

G3 Content Index - Financial Services Sector Supplement

| Application Level | | A+ | Assured by | | NetBalance | |
|---|---|----------|--|---|---------------------|-------------|
| STANDARD DISCLOSURES PART I: Profile Disclosures | | | | | | |
| 1. Strategy and Analysis | | | | | | |
| Profile Disclosure | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for omission | Explanation |
| 1.1 | Statement from the most senior decision-maker of the organization. | Fully | Sustainability Report, page 4-6 | | | |
| 1.2 | Description of key impacts, risks, and opportunities. | Fully | Sustainability Report, page 4-6, 44 | | | |
| 2. Organizational Profile | | | | | | |
| Profile Disclosure | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for omission | Explanation |
| 2.1 | Name of the organization. | Fully | Sustainability Report, page 3 | | | |
| 2.2 | Primary brands, products, and/or services. | Fully | Sustainability Report, page 7-8 | | | |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | Fully | Sustainability Report, page 7-8 | | | |
| 2.4 | Location of organization's headquarters. | Fully | Sustainability Report, page 2 | | | |
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | Fully | Sustainability Report, page 7-8 | | | |
| 2.6 | Nature of ownership and legal form. | Fully | Sustainability Report, page 7-8 | | | |
| 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | Fully | Sustainability Report, page 7-8 | | | |
| 2.8 | Scale of the reporting organization. | Fully | Sustainability Report, page 7-8 | | | |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | Fully | Sustainability Report, page 7-8 | | | |
| 2.10 | Awards received in the reporting period. | Fully | Sustainability Report, page 4 | | | |
| 3. Report Parameters | | | | | | |
| Profile Disclosure | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for omission | Explanation |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. | Fully | Sustainability Report, page 3 | | | |
| 3.2 | Date of most recent previous report (if any). | Fully | Sustainability Report, page 3 | | | |
| 3.3 | Reporting cycle (annual, biennial, etc.) | Fully | Sustainability Report, page 3 | | | |
| 3.4 | Contact point for questions regarding the report or its contents. | Fully | Sustainability Report, page 3 | | | |
| 3.5 | Process for defining report content. | Fully | Sustainability Report, page 45 | | | |
| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. | Fully | Sustainability Report, page 3 | | | |
| 3.7 | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). | Fully | Sustainability Report, page 3 | | | |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | Fully | Sustainability Report, page 3 | | | |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols. | Fully | Sustainability Report, page 3 | | | |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). | Fully | Sustainability Report, page 3 | | | |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | Fully | Sustainability Report, page 3 | | | |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | Fully | GRI Content Index: http://australianethical.com.au/sustainability-reports | | | |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | Fully | Sustainability Report, page 3 | | | |
| 4. Governance, Commitments, and Engagement | | | | | | |
| Profile Disclosure | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for omission | Explanation |
| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | Fully | Sustainability Report, page 11-12 | | | |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | Fully | Sustainability Report, page 11 | | | |
| 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. | Fully | Sustainability Report, page 11; Annual Report, pages 27-28 | | | |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | Fully | Sustainability Report, page 16 and 18 | | | |

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| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance). | Fully | Sustainability Report, page 13; Annual Report, pages 18-24 | | | | |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | Fully | Sustainability Report, page 13 | | | | |
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics. | Fully | Sustainability Report, page 11-12 | | | | |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | Fully | Sustainability Report, page 12-13 | | | | |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | Fully | Sustainability Report, page 11-12 | | | | |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | Fully | Sustainability Report, page 12 | | | | |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | Fully | Sustainability Report, page 14 | | | | |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | Fully | Sustainability Report, page 14 | | | | |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. | Fully | Sustainability Report, page 14 | | | | |
| 4.14 | List of stakeholder groups engaged by the organization. | Fully | Sustainability Report, page 16 | | | | |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | Fully | Sustainability Report, page 16, 45 | | | | |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | Fully | Sustainability Report, page 16-18 | | | | |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | Fully | Sustainability Report, page 16-18 | | | | |
| STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs) | | | | | | | |
| FSSS DMAs | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for omission | Explanation | To be reported in |
| DMA PS | Disclosure on Management Approach PS | | | | | | |
| Aspects | Product Portfolio | Fully | Sustainability Report, page 29-31 | | | | |
| FS1 | Policies with specific environmental and social components applied to business lines. | Fully | Sustainability Report, page 10 | | | | |
| FS2 | Procedures for assessing and screening environmental and social risks in business lines. | Fully | Sustainability Report, page 30-31 | | | | |
| FS3 | Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions. | Not | | | Not applicable | As per the sector supplement, this indicator does not apply to asset management as the specific asset management issues related to screening and engagement are covered in indicators FS11 and FS5. | |
| FS4 | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines. | Fully | Sustainability Report, page 30 | | | | |
| FS5 | Interactions with clients/investees/business partners regarding environmental and social risks and opportunities. | Fully | Sustainability Report, page 18 | | | | |
| | Audits | Fully | Sustainability Report, page 30-31 | | | | |
| | Active Ownership | Fully | Sustainability Report, page 31-32 | | | | |
| DMA EC | Disclosure on Management Approach EC | | | | | | |
| Aspects | Economic Performance ^{COMM} | Fully | Sustainability Report, page 41-42 | | | | |
| | Market presence | Fully | Sustainability Report, page 43 | | | | |
| | Indirect economic impacts | Fully | Sustainability Report, page 44 | | | | |
| DMA EN | Disclosure on Management Approach EN | | | | | | |
| Aspects | Materials | Fully | Sustainability Report, page 33-35 | | | | |
| | Energy | Fully | Sustainability Report, page 35-36 | | | | |
| | Water | Fully | Sustainability Report, page 36 | | | | |
| | Biodiversity | Fully | GRI Content Index: EN11, EN12, EN13, EN14, EN15 | | | | |
| | Emissions, effluents and waste | Fully | Sustainability Report, page 37-40 | | | | |
| | Products and services | Fully | Sustainability Report, page 40 | | | | |
| | Compliance | Fully | GRI Content Index: EN28 | | | | |
| | Transport | Fully | Sustainability Report, page 37 | | | | |
| | Overall | Fully | Sustainability Report, page 10, 33 | | | | |
| DMA LA | Disclosure on Management Approach LA | | | | | | |
| Aspects | Employment | Fully | Sustainability Report, page 19-21, 23-24 | | | | |
| | Labor/management relations | Fully | GRI Content Index: LA4, LA5 | | | | |
| | Occupational health and safety ^{COMM} | Fully | Sustainability Report, page 24; GRI Content Index: LA8, LA9 | | | | |

| | Training and education | Fully | Sustainability Report, page 22-23 | | | | |
|--|---|----------|--|---|---------------------|---|-------------------|
| | Diversity and equal opportunity | Fully | Sustainability Report, page 20 | | | | |
| DMA HR | Disclosure on Management Approach HR | | | | | | |
| Aspects | Investment and procurement practices | Fully | Sustainability Report, page 31; GRI Content Index: HR2, HR3 | | | | |
| | Non-discrimination | Fully | Sustainability Report, page 20 | | | | |
| | Freedom of association and collective bargaining | Fully | GRI Content Index: HR5 | | | | |
| | Child labor | Fully | GRI Content Index: HR6 | | | | |
| | Forced and compulsory labor | Fully | GRI Content Index: HR7 | | | | |
| | Security practices | Fully | GRI Content Index: HR8 | | | | |
| | Indigenous rights | Fully | Sustainability Report, page 20 | | | | |
| DMA SO | Disclosure on Management Approach SO | | | | | | |
| Aspects | Community | Fully | Sustainability Report, page 18, 25-27 | | | | |
| | Corruption | Fully | Sustainability Report, page 13, 28; GRI Content Index: SO2, SO3 | | | | |
| | Public policy | Fully | Sustainability Report, page 28 | | | | |
| | Anti-competitive behavior | Fully | Sustainability Report, page 28 | | | | |
| | Compliance | Fully | Sustainability Report, page 28 | | | | |
| DMA PR | Disclosure on Management Approach PR | | | | | | |
| Aspects | Customer health and safety | Fully | GRI Content Index: PR1, PR2 | | | | |
| | Product and service labelling | Fully | Sustainability Report, page 30, 32 | | | | |
| FS15 | | | Company procedure includes the review of product disclosure statements by appropriate section heads within Australian Ethical through verification and sign off. Product disclosure statements are reviewed by Australian Ethical's legal team and board delegates who are delegated the responsibility for overseeing the review of the document. In addition to this, tenet 'b' of the Australian Ethical Charter states that the company should seek out and support production of high quality and properly presented products and services. Adherence to this tenet is required internally by Australian Ethical as well, as it is enshrined in the company constitution. Hence the same standard applies to the company's internal operations as the Charter requires of investee companies. | | | | |
| | Policies for the fair design and sale of financial products and services. | Fully | | | | | |
| | Marketing communications | Fully | Sustainability Report, page 32 | | | | |
| | Customer privacy | Fully | Sustainability Report, page 32 | | | | |
| | Compliance | Fully | Sustainability Report, page 32; GRI Content Index: PR9 | | | | |
| STANDARD DISCLOSURES PART III: Performance Indicators | | | | | | | |
| Product and Service Impact | | | | | | | |
| Performance Indicator | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for Omission | Explanation | To be reported in |
| Product portfolio | | | | | | | |
| FS6 | Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector. | Fully | Sustainability Report, page 29-30 | | | | |
| FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose. | Not | | | Not applicable | As per the sector supplement, this indicator excludes asset management since this is reported under indicator FS11. | |
| FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose. | Not | | | Not applicable | As per the sector supplement, this indicator excludes asset management since this is reported under indicator FS11. | |
| Audit | | | | | | | |
| FS9 | Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures. | Fully | Sustainability Report, page 30-31 | | | | |
| Active ownership | | | | | | | |
| FS10 | Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues. | Fully | Sustainability Report, page 31 | | | | |
| FS11 | Percentage of assets subject to positive and negative environmental or social screening. | Fully | Sustainability Report, page 29 | | | | |
| FS12 | Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting. | Fully | Sustainability Report, page 31-32 | | | | |
| Economic | | | | | | | |
| Performance Indicator | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for Omission | Explanation | To be reported in |
| Economic performance | | | | | | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | Fully | Sustainability Report, page 42 | | | | |

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|----------------------------------|--|-----------------|---|--|----------------------------|---|--------------------------|
| | | | Financial implications of climate change Climate change and related issues have significant prominence at Australian Ethical both in our investment management strategies and business operations. Australian Ethical's quite unique position in the funds management industry offers investors the opportunity to contribute to solving and alleviating some of the very large environmental and social issues that are faced in Australia, indeed, in the world today. We expect investors and superannuation members will be more conscious of the benefits of responsible investment in the longer term, particularly in relation to climate change. The risk of being exposed to companies largely affected by climate change related regulatory changes, such as carbon trading, is considered to be low for the company, given Australian Ethical's investment approach and screening process. The company, due to the way it utilises the Australian Ethical Charter, selects and screens its potential investments, and hence has minimal exposure to carbon intensive industries within its screened investment portfolio. While the company is aware of the risks and opportunities climate change presents, the company has not quantified the financial implications of climate change for the organization at this point in time. | | | | |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | Fully | | | | | |
| EC3 | Coverage of the organization's defined benefit plan obligations. | Fully | Sustainability Report, page 43 | | | | |
| EC4 | Significant financial assistance received from government. | Fully | Sustainability Report, page 43 | | | | |
| Market presence | | | | | | | |
| EC5 | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation. | Not | | | Not available | Australian Ethical has not reported this information for the 2011-12 year as comparable minimum wage data for the financial sector in Canberra was unavailable. The company is committed to reporting on this indicator in the medium term. | 2013 |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | Fully | Sustainability Report, page 43 | | | | |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | Fully | Sustainability Report, page 43 | | | | |
| Indirect economic impacts | | | | | | | |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | Fully | Sustainability Report, page 44 | | | | |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | Fully | Sustainability Report, page 44 | | | | |
| Environmental | | | | | | | |
| Performance Indicator | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for Omission | Explanation | To be reported in |
| Materials | | | | | | | |
| EN1 | Materials used by weight or volume. | Fully | Sustainability Report, page 33-35 | | | | |
| EN2 | Percentage of materials used that are recycled input materials. | Fully | Sustainability Report, page 33-34 | | | | |
| Energy | | | | | | | |
| EN3 | Direct energy consumption by primary energy source. | Fully | Sustainability Report, page 35-36 | | | | |
| EN4 | Indirect energy consumption by primary source. | Fully | Sustainability Report, page 35-36; Electricity purchased for Australian Ethical's Canberra office is 100% renewable energy (accredited GreenPower). Electricity used in the Sydney office is non-renewable electricity from the grid (mainly coal based). Carbon emissions from the Sydney operation's electricity use are calculated based on the Australian National Greenhouse Accounts factors for New South Wales, and emissions have been offset with carbon credits from Climate Friendly. | | | | |
| EN5 | Energy saved due to conservation and efficiency improvements. | Fully | Sustainability Report, page 35 | | | | |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | Fully | Sustainability Report, page 36 | | | | |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | Fully | Sustainability Report, page 35-36 | | | | |
| Water | | | | | | | |
| EN8 | Total water withdrawal by source. | Fully | Sustainability Report, page 36 | | | | |
| EN9 | Water sources significantly affected by withdrawal of water. | Fully | Water is supplied to Australian Ethical's offices by ActewAGL. ActewAGL provides water services to the people of the Australian Capital Territory (ACT). The ACT draws its water supply from two separate catchment systems, the Cotter River catchment and the Googong system. These water sources are not significantly affected by Australian Ethical's water use. | | | | |
| EN10 | Percentage and total volume of water recycled and reused. | Fully | During 2011-12, zero cubic metres of water were recycled/re-used (zero per cent of total water use). Australian Ethical's offices in Canberra and Sydney do not recycle or re-use water. Trevor Pearcey House in Canberra does have rainwater tanks which collect water from the roof for use in flushing the toilets; however, this is not counted under this indicator. | | | | |
| Biodiversity | | | | | | | |

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|---------------------------------------|---|-------|---|--|----------------|---|--|
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Fully | Australian Ethical's offices during 2011–12 were located in urban environments in the Canberra suburb of Bruce, and in the Sydney CBD which is not located in, or adjacent to, protected areas or areas of high biodiversity value. | | | | |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | Fully | Australian Ethical, through its activities, products and services, seeks to preserve endangered eco-systems and biodiversity. During 2011–12 the company did not have a significant impact on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | | | | |
| EN13 | Habitats protected or restored. | Fully | During 2011–12 Australian Ethical was not directly involved in the protection or restoration of habitat. | | | | |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | Fully | As outlined in the Australian Ethical Charter, Australian Ethical seeks to preserve endangered eco-systems and biodiversity. In addition to selecting every investment with which we are involved in accordance with the Charter, Australian Ethical aims to conduct its operations in accordance with the tenets of the Charter. | | | | |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | Fully | Australian Ethical's offices are located in an urban environment in the Canberra suburb of Bruce and the Sydney CBD. There are no IUCN Red List species or national conservation list species with habitats in the area affected by operations. | | | | |
| Emissions, effluents and waste | | | | | | | |
| EN16 ^{COMM} | Total direct and indirect greenhouse gas emissions by weight. | Fully | Sustainability Report, page 39-40 | | | | |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | Fully | Sustainability Report, page 37, 39-40 | | | | |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | Fully | Sustainability Report, page 39 | | | | |
| EN19 | Emissions of ozone-depleting substances by weight. | Not | | | Not material | Australian Ethical is an office based company. Emissions of ozone-depleting substances is considered to be a non-material issue for Australian Ethical. The company does not measure or report on this issue. | |
| EN20 | NOx, SOx, and other significant air emissions by type and weight. | Not | | | Not material | Australian Ethical is an office based company. Emissions of NOx, SOx, and other air emissions is considered to be a non-material issue for Australian Ethical. The company does not measure or report on this issue. | |
| EN21 | Total water discharge by quality and destination. | Not | | | Not material | Water discharged by Australian Ethical is limited to rainwater and domestic sewage. The company does not discharge effluents or process water to a facility for treatment. | |
| EN22 ^{COMM} | Total weight of waste by type and disposal method. | Fully | Sustainability Report, page 37-39 | | | | |
| EN23 | Total number and volume of significant spills. | Fully | As an office based company, Australian Ethical does not directly handle oil or fuel; however, small amounts of cleaning products are stored on-site. There were no significant spills recorded during 2011–12. | | | | |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | Not | | | Not material | The majority of Australian Ethical's waste is general office waste, not deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII. A small proportion may be considered hazardous (e.g. batteries etc); however, this is not considered to be material. The company does not measure or report on this issue. | |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | Not | | | Not material | As noted above, water discharged by Australian Ethical is limited to rainwater and domestic sewage. The limited amount of runoff from Trevor Pearcey House does not significantly affect the biodiversity value of the local urban water bodies, Lake Burley Griffin and Lake Ginninderra. | |
| Products and services | | | | | | | |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | Fully | Sustainability Report, page 40 | | | | |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | Not | | | Not applicable | With the exception of marketing documents, Australian Ethical does not produce a physical product that can be recycled at the end of its useful life. Enquirers receiving Australian Ethical's marketing documents may recycle the paper; however, it is not possible to determine what percentage of the total documents mailed this would comprise. | |
| Compliance | | | | | | | |

| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | Fully | Australian Ethical was not subject to any significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations in 2011–12. | | | | |
|--|---|-----------|---|---|---------------------|--|-------------------|
| Transport | | | | | | | |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | Fully | Sustainability Report, page 37, 40 | | | | |
| Overall | | | | | | | |
| EN30 | Total environmental protection expenditures and investments by type. | Fully | Sustainability Report, page 40 | | | | |
| Social: Labor Practices and Decent Work | | | | | | | |
| Performance Indicator | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for Omission | Explanation | To be reported in |
| Employment | | | | | | | |
| LA1 | Total workforce by employment type, employment contract, and region. | Fully | Sustainability Report, page 19 | | | | |
| LA2 | Total number and rate of employee turnover by age group, gender, and region. | Fully | Sustainability Report, page 21 | | | | |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | Fully | Sustainability Report, page 23 | | | | |
| Labor/management relations | | | | | | | |
| LA4 | Percentage of employees covered by collective bargaining agreements. | Fully | All of Australian Ethical's staff are employed under individual contracts. | | | | |
| LA5 | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. | Fully | Australian Ethical does not have a minimum period for notifying employees of operational change. The company does, however, comply with all contractual and legislative requirements in relation to staff entitlements in the event of a position being made redundant. | | | | |
| Occupational health and safety | | | | | | | |
| LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | Fully | Sustainability Report, page 24 | | | | |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region. | Fully | Sustainability Report, page 24 | | | | |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | Not | | | Not material | Australian Ethical is not present in countries with high rates of communicable diseases, nor is it in an industry linked to specific diseases or conditions. As a result, the company does not have a targeted education program in this area. | |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | Fully | Australian Ethical does not have formal agreements with trade unions. | | | | |
| Training and education | | | | | | | |
| LA10 | Average hours of training per year per employee by employee category. | Fully | Sustainability Report, page 22-23 | | | | |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Fully | Sustainability Report, page 22 | | | | |
| LA12 | Percentage of employees receiving regular performance and career development reviews. | Fully | Sustainability Report, page 22 | | | | |
| Diversity and equal opportunity | | | | | | | |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. | Partially | Australian Ethical collects data on the gender breakdown of governance bodies and employee groups. See Sustainability Report, page 20. | | Not available | Australian Ethical intends to include employees and governance bodies by age group in the 2013 report. Australian Ethical does not collect data according to minority group membership, and will investigate further disclosure once age group data collection and disclosure has been achieved. | |
| LA14 | Ratio of basic salary of men to women by employee category. | Fully | Sustainability Report, page 20 | | | | |
| Social: Human Rights | | | | | | | |
| Performance Indicator | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for Omission | Explanation | To be reported in |
| Investment and procurement practices | | | | | | | |
| HR1 _{COMM} | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | Fully | Sustainability Report, page 30-31 | | | | |
| HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | Not | | | Not material | As an office-based company providing financial services and products, Australian Ethical does not consider human rights risks in its supply chain to be material. No policy on suppliers and their exposure to human rights risks was in place during 2011–12. | |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | Not | | | Not material | As an office-based company providing financial services and products, Australian Ethical does not consider human rights risks within its own operations to be material. The company does not measure or report on employee training or policies and procedures concerning human rights relevant to its operations. | |

| Non-discrimination | | | | | | | |
|--|--|----------|---|---|---------------------|---|-------------------|
| HR4 | Total number of incidents of discrimination and actions taken. | Fully | No incidents of discrimination on the grounds of race, colour, sex, religion, political opinion, national extraction or social origin were reported in 2011–12. | | | | |
| Freedom of association and collective bargaining | | | | | | | |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | Fully | Australian Ethical's operations are typically office-based and do not involve operations with a high human rights risk exposure. We have not identified any operations in sectors or geographical areas that constitute a risk to the right to exercise freedom of association and collective bargaining. | | | | |
| Child labor | | | | | | | |
| HR6 | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. | Fully | Australian Ethical's operations are typically office-based and do not involve operations with a high human rights risk exposure. We have not identified any operations in sectors or geographical areas that carry significant risks of incidents of child labour or hazardous work for young people. | | | | |
| Forced and compulsory labor | | | | | | | |
| HR7 | Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. | Fully | Australian Ethical's operations are typically office-based and do not involve operations with a high human rights risk exposure. Australian Ethical has no operations in countries or sectors that carry risks of forced or compulsory labour. | | | | |
| Security practices | | | | | | | |
| HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | Fully | Australian Ethical's operations are typically office-based and do not involve operations with a high human rights risk exposure. The company does not employ any security staff, and therefore does not need to communicate human rights policies to security officers. | | | | |
| Indigenous rights | | | | | | | |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | Fully | Australia Ethical has not recorded any incidents involving indigenous rights in the reporting period related to either employees or to communities near the company's operations in 2011–12. | | | | |
| Social: Society | | | | | | | |
| Performance Indicator | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for Omission | Explanation | To be reported in |
| Community | | | | | | | |
| SO1 | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. | Fully | Sustainability Report, page 25-27 | | | | |
| FS13 | Access points in low-populated or economically disadvantaged areas by type. | Not | | | Not applicable | As per the sector supplement, this indicator is not relevant for asset management. | |
| FS14 | Initiatives to improve access to financial services for disadvantaged people. | Fully | Sustainability Report, page 18 | | | | |
| Corruption | | | | | | | |
| SO2 | Percentage and total number of business units analyzed for risks related to corruption. | Fully | We endeavour to analyse, minimise and manage fraud and corruption risks through a variety of company policies, systems and procedures. Ongoing compliance and risk management controls are in place through all of Australian Ethical's operations and business units. | | | | |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | Fully | All employees undergo initial compliance training which includes policies that cover anti corruption issues. | | | | |
| SO4 | Actions taken in response to incidents of corruption. | Fully | Sustainability Report, page 28 | | | | |
| Public policy | | | | | | | |
| SO5 | Public policy positions and participation in public policy development and lobbying. | Fully | Sustainability Report, page 28 | | | | |
| SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. | Fully | Sustainability Report, page 28 | | | | |
| Anti-competitive behavior | | | | | | | |
| SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. | Fully | Sustainability Report, page 28 | | | | |
| Compliance | | | | | | | |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | Fully | Sustainability Report, page 28 | | | | |
| Social: Product Responsibility | | | | | | | |
| Performance Indicator | Description | Reported | Cross-reference/Direct answer | If applicable, indicate the part not reported | Reason for omission | Explanation | To be reported in |
| Customer health and safety | | | | | | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | Not | | | Not applicable | Investment products and services provided by the company do not fall into the parameters of this particular indicator. However, the company does consider the health and safety impacts of investee products as outlined in the Australian Ethical Charter. | |

| | | | | | | |
|--------------------------------------|--|-------|--|--|----------------|--|
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. | Not | | | Not applicable | As with the PR1 indicator above, while certain regulations and codes with regards to health and safety impacts are considered through the Australian Ethical Charter, the incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of business products and services are not relevant to company operations. Investment products and services provided by the company do not fall into the parameters of this particular indicator. |
| Product and service labelling | | | | | | |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | Fully | Under the Corporations Act 2001 a retail investor must receive a product disclosure statement before acquiring a financial product. A product disclosure statement is a document that sets out the key features of the financial product being offered and should disclose any risks, benefits and cost involved with the financial offering. It is Australian Ethical's policy to complete and distribute a product disclosure statement as required by law and in accordance with company compliance procedures. Product disclosure statements are made freely available both in print and electronic form upon request and on the Australian Ethical website. In short 100 per cent of the company's products and services are subject to these information requirements. | | | |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | Fully | Sustainability Report, page 32 | | | |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | Fully | Sustainability Report, page 32 | | | |
| FS16 | Initiatives to enhance financial literacy by type of beneficiary. | Fully | Sustainability Report, page 18 | | | |
| Marketing communications | | | | | | |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | Fully | Sustainability Report, page 32 | | | |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. | Fully | Sustainability Report, page 32 | | | |
| Customer privacy | | | | | | |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | Fully | Sustainability Report, page 32 | | | |
| Compliance | | | | | | |
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | Fully | There were no fines for non-compliance with laws and regulations concerning the provision and use of products and services in 2011-12. | | | |