

SUPERANNUATION VOTING TRANSPARENCY REPORT

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

REST (Retail Employees Superannuation Trust)

2. Brief Description of Asset Owner:

Industry Superfund for the retail sector

3. Funds under Management: over \$50billion (as of December 2017)

URL:

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

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?

There is a general three paragraph statement outlining why “ESG matters when investing.” No specifics regarding their investment approach in a policy document was supplied. The eight core investment beliefs do not cover an ESG policy. There is an ESG Policy mentioned, within the proxy voting policy as well, but there is no document available for the public. The proxy voting policy states that “the trustee has adopted a sustainability policy” but there is no explanation as to what this entails. There are no apparent industry exclusions for Responsible Investment purposes however REST does have a policy of not directly owning shopping centres apparently to avoid conflicts of interest.

URL:

<https://www.rest.com.au/member/investments/approach-to-sustainable-investing>

<https://www.rest.com.au/about-rest/corporate-governance/voting-and-proxy-policy>

Score (0.5 out of 3)

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

Voting records are disclosed for the entire financial year 1 July- 30 June 2016/2017 for holdings in Australian listed by company by resolutions. There are no disclosed international voting records. Within the document, the resolutions are recorded by company with a short proposal description. The percentage of for/against/ abstentions is made available, however the rationale behind the decision was not provided. No previous disclosures are available.

URL:

https://www.rest.com.au/NEW-Document-library/Corporate-Governance/Proxy_Record.pdf

Score (2 out of 5)

7. DOMESTIC VOTING

July to Dec 2017 is likely to be available Oct 2018.

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						-4

8. INTERNATIONAL VOTING

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

9. LAGGING

INTERNATIONAL AND DOMESTIC RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end		X	0 ¹
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

8. Proxy Advisor used:

No proxy advisor is listed on the service provider page, however REST is an ACSI member so presumably they use ACSI.

9. 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.

10. Prose:

REST has not provided evidence of a clear ESG policy or an interest in ESG issues. There is a brief mention of a broad 'ESG integration' intent but no indication of how this is impacting current and future investment and voting decisions.

Domestically REST had two chances within the financial year (1 July 2016- 30 June 2017) to support Climate Change Based resolutions and has supported 0, as recorded in its Proxy Voting Summary for the time period. Similarly, REST has had one chance within the same financial year, to support Governance related resolutions and has supported 0, as recorded in its Proxy Voting Summary for the same period. In the financial year (1 July 2016- 30 June 2017) REST has received the chance to vote in support of one human rights shareholder resolution which it chose to vote against.

¹ International Records have only recently been disclosed. Therefore the score of the domestic records have been applied to both.

TO THE KNOWLEDGE OF ACCR, THIS INFORMATION
IS CORRECT AS AT: 10/04/2018



REST has not disclosed any quarterly or half yearly voting records, and as such there is no data on later voting decisions.

Rest has recently disclosed its International Proxy Voting. In the two governance related shareholder proposals the Fund had a right to vote on internationally, it supported, however it did not support the one climate change related proposal it might have supported in the 2016/17 financial year.

REST uses both internal and external managers. It generally outsources proxy voting rights when it is using external managers. Board approval is required before REST exercises voting rights in regards stocks held by its internal management which operate in the Australian retail sector.

NOTES

For the domestic votes, there was a percentage of votes for/against. This wasn't particularly contradictory except for the vote in May on the Oil Search Climate Change Resolution which had a split of 49% vote for and 51% against. This was counted as an against vote above and presumably reflected the use of investment managers who took opposing stances on this issue.