

## GESB response

### Background/context

GESB is a statutory authority constituted by State legislation and is responsible for managing superannuation accounts and investments for over 245,000 current and former WA public sector employees.

We believe ESG factors can impact long-term risk-adjusted returns for our members. As such, it is important to understand material ESG risks and opportunities and integrate them into the investment process.

Our ESG and Responsible Investment Policy is available at [gesb.wa.gov.au/esg](https://gesb.wa.gov.au/esg).

### **1. How the State Government's commitment to net zero emissions by 2050 will help improve ESG outcomes.**

#### GESB perspective

Transitioning to net zero carbon emissions is a necessity to achieve both environmental and broader related social and societal outcomes.

The State Government's commitment to net zero sets the clear expectation of its agencies and operations (in aggregate) to achieving a net zero by 2050 outcome.

#### GESB actions

We recognise that climate change and the transition to a low carbon economy are important ESG factors.

We are committed to transitioning our investment portfolio towards net zero emissions by 2050, which is consistent with the goals of the Paris Agreement and in line with the Western Australian Climate Change Policy.

To support this position, we have adopted a climate change transition plan. This plan details the intended pathway and metrics to measure our progress towards the targets set, which currently include interim reduction targets over the medium term for listed equities and unlisted property.

Our commitment to ESG has been recognised by Australian financial services industry researcher Rainmaker Information, who presented GESB with an 'ESG Leader Rating' for 2022. This rating is earned by Australia's best super funds that are implementing ESG principles to a high level, while having a track record of strong investment performance. Of the 120 eligible super funds, GESB is one of 32 to receive the ESG Leader Rating as part of Rainmaker's superannuation benchmarking assessment.

### **2. How the State Government is actively engaging Aboriginal and young people in this decision-making.**

#### GESB perspective

GESB is committed to understanding and servicing the diverse needs of our members and the wider Western Australian community.

Our vision for reconciliation is for Aboriginal and Torres Strait Islander peoples to be respected, valued and to experience equality in our society. We recognise that Aboriginal and Torres Strait Islander peoples face unique challenges accessing and understanding the complex superannuation system.

A diverse and inclusive workforce, reflective of our member base and the community we serve, is critical to meeting expectations. This includes people with disability, Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse people, and people of diverse sexualities and genders.

## **GESB actions**

### Reconciliation Action Plan

GESB's current Reconciliation Action Plan is our third plan and our second 'Innovate' phase plan. This plan will continue to help promote reconciliation by formalising our efforts to:

- Meet the needs of Aboriginal and Torres Strait Islander peoples through culturally appropriate processes and procedures, and education programs to assist them to understand their superannuation.
- Develop and implement plans to help Aboriginal and Torres Strait Islander members better understand, engage and access their super.
- Increase employment opportunities for Aboriginal and Torres Strait Islander peoples.
- Continue to raise employee awareness of the histories and cultures of Aboriginal and Torres Strait Islander peoples.
- Works towards a culturally inclusive workplace through staff awareness programs and activities.

Our path to reconciliation is an ongoing and collaborative process, made possible with support from a number of indigenous and other organisations across the public, private and not-for-profit sectors.

Some of the initiatives GESB is delivering include:

- Flexible identity requirements – we accept different forms of identification, such as a letter or statement by a referee, to make access easier for members who may not have traditional identity documents.
- Free financial literacy program – we provide access to First Nation Foundation's My Money Dream financial literacy program to help our members learn about budgeting, banking, insurance and superannuation.
- Employment opportunities – we offer work experience and employment opportunities through the WA Public Sector Commission's Aboriginal traineeship program.

### Reconciliation Policy Officer

GESB appointed a full-time Reconciliation Policy Officer in February 2023 to ensure it was resourced to deliver on the outcomes of the GESB Innovate Plan and its alignment with other plans related to diversity, inclusion and accessibility. The role is responsible to the Reconciliation Working Group.

### Youth and disability program participation

GESB has a partnership with Employment Edge in working to provide work experience for people with a disability. This arrangement is ongoing and GESB will continue to provide opportunities in partnership with Employment Edge based on mutual benefits to the prospective youth and GESB.

As part of GESB's current Innovate Plan, we will also be looking at the possibility of providing a school-based work experience opportunity for Aboriginal and Torres Strait Islander people through its partnership with Reconciliation WA and its Financial Services Working Group.

## Accessibility

We want to make sure our products and services are easy for all of our members to access. Our accessibility measures include:

- GESB website – our content and online services aim to meet the Web Content Accessibility Guidelines (WCAG) 2.0 level AA criteria. At the 2021 Australian Access Awards, GESB's Jane Ots, Digital Communications Specialist, won 'Accessibility Person of the Year' and GESB was nominated for 'Government website of the year' and 'Accessibility initiative of the year'.
- Live chat – our online service which allows members to connect with us in real-time, was recently assessed as accessible, meaning the service is easy to use for members who use a screen reader or other types of technology.
- Accessible venues – all of our in-person event venues have been assessed, audited and altered where necessary to make sure people of all ages and abilities can enjoy easy access.
- National Relay Service Call – our member services staff can help members who are not able to hear or speak with someone on the phone, to use the National Relay Service (NRS) service.
- Translating and Interpreting Service – our member services staff can help members through the Translating and Interpreting Service provided by the Department of Home Affairs. We can arrange a translator or interpreter in your preferred language at no extra cost
- Different formats – information from our website, member statement or brochures, forms or fact sheets is available in a different format such as accessible PDF, electronic format, large print, audio or Braille.

### **3. Milestones in place for achieving ESG outcomes including any monitoring and reporting requirements.**

#### **GESB perspective**

Many ESG factors are material and warrant reporting to accountable authorities.

Systems, mechanisms and metrics for measuring and monitoring ESG outcomes are generally in their infancy but are developing at a rapid pace.

GESB continues to remain abreast of developments and aims to adopt prevailing best practice measurement and monitoring of ESG outcomes.

It is important that ESG commitments can be supported by appropriate, timely and robust metrics.

#### **GESB actions**

GESB's net zero carbon commitment is supported by an ESG 'road-map', medium and long term carbon reduction targets and regular measurement of carbon intensity across our investment portfolio.

In addition to our Reconciliation Action Plan, GESB has implemented a suite of diversity and inclusion policies and frameworks.

#### **4. Best practice in other jurisdictions.**

##### **GESB perspective**

While some ESG issues are indisputable, many ESG issues sit on a spectrum of subjectivity, involve trade-offs, and 'best' outcomes can be difficult to quantify or specify.

Clarity of beliefs, principles and commitments is paramount, as is ensuring that commitments made are evidenced and measured, and outcomes are validated.

##### GESB actions

The suite of GESB's actions in the ESG space seek to ensure that GESB:

- is a responsible investor and employer,
- prudently manages all relevant (including ESG) risks and opportunities,
- manages ESG issues in a clear, responsible, and measured manner,
- demonstrates good corporate citizenship, and
- effectively balances member's best financial interests with its role as WA statutory authority and consistency with WA State Government policy.

#### **5. The financial implications of doing nothing.**

##### **GESB perspective**

Access to capital and investor/member funds will become increasingly dependent on being able to demonstrate robust ESG commitments and actions, and responsible consideration of risks and opportunities.

We believe ESG factors can impact long-term risk-adjusted returns for members. It is important to understand material ESG risks and opportunities and manage these as part of the investment process. Inadequate consideration of ESG issues can lead to investment risks being mispriced, opportunities overlooked, and poor investment decision being made.

##### **GESB actions**

Refer to GESB actions outlines in the sections above.