

SUPERANNUATION VOTING TRANSPARENCY REPORT

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

UniSuper Limited, UniSuper

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

Industry super fund focused on higher education and research sector.

3. Funds under Management: \$65b

URL: <https://www.unisuper.com.au/about-us/who-we-are>

4. Memberships

Association	Membership
UNPRI	Yes
FSC	No
RIAA	Yes
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 products or industries?

UniSuper has a clear policy setting out its approach to ESG issues from an investment perspective. In particular it states it has a strong stance on preventing climate change and global warming claiming to “direct its proxy votes in support of reasonable and coherent climate change and greenhouse management shareholder resolutions”¹. It also describes further steps taken to understand ESG issues within their investees - such as the holding of engagement meetings².

The fund screens tobacco and states it has an interest in “ESG disclosure and transparency by investee companies; human rights in the supply chain; occupational health and safety (OHS) and remuneration³.” UniSuper’s approach to proxy voting is set out in its Sustainable Investment Policy⁴. There is no mention of UniSuper’s

¹<https://www.unisuper.com.au/~media/files/forms%20and%20downloads/forms%20and%20brochures/climate-change-position-statement.pdf?la=en> (pg.6)

²<https://www.unisuper.com.au/~media/files/forms%20and%20downloads/proxy%20voting%20reports/responsible-investment-update-january2017-june2017.pdf>

³<https://www.unisuper.com.au/investments/responsible-investing/our-approach-to-responsible-investing>

⁴https://www.unisuper.com.au/~media/files/forms%20and%20downloads/forms%20and%20brochures/about%20unisuper/sustainable_investment_policy.pdf?la=en

attitude towards specific Governance issues nor to non-climate change
Environmental issues.

URL:

Responsible Investment Update:

<https://www.unisuper.com.au/~ /media/files/forms%20and%20downloads/proxy%20voting%20reports/responsible-investment-update-january2017-june2017.pdf>

Climate Change Position Statement:

<https://www.unisuper.com.au/~ /media/files/forms%20and%20downloads/forms%20and%20brochures/climate-change-position-statement.pdf?la=en>

<https://www.unisuper.com.au/investments/responsible-investing/our-approach-to-responsible-investing>

https://www.unisuper.com.au/~ /media/files/forms%20and%20downloads/forms%20and%20brochures/about%20unisuper/sustainable_investment_policy.pdf?la=en

Score (1.5) one point awarded for having a policy, No Governance point awarded, 0.25 awarded for Social criteria specified and 0.25 for Climate Change out of Environmental criteria.

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

UniSuper discloses its proxy voting records by both company and proposal description and provides a fairly extensive prose summary and discussion of voting records for each half year. The fund provided a rationale for voting AGAINST a particular Santos resolution in H1 2017 due to the 'reasonable level of attention' the resolution received, however providing a voting rationale does not seem to be a general practice. For example, no rationale was provided for its vote AGAINST a climate change/political expenditure related resolution at BHP in H2 2017.

For international holdings UniSuper only discloses its proxy voting record for the largest 100 companies it holds – of approximately 2000.

URL:

<https://www.unisuper.com.au/investments/responsible-investing/responsible-investment-reports>

<https://www.unisuper.com.au/~ /media/files/forms%20and%20downloads/proxy%20voting%20reports/responsible-investment-update-january2017-june2017.pdf>

<https://www.unisuper.com.au/~ /media/files/forms%20and%20downloads/proxy%20voting%20reports/responsible-investment-report-july---dec-2017.pdf>

Score (2 out of 5)

7. 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
URL: (Max score 4) Total						-4

January to June 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
	Climate Change (item 7)				X	0
	Human rights				X	0
	Amendment of Constitution (item 5a.)		X			-1
	Climate Change (Item 5b.) (Strategic Resilience for 2035 and Beyond)		X			-1
URL: (Max score 4) Total						-2

TO THE KNOWLEDGE OF ACCR, THIS INFORMATION
IS CORRECT AS AT: 30/04/2018

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
Origin	Climate change resolution no.11		X			-1
AGL	Climate change resolution no.5		X			-1
URL: (Max score 4)Total						-4

8. INTERNATIONAL VOTING

UniSuper only provides voting records for the largest 100 of their roughly 2000 international holdings so if a vote is not recorded in their Voting Record it is impossible to know whether they didn't hold the stock or it's just outside their largest 100 holdings.

International 2017 Resolutions						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
AES	Climate Change					0
Ameren (item 6.)	Climate Change					0
Dominion (item 8.)	Climate Change					0
DTE (item 5.)	Climate Change					0
Duke (item 7.)	Climate Change					0
FirstEnergy (item 10.)	Climate Change					0
PNM	Climate Change					0
PPL (item 6.)	Climate Change					0
Southern (item 6.)	Climate Change					0
AT&T (item 5)	Political Expenditure					0
Alphabet Inc (item8)	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)					0
UK Sports Direct (item 19)	Human Capital Management (2016)					0
(Max score 11)						-2

9. LAGGING

DOMESTIC RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end	X		1
Records available for current year to date, no more than two months ago available		X ⁵	0
June 2016 Records are available	X		1
(Max score 3) Total			2

INTERNATIONAL 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

10. Proxy Advisor used:

Glass Lewis (international)

<https://www.unisuper.com.au/~ /media/files/forms%20and%20downloads/proxy%20voting%20reports/responsible-investment-update-january2017-june2017.pdf> (pg. 3)

ACSI (domestic - presumably given ACSI membership)

⁵ UniSuper makes its records available on a half yearly basis. The records for H2 of calendar year 2017 were made available in early April 2018. By contrast, records for H1 of calendar year 2017 were made available late July 2017.

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:

UniSuper's policies emphasise its support for climate change and human rights issues. In particular, UniSuper states in its climate change position statement that it intends to "direct its proxy votes in support of reasonable and coherent climate change and greenhouse management shareholder resolutions".

Five climate change-related shareholder resolutions were presented across UniSuper's Australian equities portfolio in the 2015/17 period - UniSuper supported none. It provided a rationale for its lack of support for one (Santos) which it declined to support on the basis that the board had, late in the piece, agreed with the proposal - though the board had, earlier, recommended shareholders vote against it.

While this is somewhat understandable, there still appears a notable inconsistency between UniSuper's policy of "direct[ing] its proxy votes in support of reasonable and coherent climate change and greenhouse management shareholder resolutions" and its lack of support for the resolution even in the face of partial company support for it. Further clarification of this policy position would benefit UniSuper members.

This survey was unable to fully assess UniSuper's attitude to climate change issues internationally because the fund does not disclose its voting record for most of its holdings.