

AustralianSuper - Socially Aware option

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

This is a multi-asset investment option within the AustralianSuper super fund.

Ethical Concerns

Investments

- ✖ Some investments in the Fund can be problematic for ethical investors, such as:
 - Coal/Oil/mining logistics: Downer Group, QUBE, Mineral Resources holdings, DSV.
 - Electricity generation: Dominion Energy Inc (Coal, Oil, Gas, Nuclear), Contact energy (Gas).
 - Service stations and petrol distribution: Caltex, Viva REIT, Z Energy.
 - Mining support: MACA, Orica (mining blasting systems, a leading supplier of sodium cyanide for gold extraction).

Other concerns

- ✖ There is a fund wide policy to “actively engage with companies on the risks relating to future fossil fuel consumption and physical changes in climate.” Despite this, the whole of fund ACCR and recent vote history is mixed to poor on climate change and humanitarian resolutions, and there is little other evidence of successful engagement. This may not accurately reflect votes made on behalf of the sustainable option’s holdings.
- ✖ The filters are reasonably weak. They still allow investments in companies which “invest in, provide services to, or buy, process or sell products from companies excluded due to owning reserves of coal, oil, gas or uranium.”
- ✖ Invests in companies such as Mineral Resources, named by [Market Forces](#) as undermining efforts to meet the Paris Agreement on Climate Change.
- ✖ AustralianSuper do not specialise in ethical investments.

Good Points

- ✓ The fund excludes coal reserves, oil reserves, gas reserves, uranium reserves, tobacco production, cluster munitions and land mines, single gender boards i.e. exclusively male or female boards (asx200 only), companies flagged as having human rights, labour, environmental or governance controversies.
- ✓ The fund [excludes](#) companies from the portfolio based on environmental and social issues.
- ✓ Some commitment to transparency by being [UNPRI](#) signatory, but not [RIAA](#) certified.
- ✓ It has good transparency with [full holdings](#) and [voting history](#) (whole of fund) publicly available on their website.
- ✓ This fund provides a carbon intensity disclosure on investments every two years. The last one, completed in 2017, indicates 10.6% reduction in carbon emissions from Australian investments when compared to an index.
- ✓ Fund claims to engage with companies with material exposure to fossil fuel assets, with companies on diversity and remuneration issues.

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated 1st March 2019