Australasian Accounting, Business and Finance Journal

Volume 16
Issue 2 *Environmental Social & Governance for Sustainability Conference 2021* Article 4

2022

Sustainable Development Goal Disclosures within Australian Superannuation Funds: An Exploratory Study

David R.J. Moore
Institute for Sustainable Industries and Liveable Cities and Victoria University Business School Victoria University Melbourne, Australia, davidr.moore@vu.edu.au

Nick Sciulli
Institute for Sustainable Industries and Liveable Cities and Victoria; University Business School Victoria University Melbourne, Australia, nick.sciulli@vu.edu.au

Recommended Citation

Moore, David R.J. and Sciulli, Nick, Sustainable Development Goal Disclosures within Australian Superannuation Funds: An Exploratory Study, *Australasian Accounting, Business and Finance Journal*, 16(2), 2022, 72-90. doi:10.14453/aabfj.v16i2.6

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Keywords

Sustainable Development Goals (SDGs), Australian Superannuation Funds, Reporting Frameworks

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The financial reporting landscape is continuing to expand with both regulated and voluntary disclosures making their way into various reporting frameworks. This increased attention to disclosures is being pursued by professional bodies, governments, companies and other organisations given the changing demands by stakeholders for sustainability disclosures. The Australian superannuation industry is a compulsory system developed to ensure a comfortable retirement income for members. It is now a trillion-dollar business and therefore, has significant influence on the investment decisions that it makes on behalf of its members. The United Nations Sustainable Development Goals (UN SDGs) are increasingly being used as a signal to the market that an organisation is meeting the demands of stakeholders. The objective of this study is exploratory in nature, investigating the types of SDG disclosures made by the largest superannuation funds in Australia. Data was collected through a content analysis of the annual and/or supplementary reports produced by Australian superannuation funds. The findings suggest that Australian superannuation funds currently disclose a minimal level information in accordance with the SDGs in different reporting formats and the SDGs tends to prevail where superannuation managers believe they can have the most impact. Our results have implications for SDG reporting, policy and management practice. Future research that helps explain how managers choose which SDGs to report would be a useful contribution in the context of superannuation.

JEL classification: G30, M14, M41, Q01

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[1] Institute for Sustainable Industries and Liveable Cities and Victoria University Business School Victoria University Melbourne, Australia. *Davidr.Moore@vu.edu.au*

[2] Institute for Sustainable Industries and Liveable Cities and Victoria; University Business School Victoria University Melbourne, Australia

1. Introduction

In 2020, the Australian Council of Superannuation Investors (ASCI)[3] increased pressure on ASX 200 companies to produce credible climate action plans (Gluyas 2020) whilst they recently threatened to vote against the re-election of company directors who did not adequately respond to climate change risks. Prior to this, ASCI observed that climate change, as an ESG issue, presents both financial and physical risks and opportunities. Therefore, they expect companies to disclose whether or not they can identify and manage climate change risks and opportunities, demonstrate their viability by testing their strategies against divergent climate scenarios and achieve cost savings through efficiencies (Australian Council of The Taskforce on Climate related Financial Disclosures (TCFD) is regarded as "the market standard"[4] and there is "global momentum towards it becoming mandatory" (King & Wood Mallesons (KWM). 2021, p.5). In addition, there are other ESG reporting frameworks such as the Global Reporting Initiative (GRI), the Integrated Reporting (IR) Framework and the United Nations Sustainable Development Goals (SDGs) (Adams et al., 2020, Stubbs and Higgins 2020, Adams and Abhayawansa 2021, King & Wood Mallesons (KWM). 2021). According to Adams et al. (2020), the IR Framework, GRI Standards and the TCFD recommendations are principles based, seek to change reporting organisations' practices, and are globally recognised. Their use will provide organisations with a firm basis for taking up the SDGs recommendations (Adams et al., 2020). However, Quattrone (2021) subsequently observed that whilst the intent of these frameworks may be commendable, their transparency is questionable because the underlying approach to measurement remains unchanged.

The importance of ESG reporting and therefore, disclosure was highlighted by ACSI, which observed that it "facilitates the investment community's capacity to evaluate company processes and performance for identifying, managing and measuring ESG risks and opportunities" (Australian Council of Superannuation Investors (ACSI). 2018, p.9). Stubbs and Higgins (2020, p.7) subsequently explained that it "also helps to establish and maintain trust between a company, its shareholders and other stakeholders" whilst Baldini et al. (2018) observed that it is important from a public interest perspective. This is supported by Bebbington and Unerman (2018, p.10) who observed that SDGs "resonate strongly" with the accounting professions mission of acting in the public interest.

According to Andrew and Baker (2020, p.48), ESG, as a "new form of CSR reporting" appears "to be providing market actors with value-relevant information that is integrated into investment decision making". Existing research on the SDGs has focused on tensions between the United Nations Framework Convention on Climate Change (UNFCCC) and the SDGs (Charnock and Hoskin 2020), the role of national government in constructing SDG accounts of biodiversity performance (Sobkowiak, Cuckston et al. 2020) and the role of accountability processes and governance structures in achieving the SDGs (Abhayawansa et al., 2021). The work of Ordonez-Ponce et al. (2021) demonstrated the importance of *partnering* with other organisations to contribute positively to the achievement of SDGs. More recent research has examined the impact of the COVID-19 pandemic on the SDGs (Hörisch 2021), the role of businesses in achieving the SDGs (Mio et al., 2020) and the integration of the SDGs by ASX150 companies (Subramaniam et al., 2020). This also includes a special issue of the

[3] Established in 2001, the role of ACSI is to provide a strong, collective voice on environmental, social and governance (ESG) issues on behalf of its members who include 36 Australian and international asset owners and institutional investors. Collectively, they manage over $1 trillion in assets and own on average 10% of every ASX200 company. https://acsi.org.au/about/what-we-do/ <accessed 24/8/2021>.

[4] This is because the TCFD is recommended by the Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulatory Authority (APRA), the Reserve Bank of Australia (RBA), the ASX Corporate Governance Council, institutional investors such as BlackRock and ACSI (KWM, 2021).

Australasian Accounting Business and Finance Journal (AABFJ) edited by Kota et al. (2021), the purpose of which was to identify and discuss the multiple perspectives of sustainable development and SDGs.

In summary, SDG research is still in its early stages as the vast majority of studies have been undertaken since 2020 and the focus appears to have been at the macro level, specifically the role of the UN and national government. As a result, with the exception of Mio et al. (2020), Subramaniam et al. (2020) and Singh et al. (2021), there appears to have been very limited research to date on the impact of the SDGs on corporate disclosure policies, which is the focus of this study, that is, the superannuation industry.

2. Superannuation research

Existing research on superannuation has included a significant number of studies located in finance and economic-based journals, but there are some significant contributions in accounting related journals. For example, de Zwaan et al. (2015) investigated the extent to which superannuation members were aware of ESG options within their superannuation fund. The findings indicated that members were interested in ESG investment however, they were unaware of their fund's approach to ESG investing, something that the disclosure via SDGs could ameliorate. Within Australia, research has included the financial accountability implications of the adoption of accrual accounting by the NSW State Authorities Superannuation Board (Klumpes 2001), whilst overseas, research has focused on pension accounting. This includes pension accounting representing either as an enabling or emancipatory accounting (Paisey and Paisey 2006), the incorporation of human rights issues by the Norwegian government into its Global Pension Fund (Kreander and McPhail 2019), accounting technologies and the treatment of social and societal risks in the UK occupational pensions landscape (Kaifala et al., 2021), the Government Accounting Standards Board (GASB) Pension project (Himick et al., 2016) and the role of accounting in the social safety net for the elderly (Graham 2010).

Given the paucity of research in accounting examining the disclosure of SDGs with special reference to the Australian superannuation industry, our research question examined:

> *What (if any) is the type and level of SDG disclosures within Australian superannuation funds?*

The answer to this question will provide an overview of the current 'state-of-play' regarding SDG disclosures within the Australian superannuation industry. It is important to undertake this investigation as a commencing point for benchmarking future studies on the type and quantum uptake of SDGs as we move towards the UN 2030 target.

The paper is structured as follows. Section 2 provides an overview of the SDGs and associated theoretical frameworks. The third section provides an overview of the research method for this study whilst the fourth section provides a discussion of the findings. A conclusion is given in Section 5.

2.1 The Sustainable Development Goals (SDGs)

The SDGs, first introduced in 2015, evolved from the Millennium Development Goals (MDGs) (Bebbington and Unerman 2018, Mio et al., 2020) and were adopted by the United Nations (UN) in 2015 as a "universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity" (United Nations Development Programme

(UNDP). 2021). Specifically, they seek to address urgent global challenges such as poverty, inequality, climate change and environmental degradation (Adams et al., 2020, Sobkowiak et al., 2020).

The SDGs are a central element of the UN 2030 Agenda for Sustainable Development which established "a collective vision and path for a more equitable and sustainable world" (Subramaniam et al., 2020, p.3) and are underpinned by the global need as to how economic growth can be increased without compromising environmental and social safeguards. The implicit nature of SDGs encourages more ethical and responsible leadership (de Silva Lokuwaduge et al., 2020). Quattrone (2021) observed however, that the SDGs highlight problems of transparency by encouraging the belief the sustainability issues can be seen more clearly and therefore, managed more effectively. This premise heeds a warning to report users that transparency is not a panacea for achieving the SDGs, but that other information that has not been publicly made available may be just as or more important than the disclosed items.

The SDGs are underpinned by 169 targets and 232 indicators (Bebbington and Unerman 2018), a set of interconnected and measurable goals which seek to enable governments, civil society, non-profit organizations, and the private sector to address interrelated challenges and achieve global sustainable development (Mio et al., 2020). According to Hörisch (2021), the COVID-19 pandemic emphasized their interconnectedness, as whilst climate change has been temporarily slowed due to the recession, SDG1 (no poverty) has been severely hit by the economic crisis, as roughly half a billion people are expected to be driven into poverty[5]. Subramaniam et al. (2020) observed that the private sector will be of crucial importance in achieving the SDGs which can enable them to identify new business opportunities, strengthen stakeholder relations, advance corporate sustainability, and enhance markets and societies. However, Quattrone (2021) would argue that the SDGs embody a bias because their measurement is not independent of institutional arrangements, such as the UN. A list of the UN SDGs is shown in Table 1:

[5] Other examples of interconnectedness include the severe negative impact the pandemic has had on SDG8 (decent work and economic growth) which has exerted positive, as well as negative consequences on other SDGs, whilst in the case of SDG4 (quality education), digitization has been frequently presented as a solution to circumvent the negative consequences of the COVID-19 pandemic (Hörisch, 2021).

Table 1 The Sustainable Development Goals (SDGs)

Goal 1	No Poverty
Goal 2	Zero Hunger
Goal 3	Good Health and Well-being
Goal 4	Quality Education
Goal 5	Gender Equality
Goal 6	Clean Water and Sanitation
Goal 7	Affordable and Clean Energy
Goal 8	Decent Work and Economic Growth
Goal 9	Industry, Innovation and Infrastructure
Goal 10	Reduced Inequalities
Goal 11	Sustainable Cities and Communities
Goal 12	Responsible Consumption and Production
Goal 13	Climate Action
Goal 14	Life Below Water
Goal 15	Life on Land
Goal 16	Peace and Justice Strong Institutions
Goal 17	Partnerships for the Goals

Source: Adapted from United Nations Development Programme (UNDP). (2021), Mio et al. (2020).

The 17 SDGs are dynamic because their value and what "is to be measured are in a constant state of flux", suggesting that their identification, measurement and reporting will be refined over time (Quattrone 2021). According to Abhayawansa et al. (2021), implementing the SDGs requires well co-ordinated and effective governance structures and accountability processes. Bebbington et al. (2017) argue that they have significant potential as an accountability and social and environmental accounting (SEA) framework.

Ordonez-Ponce et al. (2021) observed that businesses can use the SDGs to both facilitate and benefit from sustainability partnerships. However, Quattrone (2021) would caution that defining ideals such as quality, decent, affordable, equality and sustainability is associated with transparency problems.

2.2 Theoretical framing

Past research in the areas of non-financial disclosures, sustainability and corporate social responsibility have used various theoretical frameworks to explain their findings. Examples include, stakeholder theory (Cooper and Owen 2007; Roberts 1992), legitimacy theory (Deegan 2002; O'Donovan 2002; Black 2008) and institutional theory (DiMaggio and Powell, 1983; Bebbington et al. 2009). Presently, the adoption of SDGs by Australian superannuation funds would suggest justification on the basis of either legitimacy or institutional theory.
Legitimacy theory has a strong history and connection with accounting policy and practice. However, given that our exploratory study is industry-based, we see a stronger alignment with institutional theory to guide the investigation. Moreover, there appears to be similarities in how other voluntary disclosure frameworks such as the GRI and integrated reporting have become institutionalised. That is, to fit in with societal expectations, managers will adopt new disclosures. It is becoming increasingly apparent that the attainment of the UN SDGs has become a powerful signal that this is the appropriate pathway to take for organisations. If and when the UN SDGs become institutionalised, then isomorphism will become apparent; that is, organisations will copy the same or similar disclosure techniques and include similar reasons or motivations for doing so (Higgins et al. 2014).

DiMaggio and Powell (1983) provided seminal works on institutional theory and suggested that when managers faced similar expectations, they would act in a manner that appeared rational, and therefore, copying what other organisations are doing acts as a defensive mechanism. The recent Australian Federal Government *name and shame* campaign known as the *Your Future, Your Super reforms* (the YFYS reforms) came into effect on 1 July 2021. These will require the superannuation industry to improve its efficiency, transparency and accountability by publicly identifying superannuation funds that offer poor returns to their members. The Australian Prudential Regulation Authority (APRA) has recently released the 13 worst performing superannuation funds in Australia for 2021 as shown in Table 2 below. The trustees of these failed super products now need to inform members in writing on how they will improve their 2022 performance or commence planning to shift their members to a better performing superannuation product.

Table 2: List of Superannuation funds that failed to meet Performance Benchmarks

	Registerable Superannuation Entity	**My Super product**
1	AMG Super	AMG MySuper
2	ASGARD Independence Plan Division Two	ASGARD Employee MySuper
3	Australian Catholic Superannuation and Retirement Fund	Lifetime One
4	AvSuper Fund	AvSuper Growth (MySuper)
5	BOC Gases Superannuation Fund	BOC MySuper
6	Christian Super	My Ethical Super
7	Colonial First State FirstChoice Superannuation Trust	FirstChoice Employer Super
8	Commonwealth Bank Group Super	Accumulate Plus Balanced
9	Energy Industries Superannuation Scheme-Pool A	Balanced (MySuper)
10	Labour Union Co-Operative Retirement Fund	MySuper Balanced
11	Maritime Super	MYSUPER INVESTMENT OPTION
12	Retirement Wrap	BT Super MySuper
13	The Victorian Independent Schools Superannuation Fund	VISSF Balanced Option (MySuper Product)

Source: APRA: https://www.apra.gov.au/news-and-publications/apra-releases-inaugural-your-future-your-super-performance-test-results

2.3 Institutional theory

Andrew and Baker (2020) observed that institutional pressures have been a focal point for CSR research since the 2000s given the emergence of standards and regulations. Power (2021, p.467) subsequently observed that the associated political economy viewpoint is "gaining policy traction and even becoming mainstream" and that the 2020 COVID-19 pandemic has "accelerated" an emerging focus on sustainability. The relevance of institutional theory is because environmental policy (de Aguiar and Bebbington 2014), regulative, normative and cultural-cognitive institutional pressures (Comyns 2018), contextual factors (Akbar and Deegan 2021) and institutional-level actors (Huang 2021) can influence climate change and ESG disclosures. However, there is still a lack of understanding as to how social structures can influence ESG disclosure practices (Baldini et al., 2018).

3. Research method

Given the exploratory nature of this investigation and recognising that the SDGs were set up in 2015 for achievement in 2030, we did not anticipate a high level of disclosure from the Australian Superannuation funds. In lieu of this, we undertook some contextual reading and a familiarisation process and reviewed the annual and other supplementary reports of a number of superannuation funds as listed on the APRA web site which is a supported data analysis technique (Bommel 2014). This activity was undertaken to find any presence of SDGs. This process led to very few superannuation funds demonstrating any SDG disclosures. Therefore, we surmised that there would be a greater likelihood of SDG disclosures in the larger (as in funds under management) superannuation funds.

The APRA website identified 165 regulated superannuation funds with total funds under management of $1.9 trillion. The largest 20 superannuation funds accounted for $1.6 trillion. We selected the top 20 superannuation funds which accounted for 84% ($1.6t/$1.9t) of the total assets under management of the regulated superannuation funds (see appendix). We independently scrutinised each of the annual and sustainability/ESG reports to establish the number of times the superannuation funds reported a specific SDG. A research instrument was developed that contained headings such as the disclosure of specific SDGs, whether the disclosure was qualitative or quantitative in nature and any other narratives specifically addressing SDGs now and in the future. Each of the authors undertook an analysis of 10 super funds, using the research protocol to identify the relevant categories of SDG disclosures. After this preliminary data collection activity was completed, the authors reconvened to discuss and identify any anomalies or other issues that had arisen during this initial phase of the research investigation. This process was useful as it clarified the various categories that were adopted for the data collection instrument. This resulted in just over half (55%: see Figure 1) of the superannuation reports mentioning SDGs which validated our approach in selecting the largest organisations.

Items identified included the name of the superannuation fund, whether an SDG strategy or governance statement was included, any leadership statement regarding SDGs, the number and location of SDGs mentioned in the annual / sustainability reports and whether disclosure was of a quantitative or qualitative nature. This instrument proved useful in collating all relevant information regarding the largest 20 superannuation funds in the one space and served as the main reference point for the discussion of findings.

4. Discussion of Findings

The listing of the superannuation funds and their total assets under management was extracted from the statistics section of the APRA website. The annual fund level superannuation statistics as of June 2020 indicated 165 regulated superannuation funds with total assets of $1.93 trillion. In our analysis, the top 20 funds had assets under management of $1.62 trillion, making up approximately 84% ($1.62/$1.93) of total funds under management. Once we reviewed a random sample beyond the largest 20 superfunds, we found no further indication of SDG disclosure. Therefore, we were satisfied that the largest 20 superfunds would provide us with the scope to investigate the type and level of SDG disclosure.

It is recognised that the reporting of the UN SDGs is at the nascent stage of development for many organisations and that it may take several iterations over a number of years before reaching a stage where managers will be satisfied with the type and level of disclosure. In order to establish an understanding of the state of play regarding SDG disclosures, we undertook the following descriptive statistics as shown below:

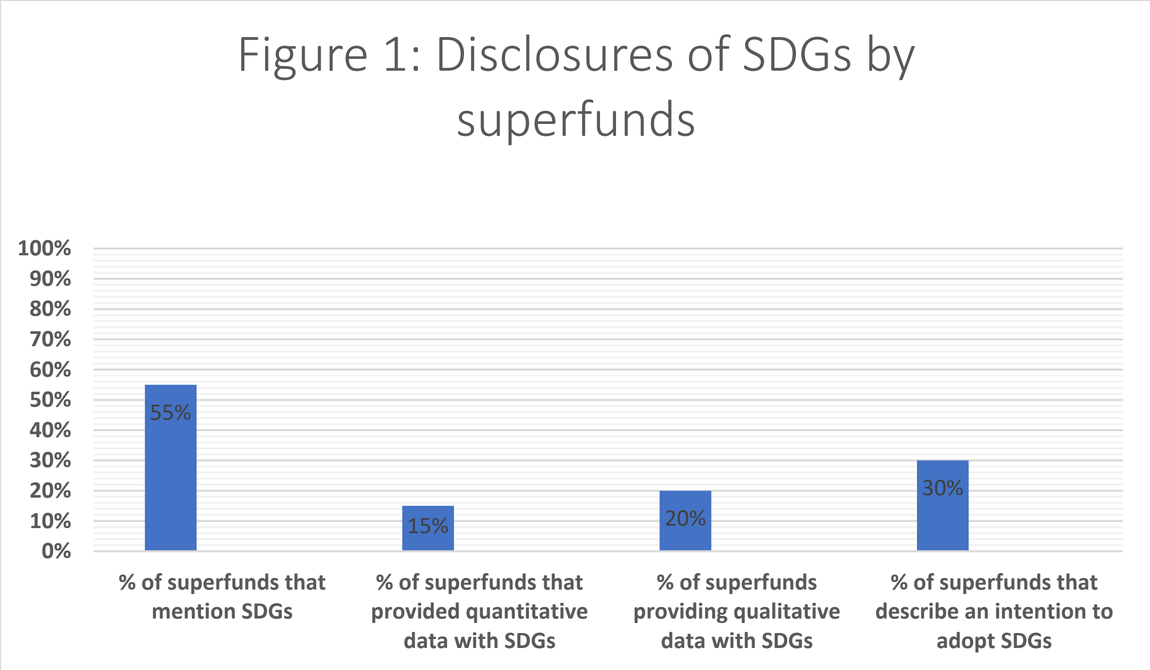

Figure 1 highlights the expected generally low levels of SDG disclosure. Just over half (55%) of the superfunds analysed actually mentioned SDGs in their annual or sustainability report. However, it should be noted that although the phrase UN SDGs was referenced by 55% of superannuation funds, only 25%, or 5/20 superannuation funds, actually referred to specific SDGs. The others simply used narratives regarding their acknowledgment of the UN SDGs. However, they did not mention a specific SDG 1 to 17. The main reason why they disclosed specific SDGs was that management believed they were the ones that the superfund could have an influence on or make a difference.

15% of superfunds provided *quantitative* data relating to the SDGs. However, this quantitative information related to, for example, the dollar amount spent on specific investments. To illustrate this, Host Plus stated that it had spent $5.6 billion on its infrastructure portfolio which supports Australia's goal of a more sustainable energy and waste innovation future. Host Plus subsequently explains that these investments support the following SDGs: SDG 7: Affordable and Clean Energy, SDG 9: Industry, Innovation and Infrastructure and SDG 13: Climate Action. Host Plus also stated the dollar amount of $2.2 billion for private equity venture investments was linked to SDGs 3: Good Health and Well Being; SDG 7: Affordable and Clean Energy; SDG 13: Climate Action and SDG 14: Life Below Water. HESTA and REST also provided dollar amounts spent on certain infrastructure assets. Of all the superfunds explored, REST was the only one that provided quantitative *targets* that were linked directly with the nominated SDGs and to what extent those targets were realised. For example, for SDG 5: Gender Equality, REST set a leadership target that 50% of their leaders across the business should be female. As of October 2020, REST had reported that the leadership group was made up of 46% female and 54% male. In terms of SDG 8: Decent Work and Economic Growth, REST reported that 100% of investment managers have been assessed for modern slavery risk. However, there were no details regarding the basis on which this assessment takes place. REST did state that during 2021, they will be developing a modern slavery action plan. Under SDG: Affordable and Clean Energy, REST states that out of the total of its infrastructure portfolio, 18.5% is invested in renewable energy infrastructure assets, thereby providing a better indication of its investment compared with simply providing a dollar amount.

Cbus prepared a 24-page *Responsible Investment Supplement* report for its stakeholders and an Integrated Report and also adopts disclosure frameworks such as the Global Reporting Initiative (GRI), the PRI Scorecard and has developed a *Climate Change Roadmap* with associated metrics and targets. There is also a strong emphasis on the requirements of the TCFD framework, with some basic information as to whether some targets have been met; however, these are not quantified. Although none of the quantitative data is attached directly to the SDGs presently, Cbus intends to do this in future iterations of their reporting supplements.

In terms of providing *qualitative* data, 20% (4 superfunds) provided various descriptions in narrative form on the types of investments made. For example, Host Plus provided a description of the company that they had invested in and what that company produces to contribute to the SDG. Of the superannuation funds investigated, HESTA provided the most comprehensive qualitative data on SDGs in its annual report and related supplements. For example, it states that they are using the UN SDGs as their compass to drive meaningful change and impact. For each of the SDGs, HESTA provides a statement as to *WHY* and *HOW* they are contributing to the specific SDG, following which, a *Statement of Commitment* is presented. For example, HESTA is committed to contribute to SDG 5: Gender Equality, because more than 80% of its members are women and is an important area of change to help its members achieve a better retirement. How they accomplish gender equality is through their *Statement of Gender Equality Principles* (GEP), which is then integrated into their principles of responsible investment. REST provides a qualitative statement on each of the five (5) SDGs it is contributing to in a PRI supplement whilst Unisuper provides information on its responsible approach discussing topics such as improving the outcomes of Aboriginal and Torres Strait islander members, climate change risk and social sustainability. REST provided a Principles of Responsible Investment (PRI) supplement to the annual report which listed the five SDGs it is contributing to.

Six (6) superfunds (30%) have indicated their intention to adopt the SDGs. For example, Australian Super envisioned the use of data analytics to link with contributions to SDGs. This strategy has involved partnering with three (3) global asset managers namely, British Columbia Investment Management Corporation, APG (Algemene Pensioen Groep) and PGGM (the latter two being the second and third largest pension funds in Europe). These three investment funds will establish the Sustainable Development Investments Asset Owner Platform (SDIAOP) which uses artificial intelligence driven data to assist global investors to identify and assess companies' contributions to SDGs. QSuper report that they are currently developing a framework that will align to the UN SDGs and provide case studies of the impact that individual investments are having. HESTA has an expectation that the companies it invests in will follow the SDGs and provide targets and progress. In addition, HESTA advocates that the companies which it has invested will develop strategies to reduce risks in the SDG areas. Although not directly linked to the SDGs, Cbus is a member of the Climate Action 100+ initiative which is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. It could be argued that the data collected and reported for this initiative would fall within the scope of SDG 13: Climate Action.

Figure 2: Most common SDGs identified by superfunds

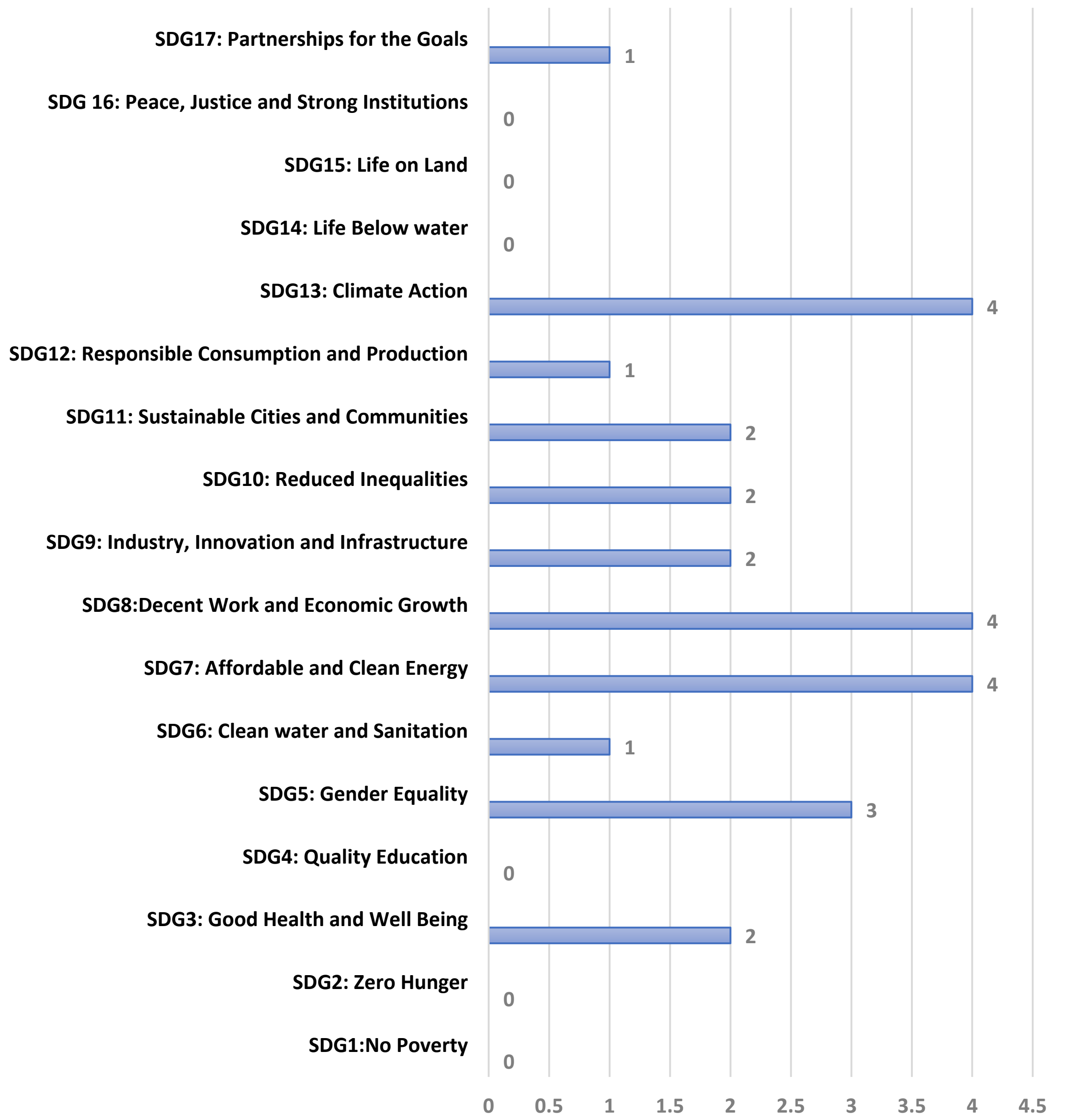

Figure 2 provides a breakdown of the specific SDGs that were identified by the sample of superfunds. The results indicate that the most common SDGs identified by the superfunds were SDG 7: Affordable and Clean Energy, SDG 8: Decent Work and Economic Growth and SDG 13: Climate Action, with each appearing 4 times. Both SDG 7 and 13 are linked given that investing in activities such as renewables has the benefit of reducing carbon emissions which facilitates climate action. SDG 8 is also identified 4 times and is linked to the relatively recent *Modern Slavery Act 2018,* which is Australian Federal legislation and requires some entities to report on the risks of modern slavery in their operations and supply chains and actions to address those risks. SDG5: Gender Equality appears three times and can also reflect organisational legislative requirements such as anti-discrimination and equal opportunity acts. Although some SDGs such as SDG 1, 2, 4, 14, 15 and 16 are not identified at all by the superfunds, this can be reflective of a superfund assessing that it cannot or there is not a social, political or ethical prerogative to contribute to that particular SDG. For example, SDGs 1, 2, 4 and 16 would normally apply to less developed countries and presently the superfunds have made the decision not to contribute to those particular SDGs. SDGs 14 and 15 are context specific relating to the conservation of oceans, seas and marine resources and SDG 15 is primarily concerned with the maintenance of forest resources and reducing biodiversity loss. It is highly likely that the superfunds that identified SDGs in their reports did not invest in companies that are affected by those two respective SDGs.

5. Conclusion

The United Nations General Assembly established the 17 SDGs in 2015 and its mission was to achieve a more sustainable world globally by 2030 (UN General Assembly, 2015). For the year ended 2020, APRA has reported that regulated superannuation assets have reached a total sum of $1.9 trillion. Given the size and influence of the Australian superannuation industry in choosing where to invest member funds, it is important to understand to what extent this industry is complying with the UN SDGs. This investigation provides an overview of the level and type of SDG disclosures in the annual/sustainability and other supplementary reports of individual superannuation funds.

Generally, the investigation found low levels of disclosures of SDGs across the 20 superannuation funds. However, there were instances of superannuation funds that provided both quantitative and qualitative data attached to a number of SDGs and these exemplars could be assessed by other superannuation funds that are currently investigating how to approach this new disclosure regime. In saying that, overwhelmingly it was the *industry-based* superannuation funds that provided the clearest and most comprehensive disclosure of SDGs. Those industry funds were Aware Super, REST, HESTA, Cbus and Hostplus. For example, Aware Super provides a mission statement that explains their Impact Measurement Framework, which aims to measure the positive impacts of 10 investments representing $1.6 billion of member funds. In fact, the phrase *positive impact* is written on the front cover of the Aware Super annual report. The positive impacts are *quantified* and linked to an SDG. For example, 228 full-time jobs were created and linked to SDG 8: Decent work and economic growth; 178 Affordable housing for key workers was linked to SDG 10: Reduced inequities and SDG 11: Sustainable cities and communities.

REST provided unique disclosures that were qualitative in nature for 5 SDGs in a Principles of Responsible Investment supplement and went further by providing quantitative targets. Cbus was the only other super fund that provided targets. However, these were related specifically to the TCFD rather than linked to SDGs. HESTA provided dollar amounts invested in specific infrastructure assets and prepared a pro-forma *Statement* describing how their investments are connected with SDGs. In addition, HESTA states that it expects companies that it invests in to follow the UN SDGs and provide targets and progress to date which can be argued to be a strong advocacy role.

Hostplus also provide more disclosure on its investments in infrastructure and how this is linked to the SDGs. For example, the annual report describes its *Powering Australian Renewables Fund* which is a combination of solar, wind and battery storage to ultimately power 1 million homes in Australia and is linked to SDG 7: Affordable and clean energy; SDG 9: Industry, Innovation and infrastructure; and SDG 13: Climate action. It must also be pointed out that even though the largest superfund, Australian Super did not disclose any SDG data, their annual report did announce that they had partnered with 3 leading asset managers to establish the Sustainable Development Investments Asset Owner Platform (SDIAOP). This platform will use artificial intelligence (AI) driven data to assist investors identify and assess companies on the basis of their contribution to the UN SDGs.

The SDG disclosures made by the largest industry-based superannuation funds can be explained in further detail by institutional theory. The findings suggest that indirect institutional pressures from credible bodies such as the UN and ASCI is starting to have an impact on the type and level of SDG disclosures in Australian superannuation funds. We argue, as does Higgins et al. (2014), that these *early adopters* are recognised as leaders in the industry, not only based on returns to members, but have a history of voluntary non-financial disclosures in the realm of ESG. We believe that these early adopters are institutionalising SDG disclosures and expect that, in time, other superannuation funds will follow suit so that they do not appear to be laggards.

One of the limitations of this study is that the data gathered was for a single point in time, that is for the year ended 2020. Similar to other reporting innovations such as the GRI and Integrated Reporting and because of the voluntary nature of such frameworks, it takes a number of reporting seasons before organisations take the plunge and commence the new reporting journey. We expect that in coming years, there will be a greater level of disclosure of SDGs by Australian superannuation funds and a longitudinal study demonstrating these changes over time would make a valuable contribution to the literature.

In summary, this research sought to develop an initial understanding of whether or not the adoption of the SDGs by the superannuation industry is a case of "pure rhetoric" or "meaningful action" (Bebbington and Unerman, 2018, p.10), with the low level of disclosure suggesting a greater emphasis on rhetoric. The relatively low level of disclosure would suggest that there is a gap between the number of superannuation funds embracing the SDGs at a strategic level and the number willing to quantify their performance against targets which may indicate specific challenges (Bebbington and Unerman, 2020) which future research could address. This research also seeks to address the need for further investigation into SDG disclosures in the capital allocation market (Mio et al., 2020), in this instance the superannuation industry, as well as the call by Adams (2020) for the mapping of SDG disclosures against the TCFD recommendations. This current investigation sought to explore the *what* in terms of what level and types of SDG disclosures are currently being practice, however, *why* certain practices and positions taken by senior managers of superannuation funds is best investigated through interviews. Future research will seek to address the call by Bebbington and Unerman (2018) for pursuing new avenues of theorization by undertaking interviews with representatives of the superannuation industry to understand the role of institutional factors in the (non) adoption of the SDGs within the industry.

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Appendix

Top 20 Superannuation funds

	Name of Superannuation Fund	Funds under management (Assets) $000
1	Australian Super	191 423 158
2	Aware Super	126 446 346
3	QSuper	120 310 499
4	Public Sector Superannuation Scheme	87 289 998
5	Unisuper	85 492 790
6	Colonial First State FirstChoice Superannuation Trust	77 260 402
7	MLC Super Fund	74 784 933
8	Sunsuper Superannuation Fund	74 640 365
9	Retirement Wrap	70 958 369
10	CSS Fund	63 030 638
11	Super Directions Fund	61 066 686
12	Military Superannuation & Benefits Fund No 1	57 877 121
13	Retail Employees Superannuation Trust (REST)	55 972 280
14	Health Employees Superannuation Trust Australia (HESTA)	55 054 446
15	Construction and Building Unions Superannuation Fund (Cbus)	55 006 323
16	HOSTPLUS Superannuation Fund	49 812 585
17	Wealth Personal Superannuation and Pension Fund	45 854 178
18	Retirement Portfolio Service	35 116 732
19	IOOF Portfolio Service Superannuation Fund	29 163 740
20	Mercer Super Trust	24 830 824