

AB Sustainable Global Thematic Equities Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 30 April 2025



Disappointing

Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

This is an actively managed global managed investment fund. They have an exclusion policy. The AB Sustainable Global Thematic Equities Fund (the "Fund") is designed for investors with high-risk tolerances who want the potential for long-term growth of capital by investing in companies globally that may contribute to positive environmental and social outcomes.

Ethical Concerns

Investments

- ✖ Some investments in the Fund may be problematic for ethical investors, such as:
 - Uranium and nuclear exposure: Cameco Corp.
 - Other holdings with unethical business concerns (anti-trust): Fair Isaac Corp; Visa Inc.
 - Greenwashing and deforestation concerns: Procter & Gamble Co.

Other concerns

- ✖ Materiality/exposure limits on negative screens can potentially result/results in unwanted exposures within the portfolio.
- ✖ As a signatory and sponsor to the UNPRI, holding companies with social and governance issues (unethical business practices) could impact the Funds reputational risk; and lead to non-compliance.
- ✖ Full holdings are available monthly on a 30 day lag. Only the top 10 holdings are disclosed on the website monthly fact sheets.
- ✖ Some of the Fund's investment choices do not typically demonstrate a clear connection with one or more of the UN Sustainable Development Goals as required by its mandate. For example Fair Isaac Corp. a predictive data analytics company, with services that include assessing consumer's credit risk, is linked through Empowerment to [SDG1 - No Poverty](#)
- ✖ Alliance Bernstein do not specialise in ethical investments.

Good Points

- ✓ Provides a Charter - [Sustainable Thematic Equities Exclusion Policy](#) detailing the ethical screening process.
- ✓ Some Commitment to transparency by being [UNPRI](#) signatory but not [RIAA](#) certified.
- ✓ Average transparency of holdings and voting history, both not easily accessed via the public website, see links overleaf.
- ✓ Some of the Fund's investment choices demonstrate a connection with at least one of the UN Sustainable Development Goals.

Fund Overview

UNPRI Signatory	Yes Signatory
Full Holdings Disclosure	No Top 10 holdings only
RIAA Certification	No
Disclosure of Voting	Yes - Proxy Voting & Government Policy
Ethical Screening Process	<p>Refer: Exclusion Policy</p> <p>Fund: Sustainable-global-thematic-equities-fund</p> <p>The Fund's investment universe states that it includes companies that generate greater than 25% of their revenue from the direct production of products or provision of services that support the achievement of one or more UN Sustainable Development Goal (SDG). Companies misaligned with the SDGs are excluded. Three sustainable themes are climate, health and empowerment.</p>
Exclusions	<p>Climate change screens:</p> <ul style="list-style-type: none"> × Coal × Coal-fired power generation × Oil and gas (conventional/ unconventional) × Fossil fuel transportation × Fossil fuel reserves <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Mining × Alcohol × Pornography × Civilian firearms × Military Contracting × Genetically Modified Organisms × Cannabis <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons link <p>Discretionary exclusions</p> <ul style="list-style-type: none"> × Misalignments: Indirect Exposure through value chain where over 20% of company revenue from sales of misaligned products.
Materiality/Exposure Limits	<ol style="list-style-type: none"> 1. Cannabis: Companies with >25% of revenue derived from cannabis-related business activities. 2. Military Contracting: Companies that generate 5% or more of their revenues from selling weapon systems and/or essential, tailor-made weapon-related products or services to the military or defense industry. The exclusion does not apply to companies that provide non-weapons related products or services to the military or defense industry. 3. Tobacco: Companies involved in the direct production of tobacco, as well as tobacco products or those that derive 5% or more of their revenue from the wholesale distribution of tobacco. 4. Coal-fired power generation, Oil & Gas: where companies with direct involvement in the exploration and extraction of these products and services—are structurally increasing will not be invested in. Evidence that at least 50% of CapEX is dedicated to UN SDG-aligned activities is also required.

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated 30 April 2025