

## Responsible investing

Increasingly, many super fund members want to be sure that their super is invested according to values that may be important to them.

### What is SRI?

Socially responsible investing (or SRI), also known as green, ethical or sustainable investing, much like other traditional investment styles, aims for consistent, long term investment returns.

SRI consideration in selecting an investment can include factors such as environmental impact, human rights, ethics and governance issues. Additional investments in these socially responsible companies and projects enables them to continue and grow, leading to an environmentally and socially sustainable world. Similarly, investing in companies that have SRI concerns or issues, can be an effective way of influencing the direction of such companies “from within”, usually via exercising voting rights (see Active Share Ownership below).

### What about UNPRI?

In 2005, the United Nations initiated a set of Principles for Responsible Investing (UNPRI). The AvSuper Trustee supports the development of such investment frameworks for considering environmental, social and governance (ESG) issues as part of investing. While the Trustee does not currently consider it appropriate to sign up to UNPRI, it continues to work towards maintaining and introducing effective Environment & Social Governance (ESG) practices into its general operations.

### AvSuper’s approach

AvSuper does not currently offer investment options which are purpose built for SRI. However, some of our investment managers, particularly those investing in share markets, may use SRI considerations (to varying degrees) in meeting their specific investment (financial) objectives which contribute to the overall performance for AvSuper’s investments.

The AvSuper Trustee does not itself apply SRI considerations to the underlying investments of the Fund, nor does it take into account labour standards or environmental, social or ethical considerations when selecting, retaining or disposing of investments.

### Implementing responsible investing

AvSuper’s appointed investment managers may undertake responsible investing in accordance with their own criteria and methodologies. This commonly includes utilising internal screening processes to identify companies that rate poorly or highly for specified criteria.

Screening may start at an industry level or be done predominantly for individual companies. The process can include factors such as labour standards, ethical services/products (for example avoiding significant involvement in uranium and weapons), environment issues (renewable energy vs logging for instance) and human rights.

Generally, the process reviews the company’s relationship with its various ‘stakeholders’ (shareholders, society, the environment, suppliers, customers and employees) in order to identify risks and opportunities that influence long term corporate profitability.

### Active Share Ownership

As a shareholder in Australian companies, AvSuper often has the opportunity to vote on issues relating to environmental, social and ethical responsibility.

The Trustee deals with such considerations as is appropriate in line with its duties as a Trustee responsible for managing the retirement savings for all AvSuper members. There is no predetermined policy on applying or monitoring ethical, social or environmental considerations as each situation is different.

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