

Perpetual - Ethical SRI

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



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 fund investing in Australian companies. It has negative and positive filters.

Ethical Concerns

Investments

- ✖ Some investments in the Fund can be problematic for ethical investors, such as:
 - Exposure to coal-seam gas and thermal coal plants: AGL Energy Ltd.
 - Oil refining, storage and distribution: Viva Energy (owns Shell), VIVA Energy REIT (petrol stations).
 - Mining contractors and suppliers: Imdex Ltd, MACA Ltd.
 - Uranium mining exposure: Oz Minerals (owns TORO Energy).
 - Other holdings with ethical concerns: News Corp, ANZ, Westpac, NAB, CSR.

Other concerns

- ✖ In FY2018, Perpetual utilised its holdings in the Ethical SRI Fund to vote against several climate change resolutions put forward by Market Forces and Local Government Super.
- ✖ Perpetual voted against two [ACCR](#) resolutions for Rio Tinto in 2018, one which addressed membership and support of lobby groups involved in 'obstructive climate lobbying', which have stances often running counter to Rio's own interests.
- ✖ Perpetual voted against a [Market Forces](#) resolution for Commonwealth Bank in 2017 to amend the constitution to ensure "the company is managed in a manner consistent with the objective of holding global warming to below two degrees Celsius above preindustrial levels".
- ✖ Perpetual voted against two [ACCR](#) resolutions for BHP Billiton in 2017, one intended to allow human rights resolutions to be filed, one which addressed BHP's membership and support of lobby groups involved in 'obstructive climate lobbying'.
- ✖ Perpetual voted against a [Market Forces](#) and Local Government Super resolution for QBE in 2017, requesting disclosure of its climate risk in line with the recommendations made by the Taskforce on Climate-related Financial Disclosures (TCFD).
- ✖ Perpetual voted against two [ACCR](#) resolutions for Woolworths in 2017, one aiming to address human rights issues in their supply chain.
- ✖ Invests in companies named by [Market Forces](#) as undermining efforts to meet the Paris Agreement on Climate Change.
- ✖ Perpetual do not specialise in ethical investments.

Good Points

- ✓ Fund excludes alcohol, gambling, tobacco, uranium and nuclear, armaments (including weapons), fossil fuels (upstream), genetic engineering, pornography and animal cruelty (cosmetic testing).
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA](#) certified.
- ✓ Good transparency with [full holdings](#) and [voting history](#) publicly available on their website.
- ✓ Companies may be excluded when environmentally and socially harmful practices exceed 5% of total revenue.
- ✓ Perpetual's ethical screening process preferences companies with strong environmental sustainability initiatives and positive social benefits.

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 1st March 2019