

Active Ownership and Engagement Policy

Please note, in this extract wording has been
revised to aid in the understanding of the
ordinary consumer.

Purpose

NGS Super Pty Limited ('Trustee') is the trustee of NGS Super ('NGS Super' or 'the Fund').

The purpose of this Active Ownership and Engagement Policy (Policy') is to support the Trustee's Investment Governance Framework and set out a high-level overview of the Fund's policy and approach to Active Ownership and Engagement within its investments.

This policy is a sub-policy of the Responsible Investment Policy and should be read in conjunction with that Policy.

Background

Active Ownership is the practice of taking actions to influence or attempting to influence the governance, practice, policies and management of the entities in which the Fund has ownership interests. The Trustee, on behalf of the Fund, undertakes the following Active Ownership activities in the belief that they can improve long-term investment performance:

- Proxy Voting
- Engagement, and
- Advocacy.

The Fund engages third party service providers to assist in performing our Active Ownership and Engagement obligations. These relationships are discussed throughout this policy.

Scope

This Policy, unless stated otherwise, applies to NGS Super's investments, including:

- appointments made via Investment Management Agreement with an Investment Manager
- co-investments made by the Fund, and
- investments made in pooled vehicles.

The Trustee also seeks to engage with Investment Managers to raise awareness of this policy.

This Policy does not apply to unlisted assets held by the Fund. However, the Fund may engage with Investment Managers associated with such assets on ESG matters where the Trustee considers it can influence ESG outcomes.

Principles

Overarching Principles

The principles that NGS Super adopts concerning active ownership and engagement are:

- Best financial interests of members are paramount. All decisions relating to active ownership and engagement are made with the primary objective of delivering sustainable, long-term investment returns.
- The Fund's resources are limited and as such, the Fund:
 - prioritises engagement on issues that it deems financially material to the Fund's investments and members,
 - relies on third party specialist external engagement service providers and Investment Managers to conduct engagement on the Fund's behalf, and

- values collaborating with like-minded investors and industry groups to increase engagement effectiveness.
- Engagement will be constructive and evidence-based, meaning that engagement will be considered to understand financially material risks or, focused on solutions that are aimed at improving company practices.
- Escalation is important. The Fund has a process for escalating engagement efforts where they are deemed futile and there is a view that the financial risks are material.
- The Fund values transparency and accountability and with the assistance of our specialist external engagement partners, report on engagement activities regularly via the Fund's website.

Requirements

To implement this policy, the Fund will:

- Exercise voting and engagement rights in a manner consistent with the Fund's active ownership objectives and members' best financial interests.
- Apply an engagement prioritisation framework to focus on issues that are financially material to the Fund's investments, noting that the Fund does so mainly with the assistance of specialist external engagement partners.
- Ensure that voting and engagement activities, whether undertaken internally, by Investment Managers, or through collaborative or specialist partners, are aligned with the Fund's principles and guidelines.
- Maintain oversight of all delegated or outsourced stewardship activities through regular monitoring and reporting.
- Record and report on active ownership activities.
- Comply with all applicable laws, regulations, and internal policies when undertaking active ownership activities.

Active Ownership

Expectations and Objectives

The Fund acknowledges the importance of being an active owner and that this is an essential element to the investment strategy of the Fund. Using ownership rights to influence better outcomes or behaviour within underlying investments can assist in improving long-term investment performance.

The Fund's Active Ownership and Engagement objectives are to:

Objective	Rationale
Protect investment value	Poor management of ESG factors such as climate change, supply chain labour practices, data privacy, and board oversight can erode company value through regulatory penalties, operational disruptions, reputational damage, and loss of competitive advantage. Proactively engaging with investee companies helps reduce these risks and capture opportunities (e.g., efficiency gains, market share growth), supporting long-term risk-adjusted returns.
Improve governance and/or business practices	Strong governance is a proven driver of corporate performance and resilience. Weak governance can lead to value-destructive decisions, fraud, or strategic misalignment. Engagement allows the Fund to influence governance arrangements (e.g., board

Objective	Rationale
	composition, executive pay, shareholder rights) that have direct implications for capital allocation, risk management, and shareholder value.
Influence systemic change	Systemic risks affect entire sectors or the global economy and cannot be diversified away. Climate-related transition and physical risks, for example, can undermine the value of assets across industries. Coordinated engagement, often in collaboration with other asset owners, can help shape policy, market standards, and industry behavior to mitigate these risks and protect portfolio-wide returns.
Promote alignment with global standards	Global benchmarks set widely recognised expectations for responsible business conduct. Companies and managers aligned with these standards are generally better positioned to manage long-term risks, meet regulatory requirements, and attract capital, all of which support sustainable financial performance.
Foster transparency and accountability	Transparent companies and Investment Managers are more likely to manage risks proactively, respond to shareholder concerns, and deliver consistent performance.

Resources

The Fund has a dedicated Investment Team with employees across several functions including sector specialists, ESG, investment governance, legal, analytics, and research. The Investment Team also accesses the Fund's shared resources.

Due to the size and complexity of the Fund, the Trustee has elected to partner with local and global specialist third party service providers (specialist partners) and/or organisations to discharge responsible investment and Active Ownership activities. More information about these partnerships can be found in the Fund's Responsible Investment Policy.

Conflicts of interest

The Fund has a Conflicts Management Framework in place to identify, manage and mitigate conflicts of interests. All Fund staff are required to comply with the Conflicts Management Framework, including the Personal Trading Policy.

Engagement

Methods of Engagement

The Fund utilises four methods of engagement, listed below.

For directly held listed equity, the Fund primarily utilises Investment Managers and specialist external engagement.

Direct Engagement

The Fund classifies direct engagement where our staff engage on a specific issue/matter with either our Investment Managers or the management of specific companies in which we are invested.

Collaborative Engagement

The Fund classifies collaborative engagement as engagement completed with other like-minded investors and/or stakeholders to enable unified communication on particular issues or matters. These are engagements like Climate Action 100+ and collaborative engagements lead through the Principles for Responsible Investment.

Investment Manager Engagement

The Fund classifies Investment Manager engagement as engagement conducted as a result of the Fund empowering our appointed Investment Managers to engage with companies on issues or matters on the Fund's behalf.

Specialist External Engagement

The Fund classifies specialist external engagement as engagement conducted by specialist service providers like ACSI, Hermes EOS or Glass Lewis. This engagement is usually actioned where they have a mandate or direction to engage with companies on the Fund's behalf. Our seat on ACSI's Member Advisory Council allows the Trustee to influence the themes and investee companies that are the focus for their engagement.

Monitoring of key engagement related third parties

Investment Managers

The Fund's monitoring of Investment Managers' ESG and responsible investment practices is outlined in the Fund's Responsible Investment Policy.

Specialist External Engagement Partners

Where the Fund appoints a specialist engagement provider to conduct engagement on the Fund's behalf, at the time of appointment, and throughout the engagement period, the Trustee will:

- Confirm adequate coverage of relevant holdings and issues for the service period.
- Ensure alignment between the providers activities and the Fund's engagement objectives.
- Require regular reporting on engagement activities, progress and outcomes from the specialist engagement provider.

Prioritisation of Engagements

Engagements are prioritised based on:

Objective	Action	Rationale
Financial Materiality	Focus on issues with potential to materially impact the value of the Fund's holdings.	Financially material ESG and strategic issues can directly influence company performance, risk profile, and therefore investment returns. Prioritising this ensures active ownership activities deliver value to members.
Scale of exposure	Consider the size of the Fund's investment and its significance in the portfolio.	Larger or more concentrated positions can have a proportionately greater impact on overall portfolio performance, warranting higher engagement priority.
Severity and Urgency	Address issues that pose significant risk or opportunity if not resolved promptly.	Timely intervention can prevent value erosion, regulatory breaches, or reputational damage, and can capture emerging opportunities.

Objective	Action	Rationale
Influence & leverage	Focus on situations where the Fund can effect change, either individually or collaboratively.	Engagement is more effective when the Fund can influence decisions, for example through voting rights, relationships, or participation in investor coalitions.
Alignment with Strategic Priorities	Target issues that support the Fund's responsible investment focus areas being climate change and human rights / modern slavery.	Concentrating on strategic priority areas ensures resources are deployed where they can deliver the greatest alignment between financial outcomes and the Fund's long-term ESG objectives.
Regulatory and Reputational Considerations	Engage where there is potential for regulatory non-compliance or reputational risk.	Addressing these risks early can safeguard the Fund's license to operate, protect member trust, and prevent adverse market perception.

Escalation strategies

In the event that any of the methods of Engagement outlined in this Policy are deemed unsatisfactory or unsuccessful and presents a material risk, the matter will be escalated first to the CIO and if necessary, the Trustee Investment Committee. In escalating to the Trustee, the Trustee will consider alternative courses of action and/or divestment if deemed that it is in the best financial interests of members.

Transparency

The Fund will seek to maintain an internal engagement register for direct engagement. The engagement register will outline information such as:

- Date of engagement
- Type of engagement
- Issue surrounding engagement
- Whether engagement is open or closed.

The Fund acknowledges that engagement is a process that typically requires time for results to be realised.

The Fund is committed to providing members with a summary of engagement activities which focuses on Specialist External Engagement activities at least annually.

From time to time, the Fund receives feedback from its members in relation to active ownership matters, in particular, proxy voting activities. The Fund endeavours to investigate and respond to all member feedback on these issues.

Advocacy and Class Actions

Advocacy

The Fund supports Advocacy to improve long term risk adjusted investment returns. Effective and streamlined advocacy can promote the move to a more efficient and sustainable financial system. The aim of advocacy is to influence laws, standards, regulation or guidelines.

The Fund collaborates with specialist service providers such as ACSI and similar investors to advocate for our members. This efficient, unified strategy maximises impact and ensures consistent messaging.

Advocacy can take the form of submissions to regulators or governments, other rule making bodies, publishing or commissioning research and campaigns.

A summary of the Advocacy activities that the Fund has been a party to via its partnership with ACSI is published on the [ACSI website](#).

Class Actions

Class Actions are legal proceedings involving a number of shareholders who have a claim for loss against a company aggregating their claims into one legal proceeding in order to have the matter dealt with in a timely and cost-effective manner.

The Fund may participate in Class Actions on a no-win no-fee basis only. The Fund may manage these Class Actions internally or via a specialist Class Action recovery partner.

Proxy Voting

The Fund has three main types of equity holdings that may attract proxy voting:

- Listed equities
- Equities held via unit trusts or pooled investment vehicles (pooled vehicles), and
- Private equity holdings.

While unlisted assets are not within the scope of this Policy, the following provisions are included for completeness:

- For pooled vehicles, the Fund does not directly exercise voting rights associated with voting rights attached to the Fund's holdings in such vehicles. Instead, the Investment Manager of the vehicle is responsible for casting the votes. The Fund seeks to keep informed of the voting policies and practices of these investments.
- For privately held unlisted companies, the exercise of voting rights will be managed:
 - Through delegation to the Investment Manager, or
 - Via internal determination where there is no Investment Manager associated with such companies.
- Any such approach will be determined on a case-by-case basis, considering:
 - The Fund's governance rights and level of influence.
 - The capacity and expertise of the Investment Manager to exercise votes effectively.
 - Whether there is an Investment Manager associated with the Fund's holdings.
 - The alignment of voting decisions with the Fund's policies and member's best financial interests.

The remainder of this section relates to listed equities.

Approach

For listed equities, the Fund relies on their proxy voting service provider, Glass Lewis for proxy voting research and execution. As such, the Fund relies upon the Glass Lewis voting guidelines for proxy voting.

Glass Lewis publishes detailed voting guidelines for a number of jurisdictions [on their website](#). The Fund adopts the benchmark policy, depending on the market while also applying the ESG thematic voting policy as this is aligned with the Fund's Active Ownership objectives.

A summary of all the Fund's Proxy Voting actions is maintained and published on the Fund's website, including the name of the company, the meeting date, the nature of the resolutions, and how the Fund voted.

Decision making process

Glass Lewis have the delegated authority to cast all the Fund's proxy voting ballots in accordance with their published voting guidelines and the ESG policy overlay. Glass Lewis engage weekly via alerts with the Fund on voting matters providing a summary of all upcoming voting matters.

The Fund has access to the proxy voting portal (Viewpoint) which enables the Investment Team to review, and if necessary, amend the Glass Lewis voting recommendations prior to the Ballot deadline. Members of the Investment Team can make recommendations to amend Proxy Voting decisions to the CIO.

Prioritisation and scope of voting activities

The Fund seeks to vote on all eligible voting matters/Ballots issued to the Fund by virtue of their direct share ownership.

Should a Ballot arise in a market that is classified as a share blocking market, generally the Fund will not participate in these ballots. This is because participating in these ballots results in the Fund being subject to a trading blackout during the period of the annual general meeting. The blocking period can be anything from a few days to two weeks.

Where Glass Lewis doesn't cover a company where a vote must be cast, the Fund's Investments team will seek to investigate and vote on the matter with the Fund's Engagement objectives front of mind. If the Investment Team is unable to form a firm view on a voting matter, the Trustee will abstain from voting.

Where the Fund becomes an owner of securities in sanctioned markets, and adequate research cannot be obtained, the Fund will abstain from voting on these matters.

Unlisted unit trusts

The Trustee does not directly exercise voting rights associated with voting rights attached to the Fund's holdings in Australian and international equity unlisted unit trusts. Where the Fund holds an interest in an unlisted unit trust, the Investment Manager of the trust is responsible for casting the vote on behalf of all unitholders.

Methods of voting

For efficiency, the Fund will almost always vote by proxy rather than attend shareholder meetings to vote in person.

Filing or co-filing shareholder resolutions

The Fund views shareholder resolutions as a potential catalyst for change but generally favours collaborative engagement to improve ESG practices.

Where other shareholders file a shareholder resolution, the Fund will vote on the resolution in line with the adopted proxy voting policy in place at the time.

Company dialogue pre- or post-vote

The Fund or its delegates may have dialogue with our Investment Managers, proxy voting provider and/or a company on voting matters pre or post vote. This occurs for a variety of reasons including but not limited to:

- the need for additional information
- understanding the views of other stakeholders (Glass Lewis, ACSI, Investment Managers etc.)
- member enquiry or feedback, or
- to be a catalyst for change.

The Fund does its voting intentions before meetings. However, when doing so may promote engagement and drive change, disclosure will be considered on a case-by-case basis. Such decisions require approval from the CIO, following a recommendation by any Investments Team member.

Proxy Voting on securities in transition

From time to time the Fund will transition the Fund's equities holdings from mandate to mandate. Often, a transition manager is appointed to execute these transitions in the most cost-effective manner. The Fund uses best endeavors to retain voting rights and vote in line with our proxy voting policy while portfolios are in transition phase however, this is not always possible.

Securities lending process

The Fund has engaged its custodian to run a securities lending program on behalf of the Fund. The parameters within the program are such that shares lent on the agreement are recallable by the Fund to allow the Fund to exercise its proxy voting rights.

Where shares are on loan and a notice of meeting is issued, the Trustee uses best endeavors to recall shares to enable the Fund to exercise their voting rights.

Transparency and Review of Proxy Voting Service Provider

Transparency

The Fund maintains the records of the votes cast via the Glass Lewis online system, Viewpoint.

The Fund publishes its proxy voting activity on the website, which is updated frequently ensuring full transparency.

Review of Proxy Voting Service Provider

The Responsible Investment Team will review the services and voting activity performed by Glass Lewis at the time of contract renewal and if required, sooner. The review may consider matters such as:

- Number of proxy voting research completed for the Fund
- Geographies covered
- Total ballots voted
- Number of ballots not voted and reasons
- Compliance with NGS Super's tailored requirements (such as requested ad-hoc or scheduled reporting)
- Ease of platform functionality

- Other matters deemed important.

Review

The policy will be reviewed:

- Annually,
- on the occurrence of a material change in procedural arrangements, or

Earlier if a relevant new standard or regulation is made. A summary of this Policy will be made available to the membership via publication on the website which will also be updated on the review of this Policy.

For more information about this Policy, please contact us.

Appendix A

ACSI – means the Australian Council of Superannuation Investors.

advocacy – is action taken by the Fund, or its appointed representatives and/or groups on the Fund's behalf seeking to influence or change laws, regulations, standards or guidelines aiming to protect or increase the long-term economic value of assets or a market.

active ownership – is the practice of taking actions to influence or attempting to influence the governance, practices, policies and management of the entities in which the Fund has ownership.

ballot – means a system of voting in writing on a particular issue.

CIO – means Chief Investment Officer.

Class Actions – are legal proceedings involving a number of shareholders who have a claim for loss against a company compiling all their claims into one in order to have the matter dealt with in a timely and cost-effective manner.

Custodian – means State Street Australia Limited.

ESG – refers to Environmental, Social and Governance. Issues relating to companies are generally categorised under E, S or G however, the prevalent issues which are focused on are not static and will evolve over time and in line with community expectations.

Environmental – means issues affecting the environment like climate change, emissions to land, water and resource scarcity, habitat and biodiversity loss, water and the atmosphere and dealing and waste and waste generation.

Social – means issues affecting individuals globally including but not limited to employees, customers, suppliers, members and local communities. Social issues can be related to human rights, human capital management, supply chain management, community relations and workplace health and safety.

Governance – means how a company is run or governed and is concerned with the alignment of the board or management of the company to the views of the shareholders. Governance issues can include matters including but not limited to, board skills and composition, audit/accounting practices and remuneration.

Responsible Investment Team – Any member of the Investments team who has a dedicated role relating to ESG and responsible investment objectives.

engagement – means the process of engaging with a company or other body to effect change. engagement is a lever to discharge Active Ownership responsibilities.

Fund – means NGS Super.

Glass Lewis – means CGI Glass Lewis Pty Limited, the Fund's specialist proxy voting provider.

Investment Manager – an entity that provides investment management and other services in relation to the assets of the Fund, as disclosed on the list of investment managers on the Fund's publicly accessible website.

Investment Management Agreement – means an agreement between the Trustee and an Investment Manager for the provision of investment management and other services in relation to assets of the Fund.

Proxy Voting – a Ballot cast by a shareholder of a company surrounding a matter being considered at an official meeting of the company. Casting a Proxy Vote or Ballot means the shareholder does not need to physically attend the meeting to have their vote validly recorded.

PRI – The United Nations supported Principles for Responsible Investment who are the world's

leading proponent of responsible investment working towards understanding the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

Trustee – means NGS Super Pty Limited.



Talk to us – we're here to help

You can contact us at ngssuper.com.au/contactus

Call us on **1300 133 177**, Monday to Friday, 8am–8pm (AEST/AEDT)

Postal address: **GPO Box 4303 Melbourne VIC 3001**

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