

Active owner program in practice

Gender diversity



Active Owner Program

We believe active ownership is where we can have an impact on changing company behaviour to improve investment returns for members. Environmental, Social and Governance (ESG) management is an integral part of our Active Owner Program, and is embedded across our investment decision-making process at three levels.



ESG Integration

Assessing and integrating ESG risks and value drivers when choosing and managing investments



Stewardship

Actively engaging with companies to influence and improve ESG practices



Choice

Considering our members' values in our investment choices

Gender diversity is more than an important social issue, it can lead to better governance and investment performance.

Research shows that companies with at least one female director performed 3.5% pa better than those with all male boards*.

Increasing the diversity of companies in which AustralianSuper invests is predominately driven by the Active Owner Program.

Integration

When it comes to addressing diversity we predominately focus on integrating considerations of diversity into our equities portfolio. As a part of our ESG rating, each ASX200 company is assessed and scored on its diversity program.

We consider these four factors before investing in a company,

1. Public commitment to diversity.
2. Diversity initiatives at an operational and board level.
3. Managerial or board level responsibility for diversity initiatives.
4. Participation in diversity monitoring or audits.

Stewardship

As an active investor we exercise the rights and responsibilities of being a large shareholder - including voting and engaging with companies. We aim to effectively communicate our long-term investment interests to companies we invest in so that we can improve returns for our members.

Company engagement

Diversity is a priority topic for us and one we actively advocate for when engaging with companies.

In meetings with Australian companies we invest in, we look to understand how companies aim to improve diversity within their organisations, particularly at board level.

Voting

As active investors, our Board recently endorsed a voting policy to vote the highest rating director up for re-election for any S&P/ASX 200 company without a woman on their board. This is subject to no progress, or commitment to progress, being made following our notification.

Choice

While we integrate ESG factors across the range of our investments we recognise that it's important to give members choice and we do that by offering a range of investment options including the Socially Aware option.

Although there's been some progress when it comes to the level of gender diversity on the top 200 largest Australian listed company boards, overall female representation remains low.

Our Socially Aware option excludes S&P/ASX 200 companies that have single gender boards. Find out more at australiansuper.com/sociallyaware



Find out more

Explore our Active Owner Program in Practice series:

- › Integrating ESG considerations into each asset class
- › Climate change
- › Gender diversity
- › Human rights and labour supply chain
- › Executive remuneration

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