

2023 Ausbil Corporate Sustainability Report

Ausbil Investment
Management Limited
ABN 26 076 316 473
ACN 076 316 473
AFSL 229722

April 2024

Contents

Content

Executive Summary	3
Sustainability at Ausbil.....	4
Collaboration with Leading Sustainable Investing Organisations	4
ESG integration in our investment decisions	4
Ausbil's Sustainability Committee	5
Ausbil in a snapshot: 2023.....	5
A foundation in good governance	6
Developing the social aspects of our business.....	7
Diversity, equity and inclusion.....	7
Safety and wellbeing	9
Human rights and supply chains.....	16
Community and workplace giving	18
Improving our environmental impact	19

Executive Summary

Executive Summary

Ausbil's approach to sustainability sits within a broader context of ESG and sustainable investment work that we do on behalf of our clients. This report expands on our sustainability practices in our own business.

- Ausbil has launched a range of activities that are designed to expand and improve our **sustainability practices** over time. These include:
 - Ensuring transparent and accountable governance that enables sustainability to feature in how we operate as a business.
 - Reviewing our suppliers and their supply chains, including modern slavery.
 - Analysing our energy and environmental footprint with a view to lowering our carbon impact and taking any steps that can reduce environmental waste.
 - Focusing on initiatives that embed sustainability practices across our organisation, so sustainability becomes an intrinsic part of our culture, in how we deal with each other, our clients, and the broader world.
- Some **key achievements** in our sustainability approach over the year include:
 - Audit of Ausbil's supply chain on the issue of human rights and supply chain practices and development of a procedure to assist with supplier due diligence and escalation of modern slavery cases if found in the business or supply chain.
 - Instigation of measures for key sustainability data, as illustrated in this document, aimed at reducing our use of energy, or carbon and environmental footprint.
 - Key actions in recruitment and policy discussion aimed at increasing diversity, including female representation at Ausbil, across all parts of the business.
 - Implementation of recycling initiatives for paper and organic waste.

“

Ausbil has launched a range of activities that are designed to expand and improve our sustainability practices over time

”

Sustainability at Ausbil

“

Ausbil is actively involved with a range of peak not-for-profit organisations that help define and develop the future of sustainability

”

Collaboration with Leading Sustainable Investing Organisations

Ausbil has been benchmarking our approach to sustainability and ESG for many years through our active participation in a range of global bodies for which sustainability, ESG and responsible investing are amongst their mandates.

To this end, Ausbil is actively involved with a range of peak not-for-profit organisations that help define and develop the future of sustainability. These memberships and ongoing engagements include membership and active involvement in the:

- United Nations-backed Principles for Responsible Investment (PRI) to which we are a signatory;
- PRI Australian Network Advisory Committee;
- Responsible Investment Association Australasia (RIAA) of which we are on the board, and their Human Rights Working Group of which Ausbil is currently chair;
- Investor Group on Climate Change Australia and New Zealand, (IGCC) and participation in Climate Action 100+;
- Investors Against Slavery and Trafficking – Asia-APAC (we are on the Steering Committee);
- Investor Alliance for Human Rights; and
- The Modern Slavery Experts Advisory Group.

Ausbil is also active in supporting key global ESG initiatives through participating as a signatory, and in related advocacy and engagement. Ausbil is currently a signatory to:

- The Global Investor Statement to Governments on the Climate Crisis (2021, 2022);
- The Investor Statement on Bangladesh;
- Investor Declaration on Plastic Pollution (IDPP) from The Plastics Solutions Investor Alliance;
- Investors For Human Rights;
- Investor Statement on Ethical AI from the WBA's Digital Inclusion Collective Impact Coalition (CIC)

Ausbil places significant emphasis on combatting modern slavery and voluntarily submits a public Modern Slavery Statement, despite not being obligated to do so under the current reporting requirements.

ESG integration in our investment decisions

Ausbil is committed to the principles of responsible investing, including the integration of ESG in its investment decision-making and ownership practices. Ausbil includes an assessment of ESG factors in its investment processes across its investment strategies, which may lead to better informed decisions and, ultimately to the positive financial performance of an investment. Ausbil actively exercises its voting rights and engagement with companies, whilst monitoring ESG behaviour. Ausbil believes this helps fulfil its fiduciary duties to investors, and helps companies improve their environmental, social and governance practices, impact and record.

Ausbil's Sustainability Committee

Ausbil's Sustainability Committee

The Ausbil Sustainability Committee assists Ausbil's Executive Committee (ExCo) in implementing the Company's strategic sustainability goals and assists in oversight and review of the Company's practices.

The Charter for the Committee governs the composition, role, operations, responsibilities and authority, and resources of the Committee. The committee comprises members from all areas of Ausbil and aims to meet monthly or more frequently on a needs basis. The Committee is chaired by a member of Ausbil's ESG Research Team, and includes the Chief Executive Officer, ESG Team, Chief Financial Officer and the Head of Equities Research, to name a few.

The Sustainability Committee is expected to develop and present practical recommendations to Ausbil's ExCo on developing corporate sustainability goals; reviewing the effectiveness of the policies and programs in achieving the sustainability goals against best practice standards; and provide recommendations on compliance issues, including on health and safety policy, environmental and climate policy, sustainability goals, and any relevant legal and regulatory requirements.

Ausbil's sustainability goals are centred on four principles:

1. Best practice on workplace management, including diversity, gender equality, career development, training, leadership opportunities, health and physical/mental wellbeing.
2. Sustainable procurement, including preparation and reporting towards the Modern Slavery Act 2018.
3. Minimisation and management of environmental risk and impacts, including energy usage and recycling.
4. Demonstrating community and social responsibility, including charitable donations, community partnerships and volunteering.

Ausbil in a snapshot: 2023

Carbon footprint – head office

Average daily use (kWh)	184.90
Total energy consumption (kWh)	67,346.71
Total Greenhouse Gas (Tonnes)	52.14 (estimate)
NABERS Energy Rating (Grosvenor Place, Sydney)	5.0
NABERS Water Rating (Grosvenor Place, Sydney)	4.0

Source: Grosvenor Place, as at 31 December 2023.

People and diversity

Total workforce	70
Born in Australia	70%
Born outside of Australia	30%
Speak another language other than English	35%
Female workforce	31%
Male workforce	69%
Workforce with flexible work arrangements	51%

Source: Ausbil, as at 31 December 2023.

“

The Ausbil Sustainability Committee assists Ausbil's Executive Committee in implementing the Company's strategic Sustainability Goals

”

A foundation in good governance

“

Ausbil is committed to the highest ethical and standards and our Code of Conduct sets out the behavioural expectations for anyone who works for Ausbil

”

A foundation in good governance

Ausbil is committed to transparent and effective corporate governance. Our governance framework outlines decision-making and accountability lines across the business, provides appropriate partitions and controls for the execution of our fiduciary duties, and the relevant structures that support the management and development of our workforce, and the expression of a culture of diversity, sustainability, transparency and respect.

Our Board oversees the strategic direction of Ausbil and our ExCo has been delegated authority from the Board to implement key strategies and policies. Ausbil is committed to the highest ethical standards and our Code of Conduct sets out the behavioural expectations for anyone who works for Ausbil. Ausbil employees must also abide to a set of policies, including but not limited to issues such as anti-money laundering and counter terrorism financing (AML/CTF), whistleblowing, insider trading, complaints handling, conflicts of interest, incident and breach reporting, information privacy and cyber security. Ausbil provides regular compliance training to all employees to ensure that employees understand the relevant policies and laws, and keep up to date with changes. All employees are required to sign an Annual Compliance Declaration which includes compliance with these policies.

Developing the social aspects of our business

Diversity, equity and inclusion

Ausbil continues its commitment to Diversity and Inclusion as a people priority in 2023.

The Sustainability Committee focuses on advancing the diversity and inclusion focus at Ausbil, and it is a standing priority for the Sustainability Committee. Ausbil continues to advance its diversity and inclusion through a number of initiatives.

While there is a broader challenge of workplace diversity and female participation, particularly within the finance industry in Australia, the benefits for achieving a more representative workforce are significant, including improved staff engagement and discussion, and a broader cultural perspective.

Ausbil continues to look at increasing the number of female representation in the workforce by implementing inclusive recruitment practises. This includes gender-neutral language in job advertisements, targeting balanced gender short lists and gender balanced interviewing panels.

In April 2023, the Diversity and Inclusion Policy was updated. The Ausbil updated policy aims to ensure that Ausbil continues to foster a diverse and inclusive environment where everyone can thrive. The updated Diversity and Inclusion Policy is part of our broader and continued commitment to Diversity and Inclusion. Other policies that support our workplace culture include Benefits, Recruitment and Selection Policy, Workplace Behaviour Policy, Professional Development Assistance Policy and Flexible Work Policy.

Demographics

As of 31st December 2023, Ausbil had 70 employees with 22 (31%) females and 48 (69%) males. Ausbil also benefits from having a diverse workforce whom have lived and worked overseas, born beyond our shores. Some 30% of the workforce was born outside of Australia.

Ausbil Women in Super and Elladex Memberships 2023

All female employees were offered "Women in Super membership" in 2023. Women in Super is a national advocacy and networking group for women employed in the superannuation and wider financial services industries.

All employees were offered a premium Elladex membership in 2023. Elladex (formally known as The Remarkable Woman) is an organisation focused on uplifting women in their professional, personal and well-being growth.

These memberships reflect the on-going commitment that Ausbil has to development in our employees.

“

Ausbil has a Diversity and Inclusion Policy which is a framework to promote workplace diversity, and capture changes and advancement in this area of working life

”



Developing the social aspects of our business

“

Ausbil celebrates our inclusiveness, respect and a sense of belonging for all staff regardless of cultural background through Harmony Day

”

Harmony Day

Ausbil celebrates our inclusiveness, respect and a sense of belonging for all staff regardless of cultural background through Harmony Day. Employees were invited to bring a dish that represents their nationality and to share facts about their cultural background at the Ausbil Harmony Day morning tea. Ausbil had representations from a number of different cultures across Asia, South America, Middle East and Europe. This was a great event that celebrated the cultural diversity at Ausbil.



Developing the social aspects of our business

Mentoring Program

Ausbil has also relaunched the Ausbil Mentoring Program in 2023. Our entry level talent were given the opportunity to be matched to a mentor to support them through their career and developmental goals. There are 7 pairs of mentees and mentors whom participate in the 12 month mentoring program which includes 1:1 mentoring relationship between mentee and mentor. Templates and support from the HR manager were offered. The feedback on this mentoring program has been positive and we are proud to be supporting the career goals of our talent.



Safety and wellbeing

Ausbil is committed to ensuring a safe workplace with healthy and happy employees. Our operations are office based and we have a Workplace Health and Safety Policy that provides a framework for our approach to safety that is relevant for the risks faced by our workforce. Ausbil participates in health and well-being practises such as offering flu shots to employees, having an Employee Assistance Program (EAP) which offers confidential counselling and also provides appropriate ergonomic equipment. First aid training is provided to the employees who are First Aid Wardens and regular building training is provided to the employees who volunteer as Fire Wardens.

In the area of mental health, Ausbil has taken initiatives such as introducing an RUOK morning tea to help socialise mental health issues, and take the stigma out of sharing and asking for help. Mental health is a very important element of employee wellbeing and we support our staff where possible. All staff have access to our confidential Employee Assistance Program which offers them and their family access to free counselling sessions if requested.

RUOK day

In September 2023, Ausbil hosted an internal morning tea and discussion on mental health and RUOK. As part of Ausbil's on-going commitment to work, health and safety; we raised awareness on the topic of mental health and promoted the Employee Assistance Program in addition to other support services.



“

Our entry level talent were given the opportunity to be matched to a mentor to support them through their career and developmental goals

”

Developing the social aspects of our business

“

International Women’s Day is an important day to recognise the achievements of gender representation

”

International Women’s Day

Ausbil continued the sponsorship of the Elladex Remarkable Woman International Women’s Day breakfast in 2023. Ausbil invited all employees to participate in this event which explored the topic of #crackingthecode from guest speakers:

- Founding Director of RedBalloon, Shark Tank investor and author Naomi Simson
- Chair of Adore Beauty, Non-Executive Board Director of Transurban, Energy Australia, Netball Australia and more, Marina Go and
- Broadcaster, DJ and Writer “Fuzzy” Faustina Agolley

International Women’s Day is an important day to recognise the achievements of gender representation and the on-going challenges ahead.



Developing the social aspects of our business

Mother's Day Classic

On Mother's Day, 14th May 2023, a team of Ausbil employees participated in the Mother's Day Classic which is a fundraising walk to support the National Breast Cancer Foundation. Ausbil is an on-going supporter of Breast Cancer research, a cause that is close to our hearts. Ausbil is a founding silver sponsor of the Mother's Day Classic.



“

Ausbil is a founding silver sponsor of the Mother's Day Classic which is a fundraising walk to support the National Breast Cancer Foundation

”

Developing the social aspects of our business

“

Ausbil employees participated in the fundraising event for the Aminata Maternal Foundation. The funds raised will support the training and salaries for midwives in Sierra Leone

”

Bluff and Swagger Gala Dinner 2023

On 17th June 2023, a team of Ausbil employees participated in the fundraising event for the Aminata Maternal Foundation. The funds raised will support the training and salaries for midwives in Sierra Leone.



Developing the social aspects of our business

JP Morgan Corporate Challenge 2023

On 25th October 2023, a team of Ausbil employees participated in the JP Morgan Corporate Challenge which offers staff the opportunity to gather outside of work and enjoy the benefits of fitness, friendly competition, food and fun.



“

Ausbil employees participated in the JP Morgan Corporate Challenge which offers staff the opportunity to gather outside of work and enjoy the benefits of fitness

”

Developing the social aspects of our business

“

Ausbil employees participated in a volunteering day for OZ Harvest. It was a great day for Ausbillians to collaborate and show care for the community

”

OZ Harvest 2023

On 20th December 2023, a team of Ausbil employees participated in a volunteering day for OZ Harvest. Employees prepared/cooked meals for vulnerable communities. OZ Harvest is a charity that promotes sustainability, with the usage of food that may have been thrown out from supermarkets. There was lots of collaboration in the kitchen, and it was a great day for Ausbillians to collaborate and show care for the community.



Developing the social aspects of our business

Bloomberg Run 2023

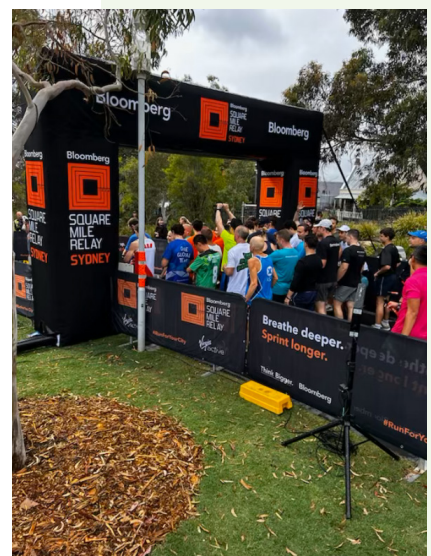
On the 23rd of November 2023, Ausbil employees participated in a unique one mile course in relay style, around the stunning location of Barangaroo Reserve. It was a really great event for all teams to enjoy the bonding and networking opportunities with the biggest businesses in Sydney.



“

Ausbil employees participated in a unique one mile course in relay style, around the stunning location of Barangaroo Reserve

”



Human rights and supply chains

“

Ausbil has submitted a Modern Slavery Statement under the Modern Slavery Act (MSA) as a voluntary submission

”

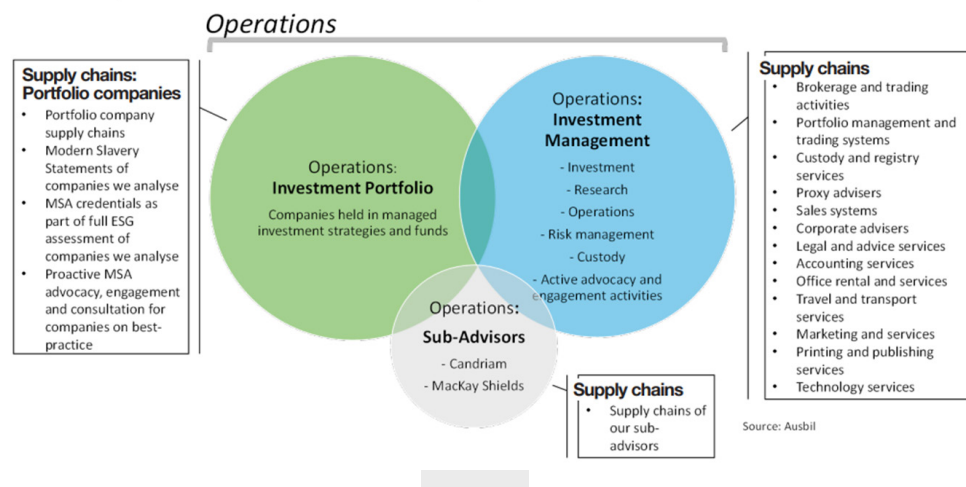
Human rights and supply chains

Ausbil is passionate about human rights and our ESG research team have advocated and engaged on this issue with listed companies in Australia and overseas. Ausbil has submitted a Modern Slavery Statement under the Modern Slavery Act (MSA) as a voluntary submission (Ausbil is not currently required to do so under the Act) to the Australian Border Force which can be found on our website or the government database.

Ausbil is in the privileged position as an investment manager to engage and positively impact across our own supply chains, and the supply chains of the companies we invest in. Figure 3 illustrates how we break down our own supply chains, and how through our investment portfolios we can advocate and engage with Australia's largest companies on the MSA. Through our equity holdings in these companies, we are often able to exert material influence for improvement and change. This is a role we take seriously.

Figure 3: How Ausbil deals with modern slavery risk in our supply chains

Ausbil: Spheres of influence and exposure



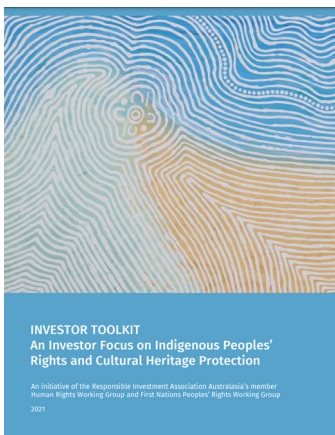
Human rights and supply chains

Initial assessment work of modern slavery risks in our supply chains started in 2020 and it has progressed each year. Initially, the focus was on mapping out the Tier 1 supply chain and assessing which suppliers had the most significant risk to modern slavery and human rights more broadly, and identifying if they had risk management policies in place to manage this risk. In this reporting year, we evolved our risk management assessment to include both medium and high risk exposed suppliers (previously only high risk) with an annual spend materiality threshold of at least \$5,000 per annum. We engaged with those suppliers, especially those that demonstrated relatively weaker risk management controls with requests for more information and signing of our Supplier Code of Conduct.

This process is managed by the Ausbil Sustainability Committee. In parallel, Ausbil has developed explicit internal policies, including a Supplier Code of Conduct, to influence the composition of suppliers and in 2023, Ausbil developed a modern slavery procedure that provides guidance to employees on how to report instances of modern slavery or human rights abuses identified in the business or supply chain.

To date, Ausbil has not uncovered any instances of suspected modern slavery risks in our supply chain.

Ausbil's ESG team has been an author of toolkits with the Responsible Investment Association of Australasia (RIAA) on the issues of human rights and Indigenous People's Rights:



- RIAA Investor Toolkit - An Investor Focus on Indigenous Peoples' Rights: www.ausbil.com.au/Ausbil/media/Documents/Research%20and%20Insights/2111-Investor-Toolkit-An-Investor-Focus-on-Indigenous-Peoples-Rights-and-Cultural-Heritage-Protection.pdf



- RIAA Investor Toolkit - Human rights with a focus on Supply Chains: www.ausbil.com.au/Ausbil/media/Documents/Research%20and%20Insights/Investor-Toolkit-Human-Rights-with-a-Focus-on-Supply-Chains.pdf

“

In this reporting year, we evolved our risk management assessment to include both medium and high risk exposed suppliers (previously only high risk) with an annual spend materiality

”

Community and workplace giving

“

For donations to selected charities, Ausbil has undertaken to match up to \$500 per employee per year to help further promote a culture of charitable giving

”

Community and workplace giving

Ausbil encourages our employees to volunteer and make donations to charities and participate in charitable events. In 2021, we introduced our Workplace Giving Program which enables staff to contribute pre-tax salary to Ausbil's selected charities, or pre-tax to a charity of their choice. For donations to selected charities, Ausbil has undertaken to match up to \$500 per employee per year to help further promote a culture of charitable giving.

Ausbil supports pre-tax giving to the following charities

Focus Area	Charity
Global Aid	
Health	
Social	
Indigenous	
Climate Change	

Ausbil has also supported organisations and charity events such as The Remarkable Women/ Elledex (International Women's Day Event), National Breast Cancer Foundation, Women in Super (Mother's Day Classic), and Financial Industry Community Aid Program (Sydney Fundraiser).

Improving our environmental impact

Improving our environmental impact

Ausbil has actively pursued advocacy and engagement initiatives concerning climate change, environment, and biodiversity. In the past year, Ausbil co-signed the 2022 Global Investor Statement to Governments on the Climate Crisis, which calls on governments to act on climate. Ausbil continues to collaborate within Climate Action 100+, engaging with companies on the key goals of the initiative.

Ausbil became the first Australian company to sign the International Declaration on Plastic Pollution, which will form the basis of active plastics and recycling engagements and advocacy moving forward.

Ausbil has been advocating with industry, including a number of positive engagements with the Minerals Council of Australia. Ausbil has made significant progress on its proprietary climate change scenario analysis and will assist in deeper engagements with companies on climate change.

Ausbil has undertaken several climate-related engagements with leading Australian companies, including in the resources and energy sectors. This work is deepening and continues at a pace in our ESG activity.

Ausbil has focused on our own consumption of energy and overall environmental footprint. Ausbil's head office in Sydney at Grosvenor Place was built with smart design in mind, including the implementation of sustainable technologies, to deliver year-on-year energy and water reduction. Analysis shows our office as residing in a significantly efficient building for its vintage, with Grosvenor Place holding a 4.5 star NABERS Energy rating and a 4 star NABERS water rating.

Furthermore, 100% of the base build electricity supplied is accredited green power resulting in zero emissions from our share of the building's facilities. Our office utilises LED lighting with sensor controls, and we participate in an extensive recycling program to manage our waste.

“

Ausbil's head office in Sydney at Grosvenor Place was built with smart design in mind, including the implementation of sustainable technologies, to deliver year-on-year energy and water reduction

”

Improving our environmental impact

“

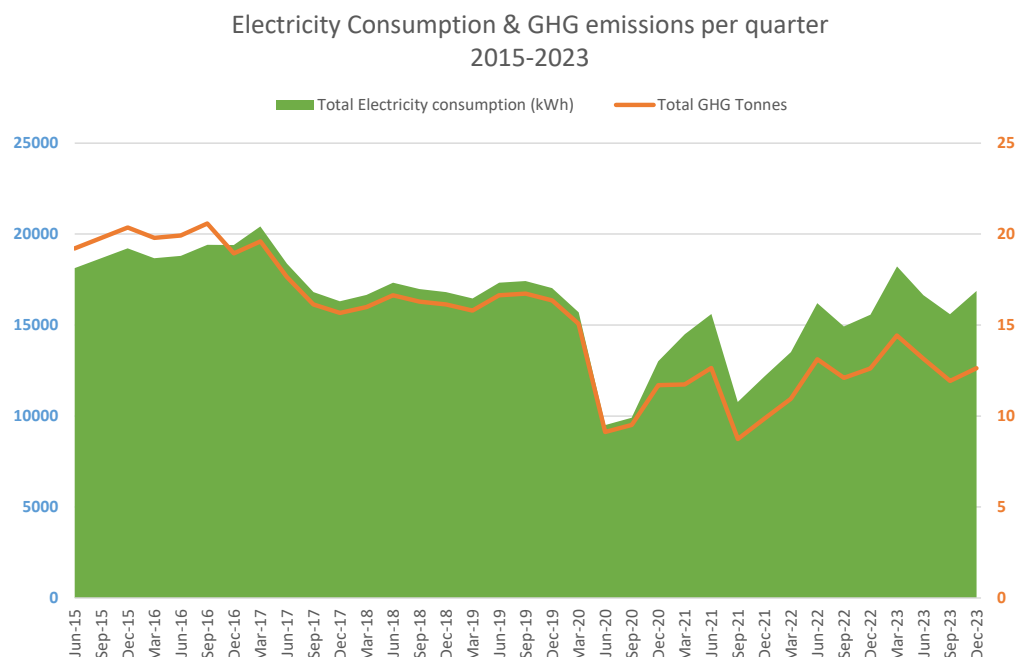
Energy use in the office has returned to normalised levels circa 2018-2019 and remains at lower levels than pre-2018

”

Our overall emissions impact is low as we operate in an office environment, however, we continue to seek ways we can reduce our overall environmental impact. We recognise that we can still play our part in actively monitoring and improving our carbon footprint where possible. Our energy provider, Energy Australia, has shared the data on our office electricity usage and greenhouse gas emissions, as illustrated in Chart 1.

Energy use in the office has returned to normalised levels circa 2018-2019 and remains at lower levels than pre-2018. Fluctuations in energy use relate to employees working from home during the peak of the pandemic in 2020 and 2021 and waves of new variants in 2022.

Chart 1: Electricity consumption and emissions have been falling while our business has been growing



Source: Ausbil, Energy Australia, as at 31 December 2023.

Disclaimer

This information is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located, in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Ausbil to any registration or licensing requirement within such jurisdiction.

This information is a general communication and is educational in nature; it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy.

No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in any materials to which this document relates (the "Information"), except with respect to Information concerning Ausbil. Ausbil does not undertake to update or keep current the Information. Any opinions expressed in this document may change without notice and may differ or be contrary to opinions expressed by other business areas or groups, personnel or other representative of Ausbil. Any statements contained in this Report attributed to a third party represent Ausbil's interpretation of the data,

Information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. In no circumstances may this document or any of the Information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes:

- (i) valuation or accounting purposes;
- (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or
- (iii) to measure the performance of any financial instrument including,

without limitation, for the purpose of tracking the return or performance of any Values or of defining the asset allocation of portfolio or of computing performance fees.

By receiving this document and the Information you will be deemed to represent and warrant to Ausbil that you will not use this document or any of the Information for any of the above purposes or otherwise rely upon this document or any of the Information. Except as otherwise specified herein, these materials are distributed by Ausbil, to persons who are eligible counterparties or professional clients and are only available to such persons. The Information does not apply to, and should not be relied upon by, retail clients.

The information contained in this document is given by Ausbil Investment Management Limited (ABN 2676316473) (AFSL 229722) (Ausbil) and has been prepared for informational and discussion purposes only and does not constitute an offer to sell or solicitation of an offer to purchase any security or financial product or service. Any such offer or solicitation shall be made only pursuant to an Australian Product Disclosure Statement or other offer document (collectively Offer Document) relating to an Ausbil financial product or service. A copy of the relevant Offer Document may be obtained by calling Ausbil on +612 9259 0200 or by visiting and the target market determination which is available at <https://www.ausbil.com.au/invest-with-us/design-and-distribution-obligations/fund-tmds> before acquiring or investing in the fund. Changes in circumstances after the date of publication may impact on the accuracy of the information.

The information provided by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) has been done so in good faith and has been derived from sources believed to be accurate at the time of compilation. Changes in circumstances, including unlawful interference and unauthorised tampering, after the date of publication may impact on the accuracy of the information.