



Ethical
Investment
Fund



Responsible Investment Charter

Introduction

As a socially responsible investor, we manage the investments within the B. Ethical Investment Fund (the **Fund**) not only to create a better financial future for our investors, but also to contribute to a more sustainable world.

We believe that this investment approach increases the total return received by investors by supporting a healthier environment, society and economy.

We support the United Nations (**UN**) Sustainable Development Goals and aim to manage our business to be consistent with these goals. These goals include:



Affordable and clean energy – we believe that expanding infrastructure and upgrading technology to provide clean and more efficient energy will help the environment and encourage economic growth.



Responsible consumption and production – we believe that we must reduce our ecological footprint and move towards more sustainable patterns of consumption.



Climate action – we believe that global warming is causing long-lasting changes to our climate system which requires urgent action.

We also support the UN Principles of Responsible Investment.

It is through this lens that we have created this Responsible Investment Charter.



Important information

The information in this document forms part of the Product Disclosure Statement (**PDS**) for the B. Ethical Investment Fund (ARSN 631506673) (the **Fund**) dated 26 February 2021. You should consider the information in the Product Disclosure Statement (and accompanying Investment Guide) in addition to this Responsible Investment Charter before making an investment decision about the Fund.

This Responsible Investment Charter is published by B. Ethical Funds Management ABN 13 613 975 812 AFSL 492814 (we, our, us). We issue interests in, and are the responsible entity for, the Fund. This document sets out the labour standards, environmental, social and ethical considerations we consider when managing investments for the Fund.

This Responsible Investment Charter is subject to change at our discretion. Any change will be effective as at the date it is published on our website, bethical.com.au.

The PDS, Investment Guide and Responsible Investment Charter are available from www.bethical.com.au or you can request a free copy by calling us on +61 8 7200 3586.

Any financial advice in this document does not take into account your objectives, financial situation or needs. Consider whether it is appropriate to you and read the Fund's PDS and accompanying Investment Guide available on our website before making an investment decision.

We are a subsidiary of B. Financial Group Pty Ltd (**B.**) and use the **B.** trademark under licence. **B.** does not guarantee our obligations and we are not their representative.

Our approach to responsible investing

Our approach to responsible investing is simple:

- 01** We avoid investing in companies which operate in industries which, in our view, cause significant social or environmental harm.
- 02** As active shareholders, we support and encourage companies to act in a socially responsible manner on environmental, social and governance issues.

01

Industries we avoid

Industries which we avoid as, in our view, they cause significant social or environmental harm include:



Coal mining – the use of coal is one of the leading causes of CO₂ emissions and climate change.

With the improvement in efficiency of renewables, we believe there is no longer a justification for the expansion of coal use and mining.



Tobacco – tobacco is a highly addictive substance which harms almost every part of a smoker's body and increases the risk of disease.



Native or old growth logging – native habitat and old growth trees are of critical importance to endangered species in Australia in contrast to plantation timber.



Gambling – maximising shareholder value in the gambling industry is inherently conflicted with promoting responsible gambling. Problem gambling causes financial, psychological and social harm to both gamblers and their families.



Weapons manufacturing – we do not invest in the manufacture of military weapons due to the potential for social and environmental harm.

We consider the environmental, social and governance risks posed by industries and companies on an ongoing basis and the above is not an exhaustive list. We take a holistic view and use our discretion when assessing risks. We are guided by the objectives of the UN Sustainable Development Goals, but also our own views on sound corporate governance.

02

Encouraging socially responsible management

As active owners, we support and encourage companies to act in a socially responsible manner.

There are two ways by which we can do this:



Shareholder voting – we use our shareholder vote to advance improvements to environmental, social, labour and governance issues.



Shareholder engagement – by raising ethical concerns with company management, we begin conversations to address environmental, social, labour and governance issues and advocate for change. We can do this before we invest, or as an investor, by speaking to companies about how they address any issues they face.

Move towards ethical investing

To those considering investing with us, we are excited by the prospect of you joining us. To our investors, we thank you for being part of the Fund. Together, we hope to represent a movement towards ethical investing.

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Refer to our website to apply to be an investor in the Fund.