

Russian oil risk clouds big super's ESG stance

[Lucas Baird](#) and [Nicola Smith](#), Australian Financial review, Nov 20, 2025

The nation's biggest superannuation funds have remained silent on their alleged exposure to sanctioned Russian oil exports as analysts question if the investment fits in with strict social governance standards.

It comes as the \$4.3 trillion sector faced fresh accusations it is profiting off Russian oil being shipped through South-East Asia, and therefore inadvertently funding the invasion of Ukraine, prompting fresh calls for the Albanese government [to tighten the sanctions](#) on Vladimir Putin's regime.

The Sydney Morning Herald and *The Age* [reported on Thursday](#) that 16 of the nation's largest super funds were indirectly exposed to Russian oil via their jointly owned IFM Investors, which has a 45 per cent holding in a shipping company whose Malaysian port is being used to house Russian oil exports.

Former chemical engineer and anti-Russia campaigner Mark Corrigan – who wrote to the Australian Sanctions Office about IFM's investment in VTTI – said IFM's investment likely breached the ESG policies of the various funds even if the countries it operates in do not have sanctions on Russia.

“Australian super funds have an ethical responsibility to pay attention to Australian expectations and sanctions, not just look at what is required in one different jurisdiction,” Corrigan told *The Australian Financial Review*.

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“Would super fund members be happy if their money was put in a Xinjiang cotton farm? – that would clearly be unpalatable. And it is the same case for propping up Russia's war machine.”

It is understood at least one of IFM's investor funds has requested an urgent meeting to discuss its ownership of the shipping company, which is called Vitol Tank Terminals International, after the reports.

AustralianSuper, Australian Retirement Trust, Hostplus and Aware Super are the four biggest super funds, collectively controlling more than \$1 trillion in savings. They are all involved with IFM, but declined to comment or did not respond before deadline. It is understood that ART's exposure to the underlying trust holding the VTTI stake is less than 2 per cent.

The four have previously committed to divest or otherwise wind down their direct exposure to Russian companies and products in response to its illegal invasion of Ukraine.

Opposition Leader Sussan Ley said government inaction had enabled a situation where Australian consumers were inadvertently funding Russia's war machine.

"Three years ago Anthony Albanese made a visit to Ukraine and committed to stand with them during their darkest moment, but today he is failing to live up to that commitment," she said.

"In the meantime, we've learnt that the Albanese government is failing to properly monitor and enforce our sanctions against Russia as fuel derived from Russian oil is flowing through Australian bowsers, including in our defence fuel supply."

The Australian government has committed up to \$1.5 billion to assist the Ukrainian war effort. It has sanctioned more than 1600 individuals and entities, and has banned the importing of all direct Russian energy exports.

Evaluating options

Foreign Minister Penny Wong has previously told businesses that she expects them to prevent their supply chains from [supporting Russian-made products](#).

A Department of Foreign Affairs and Trade spokesperson said Australia's support of Ukraine was "steadfast", pointing to existing strict sanctions on the importation, purchase and transport of energy products from Russia, including Russian oil shipped via third countries.

"As a result of measures we have already taken, direct Australian imports of Russian energy products have fallen from \$80 million to zero since before Russia's invasion."

The government was evaluating options to place further pressure on Russia's oil revenues, but also expected businesses to uphold their supply chain responsibilities, said the spokesperson.

ANU senior lecturer Anton Moiseienko said significant gaps in the government's approach remained. "Ultimately, what we are dealing with here is not as significant or not as glaring as the failure for the government to deal with the issue of third-party refineries that issue Russia oil that makes its way to Australia," he said.

“The foreign minister has taken a truly bizarre stance to not put forward legislation that would deal with this problem, but rather has called on private companies to not purchase that oil based on their social licence.

“If you are government, your job is to set the rules.”

Senator David Shoebridge, the Greens’ foreign affairs spokesman, urged the government to tighten the loopholes but said Russia’s ability to get round sanctions pointed to a broader systemic issue.

“Allowing third-party refining of Russian oil to effectively launder their oil exports to avoid sanctions is not tenable, so we should be looking to what the EU is doing.

“If there is credible evidence that a company is selling Russian oil, refined or not, this should be sanctioned.”