



# Australian Ethical Foundation

## Impact Report

# About the Australian Ethical Foundation

Every year, Australian Ethical Investment Limited (Australian Ethical) donates 10% of profits\* to the Australian Ethical Foundation Limited (The Foundation) to create environmental and social impact in Australia and overseas. Since the year 2000, Australian Ethical has donated over \$8 million, driving positive outcomes for the planet, people and animals.

The Foundation's vision is to direct as much philanthropy as possible to effective solutions addressing the climate emergency. This is because we believe a sustainable planet - free from climate

disaster – underpins all of Earth's systems (from biodiverse ecosystems to capital markets) and allows for people and animals to thrive.

We do this by utilising and funding leading research, reporting and analysis to unearth and support highly effective charities addressing climate change. We aim to be a pioneer in effective climate philanthropy in Australia, leading the way for other funders to follow.

\* After tax and before bonuses

Since the year 2000, Australian Ethical has donated over \$8 million, driving positive outcomes for the planet, people and animals.

## Governance

The Australian Ethical Foundation is governed in accordance with the Australian Charities and Not-for-profits Commission (ACNC) regulations and the Australian Ethical Foundation Constitution.

## Australian Ethical Foundation Team



**Nick Chadwick**  
Head of Foundation

Nick manages the day-to-day operations of The Foundation including grant-making assessment and distribution, strategic planning, partnership building and impact reporting. Nick holds an MBA (Social Impact) from UNSW and has previously worked in roles at leading Australian charities.



**Kathy Kung**  
Foundation Chief Financial Officer

Kathy (BCom, CA) is a Chartered Accountant with over 20 years experience in financial services, including roles at Bank of America, Merrill Lynch and PricewaterhouseCoopers. Kathy has also held the position of Head of Finance for Australian Ethical since 2017.



The Australian Ethical Foundation is a registered charity.

# The Board of Directors



**Kate Greenhill**  
**Non-Executive Director since 2013**  
 BEc, FCA, GAICD

Kate is Chair of the Australian Ethical Investment Limited and Australian Ethical Superannuation Pty Limited Audit, Risk & Compliance Committees and is a Member of the People, Remuneration and Nominations Committee and the Investment Committee. Kate is a Director of Australian Ethical Superannuation Pty Limited and Australian Ethical Foundation Limited, and a Member of the Australian Ethical Superannuation Pty Limited Insurance Benefits Committee.

Kate is a Fellow of the Institute of Chartered Accountants in Australia and a Graduate of the Australian Institute of Company Directors. Kate has over 25 years' experience in the financial services industry with extensive knowledge of finance and risk. As a former Partner with PwC, Kate has worked in both Australia and the UK providing assurance and advisory services to clients. Kate is also the Treasurer of a not-for-profit organisation in the education sector and a Director and Chair of the Audit and Risk Management Group of Intersect Australia Ltd.



**Michael Monaghan**  
**Non-Executive Director since 2017**  
 BA, FIAA, FAICD

Michael is Chair of the Investment Committee and a member of the People, Remuneration and Nominations Committee, the Product Disclosure Statement Committee and the Australian Ethical Investment Limited and Australian Ethical Superannuation Pty Limited Audit, Risk & Compliance Committees. He is a director of Australian Ethical Superannuation Pty Limited and the Australian Ethical Foundation Limited.

Michael has more than 30 years' experience in investment, consulting and leadership of financial services organisations both in Australia and internationally. He was Managing Director of State Super Financial Services Australia Limited (StatePlus) from 2011 to 2016 and previously was a Partner in the actuarial practice of Deloitte Touche Tohmatsu, the CEO of Intech Investment Consultants and held senior executive positions at Deutsche Bank, IBM and Lendlease Corporation. Michael is currently a Director of Flag Income Notes 3 Pty Ltd and Alpha Vista Financial Services Holdings Pty Ltd, a start-up global asset management business leveraging large scale data and computing capabilities and artificial intelligence.



**Julie Orr**  
**Non-Executive Director since 2018**  
 BEc, MCom, MCom(Hons), CA, GAICD, FGIA

Julie is a Member of the People, Remuneration and Nominations Committee, the Australian Ethical Investment Limited Audit, Risk & Compliance Committee and the Investment Committee. She is a Director of Australian Ethical Foundation Limited, AvSuper and Masters Swimming NSW. She is also a member of the NSW Biodiversity Conservation Trust Audit & Risk Committee.

She has over 20 years of experience in executive and board roles including experience with superannuation, investments, financial planning, stockbroking, research, insurance, audit, finance, acquisitions and business integration. Julie's most recent executive experience was Group General Manager Corporate Development and General Manager Operations for IOOF. She was previously Director of Finance India and Asia Pacific for Standard and Poors, Head of Research for Morningstar, Chief Operating Officer at Intech and Senior Audit Manager with EY. Julie's prior board experience includes Perennial Value Management, Ord Minnett, Tax Payers Association (NSW Division) and Tax Payers Research foundation.



**Steve Gibbs**  
**Non-Executive Director since 2012 and Chair since 2013**  
 BEcon, MBA

Steve chairs the People, Remuneration and Nominations Committee, is a member of the Investment Committee, the Product Disclosure Statement Committee and the Australian Ethical Investment Limited and Australian Ethical Superannuation Pty Limited Audit, Risk & Compliance Committees. He is Chair of Australian Ethical Superannuation Pty Limited and Australian Ethical Foundation Limited.

Steve is also the Non-Executive Chair of Netlinkz Limited. Steve has extensive experience at both an executive and non-executive level in the investment and superannuation industries, including being a former CEO of the Australian Institute of Superannuation Trustees, a former CEO of what is now Commonwealth Superannuation Corporation and a non-executive director of Hastings Funds Management and Westpac Funds Management. Steve has been recognised for his commitment to, and expertise in, ethical and responsible investing.



**Mara Bün**  
**Non-Executive Director since 2013**  
 BA (Political Economy), GAICD

Mara is a Member of the People, Remuneration and Nominations Committee, the Investment Committee and the Australian Ethical Investment Limited and Australian Ethical Superannuation Pty Limited Audit, Risk & Compliance Committees. She is a Director of Australian Ethical Superannuation Pty Limited and Australian Ethical Foundation Limited.

Mara brings executive experience from Green Cross Australia, Choice, CSIRO, Macquarie Bank and Canstar. She is a Founder of The Salmon Project, specialist advisors to Climatetech and Agritech scale-ups advancing Series B venture funding through deep tech R&D. She is the Non-Executive Chair of four organisations: the Gold Coast Waterways Authority; Bowerbird Collective, a chamber music ensemble dedicated to nature conservation through performance; asset consultants Australian Impact Investments; and the Australian Conservation Foundation where Mara is also President.

# FY22 in review

The Australian Ethical Foundation had another high impact year, allocating \$1.6M in funding support to over 25 charities fighting climate change across our strategic priority areas: stopping sources of carbon pollution, supporting carbon sinks and empowering women and girls.

Our first ever Visionary Grants annual public grant round awarded funding support to 8 amazing organisations working on a variety of innovative projects to combat the climate crisis. Projects ranged from using drones to replant seagrass meadows to designing energy security

initiatives for First Nations communities. Our funding will hopefully progress these new ideas to their next stage in development. Our Visionary Grants program is being run again in 2022, with another set of winners to be announced in early December, 2022.

FY22 also marked the launch of Giving Green in Australia, a website and resource to recommend Australia's most effective climate change charities. The recommendations were based on a 12 month research process applying effective altruism principles, fully funded by the Australian Ethical Foundation. The

Foundation will continue to fund the work of Giving Green, to update and research further charities for inclusion into the recommendations, as we endeavour to expand out this offering for all Australian donors.

Despite the year starting strict Covid lockdowns, The Foundation was able to continue building strong partnerships with other funders and key players across the philanthropic sector, as we look to learn and grow from other funders in the space. We're looking forward to another year of supporting amazing charities across Australia working to make the world a better place.

## 2022 Strategic Grants

+ Our 2022 Visionary Grant winners (announced December 2022)

10%

yearly profits donated through the Australian Ethical Foundation\*

\$1.6M

provisioned for donations in FY21

\$500,000

funded through Visionary Grants program^

25+

charities supported fighting climate change

\$8M+

donated since 2000

## Giving Green

established leading Australian research to unearth Australia's most effective climate charities

\*After tax and before bonuses  
^Included in the allocation of \$1.6 million

# Our ‘Theory of Change’

We believe that without a sustainable planet free from the worst effects of climate change, the systems that underpin a healthy life for people and animals will fail. As such, the core focus of The Foundation’s work is to fight climate change as effectively as possible.

With less than three per cent of global philanthropy being utilised towards climate and nature work, it is imperative the funding directed to these causes goes to the most effective charities in the space. That’s why we’re applying effective altruism principles to help inform part of our strategy and grant-making.

Paul Hawken’s ‘[Project Drawdown](#)’ provides an accumulation of leading global research that highlights the most effective solutions to address climate change. By using this information, along with other research, The Foundation specifically targets initiatives across people, planet and animals that all directly and practically address climate change. Funding for these initiatives is targeted at both systemic and advocacy efforts, as well as grassroots projects.

The Foundation’s key focus areas for funding are:

- Stopping sources of carbon
- Supporting carbon sinks
- Educating and empowering women and girls



## Stopping sources of carbon

Australia is a global leader in the export of fossil fuels and livestock agriculture, so it’s important we shift domestic energy policies, energy creation and food supply towards cleaner solutions - while ensuring this process is equitable and empowering for all. We also need to ensure emissions from other important sectors, like transport, buildings and food are rapidly reduced.

### Currently, our key funding priorities include:

- Supporting the adoption of new forms of energy production (renewables)
- Supporting the prevention of new fossil fuel projects
- Supporting the development of alternative proteins markets (plant-based meat and cellular agriculture), to reduce deforestation pressures, carbon emissions and animal suffering.



## Supporting carbon sinks

Temperate and tropical forests (green carbon) and seagrass meadows, tidal marshes and mangrove forests (blue carbon) sequester large amounts of atmospheric carbon. They also provide vast biodiversity benefits for the planet, supporting most ecosystems that underpin life on earth. We’re funding initiatives to protect and restore these important areas, helping them recuperate and function to absorb and store more carbon over time.

### Currently, our key funding priorities are:

- Protecting and restoring temperate and tropical forests (and the biodiversity they support)
- Protecting and restoring oceans (and the biodiversity they support)



## Educating and empowering women and girls

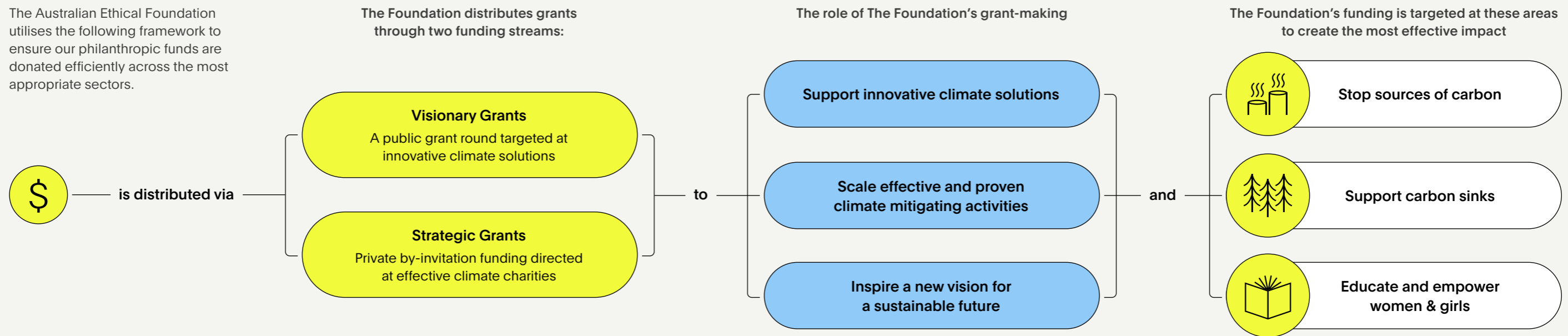
Securing gender equality and advancing women’s wellbeing is one of the leading solutions to address climate change.\* When levels of education rise, access to reproductive health care improves and women’s political, social and economic empowerment expand, women can control their family size and their lives, curbing population growth and building healthier more inclusive societies.

That’s why we commit our funding to women’s education, health, wellbeing, safety and economic empowerment.

\* Table of solutions reviewed and assessed by Project Drawdown, [drawdown.org/solutions/table-of-solutions](https://drawdown.org/solutions/table-of-solutions)

# Process of change

The Australian Ethical Foundation utilises the following framework to ensure our philanthropic funds are donated efficiently across the most appropriate sectors.



# How we assess our grants

The Australian Ethical Foundation utilises an impact measurement framework to assess and award all its funding. Within it there are four main components that are assessed and scored:

- 1 Theory of Change:** Explores how well has a project considered the change it is seeking to create.
- 2 Outcomes Measurement:** Understands how well an organisation measures the impact it is generating and how they are learning from it.
- 3 Organisation and Team:** assesses how experienced and capable a team and their governance structures are.
- 4 Effectiveness:** measures how effectively a charity utilises its funding to generate the impact it is seeking to have (which draws on effective altruism principles, further outlined on the right).

## Effective altruism

The Foundation utilises effective altruism principles in how it assesses grants, and also how it aims to progress the climate philanthropy sector as a whole.

Effective altruism is about doing the most good for every dollar donated, by using evidence and analysis to determine the best issues to work on, and which interventions have the greatest potential for impact. Effective altruism research is guided by three questions:

1. Is the issue large in scale? How many people are affected, and to what extent?
2. Is the issue highly tractable? How much progress can we make with additional resources?
3. Is the issue neglected? How many resources are already being directed toward the problem?

## Effective climate funding: Giving Green

Beyond incorporating effective altruism ideas into part of our assessment framework, The Foundation is also funding leading Australian research, utilising effective altruism principles, to unearth Australia's most effective charities fighting climate change.

The research work was led by Giving Green, a subsidiary of IDinsight, in partnership with The Life You Can Save Australia, both leading proponents of effective giving in Australia and the United States.

Giving Green was formally launched in December 2021, providing public recommendations for Australian donors to effectively fund the climate crisis. After a 12 month research process, Giving Green recommended Beyond Zero Emissions, Original Power and Farmers for Climate Action as 3 of the most effective charities fighting climate change. The Foundation has committed to funding all 3 groups.

To read more about Giving Green and how the research was conducted, please visit the [Giving Green website](#).



# Impact case studies

## Food Frontier

Since 2019, we've been funding the work of Food Frontier – Australia's leading think tank on alternative proteins – to help diversify protein supply with nutritious and sustainable alternatives.

With the world's population predicted to grow to 10 billion by 2050, demand for protein continues to rise. The impacts of conventionally farmed and fished animal protein on our environment and public health have leading authorities stressing the need for a more diverse protein supply to feed growing populations safely and sustainably. Informed by this overwhelming evidence, Food Frontier works to diversify diets with nutritious, sustainable and satisfying protein alternatives – made from plants, cell-cultivation and precision fermentation – ultimately addressing our region's over-reliance on industrial animal agriculture and reducing major threats to our ecology, economy and health.

Food Frontier continues to support the growing plant-based meat category and expanding interest in cellular agriculture by providing industry support, thought leadership and policy engagement.



### Stopping sources of carbon

Over the course of our funding, the following advancements have been achieved in the alternative proteins ecosystem:

- 85% growth in plant-based meat brands on-shelf, with 26 brands now made by local companies
- More than 150% growth in the number of plant-based meat products on-shelf in Australia, with more than 250 products now available.
- 83% growth in the number of plant-based meat companies operating in Australia and New Zealand
- The number of cellular agriculture companies doubled in Australia and New Zealand
- Food Frontier hosted the first-ever Alternative Proteins national conference, bringing together hundreds of leading food and agriculture specialists and policy makers from around Australia.

Source: Food Frontier

# Beyond Zero Emissions



### Stopping sources of carbon

Beyond Zero Emissions (BZE) is an independent, solutions-focused think tank. They conduct and publish research on solutions that unlock economic potential for industries, regions and communities, showcasing real-world projects as opportunities to prosper in a zero-emissions economy.

We have been funding their work developing Renewable Energy Industrial Precincts (REIP's) across Australia, primarily in the Hunter and Gladstone regions and also scoping new locations.

Core components and outcomes of their work over the last year included:

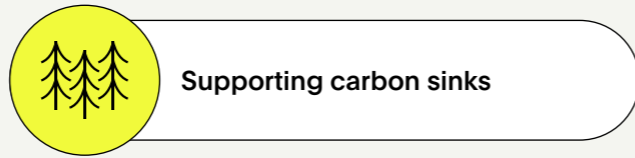
- Scoping locations and communities for future REIP's
- Supporting key decision makers in industry, finance and politics to understand the necessity and importance of REIP's
- Empowering all federal candidates in regional locations at the last election to understand the benefits of REIP's
- Hosting an Investor Roundtable with Climateworks Centre to demonstrate significant investment opportunities in Australia's regions for large-scale clean technology and renewable energy projects.

Source: BZE 2021 acquittal reporting to AE Foundation





## Australian Conservation and Biodiversity Foundation



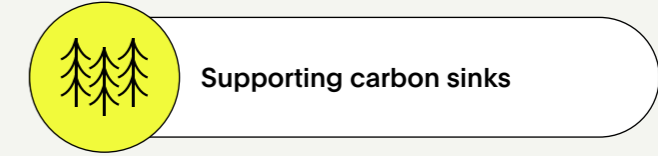
The Australian Conservation and Biodiversity Foundation was established in 2021, with the goal to end native forest logging by 2030. As a backbone funding and strategic organisation, ACBF is protecting and restoring Australia's native forests by rapidly building capacity across multiple sectors.

### By 2030, ACBF aims to achieve:

- the end to commercial logging and clearing of Australia's forests
- 8 million hectares of restoration of forest habitats

This will deliver 100 million tonnes of abatement a year and help recover hundreds of threatened plant and animal species. Achieving these goals will require a major intervention – to develop and coordinate a broad-based alliance across Australia's climate and nature movements. This will focus on aligning partners in the business and investor communities, in the scientific community, amongst traditional owners and in rural and regional Australia to deliver a campaign that can transform Australia.

## The Orangutan Project



The AE Foundation has been supporting The Orangutan Project's Wildlife Protection Units (WPU) for over 5 years - a community-based ranger unit that patrols the Bukit Tigapuluh Landscape. Located roughly in the geographic centre of the Indonesian island of Sumatra, this extremely biodiverse area provides important habitat for various rare wildlife species including critically endangered Sumatran elephants, Sumatran tigers, and a re-introduced population of Sumatran Orangutans. The ecosystem is also a large carbon sink, with vast peatlands and forests sequestering carbon. In addition, Bukit Tigapuluh is home to Talang Mamak, Orang Rimba, and Malayu Tua, native people that all depend on an intact forest ecosystem as does the endemic wildlife. The WPU's also employ local, full time staff, most of which are recruited from communities located within or close to the Bukit Tigapuluh ecosystem.

The main goal of the WPU is to protect the forest and its wildlife populations from all threats, and to work towards a harmonious coexistence between wildlife and local communities.

### Over the course of our funding, The Orangutan Project have protected this large swathe of forest by:

- Conducting a total of 3,024 patrol days
- Responding to 763 individual conflicts, supporting local communities
- Logging 18,000 individual wildlife records
- Patrolling over 140,000km
- Protecting over 2,000km<sup>2</sup> of important ecosystem buffer zones

Source: The Orangutan Project 2021 acquittal reporting to AE Foundation



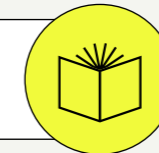




Both *PSI* and *Living Goods* are 'recommended charities' from *The Life You Can Save Australia*. This organisation recommends charities that save lives and improve well-being where each dollar goes the furthest. Read more [here](#).

## Living Goods

Educating and empowering women & girls



The Australian Ethical Foundation has been supporting Living Goods to reliably deliver lifesaving, affordable, critical medicines to the doorsteps of millions in Uganda. Living Goods recruits, trains, equips, and manages networks of Community Health Workers (CHW's) who provide their communities with health education, accurate diagnoses, essential medicines, and health products that save and improve lives. Living Goods programs address the significant shortage of frontline health workers and the inadequate distribution of health products and knowledge.

Living Goods works with governments and partners to ensure community health workers have access to digital technology, medical treatments, supervision and compensation to cost-effectively deliver high quality, impactful health services.

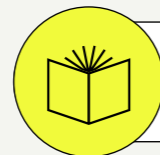
### In 2021, CHW's funded by the Australian Ethical Foundation:

- Supported 11,500 people in their communities,
- Provided 4,645 treatments and positive diagnoses to children under five-years-old,
- Administered over 6,000 assessments to children under five-years-old,
- Registered 395 pregnancies.
- Continued delivering vital health services and scaled family planning services

Furthermore, the preliminary results from a new external Randomized Controlled Trial (RCT) of Living Goods supported CHWs in Uganda show a strong 30% reduction in U5 child mortality and a 27% reduction in infant mortality. This highlights that well-equipped and supported CHWs can save lives at scale, but also showcases how and why data and research are such critical enablers for iterating and improving community health programs.

Source: Living Goods 2021 acquittal reporting to AE Foundation

## Population Services International (PSI)



Educating and empowering women & girls

Through PSI's Sexual and Reproductive Health and Rights (SRHR) work over the last several decades in Kenya, it has learned that the journey women face from puberty to menopause remains confusing, unclear, "trial and error" based and often riddled with shame and guilt. In 2020, driven by insights gathered from target demographics, PSI (with funding from the Australian Ethical Foundation) developed and tested SRH content in six countries to gauge the viability of addressing these issues through social enterprise and technology.

PSI knows that sexual pleasure is a driver of sexual behavior. Sex-negative programming often produces effects opposite from those intended, and health programs that incorporate sexual pleasure consistently have positive results. However, evidence is generally limited to high-income settings, and less is known about the relationship between pleasure and sexual activity and potential entry points for pleasure-inclusive programming in different environments.

To address these challenges, PSI, with support from the Australian Ethical Foundation, developed Nena, a seamless digital solution to reframe the narrative to make

SRHR more meaningful and relevant. Over the last year, PSI refined, optimised and tested this on-demand chatbot as a pleasure forward guide for young people exploring sexual and reproductive health. Through Nena, PSI also improves sexual literacy, self-efficacy and agency.

Nena launched at the end of 2021 and is already proving effective, with online comparison testing showing that content with a pleasure component is 126% more effective at engaging users versus campaigns that only focus on contraception.

### Since launch, Nena has:

- Reached 4,065,896 users through social and behaviour change communications
- Provided 10,000+ users, specifically more than 5,900 women, with access to digital tools
- Achieved an 86% (4.3/5) satisfaction rating for digital health solutions

Source: PSI 2021 acquittal reporting to AE Foundation



# 2021 Visionary Grant Winners

Our public funding round, Visionary Grants, provides early stage philanthropic funding for ideas that could change the game in the fight against climate change.



## Original Power

### Clean energy security for First Nations communities

The Marlinja Community Solar Project is a community-led initiative improving household and community-wide energy security for residents of Marlinja outstation in the Northern Territory. Residents of Marlinja are severely impacted by energy security, through regular power outages on network transmission lines and frequent household power disconnections due to inappropriate housing design and high power costs.

Original Power is replacing Marlinja's reliance on expensive and polluting diesel-fired power with clean, low cost solar and battery storage through a centralised solar array and wireless distribution of electricity credit to all homes. This project is a blueprint for other communities to roll out this model of energy security and gain the benefits of lower cost, more reliable power.

You can watch more [here](#), and read more [here](#).

## Central Queensland University (CQU)

### Using drones to replant seagrass meadows

CQU are piloting a new seagrass restoration method utilising drones to disperse seagrass seeds across tidal marshes that cannot currently be accessed. Drones will also map the restoration sites using LiDAR and multispectral imaging to assess target locations for planting and successful survival rates of seeds.

This research project by CQU will reseed >20 hectares of seagrass within the Port of Gladstone, working in partnership with Gidarjil Development Corporation and First Nations rangers to harvest seagrass flowers.

Mapping and planting are set to kick off in spring 2022.

Read more [here](#).



## Accounting for Nature

### New environmental accounting software

Accounting for Nature is helping address this. Building on the award-winning Accounting for Nature® (AfN) Framework, this project has developed new software that allows landowners and organisations to streamline their nature-based asset valuations.

Specifically, this will allow landowners to import remote sensing and field data; create and verify an environmental account; link this account to carbon offsets (e.g. carbon offset unit registries); and once certified by Accounting for Nature Ltd, export this environmental account data to align financial reporting data with carbon and environmental accounting metrics.

This technology will empower landowners to improve their biodiversity accounting management and help avoid greenwash through evidence of real and measurable improvements to natural capital.

Learn more [here](#).