

Media Release

17th May 2016

Melbourne, 17 May 2016: The Seventh Annual ESG Research Australia (ESG RA) Awards function was held today in Melbourne. The award winners were:

- **Best ESG Broking Firm: Citi**
- **Best piece of new ESG Research by an Individual Analyst or Team: “Risks in Payday Lending and Goods Rental” by Sandra McCullagh and Chris Parks of Credit Suisse**
- **Best Piece of Ongoing ESG Research by an Individual Analyst or Team: “Australian ESG/SRI AGM Series” by Sandra McCullagh and Chris Parks of Credit Suisse**

At a luncheon function today in Melbourne attended by some of Australia’s leading superannuation funds, fund managers and broking firms, the coveted annual ESG Research Australia (ESG RA) Awards were announced.

ESG RA is an association of Australian superannuation funds, fund managers and asset consultants which has the single objective of increasing the quantity and quality of broker research in Australia that includes consideration of ESG issues (Environmental, social & governance issues). Membership currently represents over 50 institutions managing over \$100 billion in Australian equities, and includes some of Australia’s largest superannuation funds, fund managers and asset consultants.

The awards ceremony also included an experienced panel showcasing and debating many of the very relevant issues raised by this broad array of research reports produced in 2015. The panel was expertly moderated by the Responsible Investment Association Australasia’s CEO Simon O’Connor.

Twenty-two pieces of research conducted during 2015 were nominated by members for consideration. Environmental and social research pieces dominated the nominated topics for this year’s awards with six nominations each.

Social issues included cyber security, employee safety, and payday lending, whilst climate change issues dominated the environmental nominations. Governance issues were also well represented with executive remuneration the dominant area of interest.

Best ESG Broking Firm Award

For the seventh year in succession, Citi have taken out the prestigious Best ESG Broking Firm Award, which was accepted on behalf of Citi by Elaine Prior.

This Award recognises the broker who has consistently delivered excellence in ESG research, client service and industry access. The award is determined solely on the basis of ESG RA member nominations, including only superannuation fund and investment manager members who directly manage Australian equity investments.

In nominating Citi, ESG RA members were effusive with their praise for both Citi, and in particular, for Elaine Prior with comments such as:

“Citi continues to provide the most comprehensive and largest breadth of research. The quality of analysis remains excellent despite the volume produced.”

“Elaine continues to be my “go to” ESG broker whenever I need additional information or clarification on a topic.”

“Elaine is tireless in her enthusiasm and energy in delivering ESG research and industry briefings. During 2015 Elaine and her team delivered numerous high quality ESG research reports and industry briefing sessions covering a range of ESG themes and company specific ESG issues.”

“Elaine Prior is a pioneer and very dedicated analyst in the ESG space.”

Best Piece of New ESG Research by an Individual Analyst or Team:

Sandra McCullagh of Credit Suisse accepted the award for Best Piece of new ESG Research for “*Risks in Payday Lending and Goods Rental*” which was co-authored with Chris Parks.

This award is determined on the basis of ESG RA member nominations, with shortlisted nominations assessed by the ESG RA Research Evaluation Committee against the criteria of integration and usability, rigour, originality and reliability.

Comments on this piece of research included:

“This research actually made a difference for the credit services available to lower income Australians = real social impact.”

“Payday lending has become an issue of increasing social interest, and Credit Suisse nailed the shift in attitudes towards it.”

“Great expose of ESG risk in the payday lending sector with material impacts on valuations which have actualised in the market place.”

“This report was prescient and insightful.”

Best Piece of Ongoing ESG Research by an Individual Analyst or Team:

Sandra McCullagh also accepted the award for Best Piece of Ongoing ESG Research for “*Australian ESG/SRI AGM Series*” which was again co-authored with Chris Parks.

This award is also determined on the basis of ESG RA member nominations, with shortlisted nominations assessed by the ESG RA Research Evaluation Committee against the criteria of integration and usability, rigour, innovation and reliability.

Comments on this piece of research included:

“The AGM Series provides a detailed and comprehensive report on a company's remuneration and Board governance performance. It is an excellent reference for proxy voting and company engagement, data is clearly presented and opinions are well substantiated.”

“Credit Suisse's AGM series presents a detailed snapshot of a company's governance performance, and is a useful reference guide for proxy voting and engagement initiatives alike.”

“High quality analysis of corporate governance issues associated with AGMs and a useful tool for engagement with company management.”

In summing up the motivation and role of the awards, Rob Fowler, Chair ESG RA and Chief Investment Officer at the \$33bn HESTA fund stated “The need to define objectively what factors may be material in a sector, and how they can measurably affect the investment performance of individual companies one way or the other has been an ongoing issue in the development of ESG research.”

“These awards are now in their 7th year and we are delighted to see that the quality of research provided by the local broking community continues its upward trajectory. As stewards of our fellow Australians' superannuation savings, it is incumbent upon those of us in the financial industry to continue to encourage and reward this research so that we can make decisions that are in the long-term best interests of all of us. We warmly congratulate our winners and encourage all broking firms in Australia to bring focus on this vitally important area of research.”

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About ESG Research Australia

ESG Research Australia commenced operation in 2009 and has grown to a membership of 50 institutional investors. Its members include fund managers, superannuation funds and asset consultants, representing over \$100 billion in active Australian equities funds under management, and total funds under management of over \$550 billion.

ESG Research Australia has the single objective of increasing the quality and quantity of research by Australian brokers that includes longer term environmental, social, and governance (ESG) factors. Further information about

ESG Research Australia – including a list of members – can be found at responsibleinvestment.org/esgra

Although ESG Research Australia is focused on research on Australian companies, it represents part of an international effort to improve investment practices by taking into account ESG factors. The organisation has a close relationship with the United Nations Principles for Responsible Investment (UNPRI).

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