and non-manager recruitment and promotion decisions.
- We have fostered a multitude of employee-focused initiatives including the establishment of a Culture Club and an Inclusion Committee.

Brighter Super also takes a proactive approach to transparency, maintaining a Whistleblower Policy and infrastructure that ensures our people are comfortable and enabled to raise concerns at all levels.

4.2. Innovate Reconciliation Action Plan

In early November 2024, Brighter Super will publish our Innovate Reconciliation Action Plan (RAP) 2024 to 2026. Our first RAP comes at a time of maturity for our business as we embark on our journey to be Queensland's largest dedicated superannuation fund, one fund proudly serving members all over Queensland.

Brighter Super can say with deep conviction that Queensland's 17 Aboriginal and Torres Strait Islander councils, the associated communities and their peoples whom Brighter Super serves, are a key priority.

Brighter Super sees this Innovate RAP as an opportunity to consider our activities and our offerings in the context of Aboriginal and Torres Strait Islander stakeholders. Our team is passionate about reconciliation, and about the work we can do to contribute to a reconciled Australia.

Brighter Super wants to build on our existing connections with Country, and create and deliver services and offerings relevant to Aboriginal and Torres Strait Islander needs by listening, learning, and adapting.

Over the life of the RAP, Brighter Super intends to focus on four key areas:

- Education for our whole team to strengthen cultural capability, especially those who work directly with our Aboriginal and Torres Strait Islander members.
- Working with our stakeholders to build and deliver services and advice which are better targeted.
- Advocacy across all layers of government to ensure that Australia's superannuation infrastructure genuinely supports Aboriginal and Torres Strait Islander people.
- Commitment to collaborate with Aboriginal and Torres Strait Islander members, stakeholders, and communities to ensure our actions align with our intent.

4.3. Case Study - Financial Wellness Week

In early 2024, Brighter Super established a partnership with the First Nations Foundation.

The First Nations Foundation's mission is to achieve financial literacy and prosperity for Aboriginal and Torres Strait Islanders through culturally designed financial education, training and information that will add value, regardless of where they fall on the wealth continuum.

This partnership has been instrumental in our approach to developing our Innovate RAP and has provided us with effective ways of engaging with our members.

In July 2024, Brighter Super's Member Engagement Team joined the First Nations Foundation for their Financial Wellness Week. This provided opportunities to engage with members in Townsville and Palm Island.

Through these engagements, we can learn and reflect on the services that we provide to members, and this will help to inform key deliverables in 2024/25, particularly around access to superannuation and reflecting cultural expectations and kinship structures.

Brighter Super's Anthony Brick and Brendan Laws, with Aaron Davis - CEO, Indigenous Consumer Assistance Network and Eddie Buli - Project Manager, First Nations Foundation travelling to Palm Island Wellness Week.

4.4 Organisational carbon emissions

The upcoming introduction of mandatory climate-related financial reporting requires Brighter Super to assess our climate risks not just at the level of the investment portfolio – where our largest exposure exists – but also emissions created by the operations of our Fund.

Brighter Super will seek to reduce our own-source carbon emissions over coming years. As a first step along this journey, for 2023/24, Brighter Super has undertaken a baseline analysis carbon emissions created through our operations in partnership with Pangolin Associates'.

The organisational scope of our review covers all Brighter Super activities, associated with the work of our suppliers and our people based in five locations:

- 180 Ann Street, Brisbane, Queensland.
- 123 Eagle Street, Brisbane, Queensland.
- 320 Pitt Street, Sydney, New South Wales.
- 266 Sturt Street, Townsville, Queensland.
- 199 Balcatta Road, Balcatta, Western Australia.

Working with Pangolin Associates, Brighter Super has aligned to the GHG Protocol in determining our organisational CO_2e (Carbon Dioxide equivalent) emissions arising from our operations in FY24. We have done this by relying on information provided directly from our suppliers (including Building Managers) or alternatively using our activity data for FY24 combined with supplier or industry activity emissions factors as at or as close to 30 June 2024. Our approach is inclusive of all potential emissions across our operations, covering Scopes 1, 2 and 3 (excluding Category 15, Investments which is treated separately in this report).

Operational Boundary	Examples of Inclusions	(tCO_2-e)
Scope 1	Direct emissions such as those resulting from fuel use or refrigerant leakage	4.2
Scope 2	Purchased Electricity	357.4
Scope 3	All other indirect upstream and downstream emissions resulting from activities along the value chain.	4,931.3
Scope 1 & 2 Emissions total		**361.6**
Gross Emissions Total		**5,292.9**
GHG Trade Total		**22.1**
Net Emissions Total		**5,270.9**
Energy (TJ)		**4.0**

Source: Pangolin Associates, 'Greenhouse Gas Assessment for Brighter Super FY24' in accordance with the GHG Protocol Corporate Standard (www. ghgprotocol.org/corporate-standard)

4.5. Working with stakeholders

4.5.1. Queensland Government

Brighter Super has recognised that with our scale and exposure to investments and members in Queensland, it is critical that we work closely with all governments, but particularly the Queensland Government and local councils.

In early 2024, Brighter Super developed a Government Relations Strategy for the first time. A key component of this is to build productive relationships with the Queensland Government that ensure that our operations and investments remain sustainable into the future.

We believe that by understanding, and where appropriate, engaging with the Queensland Government, we can help create a more sustainable future for our members.

4.5.2. Regulators

As an Australian Prudential Regulation Authority (APRA) regulated superannuation fund trustee, Brighter Super has a fiduciary duty to act in members' best financial interests. As a not-for-profit fund, Brighter Super's members always come first.

Brighter Super recognises that APRA has the remit to strengthen superannuation member outcomes, and we believe that compliance with its standards and guidance helps us to do that for our members. Brighter Super is committed to continuous improvement of our operations in accordance with APRA's standards and guidance, and to ensuring that our compliance is monitored and reported on a regular basis.

Equally, the Australian Securities and Investments Commission (ASIC) is an important regulator for the superannuation sector. As is the case with APRA, Brighter Super is committed to continuous improvement of our operations in accordance with ASIC's strategic priorities.

Conclusion

In 2023/24 Brighter Super has made substantial advances in our approach to ESG.

Most importantly, we have established specific frameworks and policy updates which allow us to be confident in managing ESG risk, but equally capturing opportunity.

In addition to this, we have significantly enhanced our resources in this space, with a Head of Corporate Relations being engaged to coordinate these matters across our organisation and specific expertise in our Investment and Risk teams now engaged to work with our managers to uplift our capability and assurance.

This has provided us with the confidence to apply a whole of fund approach to ESG, and this has resulted in the closure of bespoke sustainable investment options in 2023/24.

During 2024/25, we will undertake the following activities:

1. Undertake a gap analysis to ensure that our framework and strategy are appropriate and meet the expectations of our members and stakeholders.
2. Expand coverage of our greenhouse gas analysis across all our investment portfolio and review our targets.
3. Embed our newly-developed Stewardship Policy and associated processes to formalise our approach to active ownership activities, including engagement, collaboration, advocacy and proxy voting, with a particular focus on Australian companies.
4. Engage with our organisation to develop an implementation plan to reduce our own-source greenhouse gas impacts.
5. Work with our external advisers to ensure that we are well-placed to meet emerging regulatory requirements for superannuation funds, particularly in reporting.

We are comfortable with where we are at, and ambitious for the opportunity that our continued engagement will bring.

The Brighter Super ESG Framework and this Sustainability Report have been prepared with regard to the following:

Appendix A – Relevant policy and legislation

Environment

- International Sustainability Standards Board draft standards
- APRA CPG 229 *Climate Change Financial Risks*
- ASIC Greenwashing information sheet

Social

- ASIC Indigenous Financial Services Framework
- *Modern Slavery Act 2018* (Cth)
- Workplace Health and Safety laws and regulations (including psychosocial harm)
- Whistleblower provisions of the *Corporations Act 2001*
- *Native Title Act 1993* (Cth)
- *Fair Work Act 2009* (Cth) and National Employment Standards
- 2011 United Nations Guiding Principles on Business and Human Rights
- Australian Consumer Law
- *Privacy Act 1988* (Cth)

Governance

- APRA SPS 530 *Investment Governance and guidance* (SPG 530)
- *Corporations Act 2001* (Cth) (disclosure obligations, Director duties, whistleblower laws)
- ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
- APRA SPS 510 *Governance*
- APRA CPS 511 *Remuneration*
- APRA SPS 520 *Fit and Proper*
- APRA SPS 521 *Conflicts of Interest*
- Anti-bribery and corruption laws
- AML/CTF laws
- Cyber security and data protection laws
- APRA CPS 234 *Cybersecurity*
- Board of taxation Corporate Tax Transparency Code and Register

Appendix B – Brighter Super policies and frameworks

- Modern Slavery Statement
- Sustainable Investment Policy Summary
- Respectful Contact Policy
- 2023/24 Member Information Report (due November 2024)
- 2024/25 Innovate Reconciliation Action Plan (due November 2024)

Appendix C – EY Assurance Letter

Please see overleaf, the page here is intentionally left blank.

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Independent Limited Assurance Report to the Management and Directors of Brighter Super Limited

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Brighter Super Limited ('Brighter Super') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below for the years ending 30 June 2022 and 30 June 2024. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed Brighter Super's financed emissions intensity for listed equities measured in tonnes of carbon dioxide equivalent greenhouse gas emissions per $1million Australian dollar invested (tCO_2-e per $1m AUD), for FY22 and FY24 ('Subject Matter') in Brighter Super's Sustainability Report for the year ended 30 June 2024, on page 15 (the 'Report').

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion or conclusion on this information.

Criteria applied by Brighter Super

In preparing the Subject Matter, Brighter Super applied the following Criteria:

- Brighter Super's self-declared criteria as set out in the Report on pages 13 to 14.

Key responsibilities

Brighter Super's responsibility

Brighter Super's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000') and *Assurance Engagements on Greenhouse Gas Statements ('ASAE 3410')* and the terms of reference for this engagement as agreed with Brighter Super on 07 August 2024. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

Building a better working world

- Interviewing Brighter Super staff to gain an understanding of Brighter Super's reporting definitions and processes, including reporting boundaries, data sourcing, and internal data integrity checking processes.
- Assessing the documentation of Brighter Super's reporting methodologies.
- Performing analytical procedures in relation to material quantitative information and where relevant, reviewing source documentation.
- Checking the accuracy of calculations performed
- Checking the presentation of the Subject Matter within the Report was consistent with supporting information and the criteria described was consistent with Brighter Super's methodology.
- Obtaining representation from management on key assertions.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The greenhouse gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

Our report does not extend to any disclosures or assertions made by Brighter Super relating to future performance plans and/or strategies disclosed in the Report.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Brighter Super, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst + Young

Ernst & Young
Brisbane, Australia
06 November 2024

right by your side

CONTACT DETAILS

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