

UniSuper Stewardship Statement

We believe that the stewardship activities of institutional investors can positively influence corporate behaviour and contribute to long term shareholder value. Accordingly, UniSuper takes seriously the duties incumbent upon it as a long term steward of its members' retirement savings.

In recognition of the importance of our stewardship responsibilities, UniSuper is a signatory to the [Australian Asset Owner Stewardship Code](#) (AAOSC, or the Code). We support the principles outlined in the Code which focus on enhancing the quality and transparency of Australian asset owners' disclosures regarding their company engagement and voting practices.

UniSuper is also a member of the UN Principles for Responsible Investment (UN PRI). We support the principles outlined by the UN PRI, which focus on enhancing the quality and transparency of institutional investors' disclosures regarding their company engagement and voting practices.

This Stewardship Statement seeks to demonstrate how our stewardship activities meet the requirements of seven principles outlined in the Code and the UN PRI.

Alignment with global best practice stewardship codes

AAOSC PRINCIPLE 1: ASSET OWNERS SHOULD PUBLICLY DISCLOSE HOW THEY APPROACH THEIR STEWARDSHIP RESPONSIBILITIES.

UN PRI Principle 1: *Incorporate ESG issues into investment analysis and decision-making processes.*

As a long term investor and steward of members' capital, UniSuper seeks to be a responsible investor and considers environmental, social and governance (ESG) risks as part of its investment approach. We recognise that investors have a role to play by actively exercising their ownership rights to encourage company behaviour and public policy settings to support long term financial returns for our beneficiaries. This is why we undertake our stewardship activities.

Central to this approach, UniSuper is an active owner. This means that we:

- routinely engage with the 50 largest Australian companies¹ in which we are invested, on a range of commercial, strategic and ESG related matters
- seek to exercise all proxy votes for listed Australian and international share holdings.

We're committed to being transparent and open about our approach to ESG and to reporting on the work we do in this area.

Our [Responsible investment and proxy voting policy](#) provides detail on how we respond to ESG issues as part of fulfilling our fiduciary duties and the key pillars that underpin our approach to responsible investment. This includes:

1. ESG integration
2. stewardship and active ownership
3. policy advocacy and collaboration
4. member choice
5. transparency.

Our [Responsible investment report](#) shows how we put our responsible investment policy into action. It also summarises how we've voted on resolutions at company meetings.

Our [Climate report](#) provides information on how stewardship forms a key part of our approach to managing climate change related risks.

Our [Modern slavery statement](#) shows how we are identifying and addressing modern slavery risks across our investments (as well as in our operations and supply chains).

For further information, please see our [responsible investment and responsible investment policies and reports](#) pages.

¹ 50 largest Australian companies include both unlisted assets with Australian based operations and ASX listed companies including debt and equity holdings.

AAOSC PRINCIPLE 2: ASSET OWNERS SHOULD PUBLICLY DISCLOSE THEIR POLICY FOR VOTING AT COMPANY MEETINGS AND VOTING ACTIVITY

As a large shareholder and active owner, voting on resolutions at company meetings is an important ownership right.

Accordingly, we have a long standing active voting approach in place. Where possible, we seek to vote for all companies in which we own shares.

For further information, please see [Responsible investment and proxy voting policy](#).

We are transparent regarding our voting activities, and a record of how we voted can be found on [our website](#).

AAOSC PRINCIPLE 3: ASSET OWNERS SHOULD ENGAGE WITH COMPANIES (EITHER DIRECTLY, INDIRECTLY OR BOTH)

UN PRI Principle 2: *Be active owners and incorporate ESG issues into our ownership policies and practices.*

UN PRI Principle 3: *Seek appropriate disclosure on ESG issues by the entities in which we invest.*

UniSuper actively engages with the 50 largest Australian companies in which we are invested as we believe that engagement with companies is critical as it:

- allows senior management and Boards to understand us, our members and our approach to ESG and long-term value creation
- provides us with an effective means by which to provide feedback to companies and promote good governance and corporate behaviours regarding a range of ESG related matters.

When we engage with companies, we aim to:

- build and maintain a relationship to ensure effective two way dialogue and communication
- focus on a key theme of interest/concern, e.g. climate risk management
- address specific issues that may have arisen at a point in time (i.e. on an ad hoc basis).

In conducting our engagement activities, we do so both:

- directly – that is, the UniSuper investment team and/or its external fund managers will meet with and engage with a company
- indirectly – UniSuper is a member of the Australian Council of Superannuation Investors (ACSI), which engages with companies on behalf of its members on a collective basis. This indirect collaborative engagement provides a strong unified voice on issues and widens the extent of our own direct engagement.

Greater detail regarding our engagement activities can be found in our [Responsible investment report](#).

AAOSC PRINCIPLE 4: ASSET OWNERS SHOULD MONITOR ASSET MANAGERS' STEWARDSHIP ACTIVITIES

Our in-house investment management team manages the majority of our assets, providing direct line of sight regarding ESG matters for these companies. However, we do appoint external managers to complement our in-house capability, particularly in offshore markets and niche sectors. We expect our external managers to align with our responsible investment and proxy voting policy in particular for:

- proxy voting - we have not fully internalised the voting function as we expect our asset managers to vote their portfolios on our behalf. However, we do retain (and sometimes exercise) the right to override a manager's voting intention. We monitor our investment managers' voting activities and include these votes in our reports to members.
- engagement - we maintain active dialogue with our investment managers regarding their engagement activities.

We routinely raise ESG questions and queries with our managers and assess their ESG performance as a part of our reviews.

For further information, please see [Responsible investment and proxy voting policy](#).

For updates on engagement with external managers, see our [Responsible investment report](#).

AAOSC PRINCIPLE 5: ASSET OWNERS SHOULD ENCOURAGE BETTER ALIGNMENT OF THE OPERATION OF THE FINANCIAL SYSTEM AND REGULATORY POLICY WITH THE INTERESTS OF LONG-TERM INVESTORS

UN PRI Principle 4: *Promote acceptance and implementation of the Principles within the investment industry.*

While we engage with companies directly, we also collaborate with other like minded investors and groups to further engage with companies and policymakers. We work with ACSI, the Investor Group on Climate Change (IGCC) and other bodies to extend our understanding of—and reporting on—ESG issues, and to encourage greater ambition.

UniSuper recognises the importance of engaging policymakers on key superannuation policy issues that affect our members. We work with industry bodies and key stakeholders, using evidence and our industry experience. Our approach supports our commitment to deliver better retirement outcomes for our members.

AAOSC PRINCIPLE 6: ASSET OWNERS SHOULD REPORT TO THEIR BENEFICIARIES ABOUT THEIR STEWARDSHIP ACTIVITIES

UN PRI Principle 6: *Report on our activities and progress towards implementing the Principles.*

UniSuper seeks to ensure that its members remain well informed regarding our active ownership and stewardship activities. To do this, we:

- prepare and publish on our website a Responsible investment report annually (this includes our voting activities)
- provide high level detail on the responsible investment section of our website, including our Responsible investment and proxy voting policy
- provide educational ESG and stewardship related articles and podcasts on our website.

AAOSC PRINCIPLE 7: ASSET OWNERS SHOULD OUTLINE HOW THEY UTILISE COLLABORATION IN THEIR STEWARDSHIP ACTIVITIES

UN PRI Principle 5: *Work together to enhance our effectiveness in implementing the Principles.*

We seek to amplify the effectiveness of our stewardship actions by collaborating with other investors and organisations where appropriate.

UniSuper is a founding member of ACSI and a member of ACSI's Governance Guidelines working group. ACSI's Governance Guidelines set out investor expectations on key ESG issues and principles that support the voting recommendations ACSI provides for company AGMs. The Governance Guidelines working group reviews the guidelines every two years to reflect the evolving regulatory and governance landscape, and in 2023 we contributed to this review.

Other collaborative initiatives include:

Australian Asset Owner Stewardship Code (AAOSC)

In recognition of the importance of our responsibilities as an owner of assets, UniSuper is a signatory to the Australian Asset Owner Stewardship Code (the Code) and contributed to the 2023 review for the revised Code. We support the principles outlined in the Code which focus on enhancing the quality and transparency of Australian asset owners' disclosures regarding their company engagement and voting practices.

United Nations Principles for Responsible Investment (PRI)

UniSuper has been a signatory to the PRI since 2007. PRI has developed six global principles to help investors integrate ESG factors into investment practices and provide guidance on key ESG challenges. Membership of the PRI means we have agreed to implement these principles, work collaboratively with other signatories on responsible investment issues and be reviewed on an annual basis on our progress on ESG activities.

Responsible Investment Association Australasia (RIAA)

RIAA focuses on ensuring capital is aligned with achieving a healthy and sustainable society, environment and economy. In 2023, we were named as a Responsible Super Fund Leader in RIAA's 2023 Responsible Investment Super Study. This nomination acknowledged our commitment to good governance, implementation and measurement of responsible investment approaches through activities such as engagement and voting and ESG integration, as well as our high degree of transparency.