Christian Super

Christian Super (the “Signatory”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Principles”).

This Disclosure Statement applies to the following assets (the “Covered Assets”): Impact Investments

The total assets under management in alignment with the Principles is USD 92.5 million as of 6th May 2020.

Ross Piper
CEO
Christian Super
26th May 2020

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Background:

In May 2019 Christian Super signed onto the Operating Principles for Impact Management developed by the International Finance Corporation (IFC). These Principles support the development of the impact investing industry by establishing a common discipline around the management of investments for impact. In the first year of the Operating Principles 5 of our 15 Fund Managers have signed on as signatories alongside us, demonstrating the strong partnerships we have leading in the impact investing industry. Our Fund Managers alignment with these principles reiterates our commitment to these principles in practise.

Principle 1:

Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Analysis:

- Christian Super allocates a portion of members' funds to specific impact investments. These have the distinctive purpose of providing positive social, environmental or spiritual impact whilst delivering strong financial returns to our members. The majority of Christian Super's impact investments are made through external investment managers.
- The internal impact investment mandate specifically outlines our impact objectives through our impact asset classes. It is clear that these are distinctive investments that must meet impact objectives alongside financial returns.
- Christian Super receives due diligence from impact consultancy group Brightlight to ensure that each of our impact investments align to our Fund's strategic impact objectives, has a credible theory of change for achieving impact and has sufficient practises in place to measure impact.

Principle 2:

Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

Analysis:

- Christian Super's Ethics Committee, made up of selected directors from our board, oversee impact achievements on a portfolio basis. Our impact management team reports to the Ethics Committee on impact performance. The Ethics Committee meets twice a year to discuss current impact investments.
- Christian Super's Impact Report published in 2019 provides our members an update on the impact portfolio as a whole.
- Christian Super does not have staff incentives linked to impact or financial performance, however achievement of impact is a core responsibility for members of our team.

Principle 3:

Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Analysis:

- All Christian Super impact investments must pass our internal benchmark framework. One criteria of this framework is ensuring additionality of impact, ie that the impact created would not have otherwise been achieved. This is documented in the Funds impact investing policy and reported to the Ethics Committee.
- Christian Super's contribution to the achievement of impact is through providing capital. We expect investment managers to articulate how this capital contributes to achieving impact.

Principle 4:

Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.

In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Analysis:

- We have a new framework in place to assess each impact investment, both at initial investment and on a triennial basis. We are working to strengthen this process as we implement it, but it has a strong foundation based on industry standards.
- In the due diligence process Christian Super ensures each impact investment can demonstrate intentionality, additionality and materiality in impact creation using our standardised impact assessment framework. This framework has been informed by best practise industry standards such the Impact Management Projects 5 dimensions and the IRIS+ platform.

Principle 5:

Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Analysis:

- Christian Super works to identify any potentially negative impact through our impact assessment framework. We closely assess any potential risks that may be directly or indirectly caused through our investments and work with fund managers to address issues that arise. Our framework for assessing negative impact also considers potential misalignment with our broader negative screening approach which applies across our portfolio.

Principle 6:

Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the

Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Analysis:

- Christian Super reviews investments on a triennial basis, and this serves as our monitoring process for engaging with managers on impact performance. Data is collected and reported by fund managers and is distributed to Christian Super and other investors through annual or quarterly reports.
- Christian Super reviews data provided by fund managers to ensure it is in line with expected outcomes and dialogues with fund managers over any challenges faced in achieving the desired outcomes.

Principle 7:

Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Analysis:

- Christian Super's Impact Policy outlines our approach to conducting exits in line with Principle 7. We have not yet conducted an exit for a direct impact investment and don't expect to in the near future.
- Managers are expected to undertake exits in line with Principle 7.

Principle 8:

Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Analysis:

- Christian Super will review the impact investing policy on an annual basis, to consider if our impact investing approach, management or measurement processes could be improved based on the impact performance of the previous year.

Principle 9:

Publicly disclose alignment with the Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

Analysis:

- Christian Super will issue our public disclosure statement each year in line with Principle 9.
- Independent verification will be undertaken by our Ethics Committee, an independent committee that is comprised of board directors. This will be conducted during 2020 and repeated on a triennial basis, in line with our fund manager review timeline.

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