

2023

Annual Report

2022 – 2023 Financial Year

November 2023



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The year at a glance



306

Formal company engagement meetings



Met with **194**

companies in the ASX 300 to discuss ESG issues



29 out of 30

priority climate companies have made net-zero commitments



23 companies

made remuneration changes that better align with investor expectations



89%

of all priority companies have made improvements on key ESG themes



more than **35%**

ASX300 board seats are held by women



18

Media releases

Company resolutions



2,011

The number of resolutions ACSI provided research on



2

We held **2** annual conferences in one financial year. **348 people attended the ACSI Annual Conference in Melbourne** in July 2022, and **314 joined us in Sydney** on 3 May 2023



5 public research reports released



ACSI put forward

14 policy submissions

Table of contents

The year at a glance	1
About ACSI	3
President and Chief Executive Officer Message	5
Sustainable development goals	7
Additional resources	9
Reporting on our ESG risks	10
Who are we?	11
What makes us different?	13
Our stakeholders	14
Our way of interacting	15
Our capitals: How we create value	16
Our model	17
Our contribution	18
Our external environment	20
Opportunities	21
Our work in action	22
Research	24
Engagement	27
Voting advice	33
Advocacy	35
Events	37
Identifying and managing risk	38
Financial information	41

Acknowledgement of Country

We acknowledge and respect the traditional lands and culture of First Peoples in Australia.

We pay our respects to Elders past and present and recognise First Peoples' longstanding and ongoing spiritual connections to land, sea, community and Country.

Appreciation and respect for the rights and cultural heritage of First Peoples is essential to the advancement of our societies and our common humanity.

About ACSI

Established in 2001, ACSI exists to provide a strong voice on financially material environmental, social and governance (ESG) issues.

About this report

Our annual report incorporates principles from the International Integrated Reporting Framework <IR>.

We view transparency as one of our key operating principles. Publicly reporting our results is one way we demonstrate accountability to our stakeholders.

This Annual Report covers the 2022 – 2023 financial year (FY23) and articulates how we deliver value to our stakeholders. Using principles of the <IR> framework, our Annual Report highlights how our strategy, services and performance deliver in the best financial interests of our members.

The following were directors of ACSI, or Member Advisory Council representatives during the financial year and up to the date of signing this report.

Board acknowledgement

As the board of ACSI, we acknowledge our responsibility for the preparation of this report. We have reviewed the contents of the report for FY23 and taken action to support the integrity and accuracy of its contents. We recognise that this report incorporates principles from the <IR> Framework.

This report was signed on 23 October 2023.

ACSI Board of Directors

Debby Blakey (Chair/President), HESTA

Linda Scott (Deputy Chair/Deputy President), CareSuper

David Elia, Hostplus

Paul Schroder, AustralianSuper

Charles Woodhouse, Australian Retirement Trust (ART) (until Sept 2023)

John Livanas, State Super

Kristian Fok, Cbus Super

Deanne Stewart, Aware Super

Lou Capparelli, UniSuper

Vicki Doyle, Rest Super

Joshua Lim (Sze Tsung), IFM Investors

Russell Clarke, Victorian Funds Management Corporation (VFMC)

Stephen Rowe, Vision Super

Donna Heffernan, Active Super

Justine Hickey, EquipSuper

ACSI Member Advisory Council

Debby Blakey, HESTA (Chair until Jan 2023)

Linda Scott, CareSuper (Chair from Jan 2023)

Andrew Gray, AustralianSuper

Dan Smith, Australian Retirement Trust (ART) (from May 2023)

Nicole Bradford, Australian Retirement Trust (ART) (until Apr 2023)

Liza McDonald, Aware Super

Jodie Barns, UniSuper (from Sep 2022)

Lou Capparelli, UniSuper (until Sep 2022)

Kylie Molinaro, Hostplus (from Aug 2023)

Susannah Lock, Hostplus (until Feb 2023)

Ashley Kopczynski, IFM Investors (from Jul 2022)

Chris Newton, IFM Investors (until Jul 2022)

Ros McKay, Cbus Super

Kim Farrant, HESTA

Leilani Weier, Rest Super

Shali Lindgaretnam, Victorian Funds Management Corporation (VFMC)

Sarah Gallard, State Super

Jessie Pettigrew, EquipSuper (from Oct 2022)

Andrew Howard, Togethr Trustees (until Oct 2022)

Aoife McCarthy, Spirit Super (from Jan 2023)

Ross Barry, Spirit Super (until Jan 2023)

David Humphreys, TelstraSuper

Claire Molinari, CareSuper

Susan Chau, Mine Super (from Jul 2022)

Tim Richardson, Mine Super (until Jul 2022)

Ali El Saleh, TWUSUPER (from Oct 2022)

Jerom Lotscher, TWUSUPER (until Oct 2022)

Wendy Fang, NGS Super (from Mar 2023)

Skye King, NGS Super (until Mar 2023)

Moya Yip, Active Super

Michael Wyrsh, Vision Super

Linda Trusler, legalsuper (from Jul 2022)

Bill Watson, First Super

Message from the President and Chief Executive Officer



Debby Blakey
ACSI President



Louise Davidson AM
Chief Executive Officer

This financial year has seen much-anticipated progress on several environmental, social and governance (ESG) fronts, but perhaps inevitably, many of the long-running challenges remained in focus for investors.

Huge, interconnected trends around the world, such as [climate change](#), [human rights](#) and [geopolitical tensions](#), have the potential to damage well-being and financial security and demonstrate why the integration of ESG considerations across portfolios is so critical.

These trends are financial issues that can impact a company's long-term success. That's why ACSI members - as fiduciary investors and stewards of capital - are focused on managing ESG across their portfolios.

As active owners, investors [have a responsibility](#) to protect and enhance long-term investment value for their beneficiaries. One of the important ways they do this by undertaking stewardship activities - including engagement, disclosure and public policy advocacy - which promote sustainable value creation in the companies in which they invest and the markets that they invest in. Our own company engagements show us that stewardship remains an effective tool for investors in helping drive improvements in company performance. Our members have a seat at the table and must use that seat wisely.

While there is always more work to do, our engagement in 2022-23 made headway. On climate risk, all our priority companies now report, or have committed to reporting, against the TCFD, all 30 have set medium-term emissions reductions targets, and all but one have made net-zero commitments.



This financial year has seen much-anticipated progress on several environmental, social and governance (ESG) fronts."

There has been some important progress on climate policy, which helps give certainty to business and investors. Getting the policy settings right to support decarbonisation is crucial and ACSI continues to engage with Government to promote the adoption of settings that will facilitate action on the challenges facing investors and companies today.

ACSI's integrated business model seeks to improve the performance of listed companies on our priority ESG issues at the company level and at the policy level.

One development that clearly highlights the value of ACSI's integrated approach is in our work on just transitions, seen in the establishment of the Net Zero Authority to oversee and drive the transition to a low carbon economy. In 2022 we released [A Just Transition](#), which stemmed from the efforts of a working group of ACSI members. It lists detailed investor expectations which has guided our company engagement, and called for a national body to coordinate the transition, which we advocated for with policymakers. It was pleasing to see the Government announce in May the establishment of the Net Zero Authority to oversee and drive the transition to a low carbon economy.

There has also been welcome action on mitigating Modern Slavery issues, and our research this year into the third round of Modern Slavery reporting showed that while the ASX200 has largely implemented the foundations of modern slavery risk management, companies must do more to effectively address this serious investment risk that also has a terrible human toll.

ACSI's push to broaden the diversity in ASX boardrooms continued this financial year with a new voting policy outlining our expectation that a minimum of 30% of board seats be held by women.

Institutional investors face a broad range of ESG risks and key priorities remain such as, human rights, safety and the range of governance risks which ACSI has engaged on for decades. While newer priorities are also taking focus including biodiversity and nature risks, and the concepts and importance of a circular economy.

This financial year was the first in our new strategic planning period. Our plan aims to deliver deeper and broader capability on critical ESG themes for our members as their needs evolve.

As ever, we are proud that the unique nature of our membership structure and the scale benefits of managing ESG issues through ACSI provides cost savings to members, which ultimately is in the best financial interest of super fund beneficiaries.

Debby Blakey

Louise Davidson

Sustainable development goals

ACSI aims to advocate for improvements in the ESG performance of Australian listed companies and advocates for policies aligning markets with the interests of long-term investors and strengthen ESG outcomes.

With its long investment horizons, Australia's superannuation sector has a particular interest in issues which risk investment performance in the medium to long term – from climate change, biodiversity loss and natural disasters to the economic value loss from weak corporate governance.

ACSI is committed to supporting the United Nations' Sustainable Development Goals (SDGs) and is a member of the United Nations Global Compact.

The SDGs are a call to action to address global challenges and '[achieve a better and more sustainable future for all](#)'.

Through our work program, we seek to promote greater awareness of the SDGs and contribute to progress on key SDGs. We research critical ESG issues, engage comprehensively with listed companies, publicly advocate on policy and develops independent AGM voting recommendations.

Our work focuses on goals 5, 8, 10, 12, 13 and 15.

Find out more by reading our latest communication on Engagement.



ACSI and its members were some of the first in Australia to focus on responsible investment issues. It is pleasing to see that, today, investment stewardship is well and truly a part of mainstream investing.

Debby Blakey, ACSI President
ACSI Annual Conference, 2022

Additional resources

A range of ACSI resources support our work, measure our success, and outline our expectations to stakeholders. These include:



Governance Guidelines

The Governance Guidelines define our expectations for the governance practices of the companies in which our members are invested. The guidelines are updated every two years. Find out more here.



Policies

Our members recognise that ESG risks and opportunities can have a material impact on investment outcomes. Our position on, and approach to, key ESG issues are found in our policies. Find out more here.



Engagement reports

Each year we summarise our company engagements, including key topics we discussed and measurements of outcomes. Find out here.



Annual financial statements

Our financial statements are publicly disclosed on the ACSI website. Visit our 'Corporate Documents' page here.



Our members

Our members are fiduciary Investors with a responsibility to act to enhance the long-term value of the savings entrusted to them. Find out more about our members here.



Our team

Our staff has a depth of experience in ESG and financial services and came to ACSI from a variety of disciplines and backgrounds.

Meet ACSI's staff here.

Reporting on our ESG risks

ACSI encourages listed companies to report their ESG risks and opportunities, including on modern slavery and climate change. By also preparing those reports ourselves, we seek to demonstrate the importance of reporting right across the market.



Climate risk

Climate change is distinctly financial in nature. Its risks and opportunities are deeply embedded across the financial system and can impact the long-term value of our members' investments.

ACSI engages with companies to understand how they manage the climate-related risks and opportunities material to their business and to clearly communicate our expectations.

We have a net zero commitment and report our own climate risks against the Taskforce on Climate-Related Disclosures (TCFD).

Read our TCFD statement [here](#).



Modern slavery risk

Modern slavery impacts millions of people across the globe. Because of that, modern slavery issues are not just an ethical responsibility for companies, they are a reputational and investment risk with the potential to undermine shareholder value.

All businesses should assess their exposure to modern slavery. ACSI undertakes a modern slavery assessment each year. You can read our Modern Slavery Statement [here](#).

Who are we?

ACSI was created to provide a strong, collective voice on financially material ESG issues on behalf of our members, who include institutional investors and asset owners from Australia and overseas, with over \$1 trillion in funds under management.

Our research, company engagement, advocacy and voting recommendations supports members in exercising active ownership and aims to strengthen investment outcomes.

ACSI's evidence-based approach aims to achieve better financial outcomes through genuine and permanent improvements to the environment, social and governance practices of the companies in which they invest. These improved outcomes flow through to the beneficiaries, who entrust their retirement savings to our members.



“Active ownership can help institutional investors enhance the long-term value of the retirement savings entrusted to them to manage.”

What makes us different?

ACSI supports our members in managing ESG risks and opportunities in the companies they invest in. Our member focus differentiates us.



Our stakeholders

Our operations and success rely on a range of stakeholders, and effective engagement with them is integrated into our business.



Focus on material ESG issues

ESG issues have a material financial impact over the long term.



Decades of experience

We have helped members manage ESG risks and opportunities for more than 20 years.



Member engagement

Our members help set our strategy and priorities.



Collaboration

We work with other groups to advocate for improved ESG practices and performance in listed companies.



Shareholder voice

Our members' investments across the ASX provide us with a strong platform to influence positive change on ESG issues.



Member outcomes

As a membership organisation, we are focused on outcomes for our members and their beneficiaries.



Active owners

We support our members to use their ownership rights to influence governance and improve investment outcomes in listed entities.

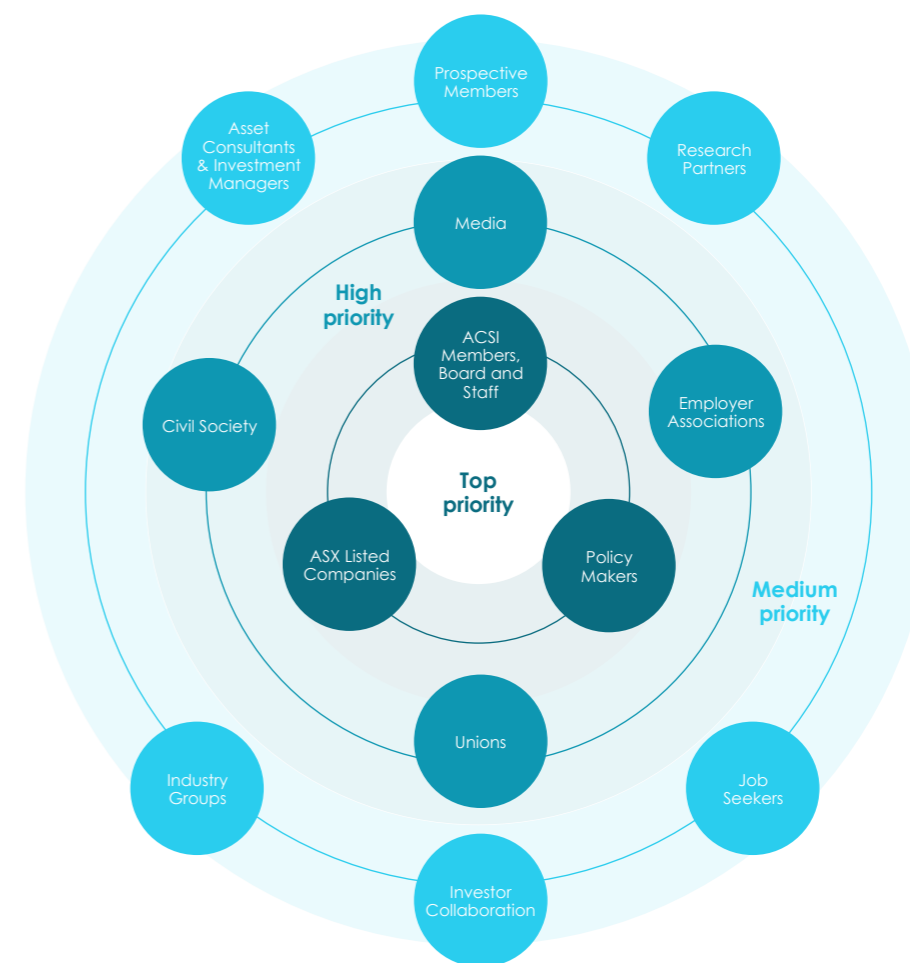


Policy advocacy

We advocate for markets to be better aligned with the long term, aiming to protect and enhance the savings entrusted to our members.

Our stakeholders

ACSI relies on a range of stakeholders to operate and succeed, and we integrate effective stakeholder engagement into our business operations.



Engaging with our members

In the interests of their beneficiaries, we work and interact with our members via our member-led board and Member Advisory Council, regular member engagement meetings, working groups and member forums.

Each year, we consult members in identifying engagement priorities, advocacy positions and research projects on the ESG issues with the most material financial impact over the long term.

Our way of interacting

> ACSI Members

Members participate in our company engagements and attend webinars, events and briefings. We update members on our activities through a range of regular, direct communications and measure member engagement and satisfaction through an annual survey. Our governance structure – the ACSI board and Member Advisory Council – is comprised of ACSI members.

> Government and regulators

We advocate directly with policymakers for changes to align financial and market settings with the interests of long-term investors. Regular submissions to public consultations and direct discussions also inform policymakers of our positions and research.

> Employees

ACSI's workplace is highly collaborative with daily informal staff interactions. We also have regular team and individual meetings as well as regular performance feedback. Staff training and flexible working practices contribute to an engaging environment, and our Staff Engagement Survey revealed that 96% of our team would recommend ACSI as a great place to work.

> Investor collaborations and industry groups

We cultivate relationships with investor and industry groups with a range of views in Australia and overseas (read more here) to remain up-to-date on market issues and strengthen our advocacy for positive change. These collaborations may include sharing resources and developing co-branded materials.

> ASX companies

Our access to ASX listed companies, crucial to driving change, depends on the transparency and clarity of our expectations. Our [Governance Guidelines](#) detail our expectations of company governance and ESG risk management, and we engage with companies through meetings, written reports, phone calls and emails.

> Non-government organisations

We engage constructively with NGOs, focussing on achieving the best outcome for members' beneficiaries. Relationships like these enable both parties to be aware of each other's work and views.

Our capitals: How we create value

Our capitals

We use a range of capitals to create value for our members and the community.

Value creation

We transform our capitals into a range of products and services to create value for our members.



Human capital

ACSI staff, our board and Member Advisory Council, member ESG and investment staff, external service providers and partners.

Value creation

Provide leadership on ESG issues integration and active ownership by developing recommendations, guidance, policy positions and providing support to our members.



Intellectual capital

Research, analysis, guidance, expertise, leadership.

Value creation

Provides sound evidence basis for company engagement and voting recommendations through the broad use of our proprietary information.



Social and relationship capital

ACSI members, industry collaborations, regulators, ASX300 companies, public profile.

Value creation

Leverage credibility and reputation to encourage decision makers to pursue positive policy development. Our collaborative approach amplifies our influence and ability to pursue improvements in ESG practices and performance.



Financial capital

Membership fees, service fees and event revenue.

Value creation

Deliver sustainable products and services through sound financial management, backed by strong risk and governance processes.

Our model

ACSI's annual work program supports our members in exercising their ownership rights. Through our research, engagement, advocacy and voting alerts, we aim to deliver material improvements in the companies our members invest in.



Research

ACSI's research program, conducted both in-house and by external organisations, seeks to deliver deep understanding of the material issues significant to our members.



Engage

ACSI speaks directly with ASX300 companies about the importance of managing material ESG risks and opportunities. Having 'a seat at the table' and using it wisely can support change within listed companies and build long-term value for our members.



Influence

We engage with government, regulators and other financial services sector entities to promote a long-term, equitable and effective regulatory system. This advocacy aims to create an environment in which our members can build long-term value for their beneficiaries.

Our tools for success

Integrated company engagement

Our team of specialists maintains strong relationships with listed companies, and our engagement approach allows us to move beyond narrow or short-term AGM agendas to deal with broader, long-term ESG issues.

Respected voice on ESG issues

We have a strong public profile and seek to promote positive change on ESG issues across the market. We help drive public discussion on ESG issues to build permanent improvements in the performance of the companies our members invest in.

Our research is a trusted source of information for investors and companies.

Leadership on ESG regulatory issues

Our public policy positions are developed with a forward-thinking, long-term perspective, backed by our research. ACSI seeks to lead in our key areas of ESG expertise, advocating for financial markets to consider long-term value.

Our contribution



Diversity

In 2015, when ACSI began its formal push to support ASX200 companies to move to a minimum 30% of their board seats being filled by women, 34 companies did not have a single female director. Demonstrating the impact of significant work in the Australian market over that time, this year just over 37% of directors in the ASX200 are women.

There is still work to be done. The majority of companies have made substantial improvement, however, in early 2023 ACSI estimated that there were still 95 ASX300 companies that had not yet reached the market standard of at least 30% women in their boardrooms.

ACSI informed those companies of our new approach to making voting recommendations, under which we may recommend votes against certain male directors if diversity does not improve.

We will continue to engage with these companies, while also considering diversity at the executive level and exploring ways to boost diversity more broadly on corporate boards.

ACSI and our members are also encouraging companies to develop a timeframe within which they will achieve gender balance (40:40:20) on their boards



Decade of disclosure

ACSI has always been a firm proponent of the old saying 'if you don't measure it, you can't manage it'. Monitoring and disclosing the risks it faces helps a company understand what it needs to do to manage those risks, and allows investors to gauge their confidence in a company's actions and strategy.

This is true of many ESG issues, including climate and Modern Slavery risks. ACSI has long talked to companies about climate risks, and, from the release of the Taskforce for Climate-related Disclosures (TCFD) in 2017 has encouraged companies to report against that framework. In 2017, 11 companies did so. By March 2023, that had risen to nearly 70% of the ASX200.

We believe this shows a maturing disclosure system, one in which the majority of listed companies are well-placed for mandated climate disclosures.

Investors need detailed, credible and comparable information in order to make decisions on behalf of their beneficiaries. Change can be slow and incremental, but it is pleasing to see ACSI's engagement on these issues over the years has played a part in encouraging this change.



The pathway to 1.5°C is narrow and shrinking rapidly. The scale of the global challenge to meet it requires urgently renewed focus and activity, and Australia must play its part.

Louise Davidson, ACSI CEO
Introduction, Chasing 1.5°C: The ASX200
– on the right trajectory

Our external environment

ACSI operates in a complex external environment and must respond to changes and developments to maximise our success. Here are some of the forces that influenced our organisation, priorities and activities in FY23.

> Geopolitical trends:

Russia's invasion of Ukraine, and the lingering repercussions of COVID-19 on supply chains are among the global headwinds that impacted markets around the world.

> Regulatory scrutiny:

Amid growing public interest in 'green' or socially responsible products and offerings, [Australia's regulators](#) are focussing on greenwashing by organisations, targeting those it says misrepresent their products as 'sustainable', 'ethical' or 'environmentally friendly'.

> ESG rising:

ESG practices became further embedded around the world, including the EU, New Zealand and Australia. This can be seen through the release of standards such as the ISSB and the increasing disclosures against reporting frameworks such as the GRI and TCFD.

> Community interest:

[Superannuation fund members](#), the media and [non-government organisations](#) have increasing expectations of companies in relation to climate change, biodiversity loss and a swathe of other material issues. Superannuation funds continue to see member requests to understand their approach to managing the risks associated with climate change and other ESG issues.

> Superannuation fund mergers

Merger activity within the superannuation industry continued in FY23, including within ACSI membership. We expect continued merger activity [into the future](#).

Opportunities

> ESG policy in spotlight:

The Federal Government has introduced changes on a range of ESG issues, including climate change and biodiversity. Climate disclosures are expected to be mandated in FY24, and the Government is also [developing a sustainable finance strategy](#).

> Global reporting standards:

We are closer to global, standardised ESG company reporting, [with the release of the International Sustainability Standards board's first two reporting standards](#). Aligned climate reporting standards will enhance the comparability and credibility of information from Australian companies and provide investors with consistent data about risk management.

> Growing scrutiny good for business:

The increasing scrutiny of the public, media and NGOs on the ESG practices of organisations is driving interest in stewardship and active ownership.

> A trusted ESG advisor:

With ESG now firmly in focus, our members continue to see ACSI as a trusted advisor, despite an increasingly crowded market for ESG advice. ACSI is also seeing increased demand for collaboration across the market.

> Demand of ESG knowledge:

With the increased focus on ESG there is a growing need for expertise and expert analysis. ACSI's deep knowledge and provides opportunities to support investors and companies to tackle complex issues.

Our work in action

Our program of research, engagement, advocacy and voting advice supports our members in understanding ESG issues and exercising their ownership rights.

We also conduct events and offer consulting services on ESG and related policy development, service provider analysis, fund managers and ESG data, and support on ESG disclosure.



Research

We produce extensive research on ESG issues, providing our members with detailed insights into material investment issues, market practices and ASX300 companies.



Engagement

In 2022-23 we held 306 meetings with ASX300 companies. Our research allows us to move beyond the day-to-day AGM agendas and speak to companies about the specific ESG issues material to them.



Voting Advice

ACSI members are active owners and exercise their voting rights to manage risks. Our voting recommendations align our engagement work with our voting research and advice, and are a useful input for subscribers when determining their voting positions.



Advocacy

We engage with government, regulators and others in the financial services sector to promote a regulatory system that is effective for long-term investors.

Research



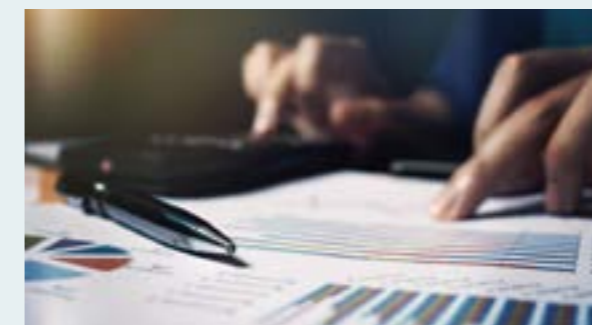
Our research provides the foundation of our policy work and company engagement, and it underpins our voting advice. Our research focuses on financially material ESG issues that are important to long-term investors.

ACSI's public reports are supplemented by a series of member-only research documents designed to better inform our members on key ESG risks.

In FY23, we continued our longitudinal research program, tracking listed company reporting on climate change and CEO pay. We also released standalone research papers on our priority areas including assessing company reporting under the Modern Slavery Act, the need for a just and equitable transition to a low-carbon economy and measuring company responses to climate change and alignment with a 1.5C scenario.

Q Interested in our research?

You can find copies of ACSI research reports on our website [here](#).



ACSI has used this research to:

- Provide members with a snapshot of modern slavery reporting practice. The public report gives high-level insights. Members also receive individual company results to assist in their engagement and portfolio decision-making.
- Engage with listed companies on their individual assessment. We wrote to each company assessed to inform them of the analysis and, as appropriate, encourage movement in the identification, management and reporting of modern slavery risks. Listed entities were also provided with insights into peers and sector comparisons.
- Provide insights into the state of Modern Slavery reporting that informed [our response to the review of the Modern Slavery Act](#).

Compliance without ambition: Taking stock of ASX200 reporting under Australia's Modern Slavery Act – April 2023

This research provided detailed analysis of the third year of ASX200 reporting under the Modern Slavery Act. It builds on [ACSI's previous research](#) to provide a snapshot of key reporting trends among ASX200 companies, addressing where improvements have been made and where further development is necessary.



ACSI's institutional investor members are focused on the long-term sustainability and success of the companies in which they invest. Remuneration structures that result in short-term thinking or drive perverse behaviours, usually leave investors picking up the cost.

(CEO Pay in the ASX200, 2022)



A just transition to a clean energy economy: Investor expectations and policy recommendations – December 2022

The transformation to a low carbon economy is expected to bring profound social and economic change. This research outlined what companies should be considering and the public policy that is necessary to support workforces, communities, companies and investors in a just transition to a net-zero economy.

How we use the research:

- Identifying reporting expectations and areas for engagement with companies that are facing just transition issues. We intend to follow up with assessment of disclosure to track improvements in future reporting periods.
- The policy recommendations from the research formed the basis of our ongoing advocacy work and positions that ACSI advocated for, such as the introduction of a Federal Authority overseeing the transition which is now being implemented.

[Click here to read this report.](#)

Chasing 1.5C: The ASX200 – on the right trajectory?

Climate change risks - financial and physical - exist right across the economy. They are expected to influence the value of ACSI members' investments and could impact the financial outcomes for their beneficiaries. To understand the trajectory of the ASX200, this research examined whether ASX200 companies have set climate targets and whether those targets are in line with a 1.5°C warming climate scenario.

This research has been used to:

- Refine focus companies and reporting expectations around climate-related issues.
- Drive ongoing advocacy around climate-related issues and the importance of acting quickly to address the climate crisis. This report has informed our advocacy and related submissions on climate-related issues.
- Inform portfolio analysis and company engagement by members.

[Click here to read this report.](#)



CEO Pay in the ASX200

In its 21st year, the research analysed data published by ASX200 companies, examining the alignment of company remuneration outcomes with the interests of longer-term investors.

ACSI uses this research to:

- Identify trends in CEO pay.
- Provide transparency to the market on realised pay.
- Inform discussions with company directors about evolving remuneration practice.

[Click here to read this report.](#)



There is a fundamental obligation under the Paris Agreement to transition within the context of a just transition. The wellbeing of communities clearly has a material link to the strength of the economy and financial outcomes and it is widely accepted that an investor's fiduciary duties include consideration of the financial implications of climate change.

[A just transition to a clean energy economy: Investor expectations and policy recommendations, ACSI research, December 2022](#)

Promises, pathways & performance: Climate change disclosure in the ASX200

ACSI's longstanding research assesses climate change disclosure including net-zero commitments, TCFD alignment and scenario analysis by the ASX200. While there has been continued improvements in disclosure, including in light of potential mandatory reporting on climate change, there are still significant gaps in reporting.

How we use the research:

- Benchmarking disclosure and identifying priority areas for use in our engagement and by members in their portfolio analysis.

[Click here to read this report.](#)

Engagement



Understanding company approaches to reporting and informing our advocacy on climate-related disclosure including in submissions and direct engagement with policy makers. FY23 was both one of ACSI's busiest years on record for company engagement, with a high percentage of priority companies making progress on key priorities.

ACSI refined and extended its newer engagement themes, such as cultural heritage and circular economy, and raised the bar on long-running priorities such as climate change where a greater number of companies are now articulating their plans and actions to align their operations with achieving net zero.

How do we engage?

Our company engagement usually involves meeting with board representatives and management teams of ASX300 companies to discuss a range of ESG matters.

Each year, ACSI sets priority themes for engagement, aligned to material ESG factors. When setting engagement priorities, ACSI's process is to assess the materiality of the issue, the exposure of investors and the objectives that need met to address investor concerns. In the table below we explain those themes in more detail as well as the outcomes of investor engagement. We note that company actions will be influenced by a range of internal and external factors. Our engagement is a catalyst for change, but we cannot and do not seek to claim 'sole credit' for each change we contribute to.

Many of the key themes and target companies are part of multi-year engagements. This reflects the fact that change often requires persistence. During FY23, improvements – large and small - were made in 89% of priority areas identified by ACSI.

ACSI conducted **306** engagement meetings with **> 194** ASX300 companies

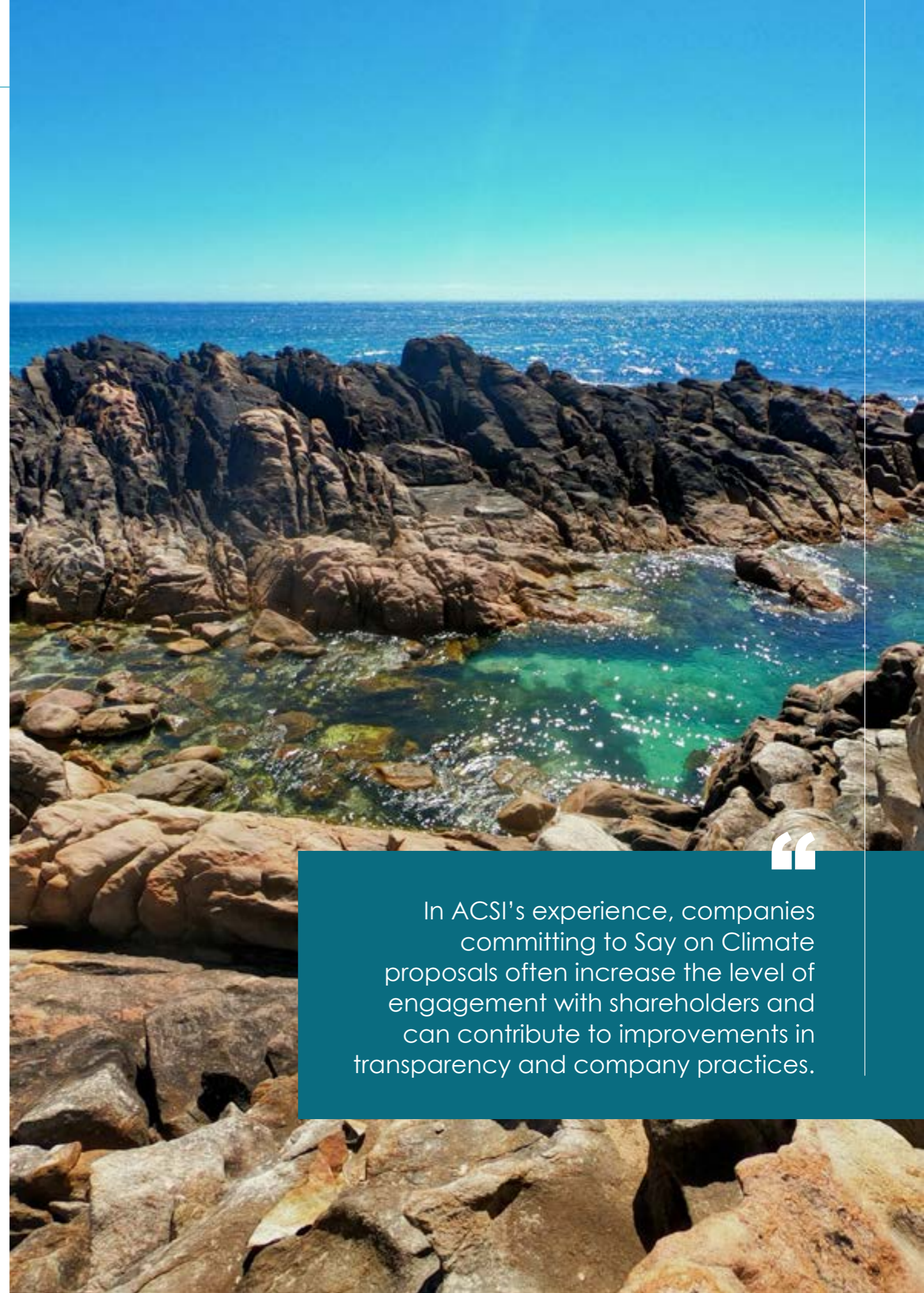
+ **13** meetings with NGOs

Engagement theme and action	Engagement outcomes
<p>Climate change</p> <p>Engagement on climate change continues to focus on supporting the alignment of company strategies and actions are aligned to the goals of the Paris Agreement to limit climate change to well below 2°C and, ideally, to 1.5°C. This includes company adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework, setting net zero commitments and accompanying pathways to achieve those aims.</p> <p>ACSI's climate change priorities are typically part of multi-year engagements to support companies in setting Paris-aligned targets in the near term, but also to meet and disclose progress against these targets in the medium and longer term. Engagement has been concentrated in emissions-intensive sectors such as Energy, Materials and Utilities but has also extended beyond those to the enabling sectors such as Financials.</p> <p>Company-specific goals typically consider the following areas: transparency, governance and policy; transition risk disclosure and management; physical risk disclosure and mitigation; Paris-aligned targets – short, medium and long term; equitable transitions and governance of their industry association memberships.</p>	<ul style="list-style-type: none"> All 30 priority companies have now either committed to or are already reporting using the TCFD guidelines. Engagement continues with companies on the quality and depth of their TCFD analysis of material climate risks and opportunities. All target companies now have net zero commitments in place. Majority of the target companies explicitly link or commit to link executive incentive pay to climate change objectives. Six advisory votes on climate, driven through ACSI engagement, with the companies putting forward climate transition plans for a shareholder advisory vote with varying levels of shareholder support. 22 of the 30 priority companies have set short-term targets for emissions reduction and to drive their decarbonisation transition. All 30 of the priority companies have now set medium-term emission reduction targets or abatement ambitions. All 30 priority companies have now set long-term targets, including targets to reach net zero operational Scope 1 and 2 emissions.
<p>Circular Economy</p> <p>Creating a circular economy is critical for the future of business, and essential to meet net zero targets.</p> <p>Broader than minimising waste and increasing recycling, circular economy principles are about designing out waste – a key factor in driving emission reductions arising from the creation, use and disposal of products, and reducing impact on nature and biodiversity.</p> <p>There are also complementary opportunities in cost reduction, supply chain resilience and new sources of revenue.</p>	<ul style="list-style-type: none"> Engagement highlighted innovative ways companies are integrating circular methods into their business strategy. Engagement on the progress of long-term solutions to recycle soft plastics and reducing their use has highlighted the lack of recycling. Infrastructure and a need for industry-wide collaboration to address this issue. With companies yet to find adequate solutions, ACSI will continue this program of engagement. ACSI sought demonstrable uplift in companies' adopting and reporting on their circular practices and ambitions to reduce virgin material inputs and waste outputs to assist in emissions reduction targets.

Engagement theme and action	Engagement outcomes
<p>Governance and culture</p> <p>Governance risks for investors extend well beyond how boards meet the letter of the law to how they set and guide culture in their organisations.</p> <p>Each year, many priority issues in this area 'self-select' – usually where remuneration structures or board behaviours and/or composition have deviated from investor expectations and resulted in significant investor votes against company-backed resolutions.</p> <p>However, ACSI's focus has expanded in recent years to encompass cultural failings in leading companies – whether in banks and other financial institutions on the issues exposed in the Hayne Royal Commission, or in the remote workforces of mining companies exposed by a WA Parliament inquiry and Rio Tinto's 'Everyday Respect' report. These cultural issues represent real financial and reputational risk for investors and owners of those companies.</p> <p>Regarding responsible gaming, this year ACSI's focus was on assessing and evaluating companies' risk of perpetuating gambling harm and compromising their social license to operate.</p>	<ul style="list-style-type: none"> In FY23, 31 companies were on ACSI's priority list to improve executive remuneration frameworks. At year end, 23 were either fully resolved or had made strong positive progress. Examples of improvement include increasing performance hurdles, increasing alignment with long-term performance and lowering quantum. The clearest display of evidence is that of the handful of ASX300 companies that received a "strike" against their remuneration reports in FY22, only a very small subset received a second strike in FY23. All companies ACSI engaged with on sexual harassment and corporate culture recognised the issues and have taken varying degrees of action to change work practices – including enhanced safety measures, and training. The level of reporting on these issues remains low in listed companies and ACSI will continue to seek greater transparency to high level commitments are implemented and companies can demonstrate improvements. Reflecting its view that real money mobile gaming significantly increases the potential of gambling-related harm, ACSI has sought detailed information from one company on its responsible gambling measures in respect to its real money mobile gaming segment. In addition, ACSI expects the focus on these issues to increase with the introduction of a positive duty for Australian employers to eliminate sexual harassment.

Engagement theme and action	Engagement outcomes
<p>Gender Diversity</p> <p>ACSI has helped drive significant change in board composition among ASX300 companies.</p> <p>In the past decade of gender diversity engagement, the typical response has shifted from "why" to "why not", with the recognition that better-performing boards have diverse skills and backgrounds to draw on.</p> <p>While the ASX300 has, on average 35.8% female directors (as at 30 June 2023), ACSI is continuing to target laggard companies and seek a more balanced 40/40/20 (female/male/either) approach. There remain 11 companies in the ASX300 with zero-women boards.</p>	<ul style="list-style-type: none"> ACSI's long-running campaign to improve board gender diversity hit a new milestone this year, with the average board across the ASX300 now comprised of more than 35% women. Of ACSI's gender diversity priority companies in the year, 16 appointed skilled woman directors during the year. In the ASX20, the average at year-end was close to 45%, with six of those companies having 50%, or more, women on their boards. The appointment rate (women versus men) for the six months to 30 June 2023 was also running at above 44% for the ASX300.
<p>Cultural heritage frameworks</p> <p>In 2022, ACSI and the Working Group on Rights and Cultural Heritage Risk Management developed a new engagement framework based around our policy and research on company engagement with First Nations people.</p> <p>ACSI selected 11 companies for focused work, meeting with boards, senior management and specialist teams as required at each company. Cultural heritage was on the agenda at 36 engagement meetings during the year.</p> <p>There were several instances of focus companies in dispute with the traditional owners of land on which they operated. ACSI engaged with those companies to understand their approach, and with indigenous representative organisations to understand their perspectives.</p>	<ul style="list-style-type: none"> Through engagement with ACSI, mining and energy companies were challenged to lift their game on First Nations agreements and relations. ACSI identified gaps in reporting of focus companies, including progress in renewing relationships, reviewing and rewriting agreements (particularly companies' use of 'gag' or similar clauses), and seeking information on whether heritage teams were appropriately resourced and sufficiently empowered to minimise investor risk. The governance of each company's cultural heritage approach was also examined.

Engagement theme and action	Engagement outcomes
<p>Safety</p> <p>For several years, ACSI has closely monitored ASX300 companies' safety performance and reporting, with an emphasis on understanding the nature of any workplace-related tragedies.</p> <p>We encourage companies to disclose not just incidents, but the outcome of investigations, changes to safety practices, and the board's oversight of these events.</p> <p>In FY23 ACSI continued to focus on companies with either poor safety performance and/or opaque disclosure. This includes circumstances where companies experience fatalities and the many companies that simply do not disclose key safety metrics. ACSI also continued to look for alignment between safety and executive remuneration outcomes.</p>	<ul style="list-style-type: none"> Our 2023 research on safety reporting delved into the disclosures provided by 76 companies operating in sectors considered to have inherently high safety risks. The research revealed a disappointingly small uplift of at-risk ASX200 companies disclosure of leading safety indicators in 2022 reporting (70%, up from 69%). ACSI has developed engagement targets to encourage greater improvement in forward-looking disclosures. Previous safety reporting research identified a company that did not provide any form of safety disclosure. After engagement and flagging our concerns on the lack of safety disclosures, in FY23 the company published its inaugural sustainability report with safety data including lost time injury frequency rates, fatalities and 'safety walks completed'.
<p>Modern slavery</p> <p>ACSI continued to engage with ASX300 companies identified as having either poor modern slavery performance and/or opaque reporting practices.</p> <p>This builds on work conducted over the prior two years, including our research in 2021, and a benchmark was developed which enables ACSI to guide companies on best practice in modern slavery reporting and practices.</p> <p>ACSI is a co-convenor of the Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC) initiative and is involved in leading and supporting engagements with a select group of companies. We will integrate these targets into our engagement program.</p>	<ul style="list-style-type: none"> Through our research partnership with Pillar Two, ACSI completed and released the second round of benchmarking for all ASX200 modern slavery statements submitted during 2022. ASX200 companies improved their average score by 22%, which reflected an ongoing focus from many companies on implementing core modern slavery risk management actions, but the overall average remained low, at just 44%. Only 19 companies scored above 65%. 36 companies engaged on Modern Slavery prevention, with ACSI's new research giving insight into better reporting practice.
<p>Under-payments</p> <p>ACSI has continued to engage with companies on their oversight of issues relating to both their direct employees and workers in franchisee networks. Surprisingly, despite almost 10 years' bad publicity of major underpayments of workers in a variety of industries, cases keep emerging.</p>	<ul style="list-style-type: none"> In all cases, engagement has focused on obtaining details of forward-looking controls to prevent future underpayments, monitoring the status of remediation and assessing the scope of payroll reviews.



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 In ACSI's experience, companies committing to Say on Climate proposals often increase the level of engagement with shareholders and can contribute to improvements in transparency and company practices.

Voting advice



Voting shares at company meetings is an important shareholder right, and a means for investors to provide their views on company governance and promote long-term performance. ACSI provides members with detailed research and voting recommendations to support funds in exercising their voting rights in an informed manner. In FY23, ACSI provided research on 2,011 resolutions across 320 ASX300 company meetings.

Executive Remuneration

25 ASX300 companies incurred a remuneration 'strike', whereby more than 25% of shareholder votes were 'against' remuneration reports. This is a slight increase from the prior year, which saw 22 companies receiving a 'strike'.

Some of the most significant shareholder 'no' votes occurred at companies where boards applied discretion to allow executive bonuses to pay out, despite performance objectives not being achieved. Another common concern were incentive structures that lacked long-term value alignment with shareholders.

During the Australian AGM season, investors also voted against a resurgence of generous payments to outgoing executives despite poor management performance.

While alignment between executive pay and company performance is a crucial factor to consider when providing voting recommendations on remuneration-related resolutions, ACSI also looks beyond short-term financial performance. An increasing number of companies now set targets on factors such as a company's climate transition progress or safety performance. ACSI has actively monitored these targets to encourage their rigorous application and alignment with long-term performance.

Say on Climate and Shareholder Resolutions

During FY23, ACSI provided voting advice on 'Say on Climate' proposals at six ASX-listed companies. These proposals involve companies proposing their climate transition plans as a non-binding shareholder resolution and providing an opportunity for investors to assess company strategy and plans to transition to operate in a low-carbon economy. In ACSI's experience, companies committing to such advisory proposals often increase the level of engagement with shareholders and can contribute to improvements in transparency and company practices.

NGOs continued to file climate-related shareholder proposals targeting the banks, energy, and mining companies. Shareholder support for NGO proposals on climate remained relatively low.

Director Elections and Board Diversity

ACSI recommended 'against' a total of 25 director elections, considering several factors including accountability for poor performance and diversity. Pleasingly, the significant improvement in gender diversity on Australian boards meant that ACSI only recommended 'against' the re-election of five directors due to concerns over poor board gender diversity in FY23. These results indicate that investor engagement and voting activities have contributed to improvements in board diversity over time.

In May 2023, ACSI's [Gender Diversity Policy](#) was refreshed to elevate our expectation that at a minimum 30% of board positions at ASX listed companies are to be occupied by women. The policy also outlines that companies should develop a timeframe within which they will achieve a gender balance (40:40:20) on their boards. This policy will be applied to our voting recommendations alongside ongoing engagement efforts.

Virtual only AGMs

In FY23, another wave of companies tried to alter their constitutions to permit 'virtual only' shareholder meetings, which would prevent investors attending AGMs in person. ACSI continued to oppose these amendments, as we consider hybrid meetings a better approach, combining the benefits of both physical and virtual meetings. This approach allows shareholders a reasonable opportunity to participate and for many retail investors it is their only opportunity to engage with board members in person. ACSI sees the need for 'virtual only' constitutional amendments as unnecessary given the legislative changes that permit companies to conduct virtual meetings in extreme circumstances, such as a pandemic.

ACSI engagement contributed to several contentious constitutional amendment resolutions being withdrawn or modified to prevent virtual-only AGMs. Where companies persisted in putting forward such amendments, ACSI recommended 'against' the resolutions.

Advocacy



ACSI is focused on financially material ESG risks and opportunities over the long-term, to protect and enhance the retirement savings that are entrusted to our members.

ACSI advocates for our members' interests with government, regulators and policy makers to better align financial markets with long-term, sustainable investment.



Climate change

Climate change poses a significant financial risk for investors, with some estimates of the cost to Australia as high as \$1.19 trillion by 2050 if Paris Agreement targets are missed. Therefore, climate change is one of our key priority areas.

Progress has been made in climate policy over the last year, including the legislating of an emissions reduction target and proposals to mandate climate disclosures. During FY23, ACSI engaged with policy makers on appropriate climate policy settings, including the design of an updated Safeguard Mechanism and the need for sector pathways to guide Australia's transition to net zero. ACSI has long supported disclosure of climate-related risks and have engaged with policy makers on Government proposals to mandate climate-related financial disclosures.



Continued advocacy for better diversity

ACSI and its members have long called out the lack of diversity on Australia's listed company boards. In 2008, just 8% of ASX200 board seats were filled by women. Now, women hold above 37% of ASX200 board seats, however more work remains to be done to support further progress and diversity throughout organisations.

ACSI updated its [Gender Diversity Policy](#) to encourage high standards for the gender diversity of company boards. ACSI is also committed to supporting diversity more broadly at the board level, and have spoken to companies and policymakers they should set a timeframe within which they will achieve gender balance (40:40:20) on their boards. We are developing an updated approach that intends to address diversity beyond gender, given the clear opportunities that diversity and inclusion can bring. ACSI engaged with Government on gender diversity and the need for diversity at senior levels.



Respect at Work

In 2021, ACSI undertook joint research with the Australian Human Rights Commission (AHRC) to provide insights to companies on action to prevent and address sexual harassment. This research followed the significant and important Respect@Work report and recommended that boards adopt a proactive approach to preventing and managing sexual harassment. Therefore, [ACSI welcomed the introduction of the Anti-Discrimination and Human Rights Legislation Amendment \(Respect at Work\) Bill 2022](#). The legislation passed in late 2022 and places a positive duty on businesses and employers to take reasonable and proportionate measures to eliminate sexual harassment. During the debate, we engaged with policy makers to support the passage of the Bill.



First Nations

ACSI has advocated for a number of years for higher standards of protection of the rights and cultural heritage of First Nations people, both through improved company practices and stronger legislative protections. ACSI engages with companies to seek improvement in practices, and also advocates for changes to Australian laws to improve the standards to which companies must adhere. ACSI runs a Working Group on Rights and Cultural Heritage Risk Management, which focuses on issues related to First Nations people. In undertaking this work, ACSI is guided by First Nations representative organisations.



Governance Guidelines

The Governance Guidelines provide companies with our expectations on governance processes and the management of key ESG risks and opportunities. The Guidelines are one of many inputs ACSI uses to inform our voting recommendations, however, all decisions are made on a case-by-case basis.

ACSI updates the Governance Guidelines every two years, after consulting with a member-based working group as well as key external stakeholders. The next update will be released in late 2023.



Modern slavery

ACSI has advocated for [legislative reform](#) to strengthen Australia's Modern Slavery Act. Across the market, there is a need for tangible progress to reduce modern slavery. ACSI will continue to engage with Government, seeking to support an updated Modern Slavery Act that is robust and sets high standards of action and disclosure to prevent, mitigate and respond to modern slavery.



Just transition

If the impacts on communities and workers of the transition to a low-carbon economy are poorly managed, the costs can pose a material financial risk to both companies and investors. ACSI advocated for policy action to support a just transition. Our policy recommendations are set out in [ACSI's research paper on A Just Transition](#). Consequently, we welcomed the Australian Government announcement in May 2023 of the establishment of a Net Zero Authority to oversee and drive the transition.



Nature

Serious risks inherent in the ongoing decline of nature and biodiversity highlighted by Australia's State of the Environment Report provide investment risks. Companies need to manage their impacts and dependencies on nature, and the policy environment should support this. ACSI participated in the [consultation to develop the Taskforce on Nature-Related Financial Disclosures](#) (TNFD) as a step to better recognition and disclosure of the risks. ACSI intends to continue to engage with stakeholders and policy makers to understand the risks and advocate for policy settings that support awareness and risk mitigation.



Stewardship

ACSI continues to advocate for better recognition of stewardship in the Australian environment. [ACSI participated in consultation by APRA on its SPG530](#), particularly in relation to the references to investor stewardship. We welcome the updated SPG530 as an improvement on the previous guidance with a more contemporary recognition of investor stewardship activity.

Events



Unusually, two ACSI Annual conferences fell within FY23.

The first, on 28 July 2022 in Melbourne, was a hybrid event, with 348 delegates, the vast majority of whom were in person.

Featuring sessions on ACSI's priority themes such as climate change, company culture, First Nations engagement and more, the event was MC'd by the ABC's Leigh Sales.

84% of survey respondents labelled the Conference 'very good' or 'excellent'.

On 3 May 2023, 314 delegates joined ACSI's first Annual Conference in Sydney since 2018, with Ali Moore hosting.

Delegates heard from the Minister for Financial Services, the Hon Stephen Jones MP, Professor Marcia Langton and Jamie Lowe addressed the audience on the Voice to Parliament. Annual sessions with company directors and investors were accompanied by those on priority areas such as a just transition and the circular economy.

88% of survey respondents labelled the Conference 'very good' or 'excellent'.



MC Leigh Sales, Rio Tinto Chief Executive, Australia Kellie Parker, Commonwealth Bank CEO Matt Comyn, Melbourne 2022



Professor Marcia Langton – the University of Melbourne, Sydney 2023



Question time, Melbourne 2022



The Hon Stephen Jones MP – Minister for Financial Services, Sydney 2023



CSI President, HESTA CEO Debby Blakey and ACSI CEO Louise Davidson, Melbourne 2022



Delegates, Sydney 2023

Identifying and managing risk

Identifying and managing risk

Risk Management is embedded into ACSI's governance processes and incorporated in our strategic and business plans. We regularly assess and review existing and potential risks to our business to ensure they are effectively managed. The board set the Risk Appetite on an annual basis.

Risk reporting to the Finance, Risk and Audit Committee (FRAC) and the board occurs on a quarterly basis as we continue to monitor and evolve our control environment to reflect the broader environment in which we, and our members, operate in.

ACSI reviews our inherent and residual (after controls have been applied) risk profile for each risk every quarter or as changes occur. Executives complete an annual attestation, which is reported to the FRAC and the board each June.

Our risk reporting framework lists material risk scenarios, which have the potential to affect ACSI's strategic objectives, compliance obligations, reputation or operational stability. These risks are defined within one of four risk categories being strategic risk, operational risk, financial risk and governance risk.



Strategic risk example

Our most significant risk is a material loss of funding and the impact of that on our ability to maintain operational stability and focus on our strategic intent. Below is a sample map for this risk

Material loss of funding			
Risk	Key risk	Response	Rating
Material loss of funding	Merger activity between funds Market volatility Member departures or downgrade	High member retention & satisfaction Fee structure Sufficient operating reserve Member acquisition	Inherent rating High Residual rating Moderate

Non-strategic risks

All our non-strategic risks fall within the categories of operational, financial and governance risks. These include risks related to operational stability in services, communication and relationship management, financial management, governance, HR or IT. Most have a low to moderate risk rating and are managed within our existing mitigation controls.

Measuring our success

Strategic and Business Plans

ACSI operates on a three-year cycle strategic plan period, having recently completed year one of our 2022-2025 strategic plan period. The development of our strategic plan incorporates the input of our staff, board and Member Advisory Council representatives, considers the environment and industry landscape in which we operate and ensures we not only consider business as usual initiatives but transformational opportunities as well. In addition to the program of work approved by our board for the strategic plan period, each year we also prepare a detailed twelve-month business plan. Our business plan focuses on the actions and projects we must achieve to deliver the strategic plan and the board monitor our progress on a quarterly basis. Our 2023/24 business plan considers the impacts of the current operating environment in which we operate, including ongoing merger activity within the superannuation industry.

Key performance indicators

We set detailed key performance indicators (KPIs) that reflect the primary and secondary milestones and activities that will support the overall achievement of our strategic plan objectives.

Examples of our outcomes

- 1 ACSI published 5 research projects and worked with partners including Climateworks Centre.
- 2 We held 306 meetings with ASX300 listed companies and 13 meetings with non-government organisations.
- 3 ACSI updated its gender diversity voting policy, making 30% women directors our minimum expectation.
- 4 Improvements – large and small – were made in 89% of priority areas we identified.
- 5 ACSI contributed 14 policy submissions to Government consultations.
- 6 Our annual conference was held in person in Sydney, with 314 delegates participating on the day.
- 7 Member satisfaction survey found all of ACSI's members viewed our services favourably or very favourably, and all would recommend ACSI to prospective members.

Financial information

Financial statements

The table below is an extract from ACSI's financial statements for the year ended 30 June 2023, taken from our audited financial statements. Our latest financial statements are available on our website [here](#).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2023 (\$)	2022 (\$)
Revenue from ordinary activities		
Membership subscription fees	5,761,939	5,162,240
Voting alert subscription fees	1,254,992	1,337,028
International engagement service fees	332,064	375,747
Conference and events	695,919	229,919
Interest	218,000	67,592
Other income	3,539	7,714
Total revenue from ordinary activities	8,266,453	7,180,240
Expenses from ordinary activities		
Staff cost including superannuation	4,378,206	3,650,140
Finance and office expenses	925,127	1,011,254
Legal, compliance and consulting expenses	238,578	352,317
Research costs	251,950	282,248
Events and communication	388,170	77,906
Travel expenses	137,648	77,548
Promotion and development costs	24,100	18,334
Voting alert services	1,213,520	1,149,719
International engagement	190,548	209,828
Total expenses from ordinary activities	7,747,847	6,829,294
Profit from ordinary activities before income tax	518,606	350,946
Income tax expense	-	-
Profit from ordinary activities after income tax	518,606	350,946
Other comprehensive income	-	-
Total comprehensive surplus for the period	518,606	350,946

BALANCE SHEET	2023 (\$)	2022 (\$)
Current Assets		
Cash and cash equivalents	10,658,087	12,923,958
Receivables	280,323	271,154
Prepayments and other assets	311,186	193,081
Total current assets	11,249,596	13,388,193
Non-current Assets		
Property, plant & equipment and right-of-use assets	664,849	789,973
Intangible assets	112,472	168,708
Total non-current assets	777,321	958,681
Total assets	12,026,917	14,346,874
Current Liabilities		
Other payables	522,892	890,815
Employee benefit obligations	621,220	532,422
Lease liabilities	146,688	137,483
Income received in advance	3,853,178	6,296,446
Total current liabilities	5,143,978	7,857,166
Non-current Liabilities		
Employee benefit obligations	67,131	45,863
Lease liabilities	499,053	645,696
Total non-current liabilities	566,184	691,559
Total liabilities	5,710,162	8,548,725
Net assets	6,316,755	5,798,149
Equity		
Reserves	4,465,240	4,273,453
Retained earnings	1,851,515	1,524,696
Total equity	6,316,755	5,798,149

Remuneration

All our capitals are vital to creating value, however, our staff (our 'human capital') play the greatest role in achieving our mission and vision. Therefore, getting our staff remuneration right is extremely important. As part of its commitment to its dedicated people, ACSI focuses on remuneration within its capacity to pay in accordance with staff responsibilities, while also ensuring that ACSI staff have the right training and development opportunities.

Our remuneration policy is designed to achieve the following goals:

- Support our strategic and cultural objectives.
- Promote sound risk management principles.
- Ensure remuneration is equitable, transparent and consistent.
- Be competitive within the market in which ACSI operates.
- Balance the relationship between remuneration pressure and cost to our members.
- Enable employees to understand the basis for remuneration decisions.

ACSI's Remuneration Committee assists the Board with the oversight of ACSI's Remuneration Policy and practices. Members of the Board, Board committees and the Member Advisory Council are not paid for their services. Executive remuneration can be seen [here](#).



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