

SUPERANNUATION VOTING TRANSPARENCY REPORT

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

Victoria Funds Management Corporation (VFMC)

2. Brief Description of Asset Owner

Victorian public sector investment body that manages funds for 30 Victorian public authorities.

3. Funds Under Management:

\$60.3B as at 31 December, 2017

URL: <https://www.vfmc.vic.gov.au/>

4. Memberships

| Association | Membership |
|-------------|------------|
| UNPRI | Yes |
| FSC | No |
| RIAA | No |
| ACSI | No |

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 discloses a clear policy on how ESG issues are incorporated in their investment activities. The fund gives particular emphasis to climate change and has issued a brief climate change statement stating that VFMC will 'incorporate climate change into the consideration of its investments across asset classes' and 'contribute to public policy with regard to climate change'. The funds Proxy Voting Policy has a detailed statement of its attitude to many G issues. Their ESG policy statement contains virtually no detail on their attitude to any specific non-climate change E or S issues. The fund also excludes certain Industries such as Tobacco and Cluster munitions.

URL:

<https://www.vfmc.vic.gov.au/content/uploads/2018/02/VFMC ESG-Policy Oct 2017.pdf>

<https://www.vfmc.vic.gov.au/content/uploads/2018/04/Proxy-Voting-and-Application-2018.pdf>

Score (2.25 out of 3) (1 for having a policy, 1 for describing their attitude to common G issues, 0.25 for setting out their attitude to climate change.)

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

The voting records provided only summary statistics, showing the percentage of for, against and abstain votes for each quarter from 2009 – 2013 and then half yearly from 2004 – 2017. The summary statistics are currently being updated half yearly (after June 30 and Dec 31).

URL: <https://www.vfmc.vic.gov.au/investments/investment-approach/proxy-voting/proxy-voting-record/>

Score (1 out of 6)

7. LAGGING

Score 0. Only Summary statistics are provided.

8. Proxy Advisor used:

Voting recommendations from unspecified 'governance advisors'.

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:

Victoria Funds Management Corporation (VFMC) has provided evidence of a clear ESG policy which details the approach VFMC takes to incorporate ESG issues. In particular, VFMC has shown interest in the climate change and global warming. VFMC acknowledges that climate change may affect investment portfolio performance and thus over time VFMC will aim to support 'reasonable shareholder proposals' in relation to greenhouse gas emissions and climate change.

VFMC has only provided summary statistics for its voting records. Voting record only shows the percentage of resolutions voted for, against or abstain. It does not give detail about how the VFMC voted in regards to any specific company proposal.

NOTES

Lag is uncertain as it does not specify how long after June 30 or Dec 31 the voting record will be updated.