



Annual Sustainability Report 2019

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Why U Ethical

U Ethical is an investment manager with a difference. Since inception, we have worked to create a better world by investing with purpose.

\$1.2b
funds under management

We are focused on serving the needs of all kinds of investors — from corporate and institutional, to not-for-profits, to individual clients. Whether big or small, our clients trust us to deliver competitive returns while doing the right thing by communities and the planet.

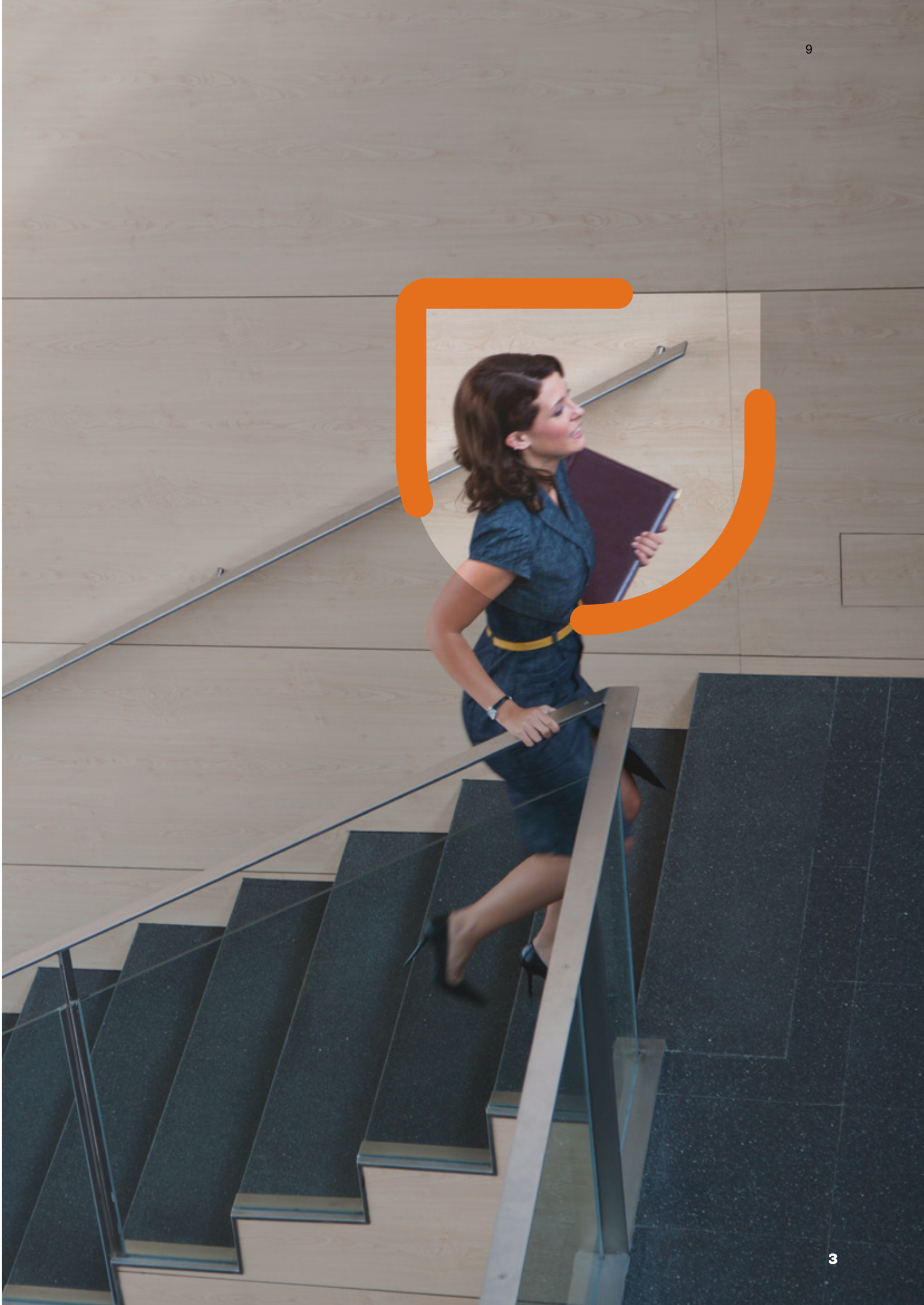
Today, we are one of the largest ethical investment managers in Australia, with \$1.2 billion in funds under management. Unlike the majority of ethical managers, we are a not-for-profit social enterprise, which means most of our surplus goes to support social justice advocacy and community programs.

Certified

Corporation

In addition, we are one of the few investment businesses in Australia to be certified as a B Corporation. B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. We are proud to be amongst the top 10% of B Corps globally in the Overall and Community categories.

U Ethical is an active investor. We adopt clear positions on important ethical issues and don't shy away from holding companies to account. This includes divesting or excluding companies from our portfolios on ethical grounds if we consider it necessary.



Statement from the chairperson

Corporate ethics are under the spotlight, globally and domestically, like never before. We welcome this scrutiny, as a key aim of U Ethical is to generate competitive returns for our investors within a strong ethical framework covering environmental and social considerations.

This past year has been one of significant transformation for the business at the same time as the banking royal commission is forcing the entire industry to change its practices.

We do not want to be tainted by the failures of the major financial institutions to put the interests of their customers first, as highlighted by Justice Hayne. However, we have not been immune to the fallout of the inquiry and have also had further regulatory demands placed upon us.

We consider this an opportune time to highlight our ethical foundations in the marketplace, as evidenced by our recent change of name to U Ethical.

We are in the second year of our five-year strategy designed to grow the business significantly and double our impact through our community contribution. This has required substantial restructure and investment in people and systems. We have also had a strong focus on improving the delivery of services to our clients.

Other challenges we have had to deal with include historically low interest rates and considerable uncertainty in financial markets. Despite these difficulties, we have maintained competitive investment performance.

We farewellled Katherine Allchin from the board and welcomed three new



Dr David Cousins AM
Chairperson

directors. Along with their strong experience in investment and financial markets, the appointment of Zarmeen Pavri, Dr Deborah Ralston and Kerrie Williams restores our board's gender balance to 50% female and male.

Corporate ethics are under the spotlight, globally and domestically, like never before.

I acknowledge the contributions of our previous and current directors and thank them for their vision and leadership in guiding the business over the past year.

Finally, I wish to thank Mathew, the management team and, indeed, all of our dedicated staff for their diligence during this period of transition for the business. I look forward to continuing to assist the organisation over the coming year to build upon the solid foundations established by their efforts.

Statement from the chief executive officer

This financial year has been one of transformation as we pursue the board's goal of doubling our community contribution over five years. Our strategy, designed around the pillars of visibility, accessibility and performance underpinned by ethical leadership, has required a material investment in future growth.

The most tangible manifestation to date is our rebrand to U Ethical with the tagline 'investing with purpose'. This was chosen with great care as a contemporary expression of our single-minded focus on ethical investment. We have also made a significant investment in people—bolstering the depth and diversity of our investment and distribution teams in particular—as well as in systems to enable scalability.

In a difficult year for markets, investment performance was competitive. Of particular note was the International Equities Portfolio which returned 17.6%, outperforming its benchmark by 5.4%—this portfolio is now available to wholesale investors in the newly created U Ethical International Equities Trust. The Australian Equities Portfolio returned a market-competitive 12.1% and the Enhanced Cash Portfolio paid an attractive yield of 2.6%.

Ethical leadership is a journey and we have made significant progress refining our ethical evaluation process. In particular, we have incorporated the UN Sustainable Development Goals into our investment process, targeting companies which we believe are committed to contributing towards their achievement. We also continued our advocacy program, which included supporting the Christchurch Call and the Uluru Statement from the Heart.



Mathew Browning
Chief executive officer

With our focus firmly on building for the future, financial performance this year has met expectations. Funds under management grew by 3.4% to \$1.19b and revenue was up 8.2% to \$9.4m. Reflecting the significant investment in growth, operating profit of \$3.0m was down on the prior period but a healthy 1.5% ahead of budget. And at \$3.1m, our community contribution was maintained at around the average.

The coming year will be just as busy as the last. We shall continue to strive for competitive financial returns and 'ethical alpha'—delivering substantially greater positive impact than traditional portfolios. It will also see the modernisation and expansion of our product suite as we serve clients with varying investment objectives and risk appetites.

I'd like to thank the board for its continuing support and the whole team at U Ethical for giving of their talents in the passionate pursuit of a better world.

Year in review¹

Number of clients **4,610**

Revenue **\$9.4m**

Funds under management **\$1.2b**

Operating surplus **\$3.0m**

Investment income distributed **\$35.2m**

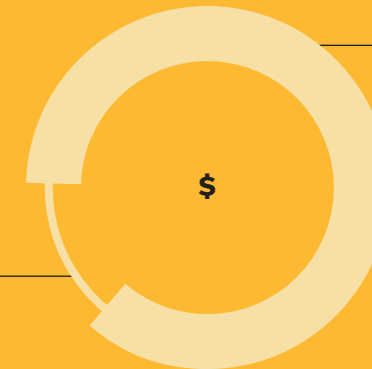
New brand launched 3 May

u ethical
investing with purpose

Our clients



Retail
14%



Wholesale
86%



\$3.1m

community contribution



Prison chaplaincy

Disability inclusion

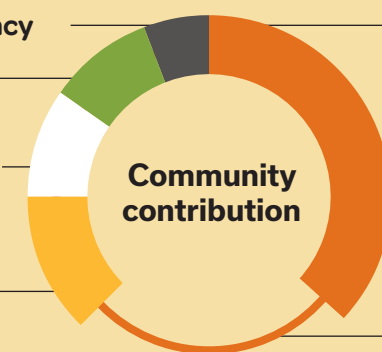
Intercultural

Education

Community contribution

Social justice advocacy

Support services



Certified



Corporation

125.2

B Impact Score



200%

increase in monthly web traffic

280

attendees over



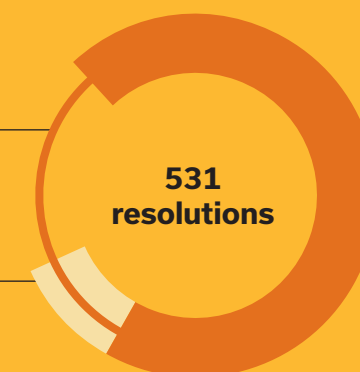
2

events

Voting

159 votes against management

53 votes against were compensation-related resolutions



50/50

gender balance across board and management team

¹ As at 30 June 2019.

Section 1. Better investments for a better world



Investment performance

In a difficult year for markets, investment performance was competitive. Strong returns from the international equities portfolio¹ saw it outperform its benchmark² by 5.4%³ after fees.

Figure 1: Funds under management over the last 10 years (\$ million)

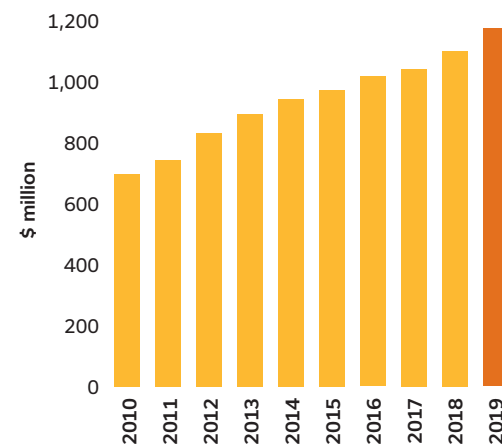
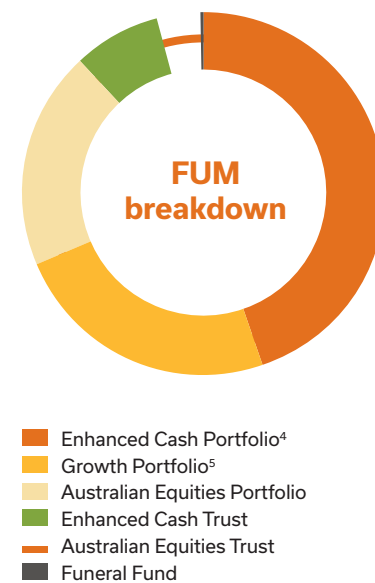


Figure 2: Funds under management breakdown



¹ The international equities portfolio was part of the Growth Portfolio up to 31 July 2019. From 1 August 2019, it was converted into the International Equities Trust, available to wholesale clients.

² MSCI World Ex Australia TR Index (AUD).

³ Year to 30 June 2019.

⁴ Figure includes funds invested from U Ethical Enhanced Cash Trust and U Ethical Funeral Fund.

⁵ Figure includes funds invested in U Ethical Australian Equities Portfolio and U Ethical Enhanced Cash Portfolio.

Figure 3: Operating surplus over the last 10 years

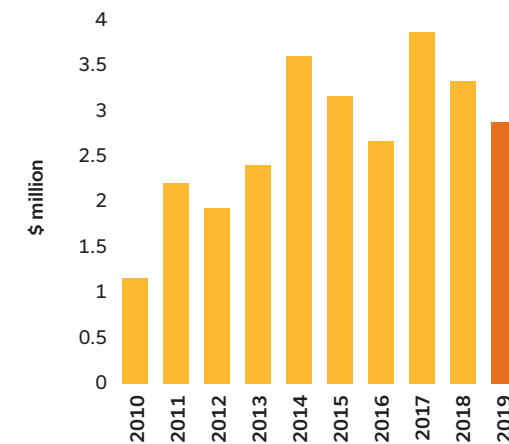


Table 1: Performance to 30 June 2019¹

	1yr	5yrs	10yrs	20yrs	Inception	Inception date
Total return	%	% p.a	% p.a	% p.a	% p.a	
U Ethical Growth Portfolio	10.6	10.6	10.2	9.3	10.3	1 Jul 1985
Benchmark ²	11.0	9.2	—	—	—	—
U Ethical Australian Equities Portfolio	12.1	10.3	9.7	9.0	10.8	1 Jan 1986
Benchmark ³	11.4	8.9	9.9	8.7	10.2	—
U Ethical Australian Equities Trust	9.3	8.5	8.7	—	8.3	7 Jul 2003
Benchmark ³	11.4	8.9	9.9	—	9.6	—

	1yr	5yrs	10yrs	20yrs	Inception	Inception date
Income yield	%	% p.a	% p.a	% p.a	% p.a	
U Ethical Enhanced Cash Portfolio	2.6	3.0	4.1	4.9	7.2	1 Jul 1985
U Ethical Enhanced Cash Trust	2.3	2.6	3.7	4.3	5.9	1977
U Ethical Funeral Fund	2.3	2.6	3.7	4.3	4.4	2 Feb 1997

¹ Past performance is not an indicator of future performance.

² 70% Australian shares, 10% international shares, 10% property, 10% enhanced cash.

³ S&P/ASX 300 Accumulation Index.

Our products

36
companies

Australian Equities Portfolio¹ holdings

Amcor
Australia and New Zealand Banking Group
a2 Milk Company
Bingo Industries
Boral
BlueScope Steel
Brambles
Carsales.Com
Commonwealth Bank of Australia
Challenger
Coles Group
CSL
Fortescue Metals Group
G8 Education
Goodman Group
GUD Holdings
InvoCare
JB Hi-Fi
Lendlease Group
Macquarie Group
Monash IVF Group
National Australia Bank
Oil Search
QBE Insurance Group
REA Group

Ramsay Health Care
ResMed
Reliance Worldwide Corporation
Seek
Sonic Healthcare
Suncorp Group
Transurban Group
Telstra Corporation
Westpac Banking Corporation
Wesfarmers
Woodside Petroleum

Figure 4: Australian Equities Portfolio sector exposure



18% Banks
16% Health care
11% Industrials
10% Insurance and diversified financials
8% Consumer discretionary
8% U Ethical Enhanced Cash Portfolio
7% Communication services
7% Materials
6% Real estate
5% Energy
4% Consumer staples

¹ A charitable debenture product managed by U Ethical and issued by UCA Growth Fund Limited which relies on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

37
companies

Australian Equities Trust¹ holdings

Amcor
Australia and New Zealand Banking Group
a2 Milk Company
Bingo Industries
Boral
BlueScope Steel
Brambles
Carsales.Com
Commonwealth Bank of Australia
Challenger
Coles Group
CSL
Fortescue Metals Group
G8 Education
Goodman Group

GUD Holdings
InvoCare
JB Hi-Fi
Lendlease Group
Macquarie Group
Monash IVF Group
National Australia Bank
Oil Search
QBE Insurance Group
QMS Media
REA Group
Ramsay Health Care
ResMed
Reliance Worldwide Corporation
Seek
Sonic Healthcare
Suncorp Group
Transurban Group
Telstra Corporation
Westpac Banking Corporation
Wesfarmers
Woodside Petroleum

Figure 5: Australian Equities Trust sector exposure



19% Banks
16% Health care
11% Industrials
10% Insurance and diversified financials
8% Consumer discretionary
8% Communication services
7% Materials
6% Real estate
6% U Ethical Enhanced Cash Portfolio
5% Energy
4% Consumer staples

¹ A registered managed investment scheme issued, administered and managed by U Ethical.

Enhanced Cash Portfolio¹ holdings

The Enhanced Cash Trust² and the Funeral Fund³ are wholly invested in the Enhanced Cash Portfolio.

Cash and liquid securities

- Bank of Queensland
- Bank of Western Australia
- Bendigo and Adelaide Bank
- National Australia Bank
- Suncorp Metway

Interest bearing securities

- AMP
- Australia and New Zealand Banking Group
- Bank of Queensland
- Bank of Western Australia
- Bendigo and Adelaide Bank
- Bundesrepublik Deutschland
- Commonwealth Bank of Australia
- ING Bank (Australia)
- National Australia Bank
- Suncorp Group
- Westpac Banking Corporation

Figure 6: Enhanced Cash Portfolio asset allocation

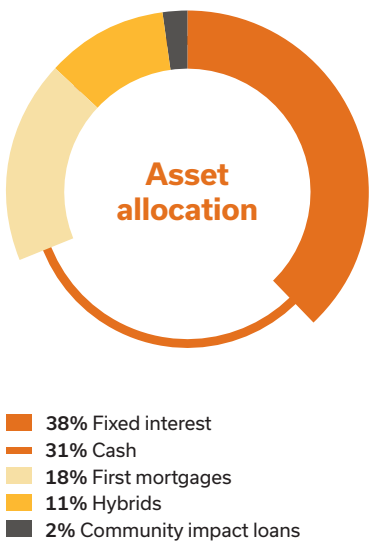


Table 2: Security credit ratings

Security credit ratings	Make up %
AAA	0.3
AA-	38.5
A	10.9
A-	3.9
BBB	27.2
Loans	19.2

¹ A charitable debenture product managed by U Ethical and issued by UCA Cash Management Fund Limited which relies on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

² A registered managed investment scheme issued, administered and managed by U Ethical.

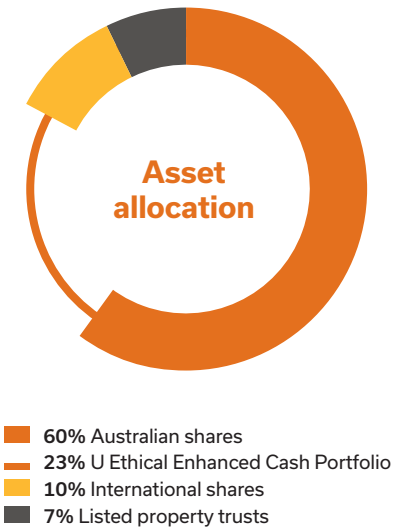
³ A charitable managed investment scheme issued, administered and managed by U Ethical, which relies on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

Growth Portfolio¹ holdings

- Abacus Property Group
- Alphabet
- Ancor
- Apple
- Australia and New Zealand Banking Group
- Australian Unity Office Fund
- a2 Milk Company
- Bingo Industries
- BlueScope Steel
- Boral
- Brambles
- Bristol Myers Squibb
- Carsales.Com
- Challenger
- Charter Hall Group
- Cisco Systems
- CME Group
- Coles Group
- Commonwealth Bank of Australia
- CSL
- Dexus Property Group
- Ecolab
- Fortescue Metals Group

- GUD Holdings
- G8 Education
- Glaxosmithkline
- Goodman Group
- GPT Group
- Home Depot
- Inditex
- InvoCare
- JB Hi-Fi
- Kimberly-Clark
- Koninklijke Philips
- Lendlease Group
- Macquarie Group
- Mastercard
- Monash IVF Group
- National Australia Bank
- Novo-Nordisk
- Oil Search
- QBE Insurance Group
- Ramsay Health Care
- REA Group
- Reliance Worldwide Corporation
- ResMed
- SAP
- Scentre Group
- Seek
- Sonic Healthcare
- Stockland
- Suncorp Group
- Telstra Corporation
- TJX Companies
- Transurban Group
- Unibail-Rodamco
- Unilever
- Union Pac
- United Parcel
- Vestas Wind Systems
- Vicinity Centres
- Wesfarmers
- Westpac Banking Corporation
- Woodside Petroleum

Figure 7: Growth Portfolio asset allocation



¹ A charitable debenture product managed by U Ethical and issued by UCA Growth Fund Limited which relies on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

Materiality assessment

Ethical investment is predicated on our stakeholders' values driving societal, environmental and financial outcomes. The financial imperative supports the social and planetary outcomes our stakeholders want to see. For this report, we conducted a materiality review to ensure we balance our stakeholders' views with an ever-evolving set of ethical demands.

As part of this process, we developed a 'universe' of 38 topics that are relevant to either our stakeholders or to the organisation. We then refined the list by

placing them within the 10 categories shown in Figure 8.

It is important that we maintain our focus on the nexus of the issues upon which we can effect the greatest change—and that are most important for our stakeholders. To this end, we plotted the 10 topic categories based on their relative importance to stakeholders and to the organisation. This identified the five 'highly material' themes shown below. The five themes, and our approach to managing them, are explored at the end of this report.

In FY2020, we will begin using the UN Sustainable Development Goals (SDGs) as a framework for capturing the breadth and depth of our impact. In 2015, 194 countries, including Australia, agreed to the 17 SDGs as the best way to jointly address societal inequalities and human impacts on our natural world. Further detail on the SDGs can be found on pages 23 and 24.

To guide this initiative—and similar to the process outlined on the opposite page—we plotted the 17 SDGs in Figure 9 according to their importance to stakeholders and to U Ethical.



Figure 8: Material themes

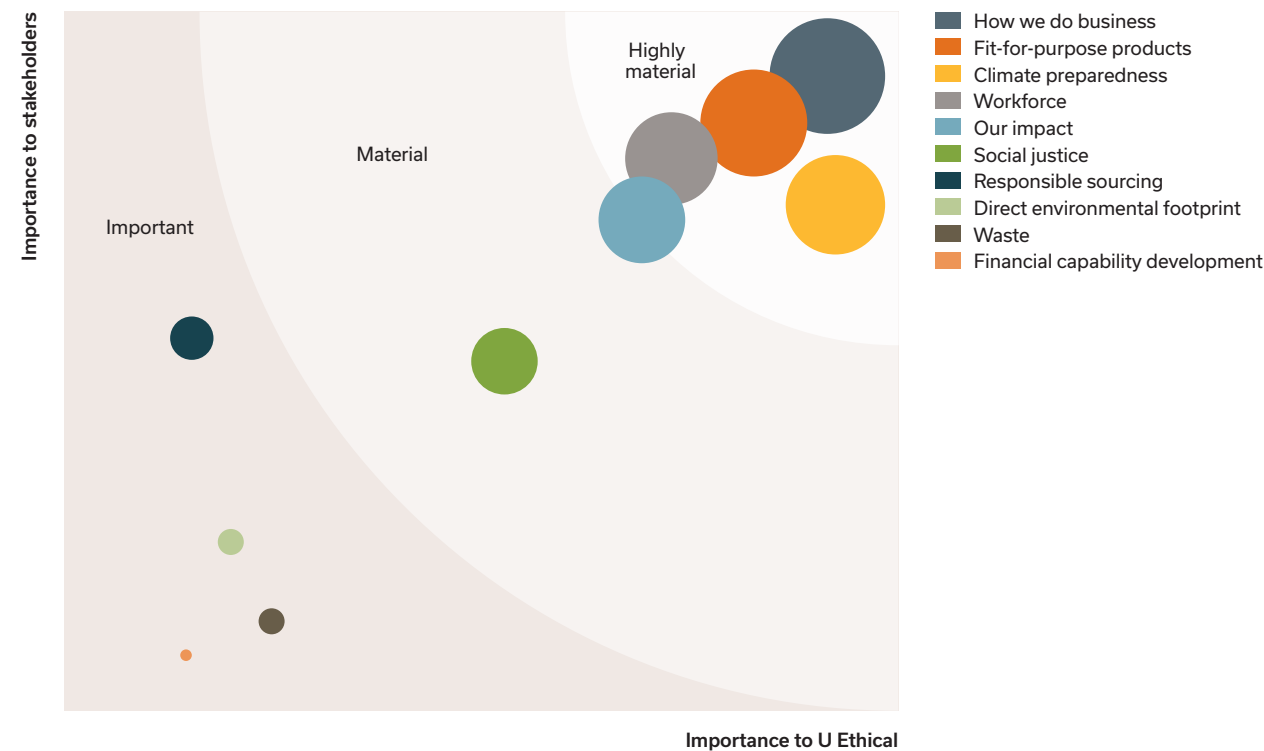


Figure 9: UN Sustainable Development Goals



Section 2. Our ethical approach



Ethical investment policy

We consciously seek to achieve our vision of a better future for all through the power of purposeful investing. This means that we build portfolios which both reflect the values of our clients, and deliver competitive market returns.

We foster a multifaceted approach to ethical investing, applying an initial top-down exclusionary screen ensuring the removal of companies involved in undesirable activities, and consciously seeking out 'the good'—companies that promote human welfare, dignity and environmental sustainability. We incorporate environmental, social and governance criteria into our investment process. This allows us to uncover unethical practices within a company that may be going on under the surface and flag potential future financial risks.

U Ethical's investment process ensures that all investment decisions are in keeping with our vision and that they promote careful financial stewardship.

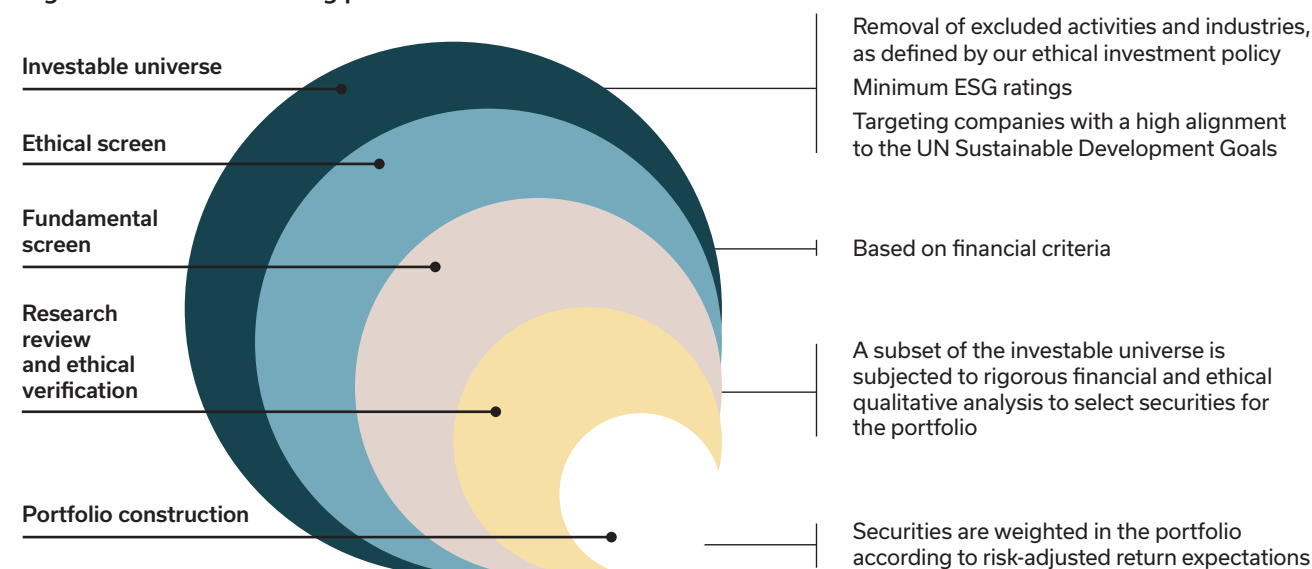
Our vision

To improve our world through the power of purposeful investing.

Our values

- Authenticity: we do the right thing, not the easy thing.
- Progress: we are open-minded, innovative and future-focused.
- Impact: we strive for better investments and a better world.

Figure 10: Ethical investing process



Our Ethical Advisory Panel

We wish to remain at the forefront of ethical investment practice, and to ensure our investment practices are subjected to the rigour of external expertise and analysis. To support these objectives, at the end of 2018 we established an Ethical Advisory Panel.

2x
independent
members



Amandine Denis

Head of national programs at ClimateWorks Australia, MSc, MBA
ClimateWorks Australia is an independent, research-based, non-profit organisation committed to catalysing reductions in greenhouse gas emissions in Australia. Amandine's work includes helping governments and businesses develop pathways and strategies for net zero emissions and unblocking barriers to implementation.



Mark Zirnsak

Senior social justice advocate, BE (Chem) (Hons), PhD, GradDip (Theol)
Mark became director of the Uniting Church's Justice and International Mission Unit in 2004. He is a member of the Victorian Responsible Gambling Ministerial Advisory Council, the Victorian Government Liquor Control Advisory Council, and the Attorney General's National Roundtable on Slavery and Human Trafficking.

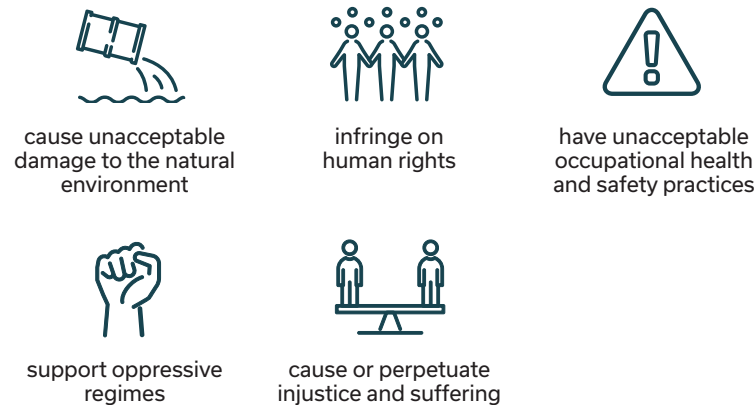
6x
board of directors
and management
team

David Cousins AM Non-executive director
Georgina Laird Ethics and impact manager
James Cook Chief investment officer
Lindsay Mann Non-executive director
Mathew Browning Chief executive officer
Zarmeen Pavri Non-executive director

Negative screening

Exclusion principles

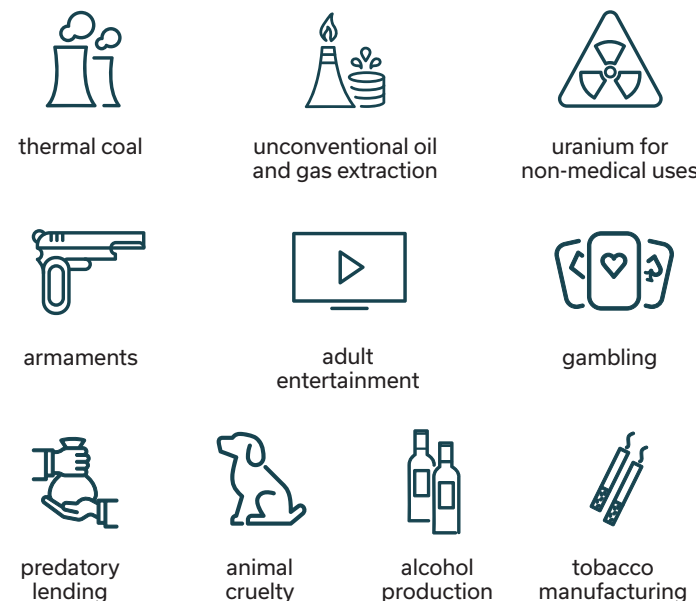
By thoroughly evaluating a company's products, services and practices, we avoid investing in companies that:



Excluding the bad

Our negative ethical screen ensures the systematic removal of various industries and practices which are harmful to either the environment or society. In particular, the screen restricts investment in securities with a direct material (>5% revenue) exposure to excluded activities.

Update: We are in the process of reducing all direct fossil fuel exposures with the target of nil exposure by the end of the 2019.



Investing in positive outcomes

Seeking the good

U Ethical has a long history of investing for positive outcomes. Our negative screens ensure the removal of harmful industries and products from our investable universe, but we know that doesn't mean all that is left is 'positive'. We consciously seek out companies which help to eradicate poverty, protect the planet and build a peaceful and prosperous world.

This includes utilising the sustainable development goals as a framework to identify companies which have a positive impact on society and the planet. Through the use of both quantitative tools and qualitative research, we look for companies that contribute to the achievement of the goals.



The UN Sustainable Development Goals—a universal call to action

Arising out of the United Nations Conference on Sustainable Development in Rio de Janeiro, the Sustainable Development Goals (SDGs) were officially launched in 2015 with the purpose of creating a new global agenda for sustainable development.

The goals were developed by governments, but government action alone won't be enough to achieve them. The United Nations has estimated that meeting the 17 SDGs will require global investment of between US\$5 trillion and \$7 trillion each year up to 2030. The private sector has a significant part to play.

The goals have provided a common language between the public and private sector in the conversation of sustainability.

The goals are applicable to all nations, and aim to cover the whole sustainable agenda: poverty, human development, the environment and social justice. With 17 ambitious goals, 169 underlying targets and a deadline of 2030, the goals have provided a common language between the public and private sector in the conversation of sustainability.

Our portfolios increasingly support the achievement of the UN Sustainable Development Goals. Through our analysis, we have identified across all portfolios that we have the greatest exposure to the following SDGs.



CSL

A top 5 holding in the U Ethical Australian Equities Portfolio, CSL is a global company focused on rare and serious diseases, as well as influenza vaccines. CSL's Gardasil vaccine has helped protect >200 million people from cervical cancer in more than 130 countries. In 2018, more than 125 million people received CSL's influenza vaccine.



Cisco

Cisco, an IT and networking company based in Silicon Valley, has launched various economic empowerment programs in partnership with Opportunity International. In 2018, the partnership resulted in the creation of 2 million new jobs and boosted financial inclusion for 11 million people. And since launch, it has resulted in:

- 17 million lives positively impacted
- a 58% increase in farmer production
- a 64% increase in girls' literacy
- a 32% increase in girls' numeracy.



BINGO

BINGO is a fully integrated recycling and resource management company that provides solutions across the entire waste management supply chain. In FY2018 the company recovered more than 223,000 tonnes of bricks and concrete. Bingo's Minto facility achieved an annual recovery rate of 85% thereby helping divert waste from landfill.



World's Most Ethical Companies

The Ethisphere Institute publishes its list of the World's Most Ethical Companies each year. The list commends global companies stepping up to advance society and addressing issues like diversity and inclusion, supporting the rule of law, and advancing human rights. 18% of our international equities portfolio is invested in companies named on the list over the past two years.



Case study: Vestas Wind Systems

The Danish company, Vestas Wind Systems, designs, manufactures, installs and services wind turbines and is the global leader in wind installations with 102 gigawatts (GW) in place across 80 countries. It recently passed the 1GW milestone in Australia which is helping multiple states meet their renewable energy targets.

Its turbines are in demand because wind power is the cheapest source of large-scale renewable energy. New wind projects, even those backed by batteries, are now cheaper than new coal generation and are expected to be cheaper even than existing coal generation within a couple of years. This is already starting to pull down the wholesale price of power.

The global outlook for the wind industry is encouraging. Peak body for the sector, Global Wind Energy Council, expects over 300 GW of new capacity to be added over the next five years. That is more than 55 GW of new installations each year until 2023¹.

To help meet the demand, Vestas announced in February 2019 that it would establish a facility for assembling turbine components in Geelong, where it can tap into the availability of skilled former auto workers and support the growth of an industry with a current workforce of 11,200.

Another game-changing development is the coupling of wind farms with energy storage technologies to circumvent wind's inherent inability to meet demand on calm days.

In June, Vestas bought into the massive wind and pumped hydro Walcha project in NSW's New England region. At 4GW, it will be the biggest renewables project on the Australian grid.

While the company appeals to us for its long-term returns potential, we also have a strong ethical justification for investing. Vestas is focusing on six of the SDGs including Goal 7, 'Affordable and Clean Energy', and Goal 13, 'Climate Action'.

300GW

by 2023, from new installations worldwide

4GW

biggest renewables project on the Australian grid

¹ Global Wind Energy Council, Global Wind Report 2018.

Engagement and advocacy

70
meetings for
domestic and
international
holdings

We acknowledge that ethical decisions are often complex and require careful consideration of both positive and negative factors.

Effective corporate engagement is beneficial to both companies and shareholders. It provides the companies we invest in with a way to understand the topics that are material for investors. At the same time, it allows us to better understand companies' long-term strategies while advocating for positive change where necessary.

We foster a dynamic approach, seeking to engage with companies wherever we feel it is necessary. Occasionally, our research uncovers companies in our portfolio that are involved in unacceptable activities or practices. In such instances, our first preference is to initiate a process of direct engagement as a means of advocating for positive change consistent with both community expectations and long-term investment value. When engagement doesn't deliver satisfactory outcomes, we look to exercise our right to proxy voting or, indeed, to divest.

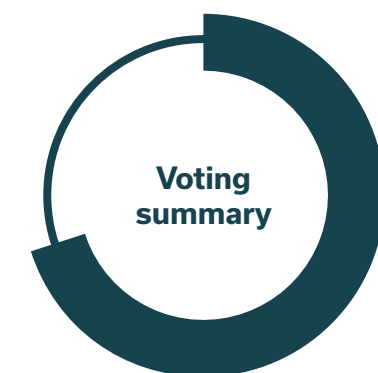
Throughout the year, we engaged with various companies on issues such as animal testing, reporting on sustainability, labour management practices and product safety.

Voting

Active ownership is integral to our long-term investment approach. At U Ethical, we vote all proxy resolutions at all shareholder meetings for the shares held within our portfolios. We believe that effective corporate governance structures help a company to succeed, and in turn, deliver sustainable returns.

Throughout the period, our votes were cast at 70 meetings, for both domestic and international holdings. Across 531 items, we voted against management on 159 items (30%), including issues such as remuneration and board of director elections.

Figure 11: Voting summary



■ 372 Number of votes with management
■ 159 Number of votes against management

We also voted on various shareholder resolutions calling for better reporting from companies on topics such as the gender pay gap, modern slavery and diversity policies.

Case study: Ban on credit card use for gambling

Over the past three years, we have pushed the largest Australian banks to address the scourge of online gambling. We have partnered with a broad coalition of investors, the Responsible Investment Association of Australasia, social justice groups and consumer activists, who believe that allowing online gambling on credit cards is irresponsible. If someone can't use their credit card for a poker machine, surely they shouldn't be able to use one for online gambling?

We don't invest in gambling companies like Tabcorp and Aristocrat Leisure. We do have shares in the major banks and believe they shouldn't supply credit for gambling.

The problem of allowing credit cards to be used for gambling is compounded because

they are typically recorded as cash advances, where interest charges begin immediately at rates of more than 20 per cent.

Our engagement campaign with the banks led to improvements this year. This included hardship programs and monitoring of transactions to identify problem gambling. CBA, NAB and Westpac allow credit cardholders to request blocks on gambling transactions, while ANZ has a 'speed bump' which puts a block on the card when 85 per cent of its limit is spent or a certain number of transactions are made. The question still needs to be asked: do these measures go far enough?

While significant progress has been made, we will continue to use our influence to highlight the link between access to credit and problem gambling.

Case study: Reining in the social media giants

During the 2019 financial year, U Ethical joined a New Zealand-led global collaboration of investors to engage with Facebook and other social media companies in the wake of the tragic Christchurch mosque shootings. To date, the campaign includes 85 investors from New Zealand, Australia and Europe with AU\$12.1 trillion (NZ\$13 trillion) in assets under management.

The objective of the engagement is for the social media majors (Alphabet, Facebook and Twitter) to strengthen controls to prevent the live-streaming and distribution of objectionable content.

Despite the financial clout of the investors, we realise this will be a long battle, given the size and profitability of the companies.

However, the prime ministers of New Zealand and France have led a joint pledge called the 'Christchurch Call' to eliminate terrorist and violent extremist content online.

The social media giants have begun taking tentative steps in the right direction but have much further to go.

U Ethical does not hold shares in Facebook but has a stake in Alphabet (which owns Google which owns YouTube). Our ethical investment policy commits us to evaluating companies to ensure they don't "cause or perpetuate injustice and suffering".

On this issue, U Ethical has more leverage with Alphabet/Google by holding on to its shares and lending its name to the global engagement campaign than by divesting.

Case study: Modern Slavery Act passed into law

November 2018 saw the passage into law of the Modern Slavery Act. This was the culmination of many years of advocacy with our partners, the Responsible Investment Association of Australasia, and the Uniting Church's Justice and International Mission unit. Together, we have called for the introduction of modern slavery legislation in Australia and helped lobby federal MPs to secure its passage.

As a result, reporting of modern slavery risks in cross-border supply chains is now mandatory for Australia's largest organisations.

While the act does not include the appointment of an independent commissioner nor financial penalties, relevant organisations will be required to publish annual modern slavery statements against six mandated criteria. This will improve accountability, transparency and comparability, and will highlight the industries and organisations most likely to be enabling modern slavery.

In the end, the law is a compromise. It does not include civil penalties for companies that do not comply with the reporting requirements, but the Minister can demand explanations from companies about why they failed to comply.

While not perfect, the new act is a good start and will provide greater visibility of supply chains which are often opaque or invisible.

In addition to advocating for legislation, we have dealt directly with companies within our portfolios on the issue. Over the past year, for example, we have engaged with Wesfarmers on improvements to its Ethical Sourcing Charter and a review of its supply chain processes.

The new act is a good start and will provide greater visibility of supply chains.



Our community contribution

\$60.5m¹
contributed
since 1995,
and growing

U Ethical is an autonomous social enterprise of the Uniting Church and governed by an independent board. U Ethical's clients include a cross-section of investors who see ethical investing as a means of aligning their investments with their values.

Although investors hold diverse viewpoints, they are unified through a strong commitment to social and environmental justice. This reflects U Ethical's vision of improving our world through the power of purposeful investing.

The Uniting Church's engagement with the broader community is deep and wide. For example, UnitingCare Australia is one of Australia's leading community services networks. It employs 50,000 people, enjoys the support of 30,000 volunteers and operates in 1,600 locations. With a particular commitment to vulnerable individuals and communities, it helps thousands of Australians every day.

U Ethical's annual community contribution, financed from our operating surplus, takes advantage of the deep and wide reach of the Uniting Church funding part of its community program budget in Victoria and Tasmania.

In the financial year ended June 2019, the community contribution totalled \$3.1m and was channelled into programs covering social justice advocacy, education, intercultural capacity building, disability inclusion, and prison chaplaincy, as well as support services. Each of these is a tangible expression of the progressive, contemporary values to which U Ethical and its clients subscribe.

\$3.1m
in FY2019

Figure 12: Annual community contribution over 10 years²

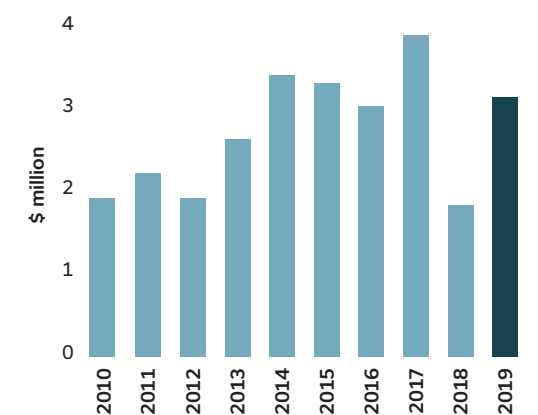
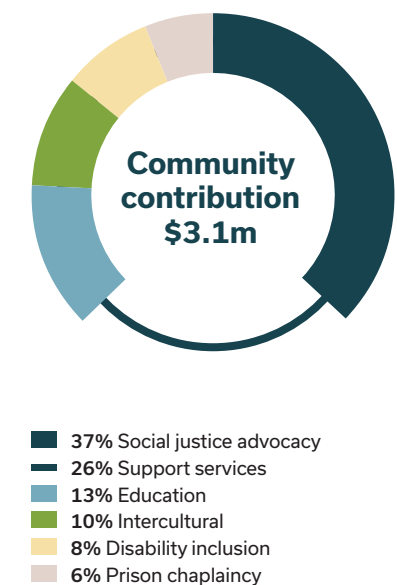


Figure 13: Community contribution FY2019



¹ As at June 30 2019.

² In 2018, our financial year end changed from 31 December to 30 June. Therefore, the figure for 2018 covers a six-month transition period.



A Music Together session in progress.

Case study: Supporting families

U Ethical has contributed to funding Music Together, an innovative music therapy program in Springvale, Victoria. It provides music therapy to parents and infants in families experiencing behavioural problems, drug abuse and mental health issues such as anxiety, who may be isolated or requiring support.

Music Together is the latest in a range of local community investments in Springvale, including the development of a community centre that has become the hub for a range of programs including a multicultural

men's shed and a Catch-up Café for men to talk through issues.

English classes are offered for newly arrived migrants and asylum-seekers, and a series of community lunches enhance understanding of different cultures and promote social cohesion.

An innovative music therapy program.



U Ethical CEO Mathew Browning with carer support worker, Samantha Menzies.

Case study: Supporting people with disabilities and their carers

1x
carer support worker

Many adults with disabilities in Australia are cared for by elderly parents, and these families face the challenge of providing suitable housing for when the parents can no longer care for their disabled family member.

With a shortage of suitable housing and the difficulty of navigating government agencies, it is not enough simply to build more housing; disabled adults need greater support.

In Victoria, U Ethical has contributed to the provision of a carer support worker, Samantha Menzies, who has a crucial role to play in helping families on the Mornington Peninsula. She guides them to find the help and care that their loved ones need, and helps parents (many of them elderly) navigate housing and care options for their children.

Section 3. The people behind our impact

Board of directors

Investors trust us to manage their money. In return, we aspire to the highest levels of good governance.

3

new board members in FY2019

The board of directors sets a high standard for the governance of U Ethical. The structure, composition and diversity of the board is essential to its effectiveness. With the exception of the chief executive officer, all board members are independent non-executive directors who may not serve for a period greater than 10 consecutive years.

50%

male/female board members

The board has the ultimate oversight of our sustainability practices and ethical investment policy. It includes three committees:

- Audit, risk and compliance
- Investment
- People and nominations.

The board and each of the committees are governed by a charter. The board and each committee undertakes an annual review to enable directors to reflect on their performance. Directors who are to be re-elected are peer reviewed every three years. All directors, with the exception of recent appointments, have been reviewed in the last three years.

Gayle Wilson retired on 30 June 2018, and Katherine Allchin on 31 December 2018. New appointments include Zarmeen Pavri, Deborah Ralston and Kerrie Williams. With these changes, the board reached its full complement of 10 members and restored equal gender representation.



David Cousins AM

Non-executive director February 2016
Chair September 2017 PhD, MEd, BEc (Hons), DipEd
Committees Investment; People and nominations (Chair)

David is an economist with specialisations in competition, consumer and prices policy, and regulation. He has amassed over 35 years' experience in high-level roles in the public sector, complemented by significant experience consulting to the private sector.



David Watson

Non-executive director February 2016, BCom, FCA, GAICD
Committees Audit, risk and compliance (Chair)

David has significant experience advising c-suites, boards of directors and due diligence committees on compliance, risk management, governance, complex accounting issues and financial reporting. In 2013, after 33 years of service, he retired from Deloitte Touche Tohmatsu LLC where he was an audit partner.



Deborah Ralston

Non-executive director June 2019, PhD, MEd, FAICD, FCPA
Committees Audit, risk and compliance

Deborah has over 25 years' experience as a non-executive director in the commercial and public sectors. Recognised as a thought leader in financial services, she has particular interests in financial services regulation, superannuation, innovation and digital technologies and has published widely in these areas.



Fiona Pearse

Non-executive director October 2017, BEc, MBA, FCPA, FAICD
Committees Audit, risk and compliance; People and nominations

Fiona has extensive commercial, financial and tax expertise gained from a broad career spanning almost two decades at leading ASX-listed, global companies BHP and BlueScope Steel. She has served as a non-executive director of City West Water and as an advisory board member to a Stone & Chalk regtech.



Jane Bell

Non-executive director September 2014, BEc, LLB, LLM (London), FAICD
Committees Audit, risk and compliance; People and nominations

Jane is a banking and finance lawyer with 30 years' experience in senior roles in leading law firms, banks, financial services and corporate treasury operations across Australia, the UK, Canada and the USA. She is a non-executive director of Monash Health and Jessie McPherson Private Hospital.



Kerrie Williams

Non-executive director June 2019, BSc, MBA, FFin, GAICD
Committees Investment; People and nominations

Kerrie is an experienced executive with over 30 years in the financial services and retail sectors, focused on business strategy and operational leadership. She has been a professional adviser to institutional investors on investments, risk and governance, and has extensive knowledge of the superannuation and fund management sectors.



Lindsay Mann

Non-executive director September 2014, BA, FIAA, GAICD
Committees Investment (Chair)

Lindsay is a Fellow of the Actuaries Institute and has over 45 years' financial services experience. He has held a number of senior executive positions in funds management, wealth management and life insurance across Asia, Australia and New Zealand.



Mathew Browning

Executive director and chief executive officer February 2018
BSc, MRICS, FFin

Mathew is the former general manager of The Myer Family Company (MFCo). He has over 25 years' executive experience in financial, property and professional services across Australia, Asia and the UK. At MFCo, his prior roles included head of investment and chief operating officer.



Terry McCredden

Non-executive director December 2013, BCom (Hons)
Committees Investment; People and nominations

Terry brings 30 years' experience in the Australian superannuation industry, alongside a deep understanding of the issues facing the sector. He is a former CEO of UniSuper and Telstra Super and has now retired from full-time executive roles.



Zarmeen Pavri

Non-executive director February 2019, BCom, ACA
Committees Audit, risk and compliance; Investment

Zarmeen brings over 24 years' experience in the funds management, impact investing and international development sectors. Her multidimensional background ranges from strategy development, investment, and risk management through to institutional sales and business development.

The structure, composition and diversity of the board is essential to its effectiveness.

Management team



Anna Hong

Portfolio manager, BSc, MFin, CADS

"Progress has been forged by people who've come before us and made choices to have a positive impact. To make the future sustainable, we need to take more action now. This common purpose at U Ethical is what makes coming to work enjoyable."



Danni Wu

Investment operations manager, BA, DipFin, Cert IV HR

"I am proud to support our highly experienced operations team in maintaining and improving on the high standards of service our clients rely on. U Ethical's approach is applied daily in how we respond to our clients' needs for a professional service they can trust to manage their accounts."



David Brennan

Director – distribution, BBusLaw, SnrExec MBA (Melb), DipIntlMgt, ExecEd (Harv), F Fin, GAICD

"I am proud to work for a social enterprise which was a pioneer of ethical investing in Australia and has grown steadily to become one of the largest ethical investment managers in Australia."



Georgina Laird

Ethics and impact manager, BSc

"Our investments are only as good as the world we invest in. This is why it is imperative that we make the right decisions today, to ensure a better tomorrow for future generations. It's this common purpose that makes working at U Ethical enjoyable."



James Cook

Chief investment officer, BEc

"I am proud and excited to work within U Ethical which acts as an active voice in the sector for ethical investment practices while supporting community, social justice and environmental projects."



James Davidson

Director – operations, Bch Teaching, Dip Financial Services

"Conscious of the size and potential influence the investment industry can have across the spectrum of ethical, social and environmental elements of wellbeing, I see it as mandatory that we do our best to ensure our organisational and personal impacts are strong."



Jon Fernie

Head of equities, B.Com, CFA, MBA

"Ethical investing helps make the world a better place for future generations, which is important to me. We avoid companies that are harmful to society and the environment, as well as targeting those that have a positive impact."



Juin Ng

Risk and compliance manager, LLB

"Ethical investment means building wealth in a sustainable manner. U Ethical's philosophy enables our clients to do just that: influence positive change through investment."



Leeanne Lukaitis

Director – finance / company secretary, ASA, BBus

"I am proud to be part of a business that has a positive impact for investors and our community."



Sumita Theagesan

Relationship manager, BComm, BA, DipFinMkts

"U Ethical has a long history of pioneering investment stewardship in Australia, as manager of Australia's first ethical funds. I am privileged to help grow our impact as it aligns strongly with my values."



Tim Ratcliff

Marketing manager, BA, BComm

"The biggest surprise for me when joining U Ethical was the fact that there doesn't have to be a trade-off between investing ethically and generating financial returns. But the more you think about it, the more it makes sense."

Our people

Our employee value proposition

An engaged and happy team is critical for the success of our business. Throughout FY2019 we sought expert advice to help develop a new employee value proposition (EVP). Our new EVP highlights to existing team members and potential hires what makes us distinctive and provides alignment to our core values—authenticity, progress, impact.

The EVP is centred on four areas:

- Job experience: We are a highly professional social enterprise working to support those who need it most.
- Benefits: We help our people to flourish through innovative benefits.
- Recognition: We seek feedback from our clients and each other to fulfil our purpose.
- Remuneration: We reward our people appropriately for the market in which we operate.

The creation of our EVP led the management team to develop new policies governing:

- Flexible work
- Wellbeing
- Volunteering, and
- Professional development.

Formally articulating our policies in each of these areas will help improve our employee experience and help U Ethical become an employer of choice.

Education, training and development

We actively encourage all team members to improve their professional knowledge and expertise. As a responsible entity and Australian Financial Service Licence holder, U Ethical requires relevant team members to demonstrate the competencies required to provide general financial product advice and to ensure our products are operated in a compliant manner.

This year we increased team members qualified under Regulatory Guide 146 to 15, ensuring ongoing professional management of products and clients.

Our team also completed training in areas ranging from new work practices to presentation skills to cybersecurity and digital transformation in financial services.

We support our team in maintaining professional memberships with industry bodies and in pursuing relevant professional development opportunities.

For instance, climate change is a growing concern to our organisation and to many team members. One employee was recently selected to be trained by Al Gore as a Climate Reality Leader and is now actively engaging business and community leaders on this important issue.

An engaged and happy team is critical for the success of our business.

Employee engagement survey

Our employee engagement survey is an important part of evaluating the success of our employee value proposition. It gives us the opportunity to understand how we are progressing as an organisation and what we can do better.

Historically, these surveys have been undertaken internally. In 2019, the survey was conducted by a specialist research firm thereby setting an independent and objective benchmark for measuring engagement trends. The results portal

also enables us to compare ourselves with others in the same industry at both a holistic and a granular level across a range of engagement factors.

The survey response rate was 100% and our overall engagement score was 66%. This puts us just shy of the top quartile compared to the industry. However an analysis of the engagement factors shows there is still plenty of room for improvement in a range of areas. The detailed results have been shared with the whole team as we work collectively on addressing the drivers of engagement.

Table 3: Training

	2019 ¹		2017		2016		2015		2014	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
External training	517 ²	305	355	167	244	154	174	197	199	79
Internal training	27	23	23	21	270	119	152	81	201	91
Total training hours	544	328	378	188	514	273	326	278	400	170

¹ Includes calendar year 2018.

² Excludes formal study programs.

10 nationalities represented

Diversity

We believe diversity and inclusion are at the core of creating a better business and better decision-making. We champion diversity on a number of dimensions including gender, age and ethnicity.

Our Diversity and Inclusion Policy sets out targets for gender representation. In FY2019, gender parity across the management team and the broader business was achieved.

We also actively seek a diverse range of backgrounds, with 10 nationalities represented amongst our team.

Gender diversity

Board of directors

If retirements and resignations cause membership to fall below 30% for male or female membership, the board will rectify the situation within 12 months. The board has a delegated responsibility to the people and nominations committee to lead this response.

Workplace

The board supports working towards gender equality at both management and non-management levels, noting that this may create practical difficulties given the scale of the organisation. Achieving and maintaining this representation is the responsibility of the CEO, with oversight by the people and nominations committee.

Table 4: Gender balance

		Financial years ended 30 June								Financial years ended 31 December									
		2019				2018				2017				2016				2015	
		Male	%	Female	%	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%		
Total staff	Management	6	50	6	50	6	75	2	25	5	71	2	29	3	75	1	25	3	75
	Non-management	5	45	6	55	6	46	7	54	7	50	7	50	7	54	6	46	7	50
	Total	23				21				21				17				18	
Total staff: Full time	Management	6	50	6	50	6	75	2	25	5	71	2	29	3	75	1	25	3	75
	Non-management	4	44	5	56	5	45	6	55	4	44	5	56	6	60	4	40	7	54
	Total	21				19				16				14				17	
Total staff: Part time	Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Non-management	1	50	1	50	1	50	1	50	3	60	2	40	1	33	2	67	0	0
	Total	2				2				5				3				1	

Table 5: Salary information by gender

Salary range	Financial years ended 30 June				Financial years ended 31 December					
	2019		2018		2017		2016		2015	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
\$0-\$50,000 ¹	4	4	4	4	5	4	7	2	6	2
\$50,001-\$100,000	3	5	2	4	4	5	3	6	5	6
\$100,001-\$150,000	3	5	4	3	3	4	3	1	2	2
\$150,001-\$200,000	2	1	3	2	3	-	2	-	1	-
\$200,001-\$250,000	1	-	1	-	-	-	-	-	-	-
\$250,001-\$300,000	1	-	1	-	-	-	-	-	-	-
\$300,001-\$350,000	1	-	1	-	1	-	1	-	1	-
Total	15	15	16	13	16	13	16	9	15	10

Figure 14: Gender representation targets



Employee turnover

Our team is integral to delivering on our five-year strategy and to this end we have sought out high-performing individuals with the experience to deliver on our goals. FY2019 was a year of significant change, with the departure of eight employees and the welcoming of 10 team members.

Amanda Wilkinson Executive assistant

Anna Hong Portfolio manager

Ciaran McCormack Marketing and communications officer

Danni Wu Investment operations manager

Diarmuid Broderick Associate relationship officer

Georgina Laird Ethics and impact manager

Juin Ng Risk and compliance manager

Sabina Ahmed Investment analyst – international equities

Sumita Theagesan Relationship manager

Tim Ratcliff Marketing manager

10
new staff members in FY2019

¹ This band consists of non-executive directors only, whose average remuneration in FY2019 was \$13,051.

Section 4. Stakeholder engagement and financial performance



Our clients

Figure 15: Wholesale clients

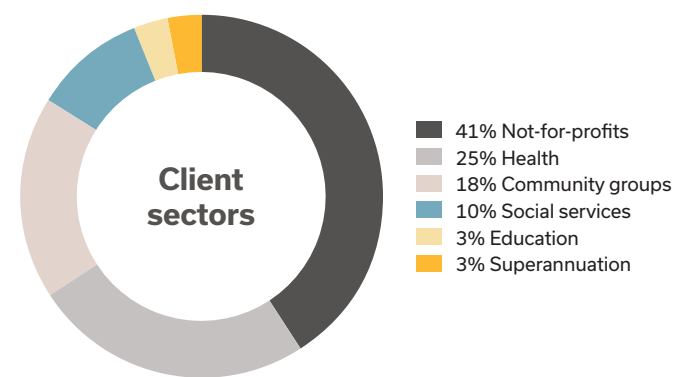


Table 6: Client make up

	June 2019	June 2018
Wholesale	564	567
Retail	4,046	4,204
Total	4,610	4,771

Client survey

As core stakeholders, it is important that we consult regularly with our clients as their opinions are key to shaping our business strategy and products. We engage with clients through our online and print

communications, events and ad hoc correspondence. Another key engagement tool is our annual survey. To the right are some of the key findings from the 2019 survey.

2019 survey

Wholesale

Figure 16: I would recommend U Ethical to similar organisations

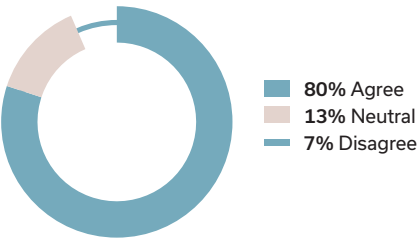


Figure 17: Which of our positive screens (i.e. sectors we proactively invest in) are important to you?

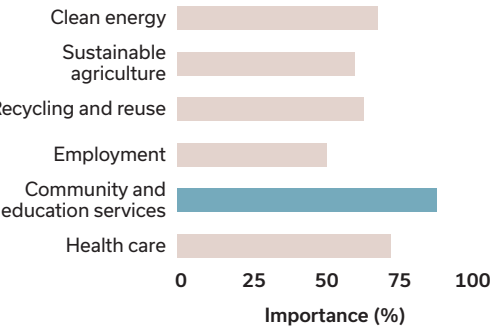
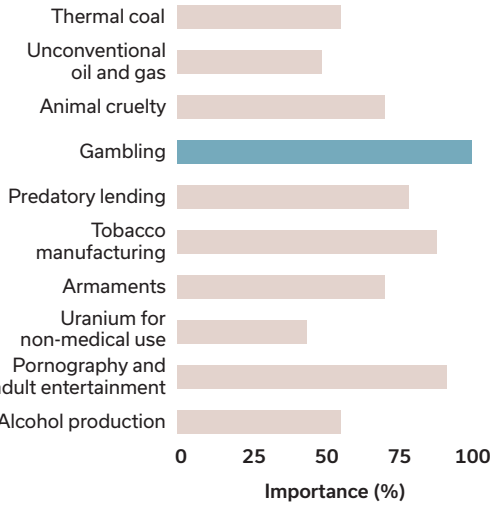


Figure 18: Which of the negative screens (i.e. practices we avoid) are important to you?



Retail

Figure 19: I would recommend U Ethical to others

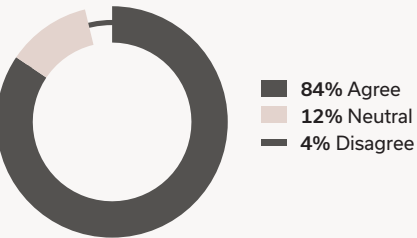


Figure 20: Which of our positive screens (i.e. sectors we proactively invest in) are important to you?

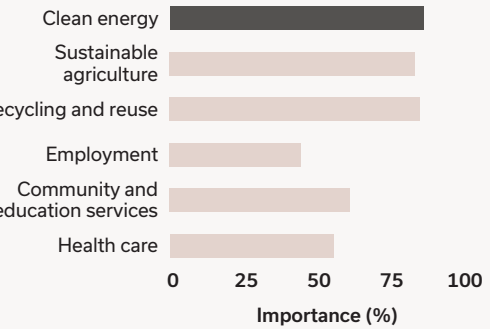
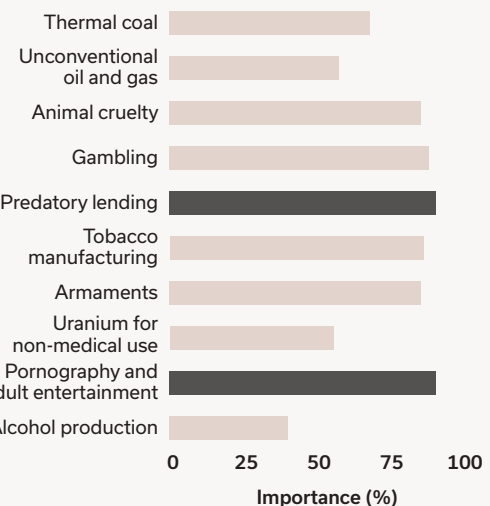


Figure 21: Which of the negative screens (i.e. practices we avoid) are important to you?



Client event: U Ethical health forum

U Ethical was delighted to host the president of the Australian Medical Association (AMA), Dr Tony Bartone, at a forum on 18 June where he outlined what the federal election result means for the health sector.

The event drew over 80 attendees from across the health sector, with interests ranging from the climate crisis to aged care, mental health, private health and primary care.

Dr Bartone delved into the pre-election priority issues put forward by the AMA and reiterated its call for the federal government to address:

- A future-proofed Medicare
- Climate change and health

— Aged care

— Supporting GP training

— Public hospitals

— Private health.

Dr Bartone acknowledged that time limitations meant he couldn't address all the priority issues but the common thread is that the sector is severely underfunded. Therefore, the AMA will continue to work closely with the federal Minister for Health, Greg Hunt MP, to secure "increased funding so the sector can be better tomorrow than it is today".

In thanking Dr Bartone, CEO Mathew Browning underscored the alignment between AMA's advocacy work and U Ethical's values: "We invest in healthcare because it is part of striving for a better world."

80
attendees from
across the health
sector

Client event: investor briefing

In early August 2018, we hosted our annual investor briefing, with almost 200 people venturing out into the Melbourne winter to attend.

The day included two sessions: a breakfast networking event and a lunch briefing for retail investors. The breakfast event included a detailed presentation from MinterEllison's special counsel, Sarah Barker, on the changes and impact of climate change legislation. Ms Barker said the climate change discussion had moved beyond debate of its existence to the financial implications for companies of inaction.

With recent changes to legislation and to reporting requirements, boards now need to take climate change into account and develop risk strategies around its impacts.

Ms Barker believes awareness of the financial implications of climate change is "going to really take off in the next few months here in Australia".

The lunch session included a special presentation from Mindy Leow, head of community building at B Lab Australia and New Zealand. Ms Leow took the audience through what it means to invest with a B Corporation. U Ethical was certified as a B Corp in May 2018.

"Even though consumers want to support good companies, we find that it can be really difficult sometimes to identify the good companies from those doing good marketing," Ms Leow said. "B Corp certification sets a high standard globally for companies to prove that they are walking the talk."

Certified

Corporation

200
attendees

2x
sessions

Financial performance

U Ethical is an investment manager and a responsible entity. U Ethical receives a management fee which funds:

- the operating costs of the business
- our annual community contribution
- a capital base to fund future investment in the business
- regulatory capital requirements.

This financial year, total income was \$9.4m. After deducting expenses of \$6.4m, the operating surplus was \$3.0m. This funded the majority of U Ethical's community contribution of \$3.1m. The balance of \$0.1m was funded from reserves which stood at \$3.4m at year end.

Table 7: Financial performance

	Financial years ended 30 June		Financial years ended 31 December		
	2019	2018 ¹	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Total income	9,370	4,463	9,119	7,466	7,870
Direct expenses attributable to:					
Employee expenses	(3,415)	(1,560)	(2,638)	(2,728)	(2,930)
Operating costs	(2,950)	(1,191)	(1,773)	(1,300)	(1,272)
Total expenses	(6,365)	(2,751)	(4,411)	(4,028)	(4,202)
Operating surplus	3,005	1,713	4,708	3,438	3,668
Community contribution	(3,100)	(1,701)	(3,903)	(3,031)	(3,189)
Net surplus/(deficit) after community contribution	(95)	12	805	407	478
Capital reserve at beginning of period	3,489	3,477	2,672	2,265	1,787
Capital reserve at end of period	3,394	3,489	3,477	2,672	2,265

¹ In 2018, U Ethical's financial year end was changed from 31 December to 30 June. Therefore, figures for 2018 cover a six-month transition period.

Our material topics

How we do business

Topics	Description	Our management approach
Ethical investment	Actively seeking positive outcomes through targeting SDG alignment. Minimising negative environmental and social impact through excluding various practices and industries, and integrated ESG analysis	Statement from the chief executive officer (Pg. 5) Our ethical approach (Pg. 18)
Values alignment	Ensuring our portfolios are aligned with the values of our various stakeholders	Our products (Pg. 12) Our ethical approach (Pg. 18)
Stakeholder engagement	Actively engaging with and managing key stakeholders, as well as seeking opportunities to lead and influence the sector on key issues	Our Ethical Advisory Panel (Pg. 21) Engagement and advocacy (Pg. 26) The people behind our impact (Pg. 32) Our clients (Pg. 46)
Transparency	Ensuring a high level of transparency and disclosure to stakeholders around business activities and performance	Our products (Pg. 12) The people behind our impact (Pg. 32)
Corporate ethics	Conducting business in a way that upholds the values and principles of the organisation.	Our ethical approach (Pg. 18) www.uethical.com/components www.uethical.com/about-us/corporate-governance
Governance	Clear policies, processes and procedures to manage activities within the business	The people behind our impact (Pg. 32) www.uethical.com/about-us/corporate-governance

Our impact

Topics	Description	Our management approach
Community contribution	Our annual surplus is invested in a range of community programs	Our community contribution (Pg. 29)
Engagement and advocacy	Generating a positive impact through our ethical investment policy and partnerships	Statement from the chief executive officer (Pg. 5) Our ethical approach (Pg. 18) Industry representation (pg. 56)

Workforce

Topics	Description	Our management approach
Employee engagement	Ensuring workplace culture, working conditions and opportunities meet employee needs and expectations	Our ethical approach (Pg. 18) The people behind our impact (Pg. 32)
Remuneration, benefits and retention	Ensuring competitive remuneration and benefits to attract and retain talent	Our ethical approach (Pg. 18) The people behind our impact (Pg. 32)
Professional development	Providing relevant and meaningful training, and development opportunities for team members	Our ethical approach (Pg. 18) Our people (Pg. 40) www.uethical.com/uploads/resources/Voting-Policy-U-Ethical.pdf
Diversity and inclusion	Providing equal opportunities, combating discrimination and fostering a culture of inclusion and diversity	Engagement and advocacy (Pg. 26) Our people (Pg. 40)

Fit-for-purpose products

Topics	Description	Our management approach
Product development	Product development and enhancement to ensure values aligned, fit-for-purpose products are available to clients	Our products (Pg. 12)
Investment performance	Maintain and enhance overall investment performance, including financial and ESG performance	Our ethical approach (Pg. 18)
Positive impact portfolio	Targeting companies which contribute to the achievement of the UN Sustainable Development Goals	Statement from the chief executive officer (Pg. 5) Investing for positive outcomes (Pg. 23)
Maintaining returns on investments	Generating returns on investments that meet client expectations under fluid and challenging conditions	Investment performance (Pg. 10) Ethical investment policy (Pg. 20) Our people (Pg. 40)

Climate preparedness

Topics	Description	Our management approach
Climate preparedness	Actions taken to limit the magnitude and/or rate of long-term climate change, primarily through a reduction of both direct and indirect greenhouse gas emissions (GHGs), including the carbon footprint of investments	Our ethical approach (Pg. 18) Our people (Pg. 40) Client events (Pg. 48)



Global Reporting Initiative (GRI) index



Our reporting is guided by the GRI Standards for sustainability reporting. We seek to apply the GRI principles, and we reference the GRI indicators in our performance reporting.

GRI Standard Number	Disclosure Number	Disclosure Title	Page
General disclosures			
GRI 102	102-14	Statement from senior decision-maker	4, 5
GRI 102	102-15	Key impacts, risks, and opportunities	20 - 24, 26, 28
GRI 102	102-1	Name of the organization	U Ethical
GRI 102	102-2	Activities, brands, products, and services	6, 12, 29
GRI 102	102-3	Location of headquarters	Back cover
GRI 102	102-4	Location of operations	Back cover
GRI 102	102-5	Ownership and legal form	56
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RIAA's Corporate Engagement Working Group
- United Nations Principles for Responsible Investment (UNPRI)
- Global Reporting Initiative (GRI)
- Banking and Finance Oath Limited.



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Organisation profile

Uniting Ethical Investors Limited (ABN: 46 102 469 821; AFSL: 247147) trading as U Ethical is a social enterprise of the Uniting Church in Australia (Vic/Tas). It is a company limited by guarantee and a responsible entity regulated by the Australian Securities and Investments Commission. U Ethical is also a charity registered with the Australian Charities and Not-for-profits Commission.

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Creating a better world by investing with purpose —today and into the future.

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Feedback

Central to our philosophy is a commitment to open dialogue with stakeholders, which is why your feedback is important. Please contact us with any feedback you might have about this report.

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