



SUPERRATINGS' MEDIA RELEASE

Tuesday, 8th of May 2012

SUSTAINABILITY... ARE SUPER FUNDS DOING ENOUGH?

According to Jeff Bresnahan, "Superannuation is not so far removed from the precepts of sustainability. It's not stretching the comparison too far. Superannuation is all about sustainability. It's all about ensuring the future through actions in the present."

That being said, research conducted by SuperRatings in its Fund Sustainability Review 2012 found that an overwhelming 80% of funds believe they have a responsibility to operate sustainably. This figure hasn't changed substantially in three years. However while many funds are sustainability-minded, the reality is that only 20-30% of respondents measure and report their energy, waste or water usage on a regular basis.

For sustainably active funds, action is evident with a greater proportion investing in Green Buildings (16% in 2009, compared with 25% in 2011) and Clean Technology (14% in 2009, 21% in 2011), while there has been an increasing proportion of funds claiming to have 5-25% of Total Net Assets in SRI Investments. As an industry, we could do more.

As super funds prepare for the introduction of the Carbon Tax in July 2012, "sustainable" super funds are expected to increase. A change in government would hinder sustainable reform for the super industry, with the Liberal government vowing to repeal the carbon tax once in government. However, the long term reality of climate change will mean a natural shift where super funds operate and invest more responsibly.

SuperRatings' Fund Sustainability Review 2012: The Numbers

- 100% recycle paper and printing consumables
- 80% of funds believe they have a responsibility to operate sustainably
- 70% believe climate change will directly affect their funds operations
- 69% are adopting sustainable investment practices to reduce ESG risk
- 67% reduced energy consumption in 2011
- 46% have a standardised approach to communicating their SRI policy to Service Providers (30% in 2009)
- 45% have a formal Sustainability Committee
- 43% are measuring regularly their energy consumption
- 42% use an ESG integration or overlay approach to SRI investment
- 41% are adopting sustainable investment practices due to government policies, an increase of 19%
- 28% have more than 50% of members receiving fund communication electronically
- 25% are signatories to the UN Principles for Responsible Investment (UNPRI), 19% to the Australian Council of Superannuation Investors (ACSI) and 17% to the Carbon Disclosure Project
- 25% actively source investment opportunities in green buildings, 21% in clean technology and 17% in recycling technologies
- 24% use a Best-of-Sector approach to SRI investment, a greater proportion than the previous year at 6%
- 20% take action when a service provider does not conform to their SRI policy

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.

Our Media Contacts

Jeff Bresnahan
Founder & Chairman
Tel: 02 9247 4711
Mob: 0411 472 470
JeffB@superratings.com.au

Nathan MacPhee
Chief Executive Officer
Tel: 02 9247 4711
Mob: 0410 454 477
NathanM@superratings.com.au

Kirby Rappell
Research Manager
Tel: 02 9247 4711
Mob: 0408 250 725
KirbyR@superratings.com.au

Wil Stewart
Quantitative Analyst
Tel: 02 9247 4711
WilS@superratings.com.au

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Local Government Super breaks away from the pack to be crowned the Infinity Award Winner for 2012

In its fifth year, the SuperRatings 2012 Infinity Award has been awarded to Local Government Super (LGS) for their excellence in all categories assessed. This is the second consecutive year LGS has been awarded this title.

LGS was one of the first to recognise that long-term economic prosperity and the well-being of members depends on a healthy environment, social cohesion and good governance of the companies in which it invests. Today, the fund holds an industry-leading status of having the largest level of responsible investment assets, at an impressive \$3.3 billion – a 94% increase on the previous year.

LGS' excellence in transparency, measurement and reporting of their environmental impact is second to none. In 2011, the fund improved the structure and impartiality of their ESG Management, with the introduction of Bi-Annual Carbon and ESG Portfolio Risk Audits, results of which are publically available on their website.

SuperRatings also named those making positive contributions to sustainability. From captured data from more than 100 funds, 13 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
- Christian Super
- ESSSuper (Newly Infinity Recognised)
- HESTA Super Fund
- NGS Super (Newly Infinity Recognised)
- 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 March 2012.

	1 Year	3 Year	5 Year
SR Sustainable Australian Shares	-5.70%	9.62%	-0.86%
SR50 Australian Shares Index	-4.80%	10.65%	-0.97%
	1 Year	3 Year	5 Year
SR Sustainable Balanced Median	0.75%	8.15%	0.39%
SR50 Balanced Index	1.17%	8.39%	0.75%

Release Ends

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