

SUPERANNUATION VOTING TRANSPARENCY REPORT

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

First Super

2. Brief Description of Asset Owner

Industry Super Fund for those in timber, pulp & paper, furniture and joinery industries.¹

3. Funds Under Management:

\$2.8 B²

4. Memberships

Association	Membership
UNPRI	No
FSC	No
RIAA	No
ACSI	Yes

5. 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 industry?

The fund has a corporate governance policy within which it addresses ESG investment activities. The fund, gives particular emphasis and examples relating to governance issues such as executive or board remuneration. The fund seeks to take an active approach towards ESG issues by voting against listed company remuneration reports if 'the combined total of the company CEO's fixed salary and maximum cash bonus entitlement and/or the level of directors' fees increased over the previous financial year by a greater percentage than the increase in Average Weekly Ordinary Time Earnings (AWOTE) for the year ended 30 June prior to the date of the company's Annual General Meeting.' However the fund does not mention its stance on climate change or social issues.

URL:

<https://www.firstsuper.com.au/wp-content/uploads/2016/12/201a-Proxy-voting-from-IGS-v7-13-Dec-2016.pdf>

Score (1.5 out of 3) (as has a policy and specifies its approach to remuneration but nothing else)

¹ <https://www.industrysuper.com/choose-a-fund/>

² <https://www.firstsuper.com.au/about-us/>

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

Domestic voting records are disclosed annually. However the lag in the most recent 2017 record is approximately 6 months with the financial year ended 30th June 2017 voting record disclosed in December 2017. The fund does not have any international voting records as they cannot vote on international shares. All votes include company and proposal description however rationales for votes are not provided.

URL: <https://www.firstsuper.com.au/about-us/fund-disclosure/>

Score (2 out of 5)

7. DOMESTIC VOTING

July to December 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
BHP Billiton	Amendment of Constitution Item no.22		X			-1
	Climate Change Item no.23	X				1
Woolworths Group Limited	Amendment of Constitution item no.7a		X			-1
	Human Rights Item no.7b		X			-1
URL: (Max score 4)Total						-2

January to June 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
Oil Search	Climate Change item no.7		X			-1
	Human rights		X			-1
Santos	Amendment of Constitution item no.5a.	X				1
	Climate Change item no.5b. (Strategic Resilience for 2035 and Beyond)	X				1
URL: (Max score 4)Total						0

8. INTERNATIONAL VOTING

First Super 'cannot vote on international shares' ³

9. LAGGING

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

³ <https://www.firstsuper.com.au/about-us/fund-disclosure/>

10. Proxy Advisor used:

ACSI

11. 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.

12. Prose:

In its corporate governance policy First super declares its stance on ESG issues relevant to investment decisions. There is a particular focus on governance issues, in particular board remuneration. First Super had three chances in 2017 to support domestic governance related resolutions and voted in support of only one.

No detailed information is provided in the corporate governance document on social or environmental issues farther than general concern.

In the three climate change related resolutions, identified by ACCR, First Super had the chance to vote on in 2017, the fund supported none. In the same year, the fund was able to vote on two human rights related shareholder proposals at the Woolworths and Oil Search AGM's, both of which it supported.

First Super has clearly stated in its website that it 'cannot vote on international shares'. Thus First Super did not have any chances to vote on ESG issues internationally.

NOTES