

SUPERRATINGS' MEDIA RELEASE

Wednesday, 10th of April 2013

AUSTRALIA'S SUPER FUNDS: THE UNRECOGNISED HEROES

Ever imagine super funds as the fighter of the harmful, corrupt and evil in the world? Having undertaken research into the sustainability of Australia's super funds over the past 5 years, SuperRatings' does more than imagine this but views this as a growing reality.

As part of SuperRatings' Annual Fund Sustainability Review, Australia's superannuation funds are examined for their attitudes towards sustainability and their actions, if any, to adopt more sustainable practices, both in their own operations and in the companies they invest in on behalf of their members. This year, our review covered approximately \$410 million in fund net assets.







Like a foiled plan by an evil villain, super funds are recognising the shortcomings in simply offering stand-a-lone socially responsible investment (SRI) options and are quickly adapting. The lack of growth in these dedicated SRI options meant that actual investment in 'good' companies and thus the scope to influence business behaviour was limited. Instead, funds are increasingly adopting an ESG overlay which is incorporated into their analysis to screen out those 'bad' companies across their entire portfolio. Over the past 3 years, 20% of funds have shifted from the standalone option approach towards a whole-of-fund ESG approach.

Super funds are also leading from within. Around half of funds surveyed (49%) had either a formal or an ad hoc sustainability committee. Such committees are usually a good indicator of a genuinely 'green' fund, as they are generally established to manage and reduce the fund's own environmental risks and operational costs. While this figure can be improved, most funds did not need a committee to implement recycling strategies such as paper and saving strategies and food, plastic and computer recycling. 100% of funds implemented paper and ink saving strategies (71% in 2008), while recycling of computer goods has increased 20% since 2009, to 91% of funds.

Like all famous super heroes, super funds also have weaknesses. Our review also identified a need for improved measurement and reporting strategies for environmental themes, as well as the quality of member communication.

It is the far-reaching influence of Australian's super funds on business behaviour that makes them important figures in the fight against the severity of the predicted coming impacts of climate change. As it stands today, more super funds are acting in the interests of future generations and we see this as positive step within the industry.

SuperRatings' Fund Sustainability Review 2013 – the Numbers

-  97% consider Corporate Governance to be a major or the most important factor when investing responsibly, more than doubling since 2009.
-  83% believe that funds have a responsibility to operate sustainably
-  69% have a standardised approach for communicating their SRI/ESG policy to service providers. In 2009, this was 20%.
-  63% of funds measure their energy consumption
-  42% use an ESG integration approach to investment.
-  16% regularly measure and report on their energy consumption, waste disposal, carbon emissions and water usage.

SuperRatings welcomes media enquiries regarding any of our research or information held in our database.

We are also able to provide commentary and customised tables/graphs for your use.

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Christian Super's impact is felt and is awarded SuperRatings' Infinity Award Winner for 2013

In its sixth year, the SuperRatings 2013 Infinity Award has been presented to Christian Super for their excellence in all categories assessed. They received Infinity Recognition in 2011 and 2012 and were a previous Infinity winner in 2010.

For over 25 years, Christian Super has applied biblical values to all areas of business, invested in responsible and ethical investments and has recently become a leader in Impact Investing – an emerging industry in alternative investments, that aims to generate a positive social and environment impacts without comprising on a traditional market return.

"In 2010 when we won this award for the first time, I quoted the words of John Wesley, who said, "Do all the good you can. By all the means you can. In all the ways you can. In all the places you can. At all the times you can. To all the people you can. As long as you can."...The inspiration of John Wesley hasn't changed, as Christian Super continues to seek to add values to money,"
Christian Super, CEO, Peter Murphy

SuperRatings also named those making positive contributions to sustainability. From captured data from more than 100 funds, 14 other funds were identified, who demonstrate a genuine commitment to their environmental and social responsibilities.

SuperRatings' Infinity Recognised

- AMP Super (CustomSuper, Flexible Super – Choice, Flexible Lifetime Super and SignatureSuper)
- Australian Catholic Superannuation and Retirement Fund
- Australian Ethical Retail Superannuation Fund
- BT Super for Life
- Catholic Super
- Cbus
- ESSSuper
- HESTA Super Fund
- Local Government Super
- LUCRF Super (newly Infinity Recognised)
- NGS Super
- StatewideSuper
- Unisuper
- Vision Superannuation Fund

Latest Comparative Investment Performance of Sustainable Investment Options

The latest SuperRatings sustainable performance measures highlight the strong performance of responsible investment options within super. Sustainable Fund Option Performance for the period ending February 2013.

	1 Year	3 Year	5 Year
SR Sustainable Balanced Median	14.10%	6.63%	3.34%
SR50 Balanced Index	12.37%	6.74%	2.91%

	1 Year	3 Year	5 Year
SR Sustainable Australian Shares Median	21.29%	6.48%	2.53%
SR50 Australian Shares Index	20.97%	7.13%	3.53%

Release Ends

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