

29 March 2018

Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Via email: fadt.sen@aph.gov.au

Dear Committee Members,

[United Nations Sustainable Development Goals \(SDGs\)](#)

On behalf of the Australian Council of Superannuation Investors (ACSI), I am pleased to make this submission to the Senate Foreign Affairs, Defence and Trade References Committee on the United Nations Sustainable Development Goals (SDGs).

As a representative of long-term investors, ACSI makes this submission to highlight the importance of the SDGs and their link to the development of sustainable financial markets. The implementation of the SDGs represents an opportunity to create long-term value by encouraging sustainable economic growth, and provides Australian investors with a framework for assessing investment risk and opportunity.

[About ACSI](#)

Established in 2001, ACSI exists to provide a strong, collective voice on environmental, social and governance (ESG) investment issues on behalf of our members. Our members include 38 Australian and international asset owners and institutional investors. Collectively, they manage over \$2.2 trillion in assets and own, on average, 11% of every ASX200 company, on behalf of millions of beneficiaries.

As fiduciary investors, it is incumbent upon our members to consider all long-term investment drivers, and to encourage sustainable economies and financial markets. The social and environmental challenges embodied in the United Nations' Sustainable Development Goals (SDGs) represent clear investment risks and opportunities for Australian investors. We note that the growing focus of institutional investors on the SDGs across the globe reflects the goals' links with key drivers of economic growth and sustainability.

[Response to terms of reference](#)

We believe that the SDGs provide an important framework to assess investment opportunities and capital allocation, as well as managing macro-financial risks.

In the Australian context, investors and asset owners have a strong awareness of the SDGs and support the widespread adoption of them by government, investors and corporate Australia. We believe the investment in, and achievement of, the goals will be fundamental in providing solutions to sustainability challenges, driving economic growth and ensuring the health of both the global markets and the world in which their beneficiaries will live.

Our participation is spurred on by research that ACSI has conducted over the past two years which shows the increasing adoption of the SDGs by many of Australia's largest listed companies. While this increase is positive, we note that the uptake by Australian companies appears to lag the goals' adoption in other developed markets, particularly compared to the UK and Europe.

To see the SDGs realised, we believe:

- **A national implementation plan should be developed** that provides a consistent and coherent strategy for investors, government and business, outlining how Australia will achieve the goals as well as supporting the necessary administrative arms to facilitate and encourage action on the SDGs.
- In the **establishment of a baseline report, and monitoring body**, to manage Australia's progress against the SDGs. ACSI and some of the largest superannuation funds in Australia are currently supporting the Monash Baseline Project, which we believe can provide an important independent assessment of progress.
- There is room to **improve the engagement and communication of the SDGs to all sectors of society**. This process would be bolstered by the creation of a secretariat to co-ordinate collaboration and assist with broader engagement among federal and state governments, civil society organisations, business, investors and academia in pursuit of the goals.

[Please contact ACSI if we can assist further](#)

ACSI believes the benefits and opportunities for Australia, and investors, provided by adopting the SDGs are an economic imperative. Progress on implementing the SDGs will be important to the future development of the economy, financial markets, community and environment.

We will be following the progress of the inquiry with interest, and would be happy to answer any questions the Committee may wish to raise regarding our submission. Please contact me or Edward John, ACSI's Executive Manager of Governance, Engagement & Policy, (ejohn@acsi.org.au or 03 8677 3894) should you require any further information regarding our submission.

Your sincerely,



Louise Davidson
Chief Executive Officer