

# Aware Super

- Diversified Socially Responsible Investment (SRI) option
- Australian Equities Socially Responsible Investment (SRI) option

*Ethical Survey, as voted by members of the Ethical Advisers Co-Op*



*Poor | Disappointing | Average | Appealing | Excellent*

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: [www.ethicaladviserscoop.org/find-an-adviser.html](http://www.ethicaladviserscoop.org/find-an-adviser.html)

## Fund Overview

Aware Super is Australia's second largest superannuation fund with over \$150 billion in funds under management and more than 1.1m members. Formerly known as First State Super, the fund recently merged with VicSuper and WA Super. This review covers Aware Super's two (overlapping) SRI options.

## Ethical Concerns

### Investments

- ✗ Some investments in the Fund may be problematic for ethical investors, for example:
  - International holdings include companies contributing to obesity and illnesses such as type 2 Diabetes, including McDonalds, Coca Cola, Pepsico, Domino's Pizza, Nestle, Yum Brands (and in Australia) Collins Foods
  - International holdings also include other companies with ESG issues such as Nestle, Facebook & Pfizer
  - Substantial domestic exposure to mining (including open cut and tailing intensive operations) such as Newcrest, Evolution, Alumina, Sandfire, Iluka, IGO, Regis, Perseus, Gold Road, Ramelius, Lynas, St Barbara, & Northern Star
  - Domestic exposure to BNPL lenders such as Afterpay & Zip Co
  - Domestic exposure to companies with potential ESG issues such as the Big 4 Banks, Macquarie, AMP, CSR, Coles, James Hardie, Transurban & Sydney airport

## Good Points

- ✓ Full holdings and voting disclosure
- ✓ Comprehensive Negative Screens
- ✓ Whilst Positive screening isn't clearly outlined, their RI Policy states that potential internal or external investment managers are rated on their ESG policies, integration, stewardship, resources, transparency and alignment with Aware Super's ESG philosophy

## Fund Overview

<b>UNPRI Signatory</b>	<a href="#">Yes</a>
<b>Full Holdings Disclosure</b>	<a href="#">Yes</a>
<b>RIAA Certification</b>	<a href="#">Yes</a> (the Australian Equities SRI fund is Certified)
<b>Disclosure of Voting</b>	<a href="#">Yes</a>
<b>Ethical Screening Process</b>	Refer <a href="#">Socially Responsible Investing</a> flyer and <a href="#">Responsible Investment Policy MBS_Investments.pdf (aware.com.au)</a> <a href="#">Website and Product Disclosure Statement</a>
<b>Exclusions</b>	<p><b>Climate change screens</b></p> <ul style="list-style-type: none"> <li>× Coal</li> <li>× Coal-fired power generation</li> <li>× Oil and gas (conventional/ unconventional)</li> <li>× Fossil fuel transportation</li> <li>× Fossil fuel supply chain and services</li> <li>× Fossil fuel reserves</li> </ul> <p><b>Ethical screens</b></p> <ul style="list-style-type: none"> <li>× Tobacco</li> <li>× Gambling</li> <li>× Alcohol</li> <li>× Pornography</li> <li>× Uranium</li> <li>× Nuclear power</li> <li>× Civilian firearms</li> <li>× Live animal exports</li> </ul> <p><b>Conventions and controversies-based screens</b></p> <ul style="list-style-type: none"> <li>× Controversial weapons</li> <li>× Corporate controversies</li> </ul> <p><b>Discretionary exclusions</b></p> <ul style="list-style-type: none"> <li>× A company may be identified as being unsuitable for the SRI options for factors outside the formal criteria above at the discretion of the Aware Super Responsible Investment team.</li> </ul>
<b>Materiality/Exposure Limits</b>	<p>1. Direct tobacco manufacturers and/or producers with 5% or more revenue from the manufacture and/or production of tobacco products, including subsidiaries, joint ventures and affiliates.</p> <p>2. Ethical screens have a 5% materiality threshold other than live animal exports which is no threshold</p> <p>3. Direct investments in companies that have 5% or greater percentage of their revenues generated directly from mining thermal or energy coal. Additionally, where practical and possible, exclude all new thermal coal investments by 1 October 2020 and divest from existing listed exposures by 1 October 2020 and unlisted exposures by 30 June 2023.</p> <p>4. All companies who derive any revenue from the manufacture and/or production of controversial weapons including chemical, cluster munitions, land mines and depleted uranium.</p> <p>5. 5% revenue threshold on climate change screen other than fossil fuel reserves that has no threshold</p>

## About the 'Ethical Survey'

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### About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

### How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

### Further Research

#### *Does your fund walk the talk?*

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. They published a detailed report looking at the voting records of major Super funds in June 2020. You may find information relating to your super fund [here](#) (see page 18 & 19).

#### *Is your fund investing in fossil fuels?*

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

#### *If the fund is certified by the Responsible Investment Association Australasia (RIAA)*

You can find more ethical and investment information for certified funds [here](#).

#### *More information on this fund*

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

*Vote based on information last updated 1<sup>st</sup> August 2021*