

Australian
Ethical



Alison George, Head of Impact & Ethics
ageorge@australianethical.com.au



Our ethics are embedded in our business

Australian Ethical Foundation

10% of AEI profits are allocated to not-for-profit organisations annually



Australia's first publicly listed B Corp.
Highest scoring Certified B Corporation in Australia & Aotearoa NZ as at 13 July 2023



Responsible Investment Assoc Aust (RIAA)
Global Impact Investing Network (GIIN)
Investor Council of GIIN
Principles for Responsible Investment (PRI)
Investor Group on Climate Change (IGCC)
Climate Action 100+

and recognized by our industry



SuperRatings GOLD 2023, MySuper, MyChoice & Pension**



Green Superannuation Fund of the Year 2020-2023



Best Retail Super Fund 2023

** SuperRatings does not issue, sell, guarantee or underwrite this product.



Climate approach and results

restrict⁺

Investment in fossil fuel companies[#] and test for 1.5 degree Paris alignment

[#] We don't invest in companies whose main business is fossil fuels

⁺ Our investment restrictions include some thresholds. Thresholds may be in the form of an amount of revenue that a business derives from a particular activity, but there are other tolerance thresholds we can use depending on the nature of the investment. We apply a range of qualitative and quantitative analysis to the way we apply thresholds. For example, we may make an investment where we assess that the positive aspects of the investment outweigh its negative aspects. For information on how we make these assessments for a range of investment sectors and issues such as fossil fuels, nuclear power, gambling, tobacco, human rights, and many others, please read our Ethical Criteria.

engage

Areas of focus:

- Turning off finance & insurance for expansion of fossil fuels
- Halting livestock-driven deforestation in Australia
- Policy ambition

77%

lower CO₂ intensity*
in our listed share portfolio compared to benchmark (scope 1 & 2)

* Carbon/CO₂ intensity of companies whose shares we invest in measured as tonnes CO₂e per \$ revenue. Benchmark is a blended benchmark of S&P ASX200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Based on shareholdings at 30 June 2023 and analysis tools provided by external sources which cover 92% of the listed companies we hold shares in by value.

4.6x

investment in renewables and energy solutions than benchmark[^]

[^] Based on the proportion of our share investments in renewables and energy solutions compared to a blended benchmark of S&P ASX200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Using shareholdings at 30 June 2023 and analysis tools provided by external sources which cover 92% of the listed companies we hold shares in by value. More information on Sustainable Impact Metrics available at https://www.msci.com/documents/1296102/18472518/CSG_ImpactMetrics-cfs-en.pdf/7a03ddab-46fd-cef7-5211-c07ab992d17b.

Influencing the finance sector to cut fossil fuels

We leverage our investment in the finance sector to:



Align their lending, underwriting and investing with the goals of the Paris Agreement

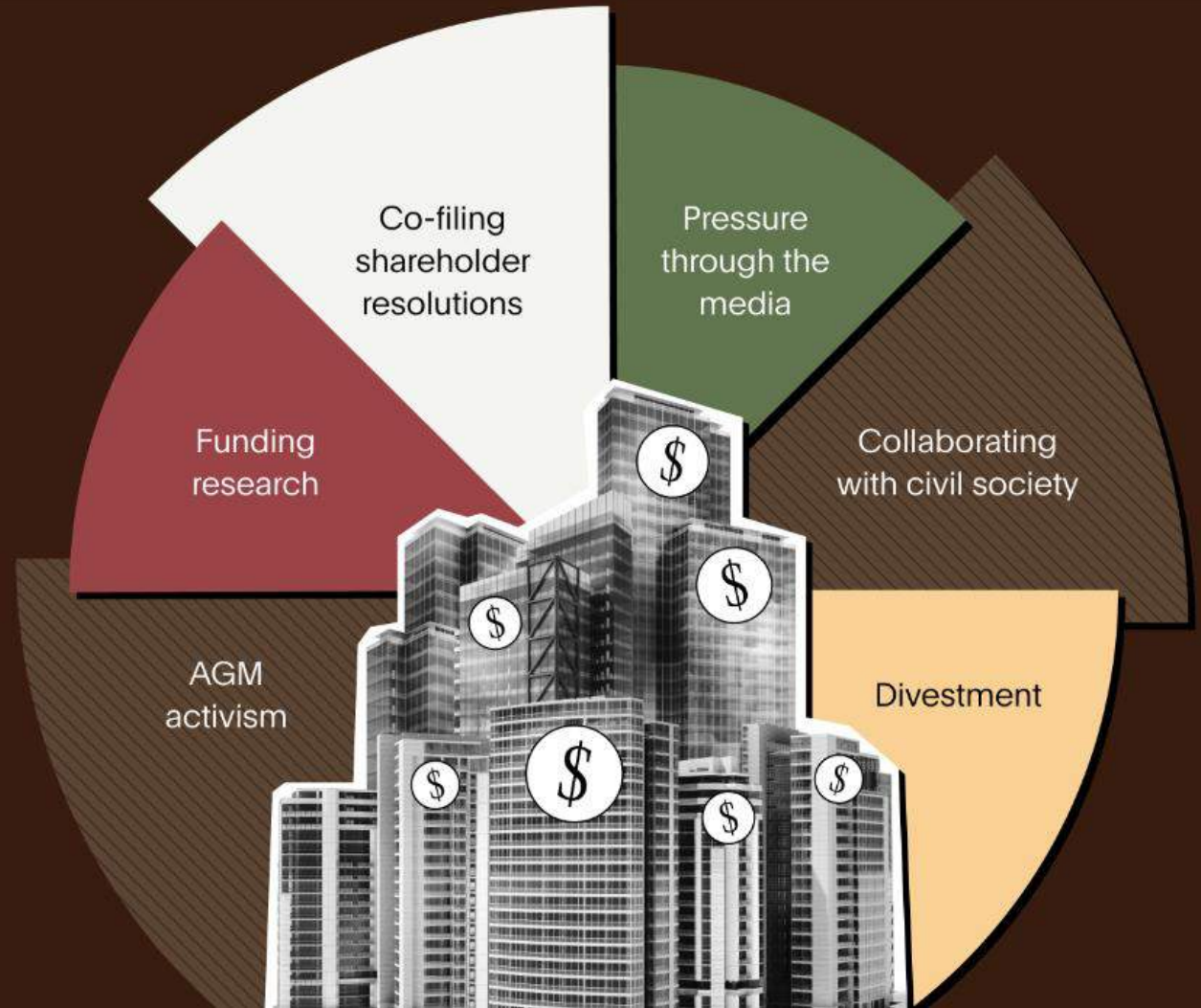


Stop financing fossil fuel projects that are not aligned with the Paris Agreement



Direct more funding to positive, clean and sustainable energy solutions

Change of this magnitude requires coordination and persistence. We use all our stewardship tools to influence banks and insurers, including:



NDC 2035

Increasing ambition of Australia's next emissions' target by mobilizing the mute majority

from:

Halting obstructive lobbying denial and delay

Vocal minority dominating the debate

Lack of ambition



to:

Promoting positive lobbying in support of climate action

Climate change impacted majority heard

Science aligned target

To be alerted to support opportunities send contact details to: pfraser@australianethical.com.au or IGCC



ΑΞ

Disclaimer

Australian Ethical Investment Ltd (ABN 47 003 188 930; AFSL No. 229949) (AEI) is the Responsible Entity and Investment Manager of the Australian Ethical Managed Funds. Interests in the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743) are offered by Australian Ethical Investment Ltd by arrangement with its subsidiary and trustee of the Super Fund, Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733, RSELL0001441, AFSL No. 526055) (AES).

The information contained in this presentation is general information only, and does not take into account your individual investment objectives, financial situation or needs. Before acting on it, you should consider seeking independent financial advice that is tailored to your personal circumstances and refer to the Financial Services Guide, relevant Product Disclosure Statements and Additional Information Booklets and Target Market Determinations available on our website australianethical.com.au.

Past performance is not a reliable indicator of future performance. Certain statements in this presentation relate to the future. Such statements involve known and unknown risks and uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results. AEI does not give any representation, assurance or guarantee that the events

expressed or implied in any forward-looking statements in this update will actually occur and you are cautioned not to place undue reliance on such statements.

The content of this presentation is intended to provide a summary and general overview concerning matters of interest and is correct as at the date of publication. It has not been subject to auditor review. AEI does not accept any liability, either directly or indirectly, arising from any person relying, either wholly or partially, upon any information shown in, or omitted from, this update. Under no circumstances will AEI be liable for any loss or damage caused by your reliance on information obtained from this update. You should consider seeking independent advice from a legal or other professional adviser before acting in response to the content of this update.