

Stewardship Statement

1 July 2017 to 30 June 2018

Introduction

Christian Super is an industry super fund, meaning we are run by members, for members. This means Christian Super is simply a steward of the retirement savings that have been entrusted to us by its members. As such, the principle of stewardship drives all its decisions, from both a financial and ethical standpoint.

This Stewardship Statement is a summary of how the principle of stewardship is embedded into Christian Super's investment policies and processes and how this has played out in the current reporting period.

As longstanding members of the Australian Council of Superannuation Investors (ACSI), Christian Super is grateful for their efforts in coordinating the Australian Asset Ownership Stewardship Code (the Code), and is proud to be a signatory to the Code.

The Code consists of six Principles (see [Appendix 1](#)). As a signatory to the code, Christian Super have prepared this Stewardship Statement, which contains the following:

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| 1. Our Approach to Stewardship Responsibilities | ACSI Principle 1 |
| 2. Our Approach to Proxy Voting | ACSI Principle 2 |
| 3. Our Approach to Company Engagement | ACSI Principle 3 |
| 4. Our Approach to Asset Manager Monitoring | ACSI Principle 4 |
| 5. Our Approach to Financial System Advocacy | ACSI Principle 5 |
| 6. Our Approach to Member Engagement | ACSI Principle 6 |

Please note this Stewardship Statement is merely a summary of the policies, and processes that Christian Super adopts. For more in-depth information, links to various pages on the website have been provided, and direct contact is also welcome on any particular issue.

Contact Details

If you have a particular question about Christian Super's stewardship strategy and activities, please email members@christiansuper.com.au.

1. Our Approach to Stewardship Responsibilities

Christian Super integrates its Stewardship Responsibilities throughout various policies and processes. The defining policy that sets out its Stewardship Responsibilities is the Ethical Investment Charter. The Charter is approved by Christian Super's Trustee Board, who are elected by fund members and principal sponsors, and supports the key stewardship strategies that the internal investment team implements across the portfolio.

These strategies include:

- **Negative Screening.** Removing from the investible universe, companies whose business lines and activities do not align with the members' values e.g. Alcohol, Tobacco, Gambling etc.
- **Positive Screening.** Integrating environmental, social and governance factors into investments decisions within companies
- **Active Ownership and Influence.** Engaging with companies, industries, and governments on various environmental, social and governance issues, and actively exercising proxy voting rights
- **Impact Investing.** Investing in alternative investments that have a dual aim of a risk-adjusted return, as well as a positive environmental and/or social outcomes

Christian Super's Ethics Committee (comprised of various Trustee Board members) oversees the implementation of the Charter. The Chief Investment Officer is responsible for the day-to-day implementation of the Charter, as supported by the Investment Officer and Research Analysts.

For more information see:

- [Christian Super Responsible Investment Strategy](#)
- [Christian Super Board](#)

2. Our Approach to Proxy Voting

Christian Super invests in a range of different asset classes, including domestic and international public equities. This means Christian Super is a part owner in a range of publicly listed companies. This conveys certain legal voting rights (depending on the class of shares) on various company matters e.g. election/re-election of directors, appointment of an auditor, strategic or commercial decisions etc. We recognise that as part owners of these companies, we are stewards of these assets and therefore we believe it is important to exercise these voting rights to ensure good corporate behavior and sustainable long-term returns.

Christian Super takes all reasonable efforts to vote at the company meetings it is eligible to vote at, either directly or through external asset managers. A summary of its voting activity for the period can also be found on the website. Christian Super's overall engagement with companies is governed by its Engagement and Ownership Policy.

For more information see:

- [Engagement and Ownership Policy](#) (see section 3 Proxy Voting)
- [Proxy Voting Disclosure Report](#)

3. Our Approach to Company Engagement

As a stakeholder in various companies, Christian Super has a unique position to voice concerns and encourage corporate change through dialoguing with a company's management and board. Christian Super's engagement with companies is governed by its Engagement and Ownership Policy, and overseen by the Ethics Committee.

Engagement can take different forms such as

- Unilateral Engagement, where Christian Super reaches out directly to a company
- Collaborative Engagement, where Christian Super works with likeminded investors and stakeholders to dialogue as one voice with a company
- Asset Manager Engagement, where Christian Super's external asset managers meet with a company to engage on a range of different issues
- External Engagement, via service providers and industry associations, such as ACSI, who have a mandate to engage on a range of different issues

For more information see:

- [Engagement and Ownership Policy](#)
- [ACSI Website](#)

4. Our Approach to Asset Manager Monitoring

Christian Super appoints several external asset managers to invest on its behalf. To ensure values alignment and appropriate execution of Stewardship Responsibilities, Christian Super:

- Prior to Appointment
 - Reviews the asset managers existing stewardship policies, processes and personnel
 - Dialogues with asset managers to ensure expected Stewardship Responsibilities are properly communicated
 - Identifies any gaps in the manager's ability to execute on Stewardship Responsibilities and the remediating actions required, if any
 - Ensures reporting on Stewardship Responsibilities is embedded within relevant legal agreements
- Post Appointment
 - Reviews stewardship activity reports e.g. engagement reports, proxy voting reports
 - Incorporates environmental, social and governance topics into regular asset managers meetings
 - Dialogues on an ad-hoc basis, where environmental, social or governance issue develops in a particular company or industry

Christian Super's aim is to work collaboratively with all external asset managers, as their deep insights into companies are leveraged to ensure the appropriate implementation of Christian Super's Stewardship Responsibilities.

5. Our Approach to Financial System Advocacy

Christian Super believes that the global Financial System has the power to catalyze change in both society, and the natural environment. Therefore, as participants within the Financial System, Christian Super endeavours to contribute to various public forums e.g. government and regulatory submissions, either directly or through its membership in various industry associations, to ensure the affect the Financial System on the world is a positive one.

We focus particularly on responsible investing and impact investing, to ensure alignment of the Financial System with long term sustainability. Some examples include:

- Dialogued with CA Federal Government on establishing Modern Slavery Supply Chain Regulation (Indirect)
- Encouraged G8 nations on a range of climate change issues to ensure alignment with Paris Agreement goals (Indirect)
- Provided a Submission for AU Federal Government Inquiry Into The United Nations Sustainable Development Goals (Indirect)
- Provided a Submission for AU Federal Government Inquiry Into Establishing A Modern Slavery Act (Direct)
- Dialogued with foreign regulator on responsible and impact investing (Direct)
- Encouraged International Organization of Securities Commissions on ESG reporting (Indirect)

6. Our Approach to Member Engagement

Christian Super is continually evolving the way it reports and engages its members, in regards to stewardship activities conducted on their behalf. Through annual reports, member statements, the online website and a social media presence, we endeavor to be as transparent and accountable as possible. Christian Super discloses its current investment holdings and proxy voting activities on its website, and Christian Super greatly encourages direct engagement with existing and prospective members.

For more information see:

- [Investment Holdings](#)
- [Proxy Voting](#)
- [Annual Report](#)

Appendix 1

Principles of ACSI Australian Asset Owner Stewardship Code

ONE

Publicly disclose how they approach their stewardship responsibilities.

TWO

Publicly disclose their policy for voting at company meetings and voting activity.

THREE

Engage with companies (either directly, indirectly or both).

FOUR

Monitor asset managers' stewardship activities.

FIVE

Encourage better alignment of the operation of the financial system and regulatory policy with the financial interests of long-term investors.

SIX

Report to beneficiaries about their stewardship activities.