

Australian Ethical Australian Shares Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 21 May 2025



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 Australian shares managed investment with stocks generally selected for growth rather than income, with a bias towards smaller capitalisation stocks listed on the ASX that meet their [Ethical Criteria](#). They have negative and positive screening. This fund focuses their exposure to 65% of the S&P/ASX 100 Accumulation Index and 35% of the S&P/ASX Small Ordinaries Accumulation Index.

Ethical Concerns

Investments

- ✱ Some investments in the Fund may be problematic for ethical investors, such as:
 - [Macquarie Group](#) Ltd, [Westpac](#), [NAB](#): Fossil-fuel financing
 - Westpac - Corporate Governance: [ASIC](#) conviction
 - [MERCURY NZ LTD](#) : 3% Gas distribution, however 100% renewable energy generation
 - [PILBARA MINERALS LTD](#): Mining, however Lithium supports energy transition
 - Coles Group: [Coles Liquor Group](#) (alcohol) and [Spirit Hotels](#) brand (pokies/gambling)

Other concerns

- ✱ Invests in companies named by [Market Forces](#) as undermining efforts to meet the Paris Agreement on Climate Change.
- ✱ Fossil fuels exposure within Contact Energy - some revenue from gas generation as a transition generation fuel in the medium term and gas distribution, this is below the Funds applicable AVOID thresholds for gas (Strong positive but has >33% conventional gas).
- ✱ Invests in G8 Education, childcare provider, named by [activists](#) as failing to support their staff by not providing paid parental leave. This may be at odds with the funds Ethical Charter and the alignment to SDG8 – Decent Work & Economic Growth.

Good Points

- ✓ Fund excludes coal (but not fossil fuel financing), coal seam gas, oil, weapons, tobacco, old growth logging, exploitation, gambling, human rights abuses, and harmful products.
- ✓ The fund preferences sustainability leaders, selecting companies from several positive industries including healthcare, technology and renewables.
- ✓ Provides a [CHARTER](#) detailing the ethical screening process.
- ✓ Commitment to transparency by being a signatory to the [UNPRI](#), [RIAA](#) certified and others.
- ✓ Australian Ethical is a [Certified B Corporation](#).
- ✓ [RAP Reconciliation Action Plan](#).
- ✓ Transparency – a full listing of all [share-holdings](#) including [top ten holdings](#) and [voting](#) history available on website.
- ✓ Strong record of [Ethical Stewardship](#) activities on climate and social issues including diversity, reducing fossil fuel financing and animal agriculture and deforestation.
- ✓ The carbon intensity (tonnes of CO2) of its listed share investments at 30 June 2024 is 75% lower than a mainstream share market [benchmark](#).
- ✓ The Trust's investment choices are linked to the delivery of many of the [UN Sustainable Development Goals](#).
- ✓ Australian Ethical have a registered charity [Australian Ethical Foundation](#), donating 10% of profits which provides community grants.
- ✓ Australian Ethical Funds Management only specialise in ethical investments.

*This survey, and the information contained in this document, consider **ethics only** and do not include ANY analysis of fees, performance or financial suitability. It is **general advice only**. The ethical score is subjective and benchmarked to each adviser's average ethical client. Your ethics may differ. We recommend you speak to an experienced ethical financial adviser for personalised advice before making any decisions.*

Fund Overview

UNPRI Signatory	Yes UNPRI
Full Holdings Disclosure	Yes share-holdings
RIAA Certification	Yes RIAA
Disclosure of Voting	Yes voting
Ethical Screening Process	Refer to the CHARTER and website/PDS
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Coal × Coal-fired power generation × Oil × Gas × Fossil fuel financing × Fossil fuel specialist transporters <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Fossil fuel Mining × Alcohol production × Pornography × Uranium × Nuclear power × Military weapons/Lethal firearms × Animal testing × Old growth forest logging × Human Rights <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons × Corporate controversies <p>Discretionary exclusions</p> <ul style="list-style-type: none"> × Unsustainable Food production/processing
Materiality/Exposure Limits	<p>(Please refer to the Funds process and thresholds)</p> <ol style="list-style-type: none"> Weapons Production – Exclude if Mild positive but has > 1% revenue from production of weapons components OR Exclude if Strong positive but has > 5% revenue from production of weapons components Coal– Exclude if Mild positive but has >5% revenue from coal mining or power generation OR Exclude if Strong positive but has >10% revenue from coal mining or power generation Gas/Oil – Exclude if Mild positive but has >10% revenue from oil extraction / refining or unconventional gas extraction OR Exclude if Strong positive but has >33% revenue from oil extraction / refining or power generation. Exclude if >33% revenue from gas extraction or power generation. Pornography production & distribution – Exclude if > 5% revenue from pornography production or distribution. Alcohol production – Exclude if Mild positive but >5% revenue in alcohol production OR Strong positive but >10% revenue in alcohol production All companies, who derive revenue from the production of whole military weapons or lethal firearms, uranium mining and nuclear generation (0% tolerance threshold).

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 21 May 2025.