

**Australian
Ethical**



AUSTRALIAN ETHICAL COMPLAINTS HANDLING POLICY

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Approver	Boards of AEI and AES
Version	4
Date Approved	21 September 2021
Next Review Date	September 2023
Security Classification	Internal Use and public use

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1 Purpose and Scope

This Policy applies to Australian Ethical Investment Limited and all Group subsidiaries (Australian Ethical or the Group). For the avoidance of doubt this includes but is not limited to Australian Ethical Superannuation Pty Ltd.

The purpose of this Policy is to outline prudent practices in relation to the management of the Group’s Complaints arrangements consistent with legislative and regulatory obligations.

This Policy records the approach taken by Australian Ethical Investment Limited (AEI) and its wholly owned subsidiary, Australian Ethical Superannuation Pty Ltd (AES), together referred to throughout this document as Australian Ethical, to:

- a. Identify Complaints
- b. Assess, evaluate and resolve Complaints promptly, efficiently, consistently, and impartially; and
- c. Comply with the applicable legal requirements in relation to dispute resolution.

2 Reference

This Policy has been written with reference to:

- ASIC Regulatory Guide 271 Licensing: Internal and External Dispute Resolution
- AISC Regulatory Guide 104: AFS licensing: Meeting the general obligations
- Australian Standard on Complaints Handling (AS/NZS 10002:2014, Customer Satisfaction – Guidelines for Complaints handling in organisations)

This Policy should be read in conjunction with the:

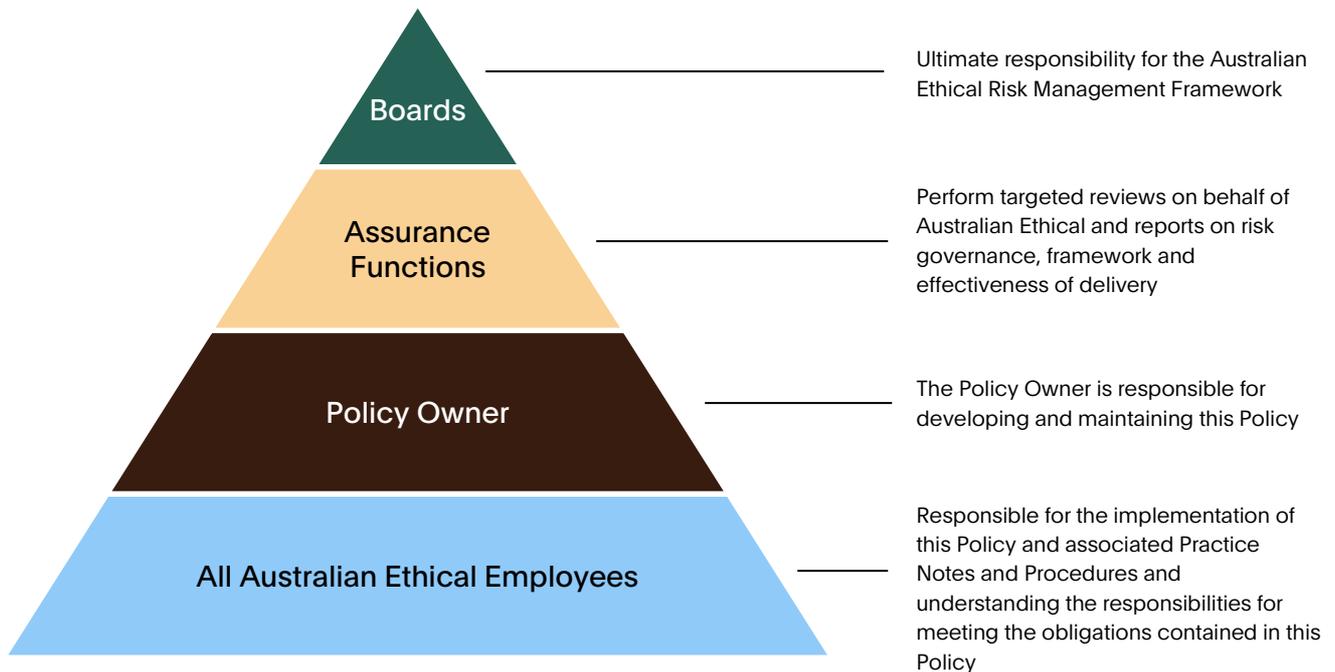
- Risk Management Framework
- Conflict Management Framework
- Privacy Policy
- Complaints Handling Procedures
- Incident Management Policy & Procedures
- Data Breach Notification Response Plan
- Vulnerable Customers Policy
- Vulnerable Customer Guidance

3 Risk Management and Capacity

Risk	Response	Comments
Risk Appetite Statement	Risk Management	This Policy relates to Australian Ethical in all capacities and is aimed at setting the approach for handling complaints across the business
Board’s Appetite	Actively Manage / Minimise/ Avoid	
Risk Tolerance	Moderate	

Adherence to this Policy will ensure that the risks associated with handling Complaints are properly managed.

4 Roles and Responsibilities



5 Obligations and Accountabilities

This Policy outlines the base standards which apply to all Complaints. It ensures that Australian Ethical employees are aware of the principles around handling Complaints within the Group.

Information about complainants and their Complaints must be treated as confidential. In reviewing and dealing with a Complaint, Australian Ethical is aware that the privacy obligations of the Privacy Act 1988 and its own Privacy Policy must be followed at all times.

The "Audit, Risk and Compliance Committee" (ARCC) has delegated authority from the Board in relation to the Complaints handling functions, including the management of systemic issues identified through consumer Complaints as well as have some oversight of the Internal Dispute Resolution and External Dispute Resolution process.

5.1 Key components of the Complaints framework

Step	Component	Requirement
1.	Identifying a Complaint	<p>In order to ensure the Complaint (as defined in Appendix 1) is handled by the correct party, it has to be established which entity it relates to. Complaints may be received by letter, email, telephone, social media contact or in person.</p> <p>All Complaints must be recorded in the complaints register.</p>
2.	Internal Dispute Resolution - AES	<p>Complaints relating to the Australian Ethical Retail Superannuation Fund (Super Fund) may be resolved by the Fund Administrator (Mercer) or the Insurer without the need for direct involvement by AES, may be resolved jointly by the Fund Administrator or Insurer and AES, or may be resolved directly by AES.</p> <p>In line with regulation, Complaints must be properly considered and dealt with within 45 days of the Complaint being made (where it is not possible to provide a final response to the complainant within 45 days the complainant or disputant must be informed of the status of the Complaint or dispute, the reasons for the delay, the right to complain to an ASIC-approved external dispute resolution scheme and provide the name and contact details of the relevant scheme). For Complaints about the distribution of death benefits there is a 90 day timeframe to respond to the Complaint after the expiry of the 28 day claim staking period.</p> <p>AES may receive a Complaint either directly by AES or by the Fund Administrator or by the Insurer. If a Complaint is received directly by AES and it is deemed to be administrative in nature, or of a standard nature which can be dealt with by the Fund Administrator or Insurer, the Trustee Office may instruct the Fund Administrator or Insurer to address the Complaint as if it had received the Complaint directly.</p> <p>Where it is not possible to provide a final response to the complainant within 45 or 90 days (for death benefits) the complainant or disputant must be informed of the status of the Complaint or dispute, the reasons for the delay, the right to complain to AFCA and provide AFCA's contact details.</p>
3.	Internal Dispute Resolution AEI	<p>Complaints relating to the Australian Ethical Managed Investment Funds (Managed Funds) or Australian Ethical as a corporate entity may be received internally by the Client Services Team or by the Registry Provider. Such Complaints are generally resolved by the Client Services Team. In line with regulation, Complaints should be properly considered and dealt with within 30 days of the Complaint being made. Where it is not possible to provide a final response to the complainant within 30 days the complainant or disputant must be informed of the status of the Complaint or dispute, the reasons for the delay, the right to complain to AFCA and provide AFCA's contact details.</p>

Step	Component	Requirement
4.	Monitoring/oversight	Monitoring and oversight is done by the ARCC through the service provider report on a quarterly basis, this includes consideration of Systemic Issues.
5.	Complaints about employers	<p>If the Complaint is related to a procedure undertaken by the Super Fund (e.g. referral to an arrears collection agency when employer contributions are not received), the Complaint should be addressed in line with the standard procedures outlined above and in the appendices.</p> <p>In all other circumstances the complainant should be advised as soon as practicable that the Complaint cannot be actioned by AES and referred to the appropriate person or body (e.g. the employer and/or the Australian Taxation Office).</p>
6.	Complaints register	<p><u>Super</u></p> <p>The Trustee Office and the Fund Administrator maintain a joint AES/Mercer Superannuation complaints register in which all Complaints received are recorded.</p> <p>The Trustee Office and the Insurer will maintain a complaints register in which all Complaints are recorded.</p> <p><u>Managed Funds</u></p> <p>The Group maintains a complaints register in which Complaints received by the Client Services Team in relation to the Managed Funds or the Corporate Entity are recorded.</p> <p>In addition, the Registry Provider maintains an internal Issues Log, which is provided to Australian Ethical quarterly.</p>
7.	External Dispute Resolution – Australian Financial Complaints Authority (AFCA)	<p>If a Complaint relating to the provision of financial services by Australian Ethical is not resolved to the complainant’s satisfaction using Australian Ethical’s internal dispute resolution procedures, the complainant may refer the Complaint to AFCA.</p> <p>AFCA can handle certain types of Complaints (notably excluding general Complaints about investment performance or the general level of fees and charges) and only if they are lodged within specified time limits. AFCA cannot deal with any complaints if they are the subject of court proceedings, or Complaints made by sponsoring employers.</p>

Step	Component	Requirement
		<p>Complainants cannot complain to AFCA unless they have already used, or attempted to use, Australian Ethical’s internal dispute resolution procedures. If they attempt to do so, they will be rejected by AFCA.</p> <p>Australian Ethical cannot normally refer a Complaint to AFCA. AFCA must affirm Australian Ethical’s original decision unless it is satisfied that the decision was not fair and reasonable in all the circumstances of the particular case. AFCA cannot make a decision contrary to the law or to the governing rules of the Super Fund or Managed Fund.</p>
8.	Role of the Courts	<p>A Complainant may also be able to seek redress through the courts after a decision by Australian Ethical and/or the external dispute resolution body.</p>
9.	Representation on behalf of a complainant	<p>Generally, an individual complainant must act on his or her own behalf in making a Complaint under the Australian Ethical’s internal dispute resolution procedures and in making a Complaint to the external dispute resolution body.</p> <p>However, there are certain circumstances in which Australian Ethical will accept Complaints by a representative on behalf of a complainant. They are as follows:</p> <ol style="list-style-type: none"> a. Where the complainant is under the age of 18. b. Where the complainant has a disability within the meaning of the Disability Discrimination Act 1992 or is deceased. c. Where the complainant’s circumstances are such that the Australian Ethical is satisfied that it is necessary or desirable for the Complaint to be made by a representative of the complainant. <p>Representatives will be asked to provide evidence that the complainant is covered by one of these categories.</p>
10.	Professional Indemnity	<p>As some Complaints may involve immediate or contingent financial liabilities, Australian Ethical maintains appropriate levels of professional indemnity at all times. If a Complaint is received that may potentially require Australian Ethical to make a claim on its professional indemnity insurance, the General Counsel / Company Secretary will consider the likelihood and monetary value of the claim in deciding whether the Insurer should be notified of the Complaint prior to the claim actually being made. The General Counsel /</p>

Step	Component	Requirement
		Company Secretary will refer their decision to the appropriate Board for ratification or further consideration as required.
11.	Reporting of Complaints	<p>The Chief Risk Officer provides a brief overview of all Complaints received, open and resolved as part of the quarterly Risk Report to the ARCC.</p> <p>The Chief Operations Officer provides an update of all Complaints received relating to the major service providers as part of the quarterly Service Provider report to the ARCC.</p> <p>In addition to the information contained on the Register, any other records associated with the Complaint are maintained for at least seven (7) years.</p>
12.	Breach reporting	Breaches of RG 271's Enforceable Provisions as well as other breaches of the law, SLAs of third party providers or Australian Ethical's policy and procedures will be reported in accordance with the Incident Management Policy.
13.	Resourcing	Australian Ethical will be monitoring resourcing frequently to ensure the Internal Disputes Resolution process is managed effectively.

5.2 Conflicts of interest management

The Conflicts Management Policy addresses all conflicts that might arise from Complaints, in particular the identification, monitoring, management, mitigation, and resolution of conflicts.

5.3 Training and awareness

The Operations team is responsible for ensuring that all relevant staff are aware of their obligations under this Policy.

6 Exceptions

It is not expected that any exceptions to this Policy will occur. In the unlikely event that exceptions are required these must be approved by the Chief Executive Officer or the Chief Risk Officer.

7 Adherence with Group Policies, Practice Notes and Procedures

Employees must adhere to, and is responsible for familiarising themselves with, all Australian Ethical's policies, practice notes and procedures.

8 Whistleblower provisions

In certain circumstances an individual may be concerned that unacceptable behaviour, misconduct, or other reportable conduct (as defined in the Whistleblowing Policy) has occurred in relation to this Policy but be in a position where he or she believes it would be personally damaging to pursue through normal channels. The Whistleblowing Policy sets out the guidelines and procedures for dealing with information that may be provided with regard to unacceptable behaviour, misconduct, breaches of the Corporations Act 2001, the Australian Securities and Investments Commission Act 2001, the Superannuation Industry (Supervision) Act 1993 and all other matters relevant to whistleblowing. All employees are encouraged to report any known or suspected incidences of reportable conduct to the Whistleblower Protection Officer (WPO) (the Primary WPO is the Group General Counsel and the Secondary WPO is the Chief Risk Officer).

9 Point of contact

The Chief Operations Officer, and the Operations Team are the points of contact for matters arising from this Policy.

10 Review cycle

This Policy will be reviewed on at least a two-yearly basis or as deemed necessary by the Chief Operations Officer.

Appendix 1 – Key Terms

Key Term	Meaning
Complaint	<p>As defined by the AS/NZS 10002:2014, a Complaint* is an ‘expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a Complaint, where a response or resolution is explicitly or implicitly expected or legally required.’</p> <p>Note: We interpret the words ‘or about an organisation’ in the definition to cover expressions of dissatisfaction made on social media in accordance with RG 271.32(a).</p>
Complaints that need to follow a complete internal dispute resolution (IDR)	<p>Complaints that require written responses include (even if the Complaint is resolved within 5 days):</p> <ul style="list-style-type: none"> • A Complaint that relates to hardship, a declined insurance claim or the value of an insurance claim and a decision of the superannuation trustee*; or • A complainant requests a written response <p>*for any decision of a trustee (or failure by the trustee to make a decision) relating to a Complaint. The Trustee in this section means Australian Ethical Superannuation Pty Ltd</p>
What is not considered to be a Complaint	<p>For avoidance of doubt, under RG 271.33 the following are not considered to be ‘Complaints’:</p> <ul style="list-style-type: none"> • employment-related Complaints raised by financial firm staff; and • comments made about a firm where a response is not expected, such as: <ul style="list-style-type: none"> I. feedback provided in surveys; or II. reports intend solely to bring a matter to a financial firm’s attention- for example, a form or disclosure document has a spelling mistake.
Australian Financial Complaints Authority (AFCA)	<p>The Australian Financial Complaints Authority (AFCA) is a free, fair and independent dispute resolution scheme. AFCA consider Complaints about financial products and services. AFCA’s service is offered as an alternative to tribunals and courts to resolve complaints consumers and small businesses have with their financial firms.</p>
Systemic issue	<p>A systemic issue is a matter that affects, or has the potential to affect, more than one consumer for example, a disclosure document that is inadequate or misleading, unit pricing error or a system issue that produces errors for example, benefit calculation errors or premiums deduction errors.</p>

Appendix 2 – Overview of the Complaints process

Super



Complaint Handling
Process Flow - Super

Managed Funds



Complaint Handling
Process Flow - Manag