

## SUPERANNUATION VOTING TRANSPARENCY REPORT

**1. Name of asset owner/ fund manager & fund name chosen to assist with queries below:**

Australian Super

**2. Brief Description of Asset Owner**

Industry Super Fund

**Funds Under Management:** \$ 123 billion<sup>1</sup>

URL: <https://www.apra.gov.au/publications/annual-fund-level-superannuation-statistics>

**3. Memberships**

Association	Membership
UNPRI	Yes
FSC	No
RIAA	Yes
ACSI	Yes

**4. Do they publicly disclose a clear policy on how ESG issues are incorporated in all of their equity investment activities (i.e not just for SRI funds?) and do they screen any particular industry?**

Gives detailed policy on all ESG issues and provides particular specifications on issues the company is interested in such as climate change, gender diversity, human rights, labour supply chain and executive remuneration. AustralianSuper is in the process of exiting tobacco – it is expected to be complete by end 2019.

URL: <https://www.australiansuper.com/investments/how-we-invest/esg-management>  
<https://www.australiansuper.com/investments/how-we-invest/tobacco-divestment>

Score (2 out of 3) (1 for having a policy. Though, AustralianSuper's ESG statements don't include comprehensive guidance on its attitude to E,S & G issues<sup>2</sup>, they do set out their attitude to major G issues such as board gender diversity and executive remuneration (score 05), a significant E issue Climate

<sup>1</sup> <http://www.apra.gov.au/Super/Publications/Pages/superannuation-fund-level-publications.aspx>

<sup>2</sup> See answer to UNPRI SG 01.2 at <https://reporting.unpri.org/surveys/PRI-reporting-framework-2017/C8D45021-64DE-4CB7-A1E1-0209F131CA15/bf735de92be04caa8c32fcbc25cbdd2c/html/2/?lang=English&a=1>

Change score (score 0.25) and significant S issues relating to human rights and supply chains – score 0.25.)

(<https://www.australiansuper.com/investments-and-performance/how-we-invest/esg-active-owner/stewardship.aspx>)

**5. Do they publicly disclose their voting record for either or both their ASX and international holdings?**

Voting records are disclosed with a couple of months lag, international voting records are disclosed annually while domestic records are disclosed quarterly. All votes are fully disclosed with company and proposal description although rationales for votes are not provided.

URL: <https://www.australiansuper.com/investments/how-we-invest/esg-management>

Score (3 out of 5)

**6. DOMESTIC VOTING**

July to December 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
	Amendment of Constitution Item no.22		X			-1
	Climate Change Item no.23		X			-1
	Amendment of Constitution item no.7a		X			-1
	Human Rights Item no.7b	X				1
					Total	-3

January to June 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
	Climate Change item no.7		X			-1
	Human rights		X			-1
	Amendment of Constitution item no.5a.		X			-1
	Climate Change item no.5b. (Strategic Resilience for 2035 and Beyond )		X			-1
<b>URL: (Max score 4)Total</b>						<b>-4</b>

July to December 2015 ASX						
		For	Against	Abstain	Not Holding	Score
	Corporate governance resolution no.6a		X			-1
	Climate change resolution no.6b		X			-1
<b>Origin Energy</b>	Climate change resolution no.11		X			-1
<b>AGL Energy</b>	Climate change resolution no.5 "change to constitution"	X				1
<b>URL: (Max score 4)Total</b>						<b>-2</b>

## 7. INTERNATIONAL VOTING

International 2017 Resolutions						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
<b>The AES Corporation</b>	Climate Change	X				1
<b>Ameren</b> (item 6.)	Climate Change	X				1
<b>Dominion</b> (item 8.)	Climate Change	X				1
<b>DTE</b> (item 5.)	Climate Change	X				1
<b>Duke Energy Corporation</b> (item 7.)	Climate Change	X				1
<b>FirstEnergy</b> (item 10.)	Climate Change	X				1
<b>PNM</b>	Climate Change				X	0
<b>PPL</b> (item 6.)	Climate Change	X				1
<b>The Southern Company</b> (item 6.)	Climate Change	X				1
<b>AT&amp;T</b> (item 5)	Political Expenditure		X			-1
<b>Alphabet Inc</b> (item 8)	Political Expenditure		X			-1
<b>Wells Fargo</b> (item 5)	Consumer Rights (Retail Banking Sales Practices Report)		X			-1
<b>UK Royal Dutch Shell</b> (item 21)	Climate Change (GHG Reduction Targets)		X			-1
<b>UK Sports Direct</b> (item 19)	Human Capital Management (2016)				X	0
<b>(Max score 14) Total</b>						<b>4</b>

### 8. LAGGING

DOMESTIC RECORDS			
	Yes	No	Score
<b>2017 Records available within 2 months of 2017 financial/calendar year end</b>	X		1
<b>Records available for current year to date, no more than two months ago available</b>	X		1
<b>June 2016 Records are available</b>		X	0
<b>(Max score 3) Total</b>			<b>2</b>

INTERNATIONAL RECORDS			
	Yes	No	Score
<b>2017 Records available within 2 months of 2017 financial/calendar year end</b>	X		1
<b>Records available for current year to date, no more than two months ago available</b>	X		1
<b>June 2016 Records are available</b>		X	0
<b>(Max score 3) Total</b>			<b>2</b>

### 9. Proxy Advisor used:

N/A

### 10. Since June 2015 has the Fund lead filed or co-filed any ESG related shareholder resolutions at ASX 100 listed companies?

Not to the knowledge of ACCR.

## **11. Prose:**

Australian Super has provided evidence of a clear ESG policy and particular interest in ESG issues such as climate change, gender diversity, human rights issues and executive remuneration.

In its Active Owner in Practice – Climate Change<sup>3</sup> document, AustralianSuper states “climate change can have a broad ranging impact on economies, financial markets and our members’ investments over the long term.” Domestically in 2017, AustralianSuper voted against three shareholder resolutions related to climate change. AustralianSuper supported one shareholder resolution related to human rights in Australia in 2017.

Internationally, Australian Super supported eight of nine resolutions related to climate change. AustralianSuper voted against two international resolutions related political expenditure in 2017.

While AustralianSuper’s support for shareholder resolutions on ESG issues internationally is relatively consistent, the same cannot be said of its voting record in Australia. We are aware that funds of AustralianSuper’s size have greater access to company boards in Australia than it does internationally. This may make AustralianSuper more likely to negotiate an outcome from companies rather than voting against a board. However, disclosure of such engagements and outcomes is very limited.

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<sup>3</sup> See <https://www.australiansuper.com/-/media/australian-super/files/investments/how-we-invest/esg-management/active-owner---climate-change.pdf?la=en>