



2021 Sustainability Reporting Supplement

About this Supplement

AustralianSuper's 2020–21 corporate reporting publications disclose our investment and operational performance, our approach to governance, and how we intend to manage and adapt to current and future environmental, social and governance related risks and opportunities. The reporting period is the Australian financial year from 1 July 2020 to 30 June 2021.

AustralianSuper's 2020–21 Annual Report is a combined sustainability and annual report that references guidance provided in the Global Reporting Initiative (GRI) Standards for sustainability reporting. The Annual Report is complemented by this Sustainability Reporting Supplement, which provides additional detail on how we are contributing to social, economic and environmental issues more broadly.

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We also publish a Modern Slavery Statement and a Climate Change Report that responds to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

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As Australia's largest superannuation fund, we recognise that we have a role to play, and that we can use our size and influence to contribute to global sustainable development. Our reports provide transparency on our approach and share our performance in maximising our members' long-term savings, while also creating positive environmental, social and governance (ESG) change. Our commitment to driving strong ESG outcomes through our investments, and responsibly managing ESG impacts in our operations, creates long-term value for our members, colleagues and the wider community.

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Our material topics

Each year we undertake a detailed materiality assessment to assess the potential impacts of a wide range of sustainability issues and understand the topics that are most important to our stakeholders and our Fund. This ensures our reporting focuses on the issues, risks and opportunities that matter to our members and influence our capacity to make a broader contribution to society.

The content of the 2020–21 reports was guided by the international principles-based AccountAbility.org five-part materiality test and the Sustainability Accounting Standards Board (SASB) materiality test. Our methodology comprised desktop research and stakeholder interviews to determine and prioritise our material topics.

The desktop research included a review of AustralianSuper's risk register and framework, organisational policies and protocols, sustainability commitments and declarations, sustainability disclosures from peers and media coverage of the superannuation industry. We also reviewed findings from member insights information, conducted three interviews with internal stakeholders and four interviews with key representatives from an employer organisation, a union organisation, a foundation supporting Indigenous interests and a reputation analyst.

The most material topics for Australian Super related to investment performance, governance, ethics, advocacy for member retirement outcomes and responsible investment. Other highly material topics were brand and reputation, labour practices, and cyber security. For the first time, the impact of COVID-19 was identified as its own topic and is included as a highly material topic.

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Creating value for stakeholders

With members at the centre of everything we do, our purpose is to help members achieve their best financial position in retirement.

Our approach to stakeholder relationships and engagement puts AustralianSuper members at the centre. We engage extensively with our stakeholders to understand their needs.

To identify key stakeholders, we assessed the interest and influence they have over our Fund, and the extent to which we have an impact on them. Our key stakeholders are our members, investee companies, colleagues, suppliers, unions and business groups, government and regulators, industry associations and not-for-profit groups.

Engaging with our stakeholders through the year also provides an essential channel for member communications and education. We use a range of methods to consult, connect and share information including seminars, conferences, webinars and briefings, website and apps, social media, research, advertising, contact centre, written communication and participation in industry working groups.

Our corporate reports aim to provide information to meet the needs of our stakeholders and share our economic, environmental, social and governance performance.

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Responsible business

Strong governance

The AustralianSuper Board seeks to maintain the highest standards of fund governance and control, requiring strong control mechanisms that encourage good decision making, accurate and timely execution of decisions, clear and effective accountability, regular review and assessment of governance policies and procedures and transparency.

AustralianSuper maintains five Committees of the Board that are responsible for decision and oversight on matters as delegated by the Board.

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Ethics and integrity

AustralianSuper operates under a Code of Conduct for colleagues and directors that outlines the standards of behaviour expected of them. Colleagues and directors are expected to carry out their duties and responsibilities professionally and ethically.

People leaders support their teams to understand the requirements and applications of the Code of Conduct, for monitoring business practices, and ensuring compliance.

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We encourage our colleagues to raise any concerns or questions and do not tolerate retaliation or discrimination against anyone who has raised a concern or question in good faith. Our whistleblowing process is designed to support raising a concern or question in confidence.

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People and culture

Our employment practices

AustralianSuper is driven by a positive, inclusive, and member-centric culture. Our four values of Integrity, Excellent Outcomes, Generosity of Spirit and Energy inform who we are and how we work together.

Our employee practices are governed by our Enterprise Agreement (the Agreement) (valid from 2019 to 2023). As outlined in the Agreement, if we decide to introduce major changes to our organisational structure, technology or the ordinary hours of work and the change is likely to have a significant effect on colleagues, we will notify and consult with the Financial Sector Union and any colleagues who will be affected by the decision.

Colleagues will have a period of up to ten working days to raise any matters. Prior to making any final decision to make any positions redundant, we commit to actively pursue any redeployment or retraining opportunities for impacted colleagues.

If a final decision makes any positions redundant, impacted colleagues will be entitled to access outplacement services post their employment with the Fund.

Characteristics of our people

As at 30 June 2021, AustralianSuper directly employed around 981 colleagues. As the Fund grows and matures, we have continued to build our team across all locations. Headquartered in Melbourne, Australia, we also have offices in Adelaide, Brisbane, Canberra, Darwin, Hobart, Perth, Sydney, Beijing, London, and New York. We have achieved a low turnover rate of 6.9% which we see as a reflection of an engaged workforce who live our values and purpose.

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Colleague learning and development

AustralianSuper continues to invest in its people through formal training and coaching by people leaders and peers and on the job development. The following table outlines the training completed in 2020-21.

Table 1: Colleague training by hours in 2020-21¹

	Male	Female
Executive	56.2	38.9
Management	1,663.6	1,163.5
Colleagues	2,256.3	2,921.5

Colleague health and safety

Colleague health and wellbeing is a continued priority. We want all colleagues to feel safe and protected in their place of work. We also want to ensure any colleague who is affected by domestic or family violence feels safe and supported to seek help at work.

We work hard to remove or reduce risks and hazards in our business operations through regular Workplace Health & Safety (WHS) planning, monitoring and consultation. Our comprehensive WHS systems are reviewed annually and we are always striving to improve them.

Our Health, Safety and Wellbeing Policy explains how we protect colleague health, safety and wellbeing at work and outlines the role colleagues play in helping us meet our WHS standards. Our Workplace Health & Safety Committee oversees our Health and Safety Program and manages health and safety in the workplace.

¹ Training includes online compliance modules, onboarding workshops such as Fund Induction, development workshops such as managing underperformance, LinkedIn learning, team workshops (excluding Cultural Training).

Diversity and equal opportunity

As an equal employment opportunity employer, AustralianSuper recognises and embraces the value of diversity and is committed to cultivating a diverse and inclusive workplace, representative of all sections of society and free from any form of harassment. Supporting diversity in all its forms allows AustralianSuper to attract and retain top talent, while being aligned with our values. The Fund continues to drive diversity and inclusion initiatives which are reported to the Executive Committee and the Board.

Table 2: Diversity characteristics of our Board and Executive 2020-21

Diversity characteristic		#	%
Gender	Female	7	33.3
	Male	14	66.7
	Other	0	0
Age	Under 30	0	0
	30-50	6	28.6
	50+	15	71.4

Table 3: Diversity characteristics of colleagues 2020-21

Diversity characteristic		#	%
Gender	Female	482	49.1
	Male	499	50.9
	Other	0	0
Age	Under 30	75	7.6
	30-50	707	72.1
	50+	199	20.3

We treat all complaints of unlawful discrimination, harassment, bullying, vilification or victimisation seriously. We do not tolerate unlawful or inappropriate behaviour.

Parental leave

AustralianSuper strongly supports parental leave and flexible work. We are committed to offering our people a work-life balance that enables us all to be productive and healthy.

Superannuation is paid at the full-time rate for the duration of parental leave and where a colleague who is the primary carer returns from parental leave on a part-time basis. This payment applies during periods of both paid and unpaid parental leave, and for a period of up to two years from the commencement of parental leave.

Our supply chain

Australian Super has a complex supply chain that includes the operations and supply chains of our organisation and the companies in which we invest. Our direct supply chain consists largely of service providers (estimated 90%) and includes our insurer, administrator, financial advisors, investment managers and advisors, auditors, bankers, tax advisors, fund services providers and other advisors and consultants.

Our central procurement system, guided by our Ethical Procurement Policy, is designed to support the growth of the fund and provide visibility over our supply chain. There were no significant changes to our supply chain over the 2020-21 financial year.

As a significant global investor, we believe we have a responsibility to use our size to advocate for improved outcomes. We have a direct engagement program that involves regular discussions with the leaders of the companies and assets in which we invest on their approach to ESG aspects that impact the Fund's investment.

During this reporting period, AustralianSuper has published its first Modern Slavery Statement detailing our approach to managing modern slavery risks within our organisation, our investments, and their supply chains.

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Environmental management

Managing climate risk in our investments

Climate change can have a range of impacts on economies, financial markets and our members' investments over the long term. It has the potential to affect the longevity of assets, companies and their valuations in a variety of ways. Investments in property and infrastructure, like toll roads, airports and ports, may be affected and there could be an impact on the operations of many companies in which AustralianSuper invests.

During FY21, AustralianSuper made a commitment to achieve net zero carbon emissions in the investment portfolio by 2050. This commitment builds on the actions we are already taking to manage climate related risks and opportunities in our portfolio and is consistent with our objective of helping members achieve their best financial position in retirement.

Through our Active Owner program, we actively engage with companies on the risks relating to future fossil fuel consumption and physical changes in the climate. Rather than simply excluding investments based on these factors, we weigh the risks and returns for each investment and determine the appropriate exposure.

To reduce the likelihood of negative impacts occurring from our work, we support a precautionary approach² to environmental challenges within our investments and consider the precautionary principle in our risk assessments.

During this reporting period, AustralianSuper has published its 2021 Climate Change Report that responds to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

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Managing our own energy and greenhouse emissions

As a service-based organisation, our direct impact on the environment is relatively small. However, it is important that we are accountable for our environmental impact, and we have selected office space with this in mind. Our head office of 130 Lonsdale Street, where most of our operations and people are located was designed to a 5.5 Star NABERS energy, 4.5 Star NABERS water rating and was designed to a 6 Green Star office design (Green Building Council of Australia (GBCA)) which exceeds Australian Best Practice.

Our approach to reporting

This Sustainability Supplement references the following GRI Standards:

Table 4: GRI Standards

Material topic	GRI Disclosure
Business ethics and integrity	GRI 102-16 GRI 205-1 GRI 419-1
Good governance	GRI 102-18
Diversity, equity and inclusion	405-1, 405-2 406-1
Employee attraction and retention	401-1
Responsible investment	Financial Services Supplement FS6, FS7, FS8
Financial access and inclusion	Financial Services Supplement FS14
Products and services that meet members' needs	203-2
Labour practices and communication	401-2, 102-41
Employee learning and development	404-1
Climate change investment risk	201-2

There have been no restatements of information provided in previous reports. AustralianSuper has not sought external assurance over the sustainability content of the Annual Report and its supporting documents.

² The precautionary approach was introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development'. It states: 'In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.'

Member feedback is important to us. To get in touch, you can contact us in a number of ways.

Email

Email us at australiansuper.com/email

Over-the-phone*

Call us on: **1300 300 273**

Overseas callers: **+ 61 3 9067 2108**

We're available 8am to 8pm weekdays AEST/AEDT

Messaging

You can message us 24/7 through our AustralianSuper Mobile App and Facebook Messenger and chat with ASH (AustralianSuper Helper Bot) and our contact centre agent staff.

Web Messaging is also available on our website through the contact us page (australiansuper.com/contact-us) between 8am and 8pm AEST/AEDT weekdays.

Translation services

We offer a free over-the-phone translation service in just about any language.

Our consultants can arrange for you, or a family member, to talk to someone about your super in the language you understand best.

Call us on **1300 300 273** between 8am and 8pm AEST/AEDT weekdays.

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