

ETHICAL INVESTMENT GUIDE

Ethical Investment Week 2021: Wayfinding for Ethical Investment

October 25th to 31st

The 2021 Ethical Investment Week (EIW) theme drew on the ancient tradition of 'wayfinding'. Together, we explored how 'wayfinding' can help investors navigate the uncharted territory of a changing world, and create more positive impact.

Ethical investment advisers and their clients are wayfinders.

We are transforming the finance system, and financing the transformation needed for a sustainable future. We are discovering the new by pulling apart the old map, exploring new and uncharted territory, and journeying towards true wealth and wellbeing.

EIW 2021 aimed to be a turning point in our individual and collective journeys.

The week integrated Professor Chellie Spiller's wayfinding research, and Dr Rodger Spiller's ethical investment research. It featured a webinar with Chellie and Rodger, including practical steps to help apply this wisdom.

For more details and EIW 2021 events led by other Co-op Members, visit: www.ethicaladviserscoop.org/ethical-investment-week.html

OUR ETHICAL ADVISERS' CO-OPERATIVE WHO ARE WE?

The Ethical Advisers Co-operative was established by a dedicated group of financial advisers who recognised the need to represent and advocate on behalf of ethical and responsible investment advice.

The Co-operative has grown to a membership of 31 advisers, all of whom operate within ethically focused Financial Planning practices around Australia and New Zealand, collectively managing over \$2 Billion of ethical investors' money.

WHAT DO WE DO?

The primary objective for Co-Op members has been to help expand awareness of the benefits of ethical and responsible investing and to provide guidance to those investors seeking to adopt and implement investment strategies that align with their personal values. Currently, EAC advisers assist over 3,300 Australians and New Zealanders to make the best of their financial position while pursuing ethical outcomes. Their advice continues to assist clients in achieving strong, sustainable returns while encouraging the responsible allocation of capital within global markets.

WHO CAN WE HELP?

Our highly qualified members regularly advise on topics such as; personal investment, family trusts, charities, not for profits, philanthropic trusts, self-managed super funds, co-operatives and ethical superannuation investing.

FIND AN ADVISER

To find an Ethical Adviser near you go to ethicaladviserscoop.org

INTRODUCING OUR 'GREEN LEAF' RATINGS SYSTEM

www.leafratings.org

The Ethical Advisers Co-operative has developed the Ethical Fund Ratings to assist people in making choices for their investments and superannuation that are in line with their ethical values.

Since not all funds deliver the same depth of ethical value, we want investors to understand just how each fund compares against its peers within the ethical sector.



Poor

This fund does not meet the ethical objectives of an average ethical investor



Disappointing

This fund is unlikely to meet the ethical objectives of an average ethical investor



Average

To an average ethical investor this fund is of moderate interest, but there are some concerns



Appealing

This fund meets most ethical objectives of an average ethical investor



Excellent

This fund meets all ethical objectives of an average ethical investor



WHAT CAN I DO TO INVEST ETHICALLY?

- 1 Find out about ethical and responsible investing by visiting www.ethicaladviserscoop.org
- 2 Contact your super fund or companies that you invest in and ask them what they are doing about environmental and social issues. Not happy with their response? *Make the Change!*
See: Green Leaf Rating at www.leafratings.org
- 3 Consider changing your bank to a fossil fuel free bank.
See: www.marketforces.org.au/campaigns/banks-new/
4. Encourage a friend to join in the ethical investment revolution.
- 5 Write to federal, local & state governments to get them involved in alternative energy and protection of the environment.
- 6 Join a not-for-profit group and take action on these issues.
- 7 Talk to an ethical adviser about reinvesting your portfolio into more ethical investments.
See: www.ethicaladviserscoop.org/find-an-adviser.html

CO-OP MEMBERS CONSIDER HOW A FUND PERFORMS BASED ON HOW THEY:

1. remove industries and stocks harmful to the environment and society
2. include companies with environmental or social benefits, and
3. provide evidence of the funds positive social and environmental impacts.

ETHICAL CONSIDERATIONS

The considerations used by Co-op members when rating funds include:

- **Transparency** of underlying holdings. Reviewing an entire portfolio of holdings sheds light onto the entire portfolio rather than just the top ten investments.
- **Fund Manager Engagement.** Fund managers like other investors have the chance to vote for resolutions in the companies in which they invest. Does the fund manager engage either directly or by voting with underlying investments on ethical issues such as human rights? Does the manager disclose their voting record?
- **ESG Research.** Environmental, Social and Governance (ESG) research can be obtained from a number of research houses and is also done by fund manager teams. Does the fund manager use ESG Research in their investment decision making?
- **ESG Screening.** Environmental, Social & Governance (ESG) Screening can be used to screen out negative investments such as fossil fuels and seek out positive investments such as renewable energy. How does the fund manager use Positive and/or Negative screening in their investment decision making?



Want To Grow Your Money Responsibly?

Responsible Returns helps you find responsible or ethical banking, superannuation and investment products matching your values and interests. For further information: responsiblereturns.com.au



Stuart Barry
Ethical Adviser & Author
richgreenie.com

"If we don't want to invest in, say fracking prime agricultural land, or building coal ports in the Barrier Reef World Heritage Area, we must ensure that our super doesn't. It's our money and we can exercise the choice."

"By saying 'no' we help to starve bad projects of funds, especially as more and more of us come on board."



Natalie Isaacs
Conservationist & Author
1millionwomen.com.au

"Imagine the difference a million women or more would make if they all changed their lifestyles to reduce their impact on the planet."

Switching my money to a fossil-fuel free bank I've since realised has been one of the most powerful actions I've ever taken – while also one of the easiest."



Dr Rodger Spiller
Ethical Adviser & Author
moneymatters.co.nz

"Ethical investment advisers and their clients aim higher—to reduce environmental, social, and financial risk, and increase financial return by creating more positive environmental and social impact. By measuring what really matters—reading the right signs—we can shift from short-termism and narrow thinking to a longer and wider view."