

Stewardship Statement

March 2023

It's Australian.
It's super.
And it's yours.

AustralianSuper is a signatory to the Australian Asset Owner Stewardship Code (the Code).

We support the principles outlined in the Code and the guidance they provide on improving the quality and transparency of company engagement and voting practices of Australian asset owners.

In accordance with the Code, this Stewardship Statement provides an overview of how we aim to promote long-term value creation in our investee companies in the Australian shares asset class through our stewardship activities.

Principle 1: Asset owners should publicly disclose how they approach their stewardship responsibilities

We disclose how we approach our stewardship responsibilities in our Environmental, Social and Governance (ESG) and Stewardship Policy. As an active investor we exercise the rights and responsibilities of being a large shareholder. Our objective is to effectively communicate our investment interests to companies in a way which is consistent with maximising long-term value for AustralianSuper members. You can view our *ESG and Stewardship Policy* at australiansuper.com/ESGpolicy

Principle 2: Asset owners should publicly disclose their policy for voting at company meetings and voting activity

Voting on resolutions at general meetings is a key right and responsibility of shareholders. It presents an opportunity for us to communicate our view on how companies are creating long-term investment value for members. AustralianSuper's voting process aims to protect members' interests and produce outcomes that:

- i. create and/or enhance company value and;
- ii. ensure value is fairly distributed.

AustralianSuper's *ESG and Stewardship Policy* highlights stock voting as a key stewardship activity.

Transparency is a key element of our voting activity and we publish our international and domestic voting decisions on a quarterly basis on our website.

We also publish our *Share Voting Approach* on our website. This document includes our principles on voting on director elections and executive remuneration.

You can find our voting record and *Share Voting Approach* document at australiansuper.com/ResponsibleInvestment

Principle 3: Asset owners should engage with companies (either directly, indirectly or both)

AustralianSuper engages with listed companies directly and/or via collaborative networks with other investors or engagement service providers. We may hold our investment directly or through external managers and/or actively or passively. Our engagement is focussed on directly held active investments.

Direct company engagement

Direct engagement with companies provides the opportunity for us to influence the make-up of company boards and encourage attention to and/or management of issues we believe can impact members' investment returns.

Our engagement process encompasses three key perspectives:

- i. Relationship building: helping companies understand the importance of ESG factors on an ongoing basis.
- ii. Themes based engagement: focusing on strategic ESG themes that our ESG and Stewardship program has identified as a priority.
- iii. Company specific issues engagement: seeking resolution of specific ESG concerns or engaging on a particular voting matter.

AustralianSuper also engages with companies by participating in collaborative networks with other investors to amplify our voice and influence.

If engagement doesn't lead to a successful outcome on a material issue, we may use our voting rights to vote against company resolutions. We may also vote in favour of shareholder resolutions if we believe they will create or enhance long-term company value on behalf of members.

Indirect company engagement

AustralianSuper is a member of the Australian Council of Superannuation Investors (ACSI), which provides proxy voting advice and ESG engagement services. ACSI engages with companies on behalf of AustralianSuper and its other members to expand the breadth of our engagement coverage and amplify our voice and influence.

We publish an overview of our engagement activities in our annual report.

Principle 4: Asset owners should monitor asset managers' stewardship activities

AustralianSuper retains voting rights for listed companies in the Australian equities asset class, whether held directly or through external fund managers. We make our decisions based on what we believe will create or enhance long-term company value for members.

We assess how potential new investment managers manage ESG issues during our appointment process. We also send questionnaires to existing external managers to assess how they manage ESG issues.

Principle 5: Asset owners should encourage better alignment of the operation of the financial system and regulatory policy with the interests of long-term investors

We believe it's important that the operation of the financial system and regulatory policy is aligned with the interests of long-term investors to help achieve the best investment outcomes for members.

AustralianSuper seeks this alignment through submissions to inquiries on the operation of the financial system and public policy issues. We may do this ourselves or support submissions made on our behalf by our collaborative networks.

You can view submissions AustralianSuper has made directly at australiansuper.com/about-us/policy-submissions

Principle 6: Asset owners should report to beneficiaries about their stewardship activities

AustralianSuper values transparency and believes it's important to keep members informed of our stewardship activities. We publish the following resources on our website:

- *ESG and Stewardship Policy*;
- stock voting approach and quarterly Australian and international voting records;
- approach to stewardship;
- the Responsible investment section in our *Annual Report*.

Find out more at:

australiansuper.com/ResponsibleInvestment

Contact us

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