Alignment of Christian Super with the Operating Principles for Impact Management – Independent Verifier’s Report

Christian Super Successor Fund Transfer (SFT) with Australian Ethical Retail Superannuation Fund (AERSF)

All members and assets of Christian Super were transferred via an SFT to AERSF on 25 November 2022 (“SFT date”). Christian Super accordingly ceased any practical operation as an impact asset owner at the SFT date, and accordingly any statements made in this report relate to operations prior to the SFT date (notwithstanding any wording used which would otherwise suggest ongoing actions, operations or obligations).

Responsibility for the alignment with the Principles

Christian Super is a signatory to the Operating Principles for Impact Management dated February 2019 (the “Principles”). It is the responsibility of Christian Super to define the processes, roles and responsibilities necessary to align its organisation with the Principles. Christian Super’s obligations as signatory include:

- the public disclosure of an annual statement on its commitment to the Principles and the extent to which impact management systems are aligned with them, and how it is implementing the 9 Principles, which was summarised in its annual Disclosure Statement dated May 26, 2022 (the “Statement”); and
- having this statement independently verified on a regular basis. It was determined for this independent verification to occur by the Ethics Committee on a triennial basis, and was last completed in May 2020.

Ethics Committee independence

The Ethics Committee is comprised of non-executive directors from Christian Super’s Trustee Board. The Ethics Committee maintains full independence and autonomy from the Christian Super management team and staff.

Ethics Committee responsibility

The Ethics Committee’s responsibility is to review the compliance of the impact management system Christian Super described in the Policies with the Principles based on the evidence provided by Christian Super on a triennial basis.
Nature and scope of Ethics Committee’s verification

The Ethics Committee’s approach to conducting a review of the impact management system included:

- Verifying that the Policies are addressing each of the Principles.
- Assessing the relevance, completeness and understandability of the Policies in relation to the Principles.
- Examining the integrity of the information provided in the Statement in relation to the implementation of the Policies.
- Verifying the assets under management allocated to impact are aligned with the Principles.
- Issuing an independent verifier’s report (this document).

The scope of the Ethics Committee’s review does not include an assessment of the effectiveness of Christian Super’s impact measurement approach nor the verification of the resulting impacts achieved.

Conclusion

As the review is conducted triennially, it would next have been due for May 2023. Noting that this is after the SFT date, it is not appropriate nor possible for an additional formal independent verification to be conducted.

However, I can declare in my role as Chair of the Ethics Committee that:

- Nothing has come to my attention that would cause the Ethics Committee to question the accuracy of its conclusions in May 2020 that nothing caused it to believe that Christian Super had not complied, in all material respects, with the Principles for USD 92.5 million of its assets under management (as of May 6, 2020); and
- No changes occurred in Christian Super’s impact management activities between May 2020 and the SFT date that would cause the Ethics Committee to reach a different conclusion was it to conduct a subsequent independent verification, including for the Statement made for the USD 123 million of its assets under management (as of April 30, 2022); and
- AERSF (or a related party thereof) have taken over from Christian Super as a signatory to the Principles after the SFT date and the requisite obligations, including ongoing verification activities.

Graeme Janes
Ethics Committee Chair, Christian Super
3rd March 2023