

T. Rowe Price Global Impact Equity Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 15 August 2024



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 global equities impact fund available as an unlisted managed fund (ETL6342AU). They have negative and positive screening. The fund has a dual mandate, which seeks to outperform the MSCI All Country World Index, as well as seeking to have social and positive impact on the environment and society by investing in companies whose current or future business activities are expected to generate a positive impact under one of the following three impact pillars: Climate and resources, Social equity and quality of life; and Sustainable innovation and productivity; all of which are aligned to the UN's SDGs.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Canadian National Railway: Distribution, logistics and support (coal/oil/gas/mining).
 - TE Connectivity Ltd: Both fossil fuel and renewables sector.
 - Tesla: Human rights, supply chain issues, mistreatment of workers.

Other concerns

- ✘ T.Rowe Price do not specialise in ethical investments.
- ✘ Materiality/exposure limits (albeit low) on negative screens can potentially result in unwanted exposures within the portfolio.

Good Points

- ✓ The fund preferences sustainability leaders, selecting companies from several positive industries including renewables.
- ✓ Provides a [Charter \(LINK\)](#) detailing the ethical screening process.
- ✓ Commitment to transparency by being [UNPRI \(LINK\)](#) signatory [RIAA \(LINK\)](#) certified.
- ✓ Good transparency of holdings and voting history, both easily accessed via the public website, see links overleaf.
- ✓ The Fund's/Trust's investment choices typically demonstrate a clear connection with one of the UN Sustainable Development Goals.

Fund Overview

UNPRI Signatory	Yes (LINK)
Full Holdings Disclosure	Yes (LINK) – scroll down for top 10 and full holdings.
RIAA Certification	Yes (LINK)
Disclosure of Voting	Yes (LINK) – select the T. Rowe Price Global Impact Equity Fund from the fund dropdown list.
Ethical Screening Process	Refer (LINK) and website.
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Fossil fuels <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Alcohol × Adult entertainment × Civilian firearms × For-profit prisons × Conduct-based <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons × Conventional weapons
Materiality/Exposure Limits	<ol style="list-style-type: none"> 1. Adult entertainment - Companies that derive more than 5% of their revenues through the retail or production of adult entertainment. 2. Alcohol - Companies that derive more than 5% of their revenues through the production of alcohol. 3. Controversial Weapons (including nuclear) - Companies that have direct exposure to anti-personnel land mines, cluster munitions, incendiary weapons, biological weapons, chemical weapons and/or nuclear weapons; which is defined as either: <ol style="list-style-type: none"> a. The company is developing, producing, maintaining, distributing, storing or providing another service for cluster munitions, anti-personnel land mines, incendiary, biological, chemical and/or nuclear weapons; b. The company is developing, producing or providing another service for a component primarily developed for use in cluster munitions, anti-personnel land mines, incendiary, biological, chemical and/or nuclear weapons; c. The company is developing, producing or providing another service specialized or customized for the deployment of cluster munitions, anti-personnel land mines, incendiary, biological, chemical and/or nuclear weapons; or d. The company has an ownership stake of more than 50% in a company with direct exposure to cluster munitions, anti-personnel land mines, incendiary, biological, chemical and/or nuclear weapons.

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4. Conventional Weapons - Companies that derive more than 5% of their revenues through the production of conventional weapons.
 5. For-profit Prisons - Companies that derive more than 5% of their revenues through for-profit prisons.
 6. Fossil Fuels - Companies that derive more than 5% of their revenues through the production of thermal coal and companies that are identified within the Oil or Gas industry through the Global Industry Classification Standard (GICS) and/or Bloomberg Industry Classification Standard (BICS).
 7. Gambling - Companies that derive more than 5% of their revenues through gaming (gambling) activities or casinos.
 8. Tobacco - Companies that have direct exposure to the production of tobacco, or the manufacture of nicotine alternatives and tobacco-based products.
 9. Conduct-based - Corporate or sovereign issuers that, in the opinion of the investment manager, have been involved in an extreme environmental, social, ethical or governance breach as determined in reference to the UN Global Compact principles and are not taking adequate steps to remediate the issue.
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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 25 July 2024.