

Super Votes:

How Australia's largest
superannuation funds voted
on ESG resolutions in 2021



■ ACCR

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ABOUT ACCR

The Australasian Centre for Corporate Responsibility (ACCR) is a not-for-profit association that promotes responsible investment through undertaking and publishing research to evaluate and improve the performance of Australian listed companies on environmental, social and governance (ESG) issues.

We have a small portfolio of shares that we hold for the purpose of engaging with listed companies, including through the filing of shareholder proposals.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
KEY FINDINGS	5
RECOMMENDATIONS	6
SECTION ONE: PROXY VOTING IN 2021	7
1.1 What is Proxy Voting?	7
1.2 How do Australian super funds approach voting?	7
1.3 How do Australian super funds disclose proxy voting?	8
1.4 Investor attention on ESG	9
1.5 Active ownership	9
SECTION TWO: METHODOLOGY	10
2.1 Data collection	10
2.2 Exclusion criteria	10
2.3 Fund selection	10
SECTION THREE: DESCRIPTIVE STATISTICS	11
3.1 Fund characteristics	11
3.2 Lead filer characteristics	13
3.3 Shareholder proposals	13
SECTION FOUR: FINDINGS	16
4.1 Disclosure by Australian super funds	16
4.2 Disclosure	17
4.3 Voting behaviour trends, 2017-2021	19
4.4 Voting behaviour in 2021	22
4.5 Proposals with significant shareholder support, 2017-2021	24
4.6 Voting behaviour by jurisdiction	26
4.7 Climate proposals	29
4.8 Governance proposals	32
4.9 Social proposals	35
	36
APPENDIX A	38
ABBREVIATIONS	38

Executive Summary

This is ACCR's fourth annual report on the proxy voting behaviour of Australia's largest superannuation funds on ESG shareholder proposals in 2021. Our first report, *Vote Like You Mean It*, was published in 2019. It was followed by *Two Steps Forward, One Step Back* in 2020, and *Super Votes* in 2021.

As in previous years, this report summarises the disclosure and voting practices of Australia's 30 largest super funds. It focuses on 518 environmental, social and governance ('ESG') proposals filed in 2021. It also considers trends between 2017-2021, when ACCR first began to collect this data.

While significant improvements on the voting practices have been observed, the sector can still do better. Although this report covers votes cast on resolutions filed in the 2021 calendar year, many funds do not disclose their voting records for months after the fact, meaning a 'lag' in analysis. ACCR advocates for funds to publicly disclose their voting records in full, and within reasonable timeframes, in the interests of improving accountability to—and engagement with—their members.

Since our first report in 2019, we have seen growing acceptance of the role of shareholder resolutions as a key element and minimum standard for active stewardship. In advice released by PRI in March 2021, proxy voting was identified as an important lever that allowed funds to provide clear and transparent feedback to a company, and as such, a tool that should be used alongside ordinary engagement. Also in 2021, BlackRock emphasised a new "sense of urgency" and made a public commitment to vote in favour of climate and social resolutions more often.¹

Of course, this does not suggest that voting in favour of every shareholder proposal necessarily represents sensible or progressive voting behaviour. Rather, funds should consider proxy voting as an integral part of company engagement, one which should be governed by clearly defined principles and policies. Funds must also adequately disclose their voting records, to allow their members to monitor their stewardship performance. These disclosures would also be of benefit to a broader range of stakeholders, with ASIC arguing that they would support the "gatekeepers" of the \$3 trillion superannuation industry—the advisors, the analysts and the media—to better monitor fund performance.²

The ability for fund members and other stakeholders to monitor voting performance is hampered by the lack of a legal requirement for funds to publicly disclose their voting records. Although most funds choose to disclose their voting records, they do so on their own timelines, in different formats and with varied levels of detail.

The aim of this report is to highlight the disclosure and voting practices of the largest super funds in Australia, emphasising the importance of: good disclosure as a measure of accountability to members; consistent voting as a measure of proper governance, and a fund's diligence with respect to proxy voting; and the consonance between how a fund positions itself in theory (for example, as an investor which is sensitive to issues such as sustainability) and how it votes in practice.

Our recommendations promote the importance of proxy voting and disclosure, and aim to improve consistency in reporting across the industry. As ESG resolutions increase in number, prominence and impact, ACCR's extensive archive of super fund proxy voting records, dating back to 2017, continues to be a critical source for journalists, academics and investors wanting to understand corporate governance issues and trends in Australia and abroad. In the interests of transparency, ACCR has published the complete dataset underlying the report on our website: www.accr.org.au/research.

Key Findings

ON OVERALL VOTING TRENDS

Almost one third of Australia's largest super funds are supporting a majority of ESG proposals.

In 2021, aggregate support for ESG shareholder proposals rose to 52%, a significant increase from 2020 (42%), and 2019 (43%). However, support was still short of the 2018 high of 54%.

Nine funds supported the majority of proposals between 2017 and 2021: Active Super (72%), Vision Super (71%), HESTA (64%), NGS Super (62%), Macquarie (62%), Colonial First State (60%), Cbus (60%), AustralianSuper (55%), Mercer (53%), and UniSuper (50%). These funds together manage \$702 billion, or 30% of APRA-regulated AUM.

Two of these funds (Active Super and HESTA) consistently supported more than 50% of shareholder proposals for each year between 2017 and 2021.

95% of funds supported a higher proportion of proposals at US companies than at Australian companies between 2017 and 2021.

ON DISCLOSURE

Australian super funds are disclosing their proxy voting records more comprehensively, frequently, with industry super funds outperforming other types of funds.

20 out of the largest 30 Australian super funds published complete proxy voting records in 2021. Of these 60% were industry funds, 20% were public sector funds, 15% were retail funds and corporate funds remained laggards with only 5% of corporate funds disclosing complete records.

The proportion of funds disclosing complete proxy records (67%) has improved significantly since 2017 when only 24% funds published complete voting records. In 2021, 100% of industry super funds disclosed complete records.

Of the 20 fully-disclosing funds, eight have consistently published complete voting records since 2017, the year from which ACCR began tracking disclosures (Active Super, AustralianSuper, Cbus, HESTA, HOSTPlus, Mercer, Mine Super and Vision Super). In 2021, 7% of all funds (two funds) did not disclose a proxy voting record and one fund disclosed only a summary of its voting practices.

ON VOTING BY INDUSTRY ASSOCIATION MEMBERS

Australian super funds who were members of four key industry associations were more likely to support ESG proposals.

Over the period 2017 to 2021, funds that were members of the Australian Council of Superannuation Investors (ACSI), the Investor Group on Climate Change (IGCC), the UN Principles for Responsible Investment (PRI) and/ or the Responsible

Investment Association of Australia (RIAA) were more supportive of proposals between 2017 and 2021 than funds were non-members of the above associations.

Signatories to the Australian Asset Owners Stewardship Code (AAOSC) were also more supportive of proposals in 2021 than funds which are not signatories of the code.

Conversely, members of the Financial Services Council were less supportive than its non-members of proposals in this same time period.

ON THEMATIC VOTING

Australian super funds are most supportive of lobbying-related proposals.

Twenty-seven per cent of funds (eight of 30) consistently supported more than 50% of climate-related proposals between 2017 and 2021.

Over half of all funds (17) supported more than 50% of lobbying-related proposals between 2017 and 2021.

Over one-quarter of all funds (eight) supported more than 50% of social-related proposals in the years examined.

For the first time, aggregate support for climate-related proposals surpassed aggregate support for lobbying-related proposals with 40.2% and 36.9% support in 2021, respectively.

Recommendations

1. All funds should disclose their entire proxy voting record - meaning, for every vote cast across all jurisdictions, to allow members to monitor their stewardship performance and to help assess how a fund positions itself in theory and how it votes in practice.
2. Funds that delegate voting to asset managers and proxy voting firms should disclose the proxy voting record of those managers/firms. Funds should retain the right to vote in a different way and exercise when external advice is inconsistent with their own voting policies.
3. Voting disclosures should be easily accessible to fund members. Best practice disclosure is made through an online portal to enable timely disclosure, and promptly after the vote is cast.
4. Funds which are “active owners” should clearly communicate their expectations for companies and sectors, as well as the strategies they will deploy if these expectations are not met. Central to this will be the timely release of proxy voting records, voting bulletins, and/or rationales explaining voting decisions so that members can better understand how funds are escalating.
5. Funds should publish their responsible investment and proxy voting policies and ensure their voting is consistent with those policies.
6. As part of their voting records, funds should publish a brief rationale about their reasons for abstaining from a vote or voting against management.
7. Funds should consider filing, co-filing or publicly supporting shareholder proposals when other forms of engagement are unsuccessful in delivering change.

Proxy Voting in 2021

1.1 WHAT IS THE VALUE OF PROXY VOTING?

Shareholders in listed companies are entitled to vote on resolutions (or “proposals”) put to company meetings. Usually, such proposals are considered at a company’s annual general meeting, but votes may also occur at extraordinary general meetings and proxy contests.

Most proposals put to a vote at company meetings relate to the general business of the company and are proposed by management. These include the election of company directors, remuneration reports, and amendments to the company’s constitution (such as provisions pertaining to takeovers, the issuance of shares and company name changes).

Proposals put forward by shareholders, on the other hand, often address environmental, social or governance (ESG) issues, beyond the scope of ‘general business’. These proposals frequently include requests for further information about the conduct of the company. Occasionally they request a specific policy for the company to adopt.

While in many jurisdictions, including Australia, shareholder proposals are not binding, they can provide a useful ‘poll’ of shareholders’ opinions on a specific issue. For that reason, they are an important way to communicate concerns to company management, particularly where existing engagement is proving

ineffective. Shareholders may vote ‘for’, ‘against’, or ‘abstain’ from a vote.

While proxy voting is only one element of rigorous asset stewardship – along with direct company engagement and company monitoring – ACCR argues is an important one. In exercising their voting rights, super funds can enhance the value of the assets they manage – Australians’ retirement savings – in the long term.

For example— for Active Super, proxy voting enables shareholders ‘to provide signals to the Board about their satisfaction with [company] governance processes and performance’.³ For Colonial First State, voting rights ‘are a valuable asset which should be managed with the same care and diligence as other assets’ which the fund manages.⁴ For HESTA, voting is ‘a viable and concrete expression of views on issues’ which a company is facing – a way to ‘send a clear signal’ to a company.⁵

1.2 HOW DO AUSTRALIAN SUPER FUNDS APPROACH VOTING?

In exercising their voting rights, super funds may choose to undertake all voting activities internally, guided by an internal voting policy or a voting policy developed by a third party.

Funds may also choose to be guided by external asset managers in some way, and many funds covered in this report are informed by advice from proxy advisors.

Many Australian super funds adopt different approaches for their Australian and international holdings.

According to their public proxy voting policies, the funds covered in this report solicit voting advice from: ACSI (at least 13 funds), Glass Lewis (11+ funds), Institutional Shareholder Services (2+ funds), Regnan (2+ funds), Ownership Matters (2+ funds) and Hermes EOS (1 fund).

Funds may use proxy voting firms in different ways. For example, Vision Super uses proxy advice firms Glass Lewis and ACSI ‘to provide advice on each (ballot) and to help us focus on those resolutions where most thought is required’, but does not always vote according to proxy advisor recommendations. For ‘contentious’ votes, the fund will seek advice from other parties, including its fund managers.⁶ Spirit Super votes its Australian shares in line with ACSI recommendations – and as a member of ACSI seeks to influence those recommendations – but retains the right to vote in a different way.

Of the funds covered in this report, 12 manage proxy voting ‘in-house’, whereas 15 vote rely on external proxies and advice. It is unclear how three funds vote.

1.3 HOW DO AUSTRALIAN SUPER FUNDS DISCLOSE PROXY VOTING?

As this report outlines, disclosure practices vary greatly between Australian super funds. While more and more funds are electing to disclose their entire voting records in publicly searchable online databases, many still only disclose brief summaries with aggregated data. As a result, the proxy voting records of Australian super funds are highly individualised.

For example, while Australian APRA-regulated super funds are required to disclose a proxy voting policy and a summary of their proxy voting behaviour on their website,⁷ self-managed super funds (SMSFs) and exempt public-sector superannuation schemes are not required to make such disclosures.

Regulation 2.38 of the Superannuation Industry (Supervision) Act 1994 requires disclosure of proxy voting policies at 2(n) and a summary voting record at 2(o). 2(o) requires disclosure of “a summary of when, during the previous financial year, and how the entity has exercised its voting rights in relation to shares in listed companies”.

Despite proxy voting disclosures not being mandatory, in July 2017, the Australian Securities and Investments Commission (ASIC) intervened in relation to 21 superannuation trustees, to improve “Transparency Information” on their websites.⁸ According to ASIC, transparency information should include “a summary of how the trustee voted in the last financial year in relation to listed shares held by the fund”. ASIC’s regulatory guide 252 specifies that such information must be published

within 20 business days of the fund’s financial year-end.⁹

Unfortunately, even when trustees provide a summary of how they have voted (in line with their obligations), they are not required to provide detailed information on how they voted on each proposal at each company throughout the financial or calendar year. As a result, many only disclose aggregated voting behaviour, for instance by disclosing the number of times the fund voted against management.

Some investor industry associations provide guidance to members on the disclosure of proxy voting records. These associations are discussed below.

The **Australian Council of Superannuation Investors** (ACSI) is a group of 42 asset owners which, together, manage over \$2.2 trillion in assets.¹⁰ ACSI encourages members to focus on factors that may impact investment value over the long term, such as ESG risks and opportunities,¹¹ but does not require its members to disclose their proxy voting records. In May 2018, ACSI published the Australian Asset Owner Stewardship Code (AAOSC),¹² which now has 19 super funds as signatories. The Code aims to “increase transparency and accountability of stewardship activities in Australia” with guidance from six core principles. Notably, principle two of the Code states that “asset owners should publicly disclose their policy for voting at company meetings and voting activity”. The guidance provides examples of appropriate voting disclosures, but does not specify that each proposal at each company is disclosed. In practice, it appears to apply only to Australian shareholdings. For

the first time, this report examines the voting behaviour of AAOSC signatories.

The **Financial Services Council** (FSC) is a peak body that sets standards and policies for over 100 institutions in the financial services sector.¹³ Many retail super funds are members, and as a condition of membership, they must comply with its standards. FSC Standard 13 “Voting Policy, Voting Record and Disclosure”¹⁴ requires members who operate investment schemes to have and make available to members a voting policy and to publish an annual voting record relating to listed Australian investments, within 3 months after the end of the relevant financial year.¹⁵ Paragraph 9.7 of Standard 13 outlines the information which must be included in members’ voting records, including the company name, a description of the proposal and how the member voted.¹⁶

The **Investor Group on Climate Change** (IGCC) is a group of 87 institutional investors and other parties concerned about the impact of climate change on their investments.¹⁷ IGCC members sign a Statement of Commitment, requiring them to demonstrate “progress incorporating the risks and opportunities associated with climate change into investment decisions... and into business operations”.¹⁸ IGCC does not appear to require its members to disclose their proxy voting records.

The **Principles for Responsible Investment** (PRI) is a global initiative that supports its members – asset owners, investment managers, and some organisations which service asset owners and investment managers – to incorporate ESG factors into their investment and ownership decisions.¹⁹ Principle 2 of PRI requires members to be “active owners,” including through

“engagement with companies and exercise of voting rights”.²⁰

The Responsible Investment

Association Australasia (RIAA) is a group of 350 institutional investors and other financial services actors (including ACCR) responsible for managing more than \$9 trillion in assets.²¹ RIAA’s stated mission is to promote, advocate for, and support approaches to responsible investment. In order to attain RIAA certification, super funds must implement “systematic corporate engagement activities and proxy voting”.²²

1.4 INVESTOR ATTENTION ON ESG

Scholars of shareholder advocacy in Australia have observed that ‘ESG’ resolutions – those relating to environmental, social or governance issues – have “increased in terms of number, prominence and impact” in recent years.²³ One study found that, of the 82 ESG shareholder resolutions filed between 2002 and 2019, 79% have been filed since 2017 (**Figure 1**).²⁴ As proxy adviser Glass Lewis has observed, ‘Australia has quickly become one of the fastest growing markets for shareholder resolutions’,²⁵ and shareholder proposals in Australia are garnering higher levels of support year-on-year. The number of shareholder proposals being put to Australian listed companies has increased each year since 2017, and record votes are being recorded. This trend – ESG proposals increasing in number, prominence and impact – accelerated in 2021, not just in Australia but in multiple jurisdictions.

1.5 ACTIVE OWNERSHIP

It is well documented that ESG issues can affect the performance of investment portfolios. Institutional investors have a fiduciary duty to act in the best long-term interests of their beneficiaries. In the same vein, superannuation funds are stewards of the businesses that they invest in and as such, their investment practices should align with the interests of their membership. Funds can protect and create value by engaging with and encouraging companies to manage ESG risks in order to generate sustainable returns for their members over the long term.

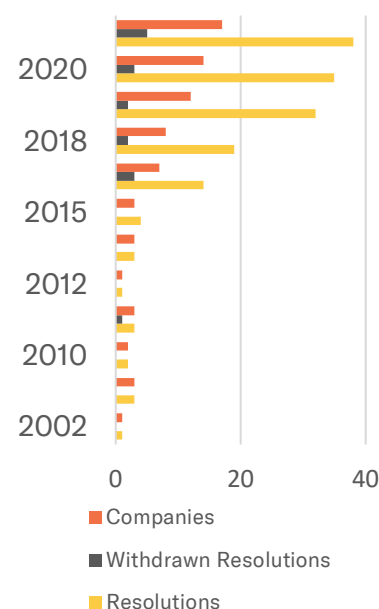
With the enormous hardships associated with the Australian bushfires, floods, COVID-19, and loss of cultural heritage sites, ESG issues are now at the forefront of investment discussion. This has moved the conversation beyond the application and integration of ESG principles in value creation and into implementing strategies, such as active ownership principles, in order to drive real world change.

Active ownership refers to the “use of rights and position of ownership to influence the activities or behaviour of investee companies” through engagement and proxy voting.²⁶ The level of engagement depends on resources or access to conduct other types of stewardship; however proxy voting represents a persuasive, robust and easily accessible instrument in the stewardship toolkit and “helps to communicate shareholders’ views to companies, build engagement and facilitate two-way accountability”.²⁷ Shareholder proposals often address issues of broad public concern, such as climate change, workers’ rights, human rights, and corporate political influence. These issues are relevant to super funds’

members and the society they live in and will retire into.

Funds which self-describe as “active owners” will receive greater scrutiny around their voting behaviour, as well as company engagement practices or frameworks that include appropriate escalation triggers. In particular, and with greenwashing risks escalating for asset owners, there is a growing expectation for “active owners” that claim to be committed to the Paris Agreement to demonstrate to their members how they are engaging and escalating with heavy emitting companies. Funds need to better communicate the expectations they have set for companies or sectors and the strategies they will deploy if these expectations are not met. Central to this will be the timely release of proxy voting records, voting bulletins and/or rationales explaining voting decisions so that members can better understand how funds are escalating. ACCR anticipates continued scrutiny around fund voting practices across ESG resolutions, but also increasingly in relation to director voting, remuneration, and other core business items.

FIGURE 1. ESG RESOLUTIONS AT AUSTRALIAN-LISTED COMPANIES, 2002-2021



SECTION TWO:

METHODOLOGY

This report examines the publicly available proxy voting records of Australia's 30 largest super funds on 1,475 shareholder proposals relating to environmental, social and governance issues, put to companies between 2017 and 2021 across five jurisdictions (Australia, Canada, Norway, the UK and the US).

2.1 DATA COLLECTION

All known shareholder proposals relating to ESG issues in these jurisdictions in calendar years 2017– 2021 were included in the study. Data for the calendar year 2021 was collected from Insightia during April and July 2022, and 518 resolutions were identified for analysis. The remaining 959 resolutions were collected and analysed for previous ACCR reports, using the methodology previously reported.²⁸

2.2 EXCLUSION CRITERIA

This year for the first time, certain types of shareholder proposals on governance issues, which were previously excluded from these reports, were included in the study sample, including proposals relating to the appointment of an independent chairperson and proposals related to proxy access (specifically in the US). However, shareholder proposals considered at extraordinary general meetings and proxy contests were excluded.

2.3 FUND SELECTION

The 30 largest Australian super funds by assets under management (AUM) as reported by APRA²⁹ were included in the analysis. Funds were categorised by type: Industry, Retail, Corporate or Public Sector. Proxy voting records were collected from each fund's website, and a database was created to analyse the voting behaviours of each fund to cross-check data obtained from Insightia.

As well as reporting on these voting behaviours at an individual fund level, data was further aggregated and analysed by AUM, fund type and industry association membership, and "completeness".

Records were deemed incomplete if they:

- did not include votes at the AGMs of numerous large public companies which were included in the fund's disclosed shareholdings for the relevant period;
- did not include the votes of all managers (where the fund discloses by asset manager);
- only contained a summary of the fund's voting record; or,
- were not published.

Of note, many retail super funds – including AMP, ANZ Staff Super and

Macquarie – disclose their proxy voting records by fund or asset manager, rather than as an aggregated voting record for the entire fund. This makes it difficult to determine whether the voting record is in fact complete.

Votes were then recorded as either 'For', 'Against', 'Abstain', or 'Split' (where there were multiple voting resolutions for the same resolution, and these records differed). If the company did not disclose how it voted on a particular resolution, this was recorded as 'Non-Disclosure' (ND).

ACCR sent individual fund voting records to each fund for verification.

SECTION THREE:

Descriptive Statistics

3.1 FUND CHARACTERISTICS

The 30 largest Australian super funds by assets under management (AUM), as reported by APRA³⁰, were included in the analysis.

These super funds control \$2,061 billion or 59% of all superannuation assets, as at June 2021. This makes up 87% of AUM at APRA-regulated funds – the vast majority of the superannuation sector. The largest seven funds collectively manage nearly half of APRA-regulated assets.

The COVID-19 crisis continued to affect Australian funds, which saw a decrease in assets under management of 5.39% between 31 December 2020 and 30 June 2021. However, at the end of the year, assets under management surpassed December 2020 figures by 15.3%, with \$3,494 billion AUM. As at 31 December 2021, 52% of APRA-regulated funds were invested in listed-equities, with 29% in internationally-listed equities, 23% in Australian-listed equities, and 5% in unlisted equities.³¹ 27% of funds were invested in bonds and short-term “cash” instruments, 15% of funds were invested in property and infrastructure, and 2.5% were invested in other assets (Table 1 and Figure 2).

TABLE 1. AUSTRALIAN SUPERANNUATION INDUSTRY ASSETS UNDER MANAGEMENT, BY FUND TYPE

Fund type	31 Dec 2020 (\$B)	30 Jun 2021 (\$B)	31 Dec 2021 (\$B)
Corporate	58.1	61.1	61.1
Industry	817.9	916.8	969.2
Public sector	552.6	597.5	633.5
Retail	633.3	688.7	709.1
Small APRA funds	1.9	2.2	2.3
Total APRA-regulated funds	2,063.8	2,266.20	2,375.20
SMSFs	763	843.7	899.6
Other	205.1	217.9	219.1
Total	3,031.8	2,868.4	3,494.0

Source: APRA, Quarterly Superannuation Performance Statistics, June 2022

FIGURE 2. AUSTRALIAN SUPERANNUATION INDUSTRY ASSET ALLOCATION AS AT DECEMBER 2021.



Data source: APRA, Quarterly Superannuation Performance Statistics, June 2022

The largest Australian funds (funds which control >\$100 billion in AUM) increased by an incredible 52.1% between 2020 and 2021, controlling 56.2% of APRA-regulated AUM (up from 45.5% last year). Funds with an AUM between \$50-100 billion decreased significantly by 35.9%, representing approximate 10% in control of APRA-regulated assets. With the change in scope in ACCR's report, funds under <\$10 billion were not captured in this analysis ([Table 2](#)).

Industry funds control the most assets, with \$820.6 billion under management (34.5% of APRA-regulated AUM). Industry funds were followed by retail funds with \$580 billion in assets (24.4% of APRA-regulated AUM), then public sector funds with \$578.8 billion in assets (24.4% of APRA-regulated AUM), and corporate funds with \$81.5 billion in assets (3.4% of APRA-regulated AUM) ([Table 3](#)).

Funds were also classified according to their industry association membership. These included the Australian council of Superannuation Investors (ACSI), the Financial Services Council (FSC), the Investor Group on Climate Change (IGCC), the UN Principles for Responsible Investment (PRI), and the Responsible Investment Association of Australasia (RIAA) ([Table 4](#)).

As we did in 2020, ACCR also examined funds who are signatories of the Australian Asset Owner Stewardship Code (AAOSC). Membership or signatory status was obtained from each industry association's website.

TABLE 2. FUNDS INCLUDED IN THIS REPORT, BY AUM.

AUM	# Funds	Total AUM \$B	Change from 2020 %	APRA-regulated AUM %
> \$100 billion	9	1,334.7	52.1%	56.2%
\$50-100 billion	5	364.2	-35.9%	15.3%
\$20-50 billion	8	245.9	14.2%	10.4%
\$10-20 billion	8	116.1	-15.0%	4.9%
Total	30	2,061.0	10.2%	86.7%

Source: APRA, Annual Fund-Level Superannuation Statistics December 2021.

TABLE 3. FUNDS INCLUDED IN THIS REPORT, BY FUND TYPE.

Fund type	# Funds	Total AUM \$B	Change from 2020 %	APRA-regulated AUM %
Corporate	3	81.5	68.4%	3.4%
Industry	12	820.6	12.3%	34.5%
Public Sector	6	578.8	10.6%	24.4%
Retail	9	580.0	2.1%	24.4%
Total	30	2,061.0	10.2%	86.7%

Source: APRA, Annual Fund-Level Superannuation Statistics December 2021.

NB: APRA reported AUM for Public Sector fund Commonwealth Super Corporation includes unfunded liabilities

TABLE 4. FUNDS INCLUDED IN THIS REPORT, BY INDUSTRY ASSOCIATION.

Industry association	# Funds	Total AUM \$B	APRA-regulated AUM %
ACSI	17	1,165.0	49%
AAOSC	13	849.7	36%
FSC	9	699.1	29%
IGCC	15	1,531.0	65%
PRI	21	1,674.7	71%
RIAA	21	1,555.7	66%

Source: APRA, Annual Fund-Level Superannuation Statistics December 2021.

3.2 LEAD FILER CHARACTERISTICS

While proposals will often be jointly filed by multiple shareholders, generally they are "led" by a single entity. The ESG shareholder proposals analysed in this report were primarily filed by advocacy organisations, asset managers, pension funds, religious organisations, trade unions, individuals, or a combination of those categories.

Of the 518 ESG resolutions filed in 2021 in Australia, the UK, the US, Canada and Norway, just over 24.3% were filed by advocacy organisations, 14.7% were filed by asset managers, and 4.8% of shareholder resolutions were filed by pension funds. The remainder were filed by individuals, religious organisations, unions, and undisclosed entities (**Table 5**). Notably, individuals such as John Chevedden and James McRitchie filed the most shareholder proposals in 2021, particularly on governance issues.

In the Australian context, most ESG resolutions are filed by research and advocacy organisations ACCR and Market Forces, as well as a handful of others, including GetUp, which filed three proposals at Origin Energy for the first time in 2021. Since 2017, only one shareholder resolution has been led by a consortium of investors – Climate Action 100+, in which Australian super funds participated – calling for additional climate change disclosure at BP in 2019. This resolution received a record 99.4% shareholder support.

Additionally, a handful of resolutions have been co-filed by Australian pension funds, including Vision Super,³² Active Super,³³ LUCRF Super,³⁴ and Australian

Ethical.³⁵ In 2021, Australian Ethical co-filed with Market Forces¹ on a climate resolution to QBE Insurance Group.

By comparison, in the US and Canada, pension funds have regularly led the filing of shareholder resolutions. In 2021, US pension funds Illinois State Treasurer, Comptroller of the State of New York, SEIU Master Trust, New York State Common Retirement Fund, and UAW Retiree Medical Benefits Trust, and Canadian funds United Church of Canada Pension Fund and B.C. Government and Service Employees' Union General Fund all led the filing of shareholder proposals.

TABLE 5. LEAD FILERS FILERS OF SHAREHOLDER PROPOSALS IN 2021

Filer category	Resolutions filed (%)
Advocacy or research organisation	24.3
Asset manager	14.7
Individual	43.1
Pension fund	4.8
Religious organisation	4.3
Union	4.6
Undisclosed entity	4.3

3.3 SHAREHOLDER PROPOSALS

The report covers 1,475 shareholder proposals filed at 605 companies (**Table 6**) since 2017. Shareholder proposals at US-listed companies made up 80.2% of the total proposals investigated, followed by Australia (8.7%) and Canada (8.3%). The proportion of shareholder proposals filed in the US is partly due to more favourable regulatory settings, namely, that a single US shareholder who owns at least US\$2,000 of common stock for at least one year is able to submit a shareholder resolution.³⁶ Shareholder

TABLE 6. NUMBER OF SHAREHOLDER PROPOSALS BY COUNTRY

Country	2017	2018	2019	2020	2021	Total Companies	Total Proposals
Australia	11	18	30	31	38	41	128
Canada	16	10	38	32	26	42	122
United Kingdom	2	1	3	3	7	10	16
Norway	2	2	3	6	11	3	24
United States	210	176	164	199	436	509	1,185
Total	241	207	238	271	518	605	1,475

access to boards in the US is also less common, which drives some shareholders to file a resolution in order to force a conversation with a company.

Interestingly, in September 2020 the US Security and Exchange Commission (SEC) adopted a range of new criteria that has created a challenge for investors submitting or resubmitting shareholder proposals under the exchange act rule 1a-8. Of note is that the rule imposes a tiered share ownership requirement of at least USD\$2,000 for three years, USD\$15,000 for at least two years and at least USD\$25,000 for at least one year.³⁷ New research in the Journal of Practical Guidance suggests that this number will continue to trend upwards despite the increased thresholds.³⁸

Despite it being a challenge for minority shareholders to lodge resolutions in ASX-listed companies, Australia has seen a year-on-year increase in the number of resolutions put to company AGMs. Although average support by Australian super funds for all shareholder proposals increased between 2017 and 2018, it declined slightly in 2019 and rose to its highest level in 2021 at 23.4% support. For the United Kingdom, Norway and the United States, support for shareholder proposals increased each year between 2017 and 2020 (Table 7). Overall support remained consistent between 2019 and 2020, with a significant increase in support seen for resolutions at Australian companies and a decline in support for resolutions at UK-listed companies.

The 1,477 shareholder proposals examined were classified into various ESG (environmental, social, governance) "themes" (Tables 8 and 9), revealing aggregate trends in proxy voting behaviour across different issues.

TABLE 7. AVERAGE VOTE OF SHAREHOLDER PROPOSALS BY COUNTRY

Country	2017	2018	2019	2020	2021
Australia	6.7%	12.7%	10.2%	14.7%	23.3%
Canada	11.7%	26.0%	11.5%	12.6%	15.6%
United Kingdom	7.1%	5.5%	45.7%	13.8%	28.7%
Norway	0.1%	0.3%	0.7%	0.6%	7.6%
United States	21.6%	25.5%	26.7%	25.8%	34.8%
All Countries	19.9%	24.0%	22.1%	22.2%	32.2%

TABLE 8. NUMBER OF SHAREHOLDER PROPOSALS BY THEME

Category	2017	2018	2019	2020	2021	Total
Environment-Climate	58	41	40	43	64	246
Environment-Other	13	11	10	13	5	52
Governance-Lobbying	66	60	58	33	43	260
Governance-Other	47	46	62	86	314	555
Social	57	49	68	97	92	363
Total	241	207	238	271	518	1,475

TABLE 9. AVERAGE VOTE OF SHAREHOLDER PROPOSALS BY THEME

Category	2017	2018	2019	2020	2021
Environment-Climate	25.8%	28.9%	20.3%	27.2%	40.3%
Environment-Other	20.9%	16.9%	22.3%	22.8%	33.3%
Governance-Lobbying	24.0%	27.5%	33.2%	32.0%	36.9%
Governance-Other	14.9%	20.1%	11.2%	20.7%	31.8%
Social	12.0%	21.0%	23.5%	17.9%	25.7%
All Themes	19.6%	24.0%	22.1%	22.2%	33.6%

Our analysis showed that climate and lobbying-related proposals were more widely supported than proposals relating to any other theme between 2017 and 2021 (Table 9).

In 2021, 95 of the 518 (18.3%) shareholder proposals filed across the five jurisdictions won majority support, including a shareholder proposal filed by ACCR at AGL.

For the first time, three shareholder proposals were supported by management in Australia in 2021. These proposals received >98% of shareholder support and included resolutions to Rio Tinto, BHP and South32.

Between 2017-2021 in Australia, ESG shareholder resolutions were filed with 17 companies, primarily in the energy sector (**Table 10**). The number of ESG-related shareholder proposals going to a vote has steadily increased, with climate-related proposals the largest category.

Support for proposals relating to social issues at Australian companies has steadily increased, while support for amendments to company constitutions remains low (**Table 11**).

Overall, support for shareholder proposals at Australian companies has increased between 2017 and 2021 (**Table 12**).

TABLE 10. ESG RESOLUTIONS IN AUSTRALIA BY SECTOR

Company	Sector	Shareholder proposals, 2021
AGL Energy Ltd.	Utilities	2
Australia and New Zealand Banking Group Ltd (ANZ)	Financial Services	2
BHP Group Ltd.	Basic Materials	3
Commonwealth Bank Of Australia	Financial Services	2
Fortescue Metals Group Ltd.	Basic Materials	2
Incitec Pivot Ltd	Basic Materials	2
National Australia Bank Limited	Financial Services	2
New Hope Corporation Ltd.	Basic Materials	2
Oil Search Ltd.	Energy	1
Origin Energy Ltd.	Energy	6
QBE Insurance Group Ltd.	Financial Services	2
Rio Tinto Ltd.	Basic Materials	2
Santos Ltd.	Energy	2
South32 Ltd	Basic Materials	2
Westpac Banking Corporation	Financial Services	2
Whitehaven Coal Ltd.	Basic Materials	2
Woodside Petroleum Ltd.	Energy	2

Note: Does not include constitutional amendments.

TABLE 11. NUMBER OF AUSTRALIAN SHAREHOLDER PROPOSALS BY THEME

Category	2017	2018	2019	2020	2021	Total
Environment-Climate	7	8	15	13	15	58
Governance-Other	3	7	12	15	19	56
Social	1	3	3	1	3	11
Total	11	18	30	29	37	125

TABLE 12. AVERAGE VOTE OF AUSTRALIAN SHAREHOLDER PROPOSALS BY THEME

Category	2017	2018	2019	2020	2021
Environment-Climate	6.9%	19.0%	13.4%	24.7%	46.2%
Governance-Other	6.2%	6.9%	5.3%	6.7%	7.4%
Social	6.2%	9.7%	14.0%	11.8%	11.1%
All Themes (AU)	6.7%	12.7%	10.2%	14.7%	21.6%

SECTION FOUR:

Findings

4.1 DISCLOSURE BY FUNDS

COMPLETENESS OF DISCLOSURE

Twenty funds disclosed complete voting records in 2021. A third of the largest super funds in Australia still do not disclose a complete voting record.

Of the 20 funds that published complete voting records in 2021, 12 were industry funds (IF), four were public sector funds (PSF), three were retail funds (RF) and one was a corporate fund (CF). Of these, eight have consistently published complete voting records since ACCR began tracking disclosures in 2017: AustralianSuper (IF), HESTA (IF), Cbus (IF), HOSTplus (IF), Vision Super (PSF), Mercer (IF), Active Super (formerly Local Government Super)(PSF), and Mine Super (IF) ([Table 13](#)).

Colonial First State, QSuper, and Spirit Super (formerly MTAA Super and Tasplan) published complete voting records for the first time since 2018. Three funds did not disclose a proxy voting record in 2021 were: Macquarie Group (RF), HUB24 Super (RF), LGIASuper (PSF), while one fund (Commonwealth Super Corporation, PSF) disclosed a summary of its proxy record.

Proportionally, corporate and retail funds continue to lag behind other fund types in terms of disclosure ([Table 16](#)).

WHEN AND HOW DISCLOSURE OCCURS

Most funds which disclose a voting record do so on an annual basis. However, and in the interests of member accountability, ACCR advocates that voting should be disclosed more regularly – within a week or so of the vote occurring.

It has become more commonplace for funds to use online databases or dashboards to disclose their proxy voting records. While it is up to a fund how to present its voting record, ACCR advocates for voting records to be published in an accessible format on fund websites, making it easy for fund members and shareholders to easily search for an individual vote.

TABLE 13. SUPER FUNDS THAT DISCLOSED A COMPLETE PROXY VOTING RECORD IN 2021, BY FUND TYPE

Fund	Fund type	Fund	Fund type
Active Super	Public Sector	Mercer	Retail
AustralianSuper	Industry	Mine Super	Industry
Aware Super	Public Sector	NGS Super	Industry
BT Super	Retail	QSuper	Public Sector
CareSuper	Industry	REST	Industry
Cbus Super	Industry	Spirit Super	Industry
Colonial First State	Retail	Sunsuper	Industry
Equipsuper	Industry	Telstra Super	Corporate
HESTA	Industry	UniSuper	Industry
HOSTPlus	Industry	Vision Super	Public Sector

4.2 FINDINGS ON DISCLOSURE

Finding 1

Sixty-seven per cent of funds (20 or 30 fund examined in this report) now publicly disclose a complete proxy voting record, covering both Australian and international shareholdings (Table 14), with QSuper and Colonial First State now disclosing complete records. This represented 60% of APRA-regulated AUM, holding a combined \$1.4 trillion in assets under management.

Finding 2

In 2021, larger funds were more likely to disclose a complete voting record. Funds managing more than \$20 billion were more likely to disclose a complete proxy voting record (Table 15).

Finding 3

In 2021, more industry funds disclosed a complete voting record than other fund types (as defined by APRA). Retail and corporate funds were more likely to have incomplete voting records and this is consistent with our analysis in 2020 and 2019 (Table 16).

TABLE 14. FUNDS' DISCLOSURE OF PROXY VOTING RECORDS IN 2021.

Level of disclosure	Funds #	Funds %	Total AUM \$B	% APRA-regulated AUM
Complete	20	66.7%	1,420.0	59.8%
Limited - AU only	4	13.3%	277.5	11.7%
Limited - Other	2	6.7%	59.3	2.5%
Summary only	1	3.3%	244.8	10.3%
No disclosure	3	10.0%	59.4	2.5%
Total	30	100%		

TABLE 15. FUNDS WITH COMPLETE VOTING RECORDS IN 2021, BY FUND SIZE (AUM).

AUM	Funds with complete voting record	Total funds	%
> \$100 billion	6	9	67%
\$50-100 billion	5	5	100%
\$20-50 billion	5	8	63%
\$10-20 billion	4	8	50%

TABLE 16. FUNDS WITH COMPLETE VOTING RECORDS IN 2021, BY FUND TYPE.

Fund type	Funds with complete voting record	Total funds	%
Corporate	1	3	33%
Industry	12	12	100%
Public sector	4	6	67%
Retail	3	9	33%

Finding 4

Members of some investment industry associations – Australian Council of Superannuation Investors (ACSI), the Australian Asset Owner Stewardship Code (AAOSC), the Investor Group on Climate Change (IGCC), Principles for Responsible Investment (PRI) and/or the Responsible Investment Association Australasia (RIAA) – were more likely than non-members to disclose a complete voting record (**Table 17**). Members of the Financial Services Council (FSC) were less likely.

TABLE 17. FUNDS WITH COMPLETE VOTING RECORDS BY MEMBERSHIP OF INDUSTRY ASSOCIATION IN 2021.

Industry Association	Members	Non-members
ACSI	100%	23%
AAOSC	100%	41%
FSC	44%	76%
IGCC	87%	47%
PRI	81%	33%
RIAA	76%	44%

TABLE 18. FREQUENCY OF DISCLOSE IN 2021.

Frequency of disclosure	# Funds
Annually	10
Bi-Annually	6
Quarterly	2
Current	9
Summary only	1
No disclosure	2

Finding 5

Nine funds disclose their proxy voting records in a current and updatable database. (**Table 18**).

- Eight funds – Active Super, BT Super, Cbus, Equipsuper, HESTA, NGS Super, Q-Super and Telstra Super and Vision Super – disclose their votes within a week of the relevant company meeting. All of these funds use an online database to disclose their voting record, rather than a spreadsheet or document file.
- Mercer also provide their voting data via an online platform, but disclosed data bi-annually or every six months.
- Two funds, AustralianSuper and Aware Super, disclose voting data quarterly.

- Ten funds disclose on an annual basis.
- One fund discloses only a summary of its voting records and two funds either do not vote or do not disclose a voting record (**Appendix A**).

4.3 FINDINGS ON VOTING BEHAVIOUR, 2017-2021

Finding 6

Aggregate support for shareholder proposals increased significantly between 2017 and 2018 but declined between 2018 and 2019. In 2020 support remained steady, only falling by 1%. In 2021, support increase significantly to 52%. Overall, over the five years examined in this report, 47% of shareholder proposals were supported by Australian super funds. (Table 19).

TABLE 19. TREND IN AGGREGATE SUPPORT FOR PROPOSALS, 2017-2021.

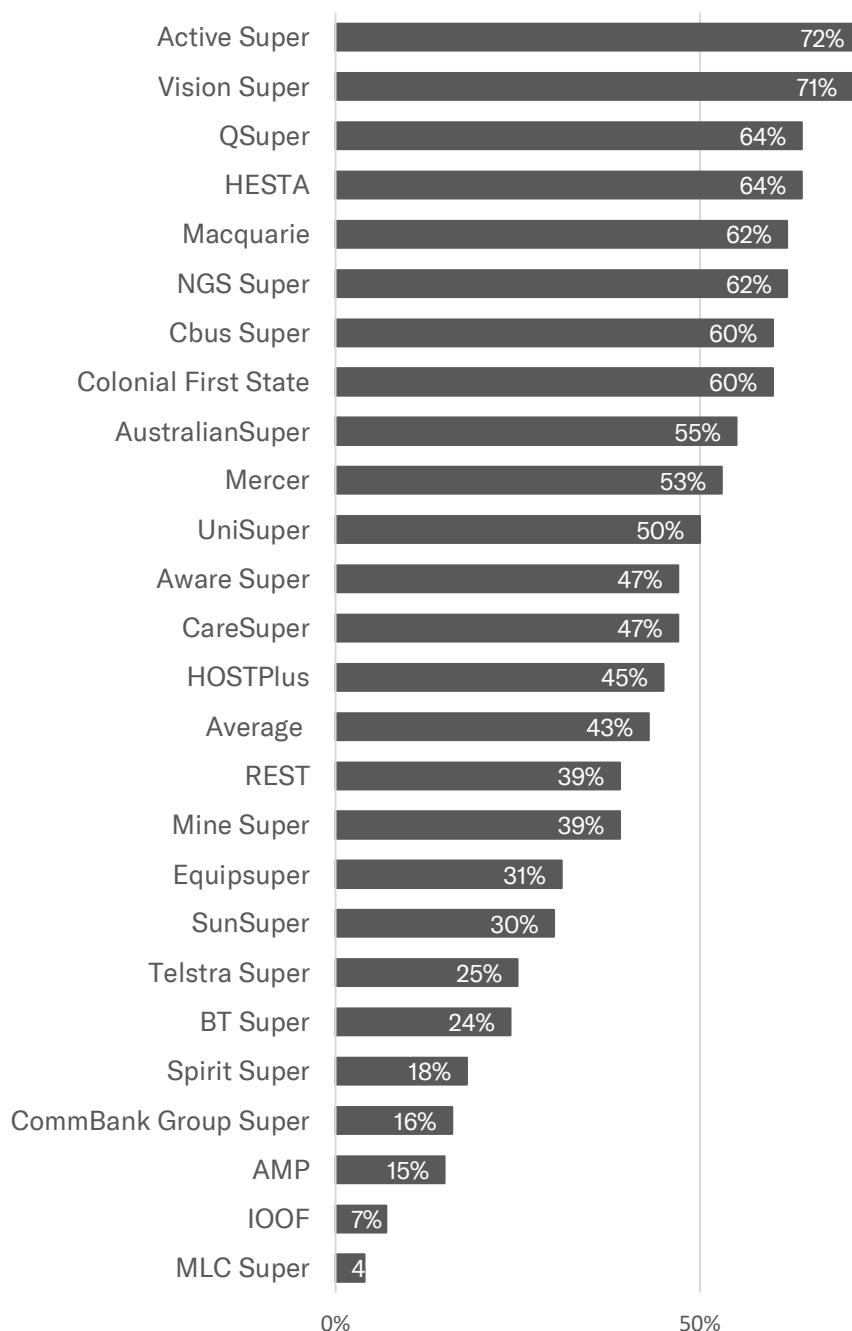
2017	34%
2018	55%
2019	44%
2020	43%
2021	52%
5 years	47%
Supportive votes	8,489
Total votes	18,025

Finding 7

Local Government Super was by far the most supportive fund between 2017 and 2021 (72%); another eight funds supported most proposals between 2017 and 2021 (Table 20, Figures 3 and 4).

- Nine funds supported most proposals between 2017 and 2021: Active Super (72%), Vision Super (71%), HESTA (64%), NGS Super (62%), Macquarie (62%), Colonial First State (60%), Cbus Super (60%), AustralianSuper (55%), Mercer (53%), and UniSuper

FIGURE 3: FUNDS' SUPPORT FOR SHAREHOLDER PROPOSALS, 2017-21.



- (50%). These funds together manage \$702 billion, or 30% of APRA-regulated AUM.
- Several funds showed dramatic increases in support for proposals over the three-year period, including Cbus, NGS Super, UniSuper, REST and Colonial First State.

- Conversely, some funds' support for proposals declined between 2017 and 2021, including BT Super and Spirit Super.

TABLE 20. TREND IN FUNDS' SUPPORT FOR PROPOSALS, 2017-21.

Fund	2017	2018	2019	2020	2021	5 Years	Supportive votes	Total votes
Active Super	85%	92%	70%	64%	63%	72%	534	745
Vision Super	42%	89%	71%	79%	75%	71%	624	878
HESTA	59%	72%	68%	63%	63%	64%	828	1290
QSuper	0%	0%	0%	0%	64%	64%	265	413
NGS Super	11%	34%	51%	86%	69%	62%	249	399
Macquarie	0%	63%	65%	0%	0%	62%	241	388
Colonial First State	0%	0%	0%	0%	62%	60%	252	417
Cbus Super	16%	82%	63%	69%	65%	60%	699	1161
AustralianSuper	37%	64%	55%	57%	61%	55%	576	1045
Mercer	67%	64%	46%	46%	53%	53%	545	1019
UniSuper	7%	49%	54%	29%	61%	50%	388	778
CareSuper	0%	19%	49%	54%	45%	47%	265	559
Aware Super	13%	68%	53%	25%	72%	47%	742	1568
HOSTPlus	25%	37%	34%	38%	60%	45%	503	1128
Mine Super	46%	37%	45%	37%	37%	39%	390	998
REST	0%	24%	29%	32%	52%	39%	220	563
Equisuper	9%	13%	19%	32%	36%	31%	171	550
SunSuper	0%	32%	20%	29%	36%	30%	311	1023
Telstra Super	0%	38%	29%	21%	26%	25%	218	860
BT Super	50%	25%	16%	27%	25%	24%	235	981
Spirit Super	15%	36%	3%	15%	14%	18%	41	231
Commonwealth Bank Group Super	0%	24%	17%	23%	13%	16%	16	99
AMP	0%	6%	4%	18%	31%	15%	18	119
IOOF	5%	6%	5%	12%	8%	7%	12	178
MLC Super	0%	0%	0%	0%	22%	4%	4	91

Note: Historical data has been combined when super funds have merged.

TABLE 21. AGGREGATE SUPPORT FOR PROPOSALS BY FUND SIZE (AUM), 2017-2021.

AUM	2017	2018	2019	2020	2021	5 Years
> \$100 billion	21%	53%	43%	34%	56%	46%
\$50-100 billion	36%	58%	45%	48%	54%	50%
\$20-50 billion	30%	51%	40%	36%	38%	39%
\$10-20 billion	53%	67%	58%	61%	55%	58%
< \$10 billion	23%	31%	26%	26%	0%	26%

TABLE 22. AGGREGATE SUPPORT FOR PROPOSALS BY FUND TYPE, 2017-2021.

Type	2017	2018	2019	2020	2021	5 Years
Corporate	0%	32%	27%	21%	25%	24%
Industry	34%	51%	45%	47%	52%	48%
Public sector	33%	69%	55%	46%	68%	56%
Retail	37%	50%	34%	31%	45%	41%

TABLE 23. AGGREGATE SUPPORT FOR PROPOSALS BY MEMBERSHIP OF INDUSTRY ASSOCIATION, 2017-2021.

Industry association		2017	2018	2019	2020	2021	5 Years
ACSI	Members	34%	59%	48%	46%	54%	50%
	Non Members	28%	46%	32%	30%	44%	38%
AAOSC	Members	34%	64%	52%	49%	57%	52%
	Non Members	33%	42%	31%	31%	45%	39%
FSC	Members	37%	50%	34%	31%	49%	44%
	Non Members	33%	57%	47%	45%	53%	48%
IGCC	Members	35%	63%	48%	43%	53%	49%
	Non Members	30%	45%	39%	44%	48%	43%
PRI	Members	35%	60%	47%	45%	53%	49%
	Non Members	29%	27%	25%	30%	44%	35%
RIAA	Members	34%	59%	47%	47%	55%	50%
	Non Members	32%	34%	28%	27%	40%	34%

Finding 9

There was no strong correlation between fund size and trend in support for proposals between 2017 and 2021 ([Table 21](#)).

Finding 10

Industry funds were the only type to increase aggregate support for proposals between 2019 and 2021. Public sector funds remain the most supportive funds between 2017 and 2021; corporate funds are overall the least supportive funds ([Table 22](#)).

Finding 11

Support for shareholder resolutions increased between 2020 and 2021 for all members of industry associations. Overall, members of ACSI, AAOSC, IGCC, PRI and RIAA supported more shareholder proposals than their non-members ([Table 23](#)).

4.4 FINDINGS ON VOTING BEHAVIOUR IN 2021

Finding 12

Two funds supported more than 70% of proposals in 2021, with a further 11 funds supporting more than 50% of proposals (**Table 24**).

- Two funds supported more than 70% of proposals in 2021: Vision Super (75%) and Aware (72%). Together these funds manage \$168.9b, 7.1% of APRA-regulated AUM.
- A further 11 funds supported more than 50% but less than 70% of shareholder proposals in 2021: NGS Super (69%), Cbus Super (65%), QSuper (64%), Active Super (63%), HESTA (63%), Colonial First State (62%), AustralianSuper (61%), UniSuper (61%), HOSTPlus (60%), Mercer (53%), and REST (52%). Together, these funds represent \$923.1 billion, or 38.9% of APRA-regulated AUM.
- Of the remaining funds that provided proxy voting disclosures in 2021 with more than 10 votes, 11 funds supported less than 50% of shareholder proposals in 2021. Three of the 11 funds supported less than 20% of shareholder proposals in 2021.
- Six funds did not disclose sufficient data.

TABLE 24. FUNDS' VOTING BEHAVIOUR IN 2021 (MINIMUM 10 VOTES).

Fund	Supportive votes	Total votes	Support %
Vision Super	199	265	75%
Aware Super	271	379	72%
NGS Super	109	159	69%
Cbus Super	166	254	65%
QSuper	265	413	64%
Active Super	159	253	63%
HESTA	268	427	63%
Colonial First State	252	404	62%
AustralianSuper	255	415	61%
UniSuper	211	345	61%
HOSTPlus	259	429	60%
Mercer	240	451	53%
REST	137	264	52%
CareSuper	70	156	45%
Mine Super	159	433	37%
Equisuper	103	283	36%
SunSuper	179	500	36%
AMP	11	36	31%
Telstra Super	116	450	26%
BT Super	110	434	25%
MLC Super	4	18	22%
Spirit Super	5	36	14%
CommBank Group Super	4	32	13%
IOOF	3	38	8%

Finding 13

There was no clear correlation between voting behaviour and fund size. Funds managing between \$20-50 billion in AUM supported the least amount of shareholder proposals (38%) (Table 25).

TABLE 25. VOTING BEHAVIOUR IN 2021 BY FUND SIZE (AUM).

AUM	Supportive votes	Total votes	Support %
> \$100 billion	1,379	2,444	56%
\$50-100 billion	1,009	1,874	54%
\$20-50 billion	537	1,414	38%
\$10-20 billion	630	1,143	55%

Finding 14

Public sector funds supported the most amount of shareholder proposals in 2021. Corporate funds were the least likely to support proposals (Table 26).

TABLE 26. VOTING BEHAVIOUR IN 2021 ACCORDING TO FUND TYPE.

Type	Supportive votes	Total votes	Support %
Corporate	120	482	25%
Industry	1,921	3,701	52%
Public Sector	894	1,310	68%
Retail	620	1,382	45%

Finding 15

In 2021, members of ACSI, AAOSC, IGCC, PRI and RIAA were more supportive of proposals than non-members; non-FSC members were more supportive of proposals than FSC members (Table 27).

TABLE 27. VOTING BEHAVIOUR IN 2021 BASED ON INDUSTRY ASSOCIATION.

Industry Association	Member Support %	Non-member Support %
ACSI	54%	44%
AAOSC	57%	45%
FSC	49%	53%
IGCC	53%	48%
PRI	53%	44%
RIAA	55%	40%

3.4 FINDINGS ON PROPOSALS WITH SIGNIFICANT SHAREHOLDER SUPPORT, 2017-2021

ACCR's previous analysis of funds' proxy voting records has prompted debate around elucidating the hallmarks of a "supportable" shareholder proposal, i.e., what makes a shareholder proposal warrant and receive strong shareholder support. It has been suggested by some in the industry that not all proposals are supportable and in the best interests of beneficiaries, and therefore funds should not vote for them.

The factors determining a proposal's "supportability" are varied. However, indicators of supportability may include:

- the clarity and reasonableness of the resolution;

- the view of the company's progress on the issue by shareholders;
- the level of support for a proposal by proxy advisers and/or management;
- the integrity and quality of the research and arguments presented in shareholder resolution;
- the credibility of the filers and co-filers.

In ACCR's experience, proxy advisers are likely to recommend voting against proposals that are novel or not particularly well understood, irrespective of credibility considerations. Research shows that proxy advisers can each sway

anywhere between 13–30% of shareholder votes.³⁹

Between 2017–2020, the median support for all shareholder proposals was 19.9%. For this reason, we examined the difference in funds' support for proposals where a proposal received 20% or more of shareholders' support, where this threshold has been indicative of the likelihood of investor support. However, it should be noted that there was a doubling in median support between 2020 and 2021 from 16% to 32% which increased the 5-year median vote from 20% to 27%. The 5-year average vote was 24% (Table 28).

TABLE 28. MEDIAN AND AVERAGE VOTE ON PROPOSALS, 2017-2021.

Year	2017	2018	2019	2020	2021	5 Years
Median vote %	18.2%	21.5%	22.0%	16.1%	31.8%	27.2%
Average vote %	19.9%	24.0%	22.1%	22.2%	32.2%	24.1%

Finding 16

Aggregate support for proposals increased significantly where proposals were supported by more than 20% of shareholders (Table 29).

Finding 17

All funds that disclose proxy voting data were more supportive of proposals that were supported by more than 20% of shareholders.

Active Super and Vision Super supported the most proposals that were supported by less than 20% of shareholders, both with 59% support (Table 30).

TABLE 29. AGGREGATE SUPPORT FOR PROPOSALS BY TOTAL VOTE, 2017-2020

Support for proposal	2017	2018	2019	2020	2021	5 Years	Supportive votes	Total votes
< 20%	20.9%	36.5%	23.9%	26.7%	27.8%	27.0%	2,314	8,566
> 20%	52.9%	78.6%	66.4%	62.4%	65.1%	65.3%	6,175	9,459

TABLE 30. FUNDS' AGGREGATE SUPPORT FOR PROPOSALS BY FINAL VOTE, 2017-2021.

Fund	Support for proposals <20%	Support for proposals >20%	Supportive votes	Total votes
Macquarie	22%	96%	241	388
HESTA	38%	86%	828	1290
Active Super	59%	84%	534	745
Vision Super	59%	83%	624	878
QSuper	34%	80%	265	413
Cbus Super	41%	80%	699	1161
Mercer	19%	78%	545	1019
AustralianSuper	32%	75%	576	1045
NGS Super	55%	72%	249	399
UniSuper	25%	71%	388	778
Colonial First State	42%	70%	252	417
CareSuper	27%	68%	265	559
REST	12%	64%	220	563
Aware Super	29%	64%	742	1568
HOSTPlus	22%	63%	503	1128
Commonwealth Bank Group Super	6%	61%	16	99
AMP	4%	61%	18	119
Mine Super	20%	55%	390	998
Equipsuper	8%	52%	171	550
SunSuper	14%	43%	311	1023
Spirit Super	10%	41%	41	231
Telstra Super	9%	38%	218	860
BT Super	14%	32%	235	981
MLC Super	0%	24%	4	91
IOOF	4%	20%	12	178

Note: Historical data has been combined when super funds have merged.

4.6 FINDINGS ON VOTING BEHAVIOUR BY JURISDICTION

Finding 18

All funds, except NGS Super, supported a higher proportion of proposals at US companies than at Australian companies between 2017 and 2021 (**Table 31, Figure 5**).

On average, Australian super funds are supporting more shareholder proposals in Canada, the United Kingdom, and the United States than in Australia. Possible reasons for this include:

- the smaller sample of Australian proposals;
- the precondition in Australia of an amendment to a company's constitution to allow for an ordinary proposal;
- Funds' geographical distance from, and lack of access to boards and senior management at US companies, suggest a greater willingness to vote against board recommendations;

- Greater knowledge of and access to the boards of Australian companies; and a greater range of engagement tools available to funds when engaging with Australian companies.

Three funds supported more than 50% of proposals at Australian companies between 2017 and 2021: HESTA, NGS Super, and Vision Super. By contrast, 13 funds supported more than 50% of proposals at US over the same period.

TABLE 31. FUNDS' SUPPORT FOR PROPOSALS AT AUSTRALIAN AND US COMPANIES, 2017-21.

Fund	Supportive votes (AU)	Support % (AU)	Supportive votes (US)	Support % (US)
Active Super	37	34%	472	82%
Vision Super	68	59%	529	75%
Macquarie	5	16%	223	73%
Cbus Super	32	16%	608	71%
QSuper	5	14%	248	71%
HESTA	65	54%	718	70%
Colonial First State	5	13%	231	66%
Mercer	10	9%	511	63%
NGS Super	76	65%	171	62%
AustralianSuper	17	14%	525	62%
UniSuper	4	3%	359	59%
CareSuper	11	9%	226	58%
HOSTPlus	18	14%	460	52%
Aware Super	64	38%	623	51%
REST	8	7%	204	48%
Mine Super	8	8%	372	46%
Spirit Super	15	9%	24	40%
Equisuper	11	10%	154	38%
Sunsuper	26	22%	266	34%
Telstra Super	12	12%	191	29%
BT Super	29	24%	188	25%

Note: Historical data has been combined when super funds have merged.

FIGURE 5. FUNDS' SUPPORT FOR PROPOSALS AT AUSTRALIAN AND US COMPANIES, 2017-21

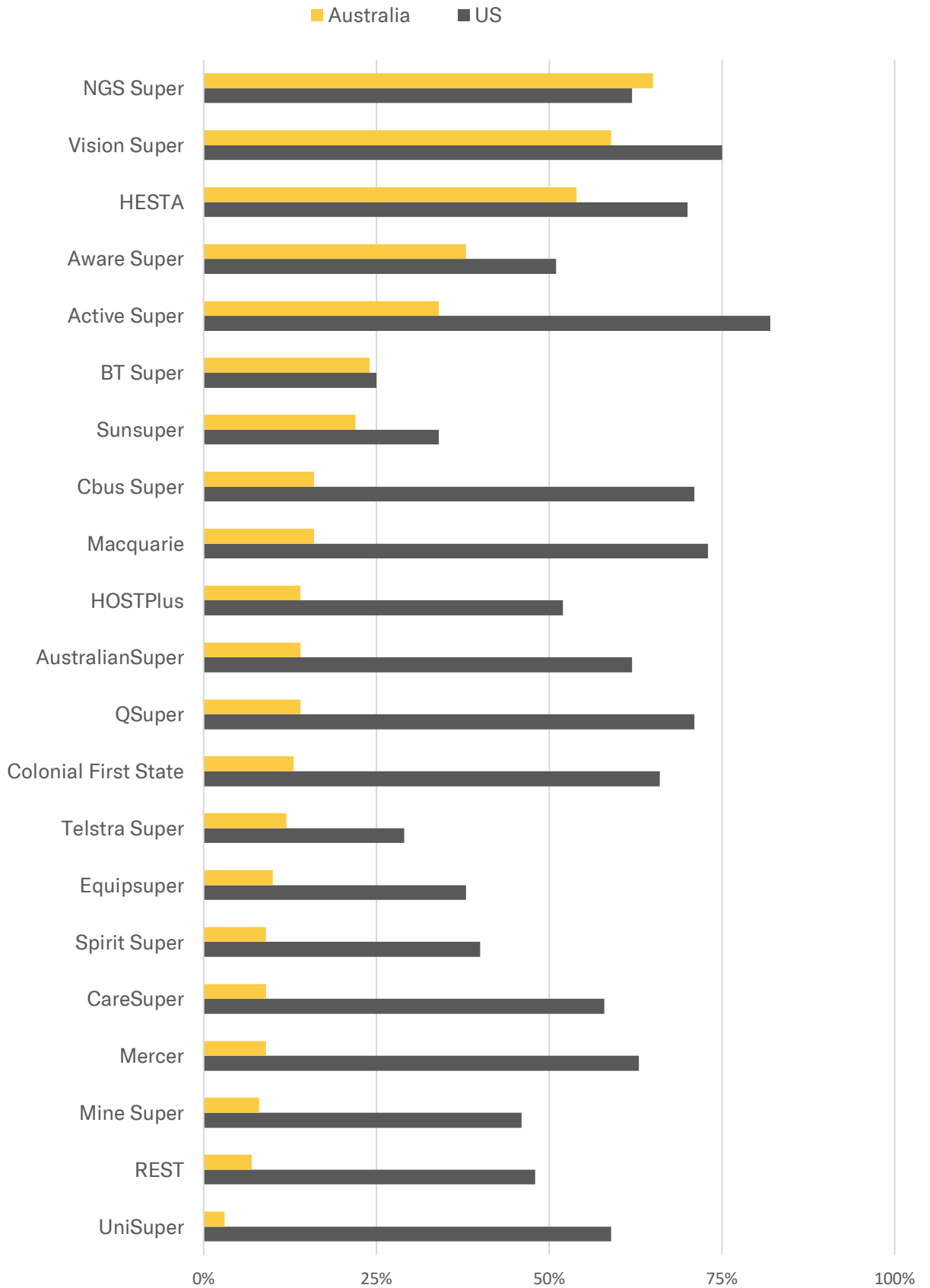


TABLE 32. FUNDS' SUPPORT FOR PROPOSALS AT AUSTRALIAN AND US COMPANIES, 2021.

Fund	Supportive votes (AU)	Support % (AU)	Supportive votes (US)	Support % (US)
Vision Super	19	59%	173	78%
Aware Super	5	19%	252	77%
Cbus Super	11	29%	149	73%
Active Super	5	16%	149	71%
NGS Super	21	62%	87	71%
QSuper	5	14%	248	71%
UniSuper	4	12%	203	67%
HOSTPlus	5	13%	242	67%
HESTA	15	44%	239	67%
AustralianSuper	8	24%	238	67%
Colonial First State	5	19%	231	66%
Mercer	4	11%	224	60%
REST	8	21%	126	59%
CareSuper	6	18%	63	53%
Mine Super	5	14%	149	42%
Equipsuper	6	17%	92	41%
SunSuper	10	27%	159	38%
Telstra Super	5	15%	107	28%
BT Super	8	22%	93	26%

Finding 19

Two funds supported 50% or more of proposals at Australian companies in 2021 (Table 32, Figure 5).

Finding 20

Fourteen funds supported more than 50% of proposals at US companies in 2021 (Table 32, Figure 5).

Finding 21

All 19 funds which disclosed proxy voting records for both Australian and the US jurisdictions supported a higher proportion of proposals at US companies than they did at Australian companies in 2021 (Table 32, Figure 5).

4.7 FINDINGS ON CLIMATE PROPOSALS

Between 2017 and 2021, there have been year-on-year increases in the number of shareholder resolutions on environmental issues. In 2021, there were 69 environmental resolutions with 64 (93%) relating to the climate, specifically.

While climate and environmental proposals made up only 17% of the shareholder proposals between 2017–2021, these types of proposals have often garnered significant shareholder support, and strong media attention. In 2021, these resolutions received average total shareholder support of 40%. Most of these proposals related to climate-risk and transition planning.

Board oversight of climate risk, the development or obstruction of climate policy, climate-related lobbying by companies and company representatives, carbon financing, the closure of fossil fuel assets, the health impacts of fossil fuel assets, and transition planning are all priority issues for shareholders. Other issues which are commonly raised by shareholders include those relating to deforestation, waste, and water.

Findings: CLIMATE

Finding 22

Aggregate support for climate-related proposals increased between 2017–2018, declined significantly in 2019 but rose again in 2020. In 2021, climate-related proposals reached 50% aggregate support (Table 33).

Finding 23

Almost all funds increase their support for climate-related proposals between 2017 and 2018, but for many, that support declined in 2019. Overall, on average, there has been year on year increases in support for climate-related resolutions for Australian funds since 2019 (Table 34).

Finding 24

Eight funds (which disclosed a minimum of 10 votes) supported more than 50% of climate-related proposals between 2017–2021, while 12 funds supported more than 50% of climate-related proposals in 2021 (Tables 34 and 35).

RESOLUTIONS IN FOCUS

ACCR (proponent) at AGL (company), July 2021 Paris Goals and Targets

In July 2021 ACCR filed a shareholder resolution with AGL Energy, requesting further information about its Paris Agreement aligned goals and targets. The company had just announced its plans to demerge into two entities, and ACCR had raised concerns about the new leadership's climate competence and its capacity to transition out of fossil generation.

The previous year, an ACCR resolution requesting that AGL bring forward the closure dates of two of its coal-fired power stations had gained 20% of shareholder support. Among this shareholder group was BlackRock, which encouraged AGL to

"proactively and ambitiously manage the climate risk in its business model, and to 'capture some of the opportunities of the global energy transition".

The 2021 resolution was supported by shareholders representing 53% of the votes cast, and set the stage for the company's decision to withdraw its demerger proposal, overhaul its leadership and undertake a strategic review the following year. In November 2022, four shareholder-proposed directors were elected to the AGL board. ACCR commented that it was "both a victory for shareholders and a scathing indictment on those who spent years destroying shareholder value by delaying the inevitable in the face of an escalating energy transition".

TABLE 33. AGGREGATE SUPPORT FOR CLIMATE-RELATED PROPOSALS, 2017-2021.

2017	36%
2018	57%
2019	35%
2020	47%
2021	50%
5 years	45%
Supportive votes	1,389
Total votes	3,101

TABLE 34. FUNDS' SUPPORT FOR CLIMATE-RELATED PROPOSALS, 2017-2021 (MINIMUM 10 TOTAL VOTES).

Fund	2017	2018	2019	2020	2021	5 Years
NGS Super	13%	33%	88%	100%	100%	79%
Vision Super	67%	94%	60%	95%	76%	76%
HESTA	79%	81%	59%	72%	63%	70%
Active Super	81%	100%	50%	55%	48%	65%
Colonial First State	0%	0%	0%	0%	65%	58%
Macquarie	0%	64%	63%	0%	0%	57%
Mercer	68%	69%	41%	50%	49%	56%
Aware Super	18%	90%	55%	42%	68%	51%
Cbus Super	11%	84%	45%	64%	57%	49%
AustralianSuper	41%	67%	36%	56%	50%	48%
QSuper	0%	0%	0%	0%	46%	46%
BT Super	50%	60%	35%	39%	46%	43%
Sunsuper	0%	44%	23%	49%	51%	42%
HOSTPlus	0%	41%	20%	44%	56%	39%
Mine Super	46%	21%	22%	54%	32%	36%
CareSuper	0%	43%	27%	41%	45%	35%
Telstra Super	0%	40%	22%	39%	36%	34%
UniSuper	0%	0%	52%	0%	45%	34%
REST	0%	15%	21%	29%	54%	32%
CommoBank Group Super	0%	57%	27%	50%	31%	31%
AMP	0%	13%	7%	36%	53%	26%
Equisuper	10%	0%	13%	31%	35%	24%
Spirit Super	15%	32%	3%	0%	29%	15%
IOOF	0%	7%	7%	25%	13%	10%
MLC Super	0%	0%	0%	0%	67%	9%

Note: Historical data has been combined when super funds have merged.

TABLE 35. FUNDS' SUPPORT FOR CLIMATE-RELATED PROPOSALS IN 2021 (MINIMUM 10 VOTES).

Fund	Supportive votes	Total votes	Support %
NGS Super	20	20	100%
Vision Super	22	29	76%
Aware Super	28	41	68%
MLC Super	4	6	67%
Colonial First State	30	46	65%
HESTA	37	59	63%
Cbus Super	16	28	57%
HOSTPlus	34	61	56%
REST	19	35	54%
AMP	8	15	53%
SunSuper	32	63	51%
AustralianSuper	25	50	50%
Mercer	30	61	49%
Active Super	12	25	48%
QSuper	23	50	46%
BT Super	27	59	46%
UniSuper	14	31	45%
CareSuper	9	20	45%
Telstra Super	22	61	36%
Equisuper	14	40	35%
Mine Super	20	62	32%
CommoBank Group Super	4	13	31%
Spirit Super	4	14	29%
IOOF	2	15	13%

Finding 25

There was no clear correlation between voting behaviour on climate-related proposals and fund size (**Table 36**).

TABLE 36. SUPPORT FOR CLIMATE-RELATED PROPOSALS BY FUND SIZE (AUM), 2021.

AUM	Supportive votes	Total votes	Support %
>\$100 billion	159	298	53%
\$50-100 billion	138	246	56%
\$20-50 billion	81	211	38%
\$10-20 billion	78	149	52%

Finding 26

Public sector funds supported most climate-related proposals in 2021. Corporate funds remain the least supportive of climate-related proposals (**Table 37**).

TABLE 37. SUPPORT FOR CLIMATE-RELATED PROPOSALS BY FUND TYPE, 2021.

Fund Type	Supportive votes	Total votes	Support %
Corporate	26	74	35%
Industry	244	483	51%
Public sector	85	145	59%
Retail	101	202	50%

Finding 27

Members of ACSI, IGCC, PRI and RIAA were more supportive of climate-related proposals than non-members in 2021; non-FSC members were more supportive of climate-related proposals than their members in 2021. Signatories of the AAOSC were also more supportive of climate-related proposals than non-signatories in 2021 (**Table 38**).

TABLE 38. SUPPORT FOR CLIMATE-RELATED PROPOSALS BY INDUSTRY ASSOCIATION MEMBERSHIP, 2021.

Industry Association	Member Support %	Non-member Support %
ACSI	51%	49%
AAOSC	54%	47%
FSC	49%	51%
IGCC	51%	50%
PRI	54%	36%
RIAA	54%	37%

4.8 FINDINGS ON GOVERNANCE PROPOSALS

This report analysed a total of 339 governance-related resolutions filed in 2021. Forty-two (or 10% of all resolutions filed in 2021) were on the topic of lobbying. On average, governance resolutions related to lobbying gained the support of funds 36.9% of the time, whereas other types of governance proposals were supported 32.3% of the time.

Other governance-related proposals in 2021 included board diversity, policy-related matters, constitutional amendments, promotion velocity, and linking executive pay to ESG responsibilities. For the first time, ACCR has also included governance-related proposals on proxy access, majority vote and right to act by written consent which were previously excluded from the study sample.

RESOLUTIONS IN FOCUS: ACCR (proponent) at BHP (company), August 2021

In 2021, 42 resolutions on lobbying were filed at companies in the jurisdictions covered in this report. Among those were ACCR's resolutions filed with Rio Tinto, BHP, Origin Energy and South32.

ACCR's resolution to BHP, filed in August 2021, requested that the company strengthen its review of industry associations to ensure that it identifies areas of inconsistency with the Paris Agreement. The previous year, an ACCR resolution, urging the company to constructively influence its industry associations to further enhance the energy transition underway, had been supported by shareholders owning 22.4% of BHP.

Interestingly, BHP supported ACCR's resolution, but not ACCR's reasons for filing it (as outlined in the supporting statement). The company argued

"that there is greater scope to achieve positive climate outcomes if [it] uses its influence within industry associations to influence the association's approach to climate policy".

However, in 2022 the company recommended its shareholders vote against an ACCR resolution that requested the company proactively advocate for Australian policy settings that are consistent with the Paris Agreement's objectives. This resolution for positive climate advocacy was the first of its kind in this market.

Findings:

Governance (LOBBYING)

Finding 28

Aggregate support for lobbying-related proposals increased between 2017 and 2018, then plateaued in 2019. In 2020, support dropped by 7% to 66%. In 2021, support increased to 74% and over the five years examined, aggregate support for lobbying-related proposals garnered 68% Australian superfund support ([Table 39](#)).

Finding 29

Almost all funds (which disclosed a minimum of 10 votes) increased their support for lobbying-related proposals between 2017 and 2021. Seventeen funds supported a majority (>50%) of lobbying-related proposals in the years examined ([Table 40](#)).

Finding 30

Fourteen funds (which disclosed a minimum of 10 votes) supported a majority of lobbying-related proposals in 2021 ([Table 41](#)).

TABLE 39. AGGREGATE SUPPORT FOR LOBBYING-RELATED PROPOSALS, 2017-2021.

2017	44%
2018	75%
2019	73%
2020	66%
2021	74%
5 years	68%
Supportive votes	1,889
Total votes	2,789

TABLE 40. FUNDS' SUPPORT FOR LOBBYING PROPOSALS 2017-2021 (MINIMUM 10 VOTES TOTAL).

Fund	2017	2018	2019	2020	2021	5 Years
Active Super	87%	100%	92%	94%	91%	93%
Macquarie	0%	89%	95%	0%	0%	92%
QSuper	0%	0%	0%	0%	91%	91%
Mercer	0%	91%	96%	80%	92%	90%
Colonial First State	0%	0%	0%	0%	88%	88%
HESTA	72%	89%	95%	82%	94%	86%
CareSuper	0%	0%	90%	82%	64%	80%
Vision Super	47%	95%	93%	94%	95%	79%
Cbus Super	27%	95%	96%	93%	95%	78%
NGS Super	0%	50%	75%	100%	89%	76%
AustralianSuper	53%	81%	80%	87%	86%	73%
UniSuper	10%	93%	80%	58%	81%	69%
HOSTPlus	33%	55%	73%	68%	92%	67%
Mine Super	60%	61%	83%	71%	46%	62%
Aware Super	15%	78%	81%	39%	88%	58%
Spirit Super	0%	71%	0%	17%	0%	57%
Equipsuper	0%	60%	50%	61%	48%	54%
REST	0%	47%	39%	58%	69%	54%
Telstra Super	0%	60%	62%	21%	42%	43%
Sunsuper	0%	10%	29%	41%	46%	35%
BT Super	0%	40%	16%	43%	29%	28%

Note: Historical data has been combined when super funds have merged.

TABLE 41. FUNDS' SUPPORT FOR LOBBYING-RELATED PROPOSALS, 2021 (MINIMUM 10 VOTES).

Fund	Supportive votes	Total votes	Support %
Cbus Super	20	21	95%
Vision Super	19	20	95%
HESTA	33	35	94%
HOSTPlus	34	37	92%
Mercer	33	36	92%
Active Super	21	23	91%
QSuper	30	33	91%
NGS Super	8	9	89%
Colonial First State	30	34	88%
Aware Super	29	33	88%
AustralianSuper	32	37	86%
UniSuper	26	32	81%
REST	18	26	69%
CareSuper	9	14	64%
Equipsuper	10	21	48%
SunSuper	19	41	46%
Mine Super	16	35	46%
Telstra Super	15	36	42%
BT Super	10	35	29%

Finding 31

There was no clear correlation between voting behaviour on lobbying-related proposals and fund size in 2021 (**Table 42**).

TABLE 42. SUPPORT FOR LOBBYING-RELATED PROPOSALS BY FUND SIZE (AUM), 2020.

AUM	Supportive votes	Total votes	Support %
> \$100 billion	157	204	77%
\$50-100 billion	124	160	78%
\$20-50 billion	67	107	63%
\$10-20 billion	64	87	74%

Finding 32

Public sector funds supported the most lobbying-related proposals in 2021 (91%), followed by industry funds and retail funds, supporting 73% and 70% respectively. Corporate funds were the least supportive of lobbying-related proposals in 2021 (**Table 43**).

TABLE 43. SUPPORT FOR LOBBYING-RELATED PROPOSALS BY FUND TYPE, 2020.

Fund Type	Supportive votes	Total votes	Support %
Corporate	15	36	42%
Industry	225	308	73%
Public sector	99	109	91%
Retail	73	105	70%

Finding 33

In 2021, members of/signatories to all industry associations examined (ACSI, AAOSC, FSC, IGCC, PRI and RIAA) were more supportive of lobbying-related proposals than non-members/signatories (**Table 44**).

TABLE 44. SUPPORT FOR LOBBYING-RELATED PROPOSALS BY MEMBERSHIP OF INDUSTRY ASSOCIATION, 2020.

Industry Association	Member Support %	Non-member Support %
ACSI	75%	70%
AAOSC	81%	65%
FSC	75%	74%
IGCC	76%	67%
PRI	76%	63%
RIAA	77%	59%

4.9 FINDINGS ON SOCIAL PROPOSALS

In 2021, social proposals represented 10.37% of all ESG resolutions filed with companies in Australia, the UK, Norway, the US and Canada. This group of proposals gained average shareholder support of 25.8%, and included requests for companies to act on matters including cybersecurity, gender and racial pay gaps, employee representation on the board, animal welfare, diversity and inclusion efforts, child labour, public health costs, and human rights risks in supply chains.

RESOLUTION IN FOCUS: HOW AUSTRALIA'S LARGEST FUNDS VOTED ON MAJOR COVID-19 VACCINE ACCESS RESOLUTIONS IN 2021.

Company - (Support %)	Funds
Johnson & Johnson (US) – (31.8%)	13 for: Active Super, AustralianSuper, Aware Super, Cbus Super, Colonial First State, Equisuper, HESTA, HOSTPlus, Mercer, NGS Super, QSuper, UniSuper, Vision Super 3 against: Mine Super, REST, SunSuper 2 split: BT Super, Telstra Super
Pfizer (US) – (28.3%)	13 for: Active Super, AustralianSuper, Aware Super, Cbus Super, Colonial First State, Equisuper, HESTA, HOSTPlus, Mercer, NGS Super, QSuper, UniSuper, Vision Super 3 against: Mine Super, SunSuper, Telstra Super 1 split: BT Super
Merck & Company (US) – (33.6%)	11 for: Active Super, AustralianSuper, Cbus Super, Colonial First State, Equisuper, Mercer, Mine Super, NGS Super, QSuper, UniSuper, Vision Super 6 against: BT Super, HESTA, HOSTPlus, REST, SunSuper, Telstra Super 1 split: Aware

RESOLUTIONS IN FOCUS Public access to COVID-19 vaccines

In 2021, three major proposals regarding public access to COVID-19 vaccines were filed, with Johnson & Johnson ('J&J')(lead filer: Oxfam America), Pfizer Inc (lead filers: Trinity Health) and Merck & Company ('Merck')(lead filers: The Province of Saint Joseph of the Capuchin Order).

They were coordinated by ICCR – the Interfaith Center on Corporate Responsibility – and 'intended to serve as an accountability mechanism to prevent price gouging and ensure companies exercise prudence in price-setting for these life-saving medicines'.

Pfizer and J&J filed nearly identical 'no action requests' with the Securities and Exchange Commission (SEC), in an attempt to prevent the resolutions from going to a vote. They argued that their 'ordinary business operations' should not be subject to shareholder oversight. However, each proposal went to a vote, and received around 30% of shareholder support.

A fourth resolution was put to Moderna, on the same topic, in early 2022, and was introduced at the company AGM by the Director-General of the World Health Organization (WHO).

Findings: SOCIAL

Finding 33

Aggregate support for social proposals increased significantly between 2017 and 2018, then plateaued in 2019. In 2020, support dropped by 11% to 37%. In 2021, support for social proposals increased to a high of 58%. Overall, aggregate support for social-related proposals garnered 46% support over the five years examined (Table 45).

Finding 34

Six funds (which disclosed a minimum of 10 votes) supported a majority (>50%) of social proposals in the years examined. 2018 and 2019 had the highest years of support with support either plateauing or decreasing across the funds in 2020 (Table 46).

Finding 35

Six funds (which disclosed a minimum of 10 votes) supported a majority of social proposals in 2020 (Table 47).

TABLE 45. AGGREGATE SUPPORT FOR SOCIAL PROPOSALS, 2017-2021.

2017	26%
2018	46%
2019	48%
2020	37%
2021	58%
5 years	46%
Supportive votes	2,109
Total votes	4,617

TABLE 46. FUNDS' SUPPORT FOR SOCIAL PROPOSALS 2017-2021 (MINIMUM 10 VOTES).

Fund	2017	2018	2019	2020	2021	5 Years
Colonial First State	0%	0%	0%	0%	82%	82%
Active Super	97%	82%	86%	60%	80%	79%
QSuper	0%	0%	0%	0%	73%	73%
Vision Super	36%	85%	78%	73%	82%	72%
NGS Super	0%	55%	37%	85%	88%	69%
Cbus Super	14%	77%	76%	74%	77%	68%
HESTA	26%	56%	68%	53%	77%	58%
Macquarie	0%	46%	62%	0%	0%	55%
AustralianSuper	25%	65%	71%	45%	66%	52%
UniSuper	10%	36%	49%	27%	70%	47%
HOSTPlus	35%	28%	33%	27%	78%	43%
CareSuper	0%	25%	43%	48%	33%	42%
Aware Super	7%	58%	50%	18%	82%	42%
Mercer	0%	45%	47%	29%	45%	40%
Mine Super	33%	31%	61%	21%	33%	33%
REST	0%	6%	39%	14%	42%	29%
Equisuper	0%	13%	25%	25%	31%	27%
BT Super	0%	6%	15%	22%	37%	24%
SunSuper	0%	27%	21%	27%	23%	24%
Spirit Super	0%	30%	17%	18%	33%	22%
Telstra Super	0%	20%	29%	16%	22%	21%
IOOF	100%	0%	17%	0%	0%	13%
CommBank Group Super	0%	0%	33%	0%	0%	11%

Note: Historical data has been combined when super funds have merged.

TABLE 47. FUNDS' SUPPORT FOR SOCIAL PROPOSALS, 2021 (MINIMUM 10 VOTES).

Fund	Supportive votes	Total votes	Support %
NGS Super	38	43	88%
Aware Super	60	73	82%
Vision Super	55	67	82%
Colonial First State	63	77	82%
Active Super	43	54	80%
HOSTPlus	64	82	78%
Cbus Super	48	62	77%
HESTA	65	84	77%
QSuper	61	83	73%
UniSuper	50	71	70%
AustralianSuper	54	82	66%
Mercer	37	82	45%
REST	24	57	42%
BT Super	31	84	37%
CareSuper	10	30	33%
Mine Super	26	80	33%
Equisuper	20	64	31%
SunSuper	20	88	23%
Telstra Super	19	86	22%

Finding 36

There was no clear correlation between voting behaviour on social proposals and fund size in 2021 (**Table 48**).

TABLE 48. SUPPORT FOR SOCIAL PROPOSALS BY FUND SIZE (AUM), 2021.

AUM	Supportive votes	Total votes	Support %
> \$100 billion	319	473	67%
\$50-100 billion	221	373	59%
\$20-50 billion	87	268	32%
\$10-20 billion	162	247	66%

Finding 37

Public sector and industry funds supported relatively more social proposals in 2021; retail funds are the least supportive of social proposals, consistent with annual reporting periods (**Table 49**).

TABLE 49. SUPPORT FOR SOCIAL PROPOSALS BY FUND TYPE, 2021.

Fund Type	Supportive votes	Total votes	Support %
Corporate	19	89	21%
Industry	420	746	56%
Public sector	219	277	79%
Retail	131	249	53%

Finding 38

In 2021, members of the industry associations that were examined in this report were more supportive of social proposals than non-members (**Table 50**).

TABLE 50. SUPPORT FOR SOCIAL PROPOSALS BY MEMBERSHIP OF INDUSTRY ASSOCIATION, 2021.

Industry Association	Member Support %	Non-member Support %
ACSI	59%	52%
AAOSC	66%	47%
FSC	58%	58%
IGCC	60%	54%
PRI	60%	46%
RIAA	62%	42%

Finding 39

In 2021, social resolutions on fair pay and health and media garnered the most shareholder support (66% and 61% respectively), followed by labour and human rights (58% and 56% respectively). A resolution on platform misuse to Meta (formally known as Facebook) received 78% support for Australian super funds in 2021 (recognised as "other") (**Table 51**).

TABLE 51. SUPPORT FOR SOCIAL PROPOSALS, BY MAJOR CATEGORY, 2021

Major category	Supportive votes	Total votes	% of support
Animal welfare	5	17	29.4%
Fair pay	63	96	65.6%
Health	89	147	60.5%
Human rights	200	359	55.7%
Labour	408	705	57.9%
Media	10	19	52.6%
Other	14	18	77.8%

Appendix A

1. Funds that disclose a summary of their proxy record in 2021: Commonwealth Super Corporation.
2. Funds that did not disclose a proxy voting record in 2021: HUB24, Brighter Super Fund (formally known as LGIASuper), and Macquarie.

Abbreviations

ACCR	Australasian Centre for Corporate Responsibility
ACSI	Australian Council of Superannuation Investors
APRA	Australian Prudential Regulatory Authority
ASIC	Australian Securities and Investments Commission
AUM	Assets Under Management
ESG	Environmental, Social and Governance
FSC	Financial Services Council
IGCC	Investor Group on Climate Change
PRI	Principles for Responsible Investment
RIAA	Responsible Investment Association of Australasia

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