

Rest Super – Sustainable Growth option

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 9 February 2023



Disappointing

Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

This is an actively managed multi asset super/retirement investment option within the fund. They have negative and positive screening. Key negative exclusions companies involved in environmental damage, unethical supply chains and animal cruelty. Key positive inclusions are companies involved in clean energy, energy efficiency and climate action.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Fossil-fuel intensive industries: Transurban Ltd and Sydney Airport, AdBri, Mitsubishi Heavy Industry
 - Coal, oil, nuclear: Mitsubishi Heavy Industries
 - Weapons manufacturing: Austal, Heico, CAE Inc, Mitsubishi Heavy Industries
 - Poor lending practices: ZIP
 - Miners: Fortescue, Agnico Eagle Mines Ltd, Perseus Mining Ltd, Resolute Mining...
 - Gambling: Endeavour, Royal Caribbean
 - Alcohol: Treasury, Pernod Ricard, Diageo, Suntory, United Malt Group, Endeavour Gambling - Royal Caribbean cruises, Endeavour...
 - Junk food: Dominos, Coca-Cola, Hershey, Keurig Dr Pepper...
 - Animal testing: L'Oreal SA, Estee Lauder Cos., Colgate-Palmolive Co.
 - Other holdings with ethical concerns: big four banks.

Other concerns

- ✘ **There are strong indications of breaches of REST's screens in gambling and fossil fuels.**
- ✘ As a whole fund REST has mixed shareholder voting records and it generally seems to vote against climate and indigenous issues. This has been noted with recent BHP, Rio Tinto, Origin and Woodside shareholder resolutions.
- ✘ High materiality/exposure limits and limiting wording on negative screens can potentially result in unwanted exposures within the portfolio.
- ✘ Cash and fixed interest do not appear to be screened, with a portion of these held with the world's largest fossil fuel lending banks: Citi Bank, Bank of China, Bank of America, Royal Bank of Canada.
- ✘ Invests in companies named by [Market Forces](#) as undermining efforts to meet the Paris Agreement on Climate Change.
- ✘ REST do not specialise in ethical investments.

Good Points

- ✓ Net zero commitment by 2050, with clear goals [outlined here](#).
- ✓ The fund preferences sustainability leaders, selecting companies from several positive industries including renewables.
- ✓ Some commitment to transparency by being a UNPRI signatory.
- ✓ Good whole-of-fund proxy voting disclosure.
- ✓ Property portfolio appears to largely align with neutral to positive businesses.
- ✓ REST were included as a Responsible Investment Leader by the Responsible Investment Association Australia (RIAA) in 2021.

*This survey, and the information contained in this document, consider **ethics only** and do not include ANY analysis of fees, performance of financial suitability. It is **general advice only**. The ethical score is subjective and benchmarked to each adviser's average ethical client. Your ethics may differ. We recommend you speak to an experienced ethical financial adviser for personalised advice before making any decisions.*



Fund Overview

UNPRI Signatory	Yes - link
Full Holdings Disclosure	Yes - link
RIAA Certification	No
Disclosure of Voting	Yes - link
Ethical Screening Process	Refer to sustainability policy in the investment guide and on the website
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Power generation from coal, oil and gas × Oil and gas (conventional/ unconventional) × Fossil fuel supply chain and services × Fossil fuel reserves <p>Ethical screens</p> <ul style="list-style-type: none"> × Environmental damage × Animal cruelty × Tobacco × Gambling × Palm oil × Poor remuneration practices <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial and nuclear weapons × Unethical supply chain practices × Workplace Discrimination and Diversity
Materiality/Exposure Limits	<p>Materiality limits disclosed here.</p> <p>Zero percent revenue threshold from fossil fuels or tobacco manufacturing. 5% for gambling revenue or tobacco retail.</p> <p>All companies who derive any revenue from the manufacture and/or production of controversial weapons including chemical, cluster munitions, land mines and depleted uranium.</p>

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated 9 February 2023