

Stewardship Statement

May 2025

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.

AustralianSuper's investments are spread across multiple asset classes, public and private markets, geographic regions and investment structures.

This Stewardship Statement provides an overview of how we aim to support long-term value creation in our investee companies in the Australian shares asset class through our stewardship activities.

AustralianSuper may undertake stewardship activities for companies in other asset classes based on processes described in this statement. The extent to which stewardship activities are undertaken depends on various factors including the asset class, our ownership stake, ownership rights, and other characteristics of the investment.

We undertake more in-depth stewardship activities in the companies and assets we invest in directly. AustralianSuper has large, direct ownership stakes in certain investments, which may afford us governance rights, including, for example, the appointment of AustralianSuper-nominated board directors on unlisted assets, and opportunities to engage with the board and other key decision-makers in listed ASX companies. We may also undertake bespoke or reduced stewardship activities depending on the nature of the investment, such as where our ownership rights may be limited.

This statement outlines how we apply each of the Code's Principles to ASX listed companies in the Australian shares asset class.

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

Consistent with our fiduciary duty and purpose, we invest to help members achieve their best financial position in retirement.

We believe companies which effectively manage financially material Environmental, Social and Governance (ESG) issues are likely to provide better investment returns.

We recognise the rights and responsibilities of being a large shareholder. Our objective is to exercise our rights and responsibilities as an asset owner to seek effective management of ESG issues that we believe can impact investment value.

We disclose how we approach our stewardship responsibilities in our *ESG and Stewardship Policy* available at australiansuper.com/ESGpolicy

The Chief Investment Officer, on delegation from the Board and Investment Committee, approves AustralianSuper's policies on ESG and stewardship matters. AustralianSuper has a dedicated, global ESG and Stewardship team that is responsible for implementing the Fund's *ESG and Stewardship Policy*. The ESG and Stewardship team is embedded within the Investments function of the Fund and includes resources dedicated to ASX listed companies. The team works with the asset class team to integrate the consideration of relevant ESG factors into our investment decision-making and stewardship processes.

The ESG and Stewardship team informs the Board and Investment Committee on the key activities of the ESG and stewardship program.

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

Voting on resolutions at general meetings is a key right and responsibility of shareholders. It presents an opportunity to express our views on company matters that can impact investment value for members.

AustralianSuper makes voting decisions with the aim of producing outcomes that support investment value. AustralianSuper's *ESG and Stewardship Policy* highlights share voting as a key stewardship activity.

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

Shares within the voting coverage universe are voted by the ESG and Stewardship team and may be voted directly or according to the voting approach for different holding types. You can find out more about our voting approach and principles in our *Share Voting Approach*.

Our voting records and *Share Voting Approach* are published 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 investor networks which include other investors or engagement service providers.

As part of the Fund's overall investment strategy for listed companies, we include actively managed, index and quantitative portfolios to achieve the investment risk and return characteristics needed to achieve the Fund's overall investment objective. We may invest in these strategies directly via our in-house investment team or through external managers.

We may undertake direct or indirect company engagement depending on the investment strategy and whether we're investing directly via our in-house team, or through external managers.

Direct company engagement

Our direct company engagement is primarily conducted with companies in our internally managed fundamental portfolios¹. Typically, we have larger ownership stakes in the companies in these portfolios. Our fundamental portfolios are actively managed by our in-house investment team and represented more than 90% of the Australian shares asset class as at 31 December 2024. Our team uses research and insights, and applies their expertise and judgment to assess the quality and value of individual companies on a range of factors. These can include company financial information, management quality, market and industry outlooks, ESG and other considerations.

Direct engagement with companies provides the opportunity for us to seek effective management of issues that we believe can impact investment value.

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 ESG themes that our ESG and Stewardship program has identified as a priority.
- iii. Company specific issues engagement: raising specific ESG concerns or engaging on a particular voting matter.

AustralianSuper also engages with companies by participating in investor networks with other investors to provide insights and broader influence on ESG issues.

In addition to engagement, we may use our voting rights to vote against company resolutions. We may also vote in favour of shareholder resolutions if we believe they support investment value.

We develop ownership plans for companies in our internally managed, fundamental portfolios. Our ESG due diligence activities inform proposed stewardship actions which are documented in our asset ownership plans.

Asset ownership plans seek to: identify material issues which may impact valuation, including key ESG themes; assess company disclosure and management of material issues; identify key stakeholders; and identify stewardship actions to be undertaken by AustralianSuper. The plans utilise our internal assessment of company management of, and disclosure related to, material ESG issues, and are largely based on company disclosures and public information. They also include engagement strategies and enable us to monitor and track progress on these issues over time. We publish an overview of our direct engagement activities in our *Annual Report* available [here](#).

Indirect company engagement

AustralianSuper is a member of the Australian Council of Superannuation Investors (ACSI), which seeks to engage with ASX200 companies on financially material matters on behalf of AustralianSuper, and its other members. This expands the breadth of our engagement coverage.

ACSI's Governance Guidelines set out its areas of focus when engaging with companies including promoting better practice in respect of:

- Environmental risks and opportunities, particularly related to climate change and biodiversity.
- Social considerations, such as First Nations engagement, worker safety and human rights.
- Sound governance, including related to board composition and executive remuneration.

ACSI's annual Stewardship Report provides further information on its engagement activities and is available at acsi.org.au/publications/stewardship-reports

¹ These portfolios exclude funds included in our internally managed quantitative strategies, and those managed by external managers including index funds.

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

The majority of AustralianSuper's Australian shares asset class is internally managed, with a small proportion held through externally managed, indexed mandates. Engagement with companies in these portfolios may be undertaken directly by the external manager or via ACSI. We conduct annual questionnaires with the external manager of these mandates to assess how they consider ESG issues in the investment process. We also ask them about their approach to ESG considerations as part of our appointment and annual operational due diligence processes.

AustralianSuper retains voting rights for listed companies in the Australian shares asset class, whether held directly or through external fund managers. We make our decisions with the aim of producing outcomes that support investment value for members and vote in accordance with our *Share Voting Approach* published [here](#).

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 engages with policymakers, regulators and industry bodies directly or through investor networks with the aim of advocating for policy settings that support investment value.

You can find out more about our advocacy work and view public submissions AustralianSuper has made at australiansuper.com/about-us/advocacy

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

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

- *ESG and Stewardship Policy*;
- *Share Voting Approach* and quarterly Australian and international voting records;
- the Responsible investment section in our *Annual Report*;
- *Climate Change report*
- *Modern Slavery Statement*

Find out more at:

australiansuper.com/ResponsibleInvestment

Principle 7: Asset owners should outline how they utilise collaboration in their stewardship activities.

Working with other investors and industry groups helps give us insights and broader influence on ESG issues.

We may hold strategic leadership positions on local and global investor initiatives to enable us to contribute to the governance and strategy setting of the initiative. We also participate in working groups to help investors evolve approaches to managing ESG issues, and to gain greater insights.

AustralianSuper participates in a number of investor initiatives, including the Australian Council of Superannuation Investors (ACSI), Climate Action 100+, Principles for Responsible Investment (PRI), the Investor Group on Climate Change (IGCC) and the Investors Against Slavery and Trafficking Asia Pacific (IAST APAC). You can read more about these in our *Annual Report*, *Climate Change report* and *Modern Slavery Statement* and at australiansuper.com/ResponsibleInvestment

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