

Stewardship Statement

Period 1 July 2020 to 30 June 2021

Introduction

Christian Super is an industry super fund - 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 our members. As such, the principle of stewardship drives all our 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 across 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/or activities do not align with the members' values e.g., tobacco, gambling, human rights abuses, etc.
- **ESG Integration.** Integrating environmental, social and governance (ESG) factors into investment decisions for companies, with a tilt towards companies with stronger ESG performance.
- **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.** Intentionally making investments that seek to achieve both a commercial risk-adjusted return as well as positive environmental, social, or spiritual outcomes.

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

For more information see:

- [Ethical Investment Charter](#)
- [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 listed equities. As a result, 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 auditors, 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 dialogue with a company's management and board. Christian Super's engagement with companies is governed by its *Engagement and Ownership Policy* and is overseen by the Ethics Committee.

Engagement can take different forms, including:

- 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](#) (see Section 2 – Engagement)
- [ACSI Engagement](#)

4. Our Approach to Asset Manager Monitoring

Christian Super appoints a range of 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 managers' 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 manager meetings.
 - Dialogues on an ad-hoc basis, where an 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 financial system is making a positive effect on the world.

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

- Encouraged G8 nations on a range of climate change issues to ensure alignment with Paris Agreement goals (Indirect)
- Provided a Submission for Australian Federal Government Inquiry Into The United Nations Sustainable Development Goals (Indirect)
- Encouraged International Organization of Securities Commissions on ESG reporting (Indirect)
- Dialogued with the Australian Federal Government on establishing guidance on the implementation of the Modern Slavery Act (Indirect)
- Encouraged the Indonesian Federal Government to maintain legislative protections against deforestation (Indirect)

For more information see:

- [ACSI Influence](#)

6. Our Approach to Member Engagement

Christian Super is continually evolving the way it reports to, and engages with, its members regarding the stewardship activities conducted on their behalf. Through annual reports, impact reports, member statements, our website, and 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 Disclosure Report](#)
- [Annual Report](#)

Appendix 1. Principles of the 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.