

SUPERANNUATION VOTING TRANSPARENCY REPORT

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

Commonwealth Superannuation Corporation - trustee for the CSS and PSS funds

2. Brief Description of Asset Owner and Funds under management:

Super Fund Operated by the Federal government

Funds under Management: \$195 b as at June 2017

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

3. Memberships

Association	Membership
UNPRI	Yes
FSC	No
RIAA	No
ACSI	No

4. Do they publically 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 products or industries?

Commonwealth Superannuation provides a general overview on its ESG policies and goals. It notes that general sustainability is closely linked with 'productive capital usage' (ESG Policy pg.1) and therefore in line with its business model. In the Fund's proxy voting policy it is stated that its default position is to vote in line with the recommendations of the investee company. The Fund does not provide any further insight into its investment activities associated with Environmental & Social issues. In its Proxy Voting policy CSC does set out 5 principles under the heading 'What CSC expects of its investee public company governance'. It is possible CSC screens out some particular industries as CSC states it excludes holdings in activities banned or likely to be banned by the Australian Government but what these activities are is not specified on its website nor in its UNPRI report.

It does provide summary material from an MSCI ESG ratings report on its September 2015 portfolio of listed equity holdings indicating its holdings were rated above market average.

<https://www.csc.gov.au/investment/investment-stewardship-and-governance/environmental-social-and-governance/>

<https://www.csc.gov.au/publication/resource/?id=441>
<https://www.csc.gov.au/publication/resource/?id=442>
<https://reporting.unpri.org/surveys/PRI-reporting-framework-2017/AC1928AD-CA5B-452B-B1F2-C6EDA362A091/bf735de92be04caa8c32fcbc25cbdd2c/html/2/?lang=English&a=1>

Score (1.5) (1 for having a policy and 0.5 for having a brief mention of their attitude to common G issues in their proxy voting policy.)

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

Commonwealth Superannuation Corporation provides only summary statistics of their proxy voting records. It does not list voting instructions for each resolution voted upon and does not list by company.

<https://www.csc.gov.au/investment/investment-stewardship-and-governance/proxy-voting/>

Score (1 out of 3)

6. Who do they use as a proxy advisor?

CGI Glass Lewis (International only)

7. 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.

8. Prose

Commonwealth Superannuation provides a general ESG overview. It does not specify particular ESG areas the fund is interested in other than general sustainability. The fund does mention that its default proxy voting position is to vote in line with the board recommendation (pg.1 Proxy Voting Policy). Commonwealth Superannuation provides only summary statistics for its Proxy voting records, therefore the Fund's specific votes against company and resolution proposals is publically unavailable for both domestic and international markets.

Though CSC is a body established by the Australian Government and a member of the UNPRI the extent of its disclosure of its proxy voting record is worse than that which it would be required to provide were it a member of the industry-wide private sector trade association – the FSC.