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Elizabeth Johnstone

Chair ASX Corporate Governance Council

Dear Ms Johnstone

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ASX Corporate Governance Principles and Recommendations (5th Edition)

Aware Super welcomes the opportunity to provide feedback on the 5th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (*Principles and Recommendations*).

The ASX Governance Principles underpin the behaviour of corporate Australia and provide a baseline against which an important element of performance can be assessed.

Aware Super supports the review of the Principles and Recommendations. We are comfortable with most of the amendments proposed. To that end, we support the 'if not, why not' approach to governance, recognising that the Principles provide a suitable balance of guidance to the market while also allowing entities to take an approach that is appropriate to their business.

We also support the provision of commentary to assist organisations in understanding the different approaches across the market, without mandating one particular approach. Aware Super supports the draft overall, however, we also view some of the proposals to remove certain recommendations as premature, given the level of reporting and understanding in the market.

Strong governance enables strong performance, and a company's approach to managing environmental, social and governance (ESG) risks and opportunities has a material impact on its long-term viability and success.

As a responsible investor, Aware Super has a long history of integrating ESG considerations as part of our investment decision-making. It is crucial that the companies we invest in share our priority for a foundation based on robust governance principles.

We believe that over the long term, companies (and their assets) that embrace sound ESG management practices are more likely to increase in value. By contrast, companies that poorly manage ESG risks can destroy shareholder value and may also harm the environment and broader community.

In addition to being a responsible investor, Aware Super is an active member of industry-level representative organisations that advocate for robust governance principles. Aware Super endorses the submissions from our partners, the Australian Sustainable Finance Institute (ASFI) and the Australian Council of Superannuation Investors (ACSI). This submission should be read in conjunction with that of ASFI and of ACSI.

Best Regards

Deanne Stewart

Chief Executive Officer

About us

Meet Aware Super - the multi-awarded super fund. We're here to help our members grow their savings, whether retirement is 2 or 20 years away. As one of Australia's largest profit-for-members funds, we always remember whose money it is and whose future we're looking after.

That means being super helpful in ways our 1.1m members want, and sometimes in ways they don't expect. From super returns of 8.40% p.a.*¹ over ten years for our High Growth option. To expert super advice and guidance for right now. We're committed to helping our members get more from their super, so they can get more for their future.

¹ Index median of 7.89% p.a. for the same period. Source: SuperRatings Fund Crediting Rate Survey (FCRS) 31 December 2023 (SR50 Growth (77-90) Index (approx. 50 options). Returns are after investment fees and costs, transaction costs, tax on investment income and any implicit admin fees. Past performance is not an indicator of future performance.