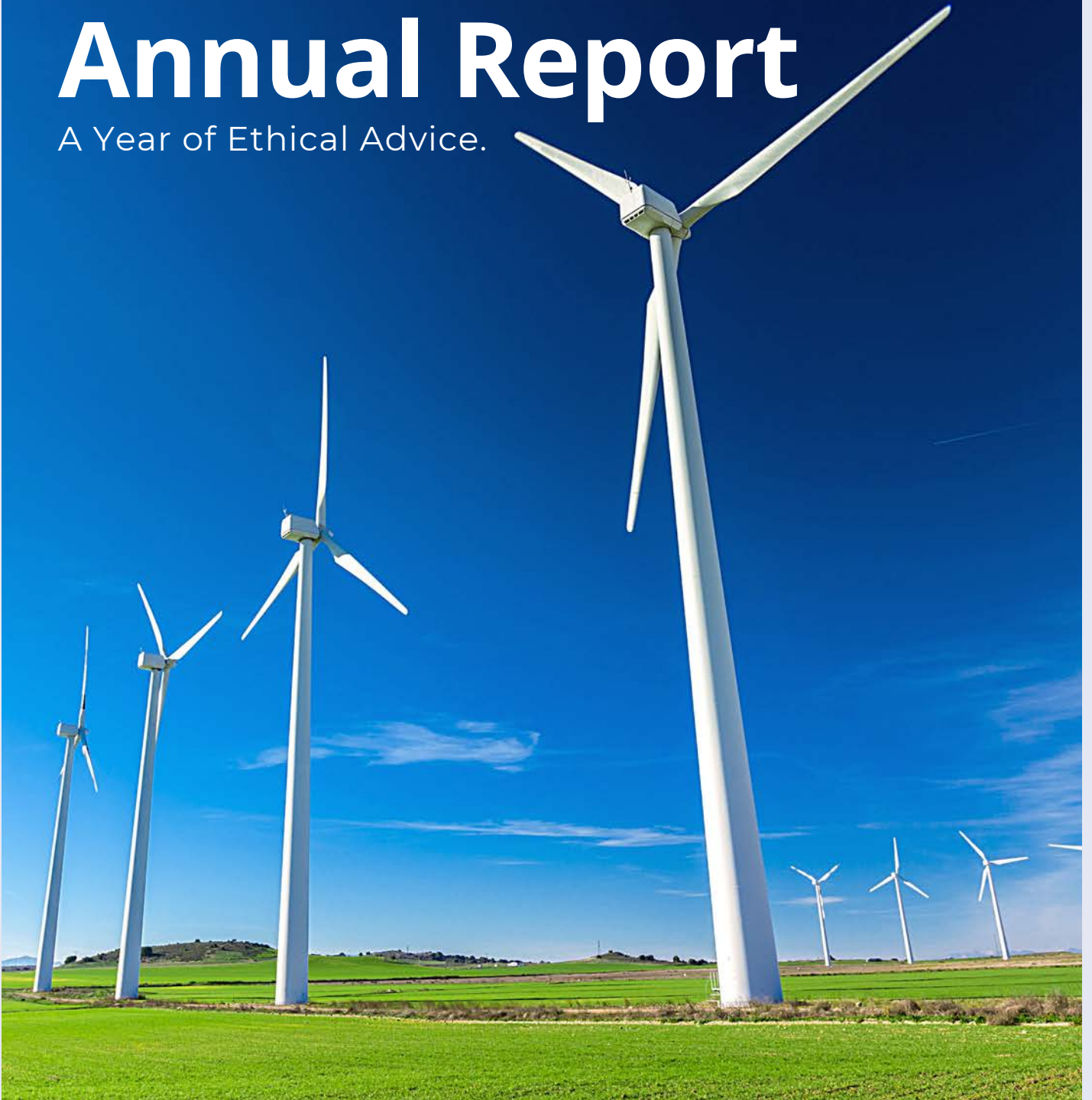


# 2020

# Annual Report

A Year of Ethical Advice.



**Ethical**  
Advisers' Co-op

[www.ethicaladviserscoop.org](http://www.ethicaladviserscoop.org)

# 2020 ANNUAL REPORT

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A not-for-profit organisation, the Ethical Advisers' Co-op (EAC or "the Co-op") has built an outstanding reputation as a vocal representative on behalf of those advisers and investors seeking ethical alternatives.

The Co-op currently advises 2,344 clients across Australia and New Zealand, investing more than \$1.915 billion funds under management ("FUM") in ethical and responsible investments.

The primary objective for Co-Op members has been to help expand awareness of the benefits of ethical investing and to provide guidance to those investors seeking to adopt and implement investment strategies that align with their personal values.

This report showcases the important efforts the Co-op has made throughout 2020, highlighting the engagement activities, ethical fund ratings and member events that are lifting the finance industry and spreading the word to more investors.

*"An ethical investment adviser specialist can assist investors in reflecting their personal values and financial needs with the best ethical investment choice for them."*

Terry Pinnell, Chair EAC

## ACKNOWLEDGEMENT OF COUNTRY

The Ethical Advisers' Co-op acknowledges the traditional Country of the Aboriginal people of Australia and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Aboriginal people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations.

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## CHAIR'S MESSAGE

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Welcome to the inaugural Annual Report for the Ethical Advisers' Co-op. The Board decided to create a document that will give the members and any other readers an idea of the work that the Co-op is doing in the ethical investment space.

It is almost 10 years since the Co-op was started in mid-2011. The Co-op was a response by advisers for an organisation that represented their needs and, as the Co-op rules say, "to promote the services of ethical advisers".

I have said before that, when we started this Co-op, I was unsure of its survival and its relevance to advisers, but over that time I have been constantly amazed by the ingenuity and energy that all of you have put into the organisation. Now it has become a sophisticated organisation run entirely by volunteers for the betterment of all, which is a wonderful thing.

I would again like to take this opportunity to thank all the office holders who have helped to keep the Co-op viable and meaningful. All those members who were in the various working groups. All the members of Product Development & Research, Leaf Ratings, Marketing, Relationships & Engagement and Information & Technology.

Over the years we have had a forward-thinking Board who has seen how the Co-op can make a difference to the industry and how it can help its constituents. It has been my privilege to be Chair of the Co-op for the past three years and to be voted in for a fourth year. The work of all the committees and Board has enhanced the output of the Co-op and has meant that we are being taken seriously by fund managers and other interested parties.

The instigation of the Leaf Ratings is one of the ideas that I think shows the ingenuity of the Co-op. This has given us a voice in the ethical investment space that we needed but wasn't too cumbersome or time-consuming to operate. This has been evident with fund managers contacting us in response to our rating of their funds. Some have asked why they have such a low rating and others have been asking us to rate them.

Ethical investment is a growing segment of the investment market. The level of ethical FUM is growing every year as existing advisers add more FUM, and new advisers come into the ethical arena. I think the recent issues of major bushfires, climate change and COVID-19 have made more people realise that their investments are making an impact on the environment and the society in which we live. I also note that the younger generations are more aware of climate issues and seem to have a more socially conscious attitude than past generations.

The number of investments available for ethical investment has grown substantially and now there is a plethora of funds for all the asset classes in both Australian and international funds. There are now exchange traded funds (ETFs), green bonds, impact funds, mutual capital instruments (MCIs) and separately managed accounts (SMAs) and lots of other exciting investment options that were just not around in the early days. When I started in November 1992, there were only three ethical funds to choose from, and a huge part of the impetus for the exponential growth in the number of funds has been due to the influence of the Ethical Advisers' Co-op and its members.

This is an exciting time to be an ethical investment adviser and to be a member of a vibrant Co-op of talented and committed advisers!



**Terry Pinnell**  
**Chair**  
**Ethical Advisers'**  
**Co-op**





# OUR ENGAGEMENT

*We engage with Governments, NGOs, organisations and investment managers to create change.*

The Ethical Advisers' Co-op creates change through engagement with governments, non-government organisations (NGOs), companies and investment managers.

The Co-op, alongside its clients, has been involved in numerous shareholder resolutions that focus mainly on influencing companies to align their policies with the 2015 Paris Agreement. These resolutions involve companies that produce, distribute or finance fossil fuels.

Rio Tinto's destruction of the 46,000-year-old Juukan Gorge in the Pilbara region of Western Australia in May 2020 has highlighted the need for companies to improve their respect and relationships with Traditional Owners. The Co-op has been involved in numerous shareholder resolutions requesting improved processes and reporting around gaining consent to mine traditional lands.

The Co-op also influences positive change through the provision of proxies to assist campaigners such as Market Forces and Australasian Centre for Corporate Responsibility (ACCR).

With the help of Co-op advisers, clients may provide proxy votes so campaigners can attend Annual General Meetings (AGMs) on their behalf. Again, this has been effective in influencing companies to improve their disclosure around fossil fuels, climate change risk and human rights issues.

Co-op members engage with investment managers on various holdings within their portfolios. Fund managers are questioned about companies of concern to ethical clients. Through this, the Co-op influences funds to either engage with, or divest from, the company in question.

Co-op members engage directly with companies. On behalf of client shareholders, advisers communicate with companies around issues of concern such as violations, fines and poor behaviour. The Co-op may discuss opportunities for the organisation to improve or communicate that clients have divested.

Throughout these engagement activities, the Co-op is helping to create positive change at the company level and raise industry standards. This has a flow on effect through financial markets and the economy as a whole.

*As experts in ethical and responsible investment, Co-op members are often approached by fund managers to discuss their ethical screening. With over \$1.9 billion combined FUM, advisers in the Co-op know what ethical clients expect from their investments. It is this pooled knowledge that is valued and sought after by fund managers who are developing new products or tweaking existing investment offerings.*

## ENGAGEMENT

Co-op members supported the following client shareholder resolutions (click links for details):

## AUSTRALASIAN CENTRE FOR CORPORATE RESPONSIBILITY (ACCR)

Fortescue Metals Group (FMG) - publish a report regarding its processes to gain consent to mine traditional lands. Resolution was not put to the AGM because of COVID-related delays regarding physical delivery of the resolution documents.

Origin Energy (ORG) - review its agreement with Traditional Owners regarding hydraulic fracking and review its memberships with industry associations that disagree with the Paris Agreement targets.

Rio Tinto (RIO) - review its industry memberships to ensure their actions align with the Paris Agreement goals. This resolution was withdrawn as Rio agreed to its requests prior to the AGM.

AGL Energy (AGL) - bring forward the closure dates of its Bayswater and Loy Yang A coal-fired power stations.

Santos (STO) and Woodside Petroleum (WPL) - suspend membership of industry associations that promote activities counter to the Paris Agreement and set clear targets that are aligned with the Paris Agreement.

Rio Tinto (RIO) - review its industry memberships to ensure their actions align with the Paris Agreement goals. This resolution was withdrawn as Rio agreed to its requests prior to the AGM.

BHP Group (BHP) - adopt a moratorium on any mining activities that will destroy or disturb lands owned by Traditional Owners and review memberships of industry associations that operate in contradiction to the Paris Agreement. ACCR withdrew the first resolution following a significant agreement formed with the First Nations Heritage Protection Alliance.

## MARKET FORCES

ANZ (ANZ) - align its policies with the climate goals of the Paris Agreement.

NAB (NAB) - align its policies with the climate goals of the Paris Agreement.

Rio Tinto (RIO) - set Paris Agreement-aligned targets to reduce its greenhouse emissions.

Woodside Petroleum (WPL) - set Paris Agreement aligned targets to reduce its greenhouse emissions.

Suncorp (SUN) - rule out underwriting pipelines and gas-fired power stations.

Santos (STO) - set Paris Agreement-aligned targets to reduce its greenhouse emissions.

New Hope Energy (NHC), Beach Energy (BPT), Whitehaven Coal (WHC), Cooper Energy (COE) - wind up coal production and operations in the interest of shareholders, consistent with the climate goals of the Paris Agreement.

# PROXY VOTING

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Co-op members assist their clients by providing proxy votes to campaigners such as Market Forces, enabling them to attend company AGMs. Campaigners can voice client concerns and influence company decisions by attending AGMs in person.

Clients were able to provide proxies for the following companies:

CENTRAL PETROLEUM

SEVEN GROUP HOLDINGS

NEWCREST MINING

MINERAL RESOURCES

ORIGIN ENERGY

FAR LIMITED

ADELAIDE BRIGHTON CEMENT

BURU ENERGY

RESOURCE GENERATION

NEW HOPE GROUP

WARREGO ENERGY

*"Investors must realise their moral and financial imperatives to take this opportunity to call on coal, oil and gas companies to wind up their operations in a manner consistent with the Paris climate goals, while protecting and supporting workers through the transition to a net-zero carbon economy."*

Market Forces

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# ENGAGEMENT

Members of the Co-op are specialists in providing ethical investment advice. They are skilled at researching investments and analysing the underlying holdings of a fund, to ensure that they are true-to-label and meet their clients' values and needs.

The following pages provide a snapshot of several ways that Co-op members have engaged with fund managers and organisations during 2020. Most often this has involved discussions around ethical screening and companies of concern within a fund manager's portfolio.



**International fund manager** - discussions regarding two holdings, Nike and L'Oréal, to ensure that labour practices and supply chain issues had been taken into account.

**Australian fixed income manager** - asked them to tighten their negative screens for fossil fuels, as one holding in the fund (Origin Energy) was in contrast with the other holdings, particularly the green bonds and climate bonds in the portfolio.

**First Sentier Investors** - Discussed their Global Responsible Infrastructure Fund. Co-op members questioned them on sustainability in respect to toll roads and airports.

**AustralianSuper** - provided feedback on their socially aware fund and concerns on their screening process.

**Australian Unity** - engagement regarding holdings in a property investment with exposure to gambling, as well as their mandate for investment in fossil fuels.





# ENGAGEMENT

Global sustainable bond funds - addressed client concerns regarding Allianz which is a major investor in Adani Group. Engaged with another fund about their environmental, social and governance (ESG) screening and concerns regarding the sustainability of airport and toll road infrastructure.

Alphinity - provided feedback on their ethical screens, in particular their high materiality thresholds for tobacco, gambling and armaments.



In ongoing engagement with Quit Nukes, Medical Association for Prevention of War, Australia, and the International Campaign to Abolish Nuclear Weapons, the Co-op provided this group with industry superfund contacts, especially industry superfund contacts, in order to lobby for divestment and sign up to the Treaty on the Prohibition of Nuclear Weapons.

Client shareholders contacted regarding company Cleanaway amidst concerns regarding environmental fines and chief executive officer (CEO) bullying. Communicated that peer funds are divesting on ethical concerns.

Engaged with two Australian fund managers and ETF providers on their ownership/divestment of Cleanaway due to CEO reports of bullying behaviour.





## ENGAGEMENT

Global sustainable ETF - provided feedback on revised screens and suggested further exclusions including uranium, armaments, human rights, board gender diversity, detention of asylum seekers, animal cruelty, tobacco, fossil fuels and gaming. Discussed several holdings of concern that are at odds with an ethically screened fund - fossil fuels exposure, military weapons and civilian armaments and alcohol.



Australian fixed income fund - engaged with manager on expanding the corporate green bond market in Australia and using their influence on corporates.

Australian Ethical - raised concerns regarding their inclusion of major banks in most of their Australian Share funds. Raised concerns on the Westpac AUSTRAC issue. Communicated that some Co-op members are divesting clients from this fund due to lack of action on these concerns over a long period.

Engaged with Lonsec on their Adviser Symposium, with recommendations to make responsible investment sessions more suited to what financial advisers are asking for and the information they need.

Engaged with the Financial Planning Association of Australia (FPA) on their Responsible Investment session for financial planners and the lack of representation from ethical investment financial planners within the session.





# ENGAGEMENT

Co-op members create awareness around ethical investing by delivering webinars, giving presentations and leading events, often through collaborations with other organisations.

Although many of the live events were cancelled in 2020 due to COVID-19, there was still an extensive list of virtual events. Here's just a sample:

THE RIGHT SHADE OF GREEN -  
MATCHING CLIENT EXPECTATIONS  
WITH ETHICAL INVESTMENTS - XY  
ADVISER

HAVE THE BUSHFIRES CHANGED THE  
INVESTING LANDSCAPE AS WELL? -  
IMAP VIRTUAL ADVISER ROADSHOW

CONNECTING CLIENT BEST INTERESTS,  
A STEWARDSHIP ETHIC, AND A  
SUSTAINABLE FUTURE, INTO  
FINANCIAL ADVICE - FPA

ETHICAL INVESTMENT - AUSTRALIAN  
SHAREHOLDERS ASSOCIATION

WILL SUSTAINABLE/IMPACT/ETHICAL  
INVESTING BE MORE RELEVANT IN A  
POST COVID-19 WORLD? - FPA

ETHICAL INVESTMENTS - HOW DO THEY  
COMPARE? - FPA

ADVICE IN THE NEW WORLD OF FASEA  
- RIAA

ENVISIONING THE NEW NORMAL -  
LDINZ

THE ROLE OF THE INDEPENDENT  
ETHICAL FINANCIAL ADVISER -  
MINDFUL MONEY

In addition to event participation, Co-op members are invited to attend webinars held by ethical investment managers. These events provide the opportunity for fund managers to update the Co-op on their holdings and investment process, introduce new sustainable options and explain the risk and performance features of their fund. These webinars are valuable engagement opportunities for Co-op members, providing a platform for two-way discussions.



# 20

FUND MANAGER  
WEBINARS



# ETHICAL INVESTMENT WEEK 24 - 30 OCT 2020

Ethical Investment Week is an opportunity for Australians and New Zealanders to learn more about investing in-line with their ethics. Ethical Investment Week 2020 was held during the week of the 24 – 30 October.

As part of Ethical Investment Week, the Ethical Advisers' Co-op organises several community events in locations across Australia. This year was slightly different, with the effects of COVID-19 restricting the Co-op's usual in-person events. To still get the word out about ethical investing, the Co-op held an online 7 Day Challenge.

Now in its seventh year, Ethical Investment Week highlights and communicates the objectives and benefits of ethical investments. The events provide the opportunity for Australians to discuss ethical investments with leading financial advisers who are specialists in this area.

Responsible Returns (an initiative of RIAA) led an event hosted by the ABC's War on Waste and Fight for Planet A's Craig Reucassel. Craig was joined by a range of guests who unpacked the role our super can play in creating the world we want to live in, and the simple steps to align your money with your values.

## #EthicalInvestWk

### SAVING PLANET A WITH YOUR SUPER

Practical advice for aligning  
your super with your values.

[WATCH THE REPLAY](#)

#### EVENTS 2020

WHY ETHICAL INVESTING IS  
A 'WIN WIN' FOR INVESTORS  
- ONLINE EVENT

IS IT BETTER TO INVEST IN  
SOLAR OVER TERM  
DEPOSITS? - PRESENTATION

TREE PLANTING WITH  
CUBBERLA-WITTON  
CATCHMENT NETWORK -  
PRODUCTIVE MORNING OF  
TREE PLANTING TO IMPROVE  
THE BRISBANE CORRIDOR

7 DAY CHALLENGE





# ETHICAL INVESTMENT WEEK

The 7 Day Challenge was a huge success for the Co-op, and provided the opportunity to reach a larger audience than our regular in-person events.

For each day of Ethical Investment Week, members of the Co-op shared these posts on social media. Our goal was to provide simple, actionable steps that people could take to make a positive change now.

Day 1: check how well your super or investment fund stacks up to peers. The Ethical Advisers' Co-op have developed a leaf rating system that showcases how 'ethical' a fund is.

Day 2: be proactive and contact your super fund to find out how they are tackling today's environmental and social challenges, including climate change risks.

Day 3: check whether your bank is financing the fossil fuel industry. Market Forces is a great resource.

Day 4: spread the word to friends and family that we can make a difference with our money through responsible investment.

Day 5: contact a Member of Parliament and use your influence to get them involved in taking real action towards renewables and the protection of the environment.

Day 6: join a not-for-profit and support the critical work that is needed to create positive impact for people and planet.

Day 7: talk to an ethical adviser about making the switch to more ethical and sustainable investments. The Ethical Advisers' Co-op has a 'Find an Adviser' page that lists financial advisers across Australia and New Zealand. These advisers are experts in matching your investments with your values while meeting your financial and lifestyle needs.



FIND AN ETHICAL ADVISER



# WORKING GROUPS

*We work together as active members of the Co-op.*



The Ethical Advisers' Co-op draws on each member's strengths through several working groups. These groups require active participation of members and are an integral part of the Co-op. New advisers who are joining the Co-op are encouraged to become part of the working groups. The groups are a great way to learn and share ideas, while keeping the volunteer-run organisation moving forward. The following is a brief snapshot of each working group's activities throughout 2020. The groups are: Product Development & Research, Leaf Ratings, Marketing, Relationships & Engagement, and Information & Technology (IT).

## PRODUCT DEVELOPMENT & RESEARCH

The Product & Development Research Group is the point of contact for ethical investment product managers. The group has developed a client screening document that provides a list of positive and negative screens that are most important to clients of Co-op members. This was updated in 2020 to include issues that clients have become increasingly concerned about in their portfolios. Many clients now wish to exclude companies that contribute to obesity, diabetes and other sugar-related diseases. and clients would also like to support companies involved in regenerative farming practices.

The group distributes a questionnaire to product providers who wish to communicate their products to the Co-op. This document covers the fund's ethical and ESG screening methods, disclosure, team structure and

other features. This document was updated in 2020 also.

The group discussed ESG and ethical screening approaches with several funds, including a new zero tolerance multi-manager. The Co-op's experience is sought after by new and existing fund managers looking to create products that align with client values and needs.

The group facilitated more than 20 webinars with fund managers over the year, and has been approached by another five funds who wish to present to the Co-op.

Members of the group have engaged with Statewide Super and Doctors for the Environment Australia on divestment issues, and Generation Life Investment on a number of new ethical options coming in 2021.

*The working groups are a great way to learn and share ideas while keeping the Co-op moving forward.*



## WORKING GROUPS

### LEAF RATINGS

In 2020 the Leaf Ratings Group reviewed and published 14 new ethical fund ratings, with another review round of 23 funds underway. The comprehensive list on the [Leaf Ratings](#) website is arranged in order of ethical rating, and funds higher up the list have received the best rating. At the end of 2020, Future Super (super category) and Affirmative Global Bond Fund (investment category) held the top spots. Affirmative and Verve Super are both new and highly rated. It has been great to see the choice of truly ethical investment options expanding over the past 12 months. The group has had numerous conversations with fund and investment managers, with noticeable improvements in the disclosure and holdings of funds. After feedback with the Leaf Ratings Group, some funds have become RIAA-certified or become UNPRI signatories. Future Super was a notable example - they updated their website with voting details within 48 hours of being queried on it. Several funds have asked to be re-rated after they have taken into consideration the review and improved their disclosures, holdings and systems. The ratings and engagement has not only improved these funds, but it is clear that transparency is fast becoming the 'new standard'.



### MARKETING

Each year the main focus for the Marketing Group is Ethical Investment Week, with the aim to have bigger and better events and gain more traction with the community for all things ethical investment.

This year, due to the pandemic, there were fewer events compared to previous years, so the group developed a 7 Day Challenge. This was something that all Co-op members could use to engage with their audiences, using hashtags and pre-developed images and copy for social media.

In 2020 the Marketing Group engaged a public relations company to assist with promotion of Ethical Investment Week. The company developed a strategy for 2021 and recommendations for the Co-op website. In response, the group added a selection of documentaries and nine fund manager videos to improve content on the website.

The Marketing Group updated the [Ethical Investment Guide](#). The guide is a downloadable document on the Co-op website that provides investors with the top resources and tools to understand ethical investment. It includes an overview of the Co-op and how we can help, plus an introduction to the Leaf Ratings and simple steps that anyone can take to start investing ethically.



## WORKING GROUPS

### RELATIONSHIPS & ENGAGEMENT

The Relationships & Engagement Group is the main point of contact for media engagements, advocacy work and collaborations between the Co-op and outside organisations. In 2020, the group assisted Market Forces and ACCR with more than 15 resolutions involving companies that need to do better with fossil fuel exposure, climate risk policies, engagement with Traditional Owners, and other ESG issues. In Australia, it takes a minimum of 100 shareholders to propose shareholder resolutions, and the Co-op has been instrumental in working with clients and NGOs to meet these requirements and ensure companies are held accountable. This year, the group has supported Co-op members and their clients with providing proxy votes for more than 11 coal, oil and gas companies. The Co-op has strong relationships with NGOs, and industry bodies for responsible investing and financial planning. Co-op members engage regularly with the Responsible Investing Association of Australasia (RIAA), the Financial Planning Association of Australia (FPA), KAPLAN education and the Australian Shareholders Association among others. In 2020, the Co-op formed new relationships with XY Adviser including the launch of a group focused on ethical advice. This group also connects with advisers who are interested in joining the Co-op or RIAA.



### INFORMATION & TECHNOLOGY (IT)

"In 2020, the main focus was updating and maintaining the two Co-op websites: Ethical Advisers' Co-op and Leaf Ratings. The IT Group added several new members to the Co-op website. We added newly rated funds to the Leaf Ratings website. We worked with the Marketing Group and Engine Scout, an external search engine optimisation (SEO) specialist, to get Ethical Investment Week content online, involving several videos and events, including the Craig Reucassel webinar. We re-organised the Co-op Dropbox account and maintained members' access to the Google Group's email address."





# ETHICAL FUND RATINGS

*We provide Leaf Ratings for funds based on how ethical they are.*

The Ethical Advisers' Co-op has developed the Leaf 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, the Co-op wants investors to understand how each fund compares against its peers.

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

1. Remove industries and stocks harmful to the environment and society from their investment universe
2. Include companies with environmental or social benefits, and
3. Provide evidence of the fund's 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 and 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?



**Superannuation Fund**



**Superannuation Fund**



**australianethical  
Emerging Companies Fund**



**Australian Sustainability Leaders ETF**



**Global Sustainability Leaders ETF**



**Global Bond Fund**



# ETHICAL FUND RATINGS

The Co-op is encouraged with the level of engagement and positive changes that have occurred since launching the Leaf Ratings in 2019. In particular, there has been a significant improvement in the transparency of funds. After conversations with a fund, the fund is more likely to disclose its holdings, voting record and ethical investment process. After feedback with the Leaf Ratings Working Group, some funds have become RIAA-certified or United Nations Principles for Responsible Investment (UNPRI) signatories. Several funds have asked to be re-rated after taking into consideration the review and improved their disclosures, holdings and systems.

*"The ratings and engagement have not only improved these funds, but it is clear that transparency is fast becoming the 'new standard', which is great. The ratings are achieving everything we've set out to do."*

CHRIS LANG, HEAD OF LEAF RATINGS GROUP

On the flip side, there are still a few big funds that have rebranded without actually having any substance, highlighting the green-washing the finance industry needs to be aware of. A notable fund changed names from "Responsible" to "Ethical" while failing to make any updates or changes to the fund's significant issues. However, the ratings have likely contributed to investors and super funds moving their sustainable investments away from greenwashed funds (such as QSuper moving from AMP), and seeking alternatives that are more effective at investing in line with values. Another indicator of the impact the rating system is having is the number of funds approaching the Co-op - around a third of the funds on the ratings 'to-do' list have been self-nominated by fund managers. The list of funds to review grows weekly. No payments are accepted for research and reviews are fully independent, created by volunteers from the Co-op. The Co-op's ability to complete reviews is coming up against person-power constraints. While clearly a problem, it's also a great indication of how useful and successful the reviews are proving to be for advisers, fund managers, and members of the public.

## 2020 LIST OF RATED FUNDS

### Superannuation Funds

Future Super  
Verve Super  
Australian Ethical Superannuation  
WA Super  
Australian Super  
UniSuper  
Christian Super  
First State Super  
HESTA  
Sunsuper  
LGIAsuper  
QSuper  
Tasplan  
Hostplus

### Investment Funds

Affirmative Investments  
Betashares  
Australian Ethical  
Pengana Capital Group  
Stewart Investors  
BNP Paribas  
Nanuk Asset Management  
eInvest  
Altius Group  
NAOS Asset Management  
Perennial Value Management  
Inspire Impact  
Morphic Asset Management  
VanEck  
Melior Investment Management  
Perpetual  
U Ethical  
Aoris Investment Management  
Vanguard  
Legg Mason Martin Currie  
Alphinity  
Russell Investments  
AMP

CHECK OUT LEAF RATINGS

# OUR MEMBERS



ADAM CAREY  
Ethical  
Investment  
Services



ADRIAN  
NATHANIEL  
Triple Impact  
Advisory



ALEX BUTLER  
EL&C Baillieu



ALEX JAMIESON  
AJ Financial  
Planning



ALEXANDRA  
BROWN  
Accord Financial  
Services



ANDREW  
GASTON  
Accord Financial  
Services



ANNE QUON  
Tas Ethical



CHRIS LANG  
Ethical Choice  
Investments



CHRISTOPHER  
HOLME  
HH Wealth  
Creation



CLAUDIA MAH  
Ethical  
Investment  
Services



DAVID RAE  
Federation  
Financial  
Services



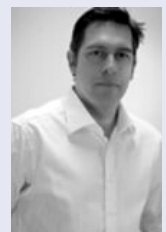
ELIZABETH  
HATTON  
Viva Financial  
Planning



FIONA THOMAS  
Ethinvest



HOPE EVANS  
Simply Ethical  
Advice



JAMES BAIRD  
JustInvest  
Financial  
Planning



# OUR MEMBERS



JENNIFER  
PORTER  
Bloom Advisory  
Group



JULIA HARLEY  
Ethinvest



KAREN MCLEOD  
Ethical  
Investment  
Advisers



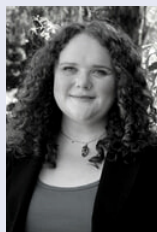
KEVIN  
MCDONALD  
Future Focus  
Financial Planning



LOUISE EDKINS  
Ethical  
Investment  
Advisers



LUKE PRICE  
Ethical  
Investment  
Advisers



MARY CAMPBELL  
Gold Leaf  
Financial  
Services



MATTHEW  
HICKS  
Ethinvest



MELINDA REID  
Sky Summit  
Financial



MICHAEL  
HARWOOD  
Partnership  
Wealth



MICHELLE  
BRISBANE  
Ethical Investment  
Services



MICHELLE  
SKITTRALL  
Ethinvest



MIKE  
JOSEPHSON  
Ethinvest



MURDO  
MACLEOD  
Fiducian Financial  
Services



NATHAN  
FRADLEY  
Lime Financial  
Planning

# OUR MEMBERS



NATHANIEL CHELL  
Sky Summit  
Financial



PAUL  
ELKINGTON  
Shaw and  
Partners



PAUL GARNER  
Novo Wealth



RODGER  
SPILLER  
Money Matters



SARAH WOOD  
ActInvest



STUART BARRY  
Tas Ethical



TERRY PINNELL  
Ethical  
Investment  
Advisers



TIM FITZPATRICK  
Ethical  
Investment  
Services



TIMOTHY  
DONLEA  
Artemas Wealth  
Management



TREVOR  
THOMAS  
Ethinvest

In 2020 the Co-op added five new members, bringing the current total to 40. This year was particularly special as we opened the Co-op to New Zealand advisers. Rodger Spiller has joined the Co-op as the first guest member from New Zealand. All Co-op members benefit from a stronger voice in the industry, peer support and mentorship, group discounts such as platform fees and ESG research, and the enormous value created from shared knowledge and experience. Many members of the Co-op were the original pioneers of ethical investment in Australia. Their wealth of expertise and passion for the industry, combined with Co-op members who are just starting out in ethical advice, provides the greatest opportunity for ethical investing to continue its growth from niche to norm.

JOIN THE CO-OP

# IN THE SPOTLIGHT

The Co-op would like to recognise some of the achievements of members, that not only salute personal success but have helped to lift the ethical advice industry as a whole.

Co-op members are often featured in media articles as they have a strong voice on behalf of clients and expert opinions on ethical investing and financial advice.

In October 2020, the FPA released an entire Money & Life magazine dedicated to ethical investing. It features several Co-op members as specialists in advising clients with ethical solutions. Congratulations Louise Edkins and Karen McLeod (Ethical Investment Advisers),



Michelle Brisbane (Ethical Investment Services), Trevor Thomas (Ethinvest) and Dave Rae (Federation Financial Services) for an excellent article aimed at bringing awareness to ethical advice. The entire magazine provides a wealth of knowledge.

Another noteworthy publication is the June 2020 edition from the ifa, Going Green: Is Sustainability the Future of Investing?. Terry Pinnell (Ethical Investment Advisers) and James Baird (JustInvest Financial Planning) promote the Co-op and demonstrate the significant growth in ethical advice.

One of the Co-op's newest members has been recognised by XY Adviser as going above and beyond to help other advisers understand ethical investments in financial advice. Nathan Fradley (Lime Financial Planning) received the Brains Trust award for community engagement. Joining Nathan on XY, Alexandra Brown (Accord Financial Services) has started an XY group called Invest with Ethics, aiming to boost adviser confidence and support in ethical advice through shared knowledge and training. Both members use the platform to educate advisers on the value and benefits of the Co-op and Leaf Ratings.

Each year at the conference held by the Responsible Investment Association of Australasia (RIAA), Co-op members are invited onto panels or to present at this event. In 2020, Rodger Spiller (Money Matters) and Trevor Thomas (Ethinvest) spoke at the 'Pioneers of Ethical Investment' session where they highlighted the key role that the Ethical Advisers' Co-op has played.

*Each year at the AGM, the Co-op celebrates a member with an award for outstanding achievement. In 2020, the award goes to Chris Lang (Ethical Choice Investments) for his dedication to the development and ongoing work involved in the Leaf Ratings.*



*Chris is director and treasurer of the Co-op, and head of the Leaf Ratings Group. Our sincere thanks for your contribution Chris - you have gone above and beyond. The Co-op would also like to congratulate you on the launch of your new practice, Ethical Choice Investments.*



## IN THE SPOTLIGHT

The Co-op would like to celebrate the three advisers who made it onto Financial Standard's Power50 list of the most influential financial advisers in Australia. In the making of this list, they define 'influential' as individuals who have been or continue to be instrumental in shaping the future of the financial advice industry.

### DAVID RAE

#### Federation Financial Services

Dave Rae believes investing can be used as a force for good, to create change and address some of the biggest problems the world faces. He strives to build a Portfolio of Purpose for those clients who also feel it is important to



them. Not just excluding those that do harm but actively seeking those who benefit society and contribute to solutions. Investing can be used as a force for good to create change and address some of the biggest problems the world faces. Dave is certified as a Responsible Investment Adviser by the Responsible Investment Association Australasia. In 2019, Dave was appointed as a Director of the Responsible Investment Association Australasia to work towards RIAA's mission of ensuring capital is aligned with achieving a healthy society, environment and economy. He sits on RIAA's Certification Assessment Panel and is chair of RIAA's newly formed Financial Adviser Forum.

### KAREN MCLEOD

#### Ethical Investment Advisers

Karen McLeod is a Certified Financial Planner™ (CFP). She also holds a Bachelor of Business (with Distinction). Karen is actively involved in all issues related to responsible investment, having specialised in the area for almost 14 years. In 2010, she was appointed as a board member for the Responsible Investment Association Australasia. In 2020, she retired from the board and the RIAA Certification Committee. In 2009, Karen was awarded a place in the 'Masterclass Top 50' Honour Roll. The Australian Financial Review's *Smart Investor* magazine conducted the exam. In 2019 and 2020 she was named as one of the 50 most influential advisers by the Financial Standard in their peer voted annual survey. Professionally, Karen is a member of



the Financial Planning Association. She is also accredited as a Certified Financial Adviser with the Responsible Investment Association Australasia. She lives in Brisbane and looks after clients across Australia.



### ALEX JAMIESON

#### AJ Financial Planning

Alex is the founder of AJ Financial Planning, a small dynamic practice in Prahran, Melbourne. His innovative and level-headed approach is often a breath of fresh air in an overly complicated market place. Alex is a proud member of the Ethical Advisers' Co-Op and enjoys providing advice within the ESG marketplace.



## IN THE SPOTLIGHT

The Co-op is celebrating the first New Zealand adviser to join the group. Rodger Spiller (Money Matters) is an ethical investing pioneer, and it is a privilege to have him join the Co-op. Rodger is considered a guest member while we wait for the appropriate legal confirmation, but has already played an active role in the working groups and discussions in the Co-op. We asked Rodger a few questions about his experiences with ethical investing in New Zealand and how he has found the Co-op so far. Welcome to the Co-op Rodger!



**You've been providing responsible and ethical investment advice for a long time. When did you first start and what has been a highlight in your journey?**

As a teenager in the '70s I was inspired by the example of the early ethical investors in New Zealand who vocally responded to calls from Nelson Mandela to divest from South Africa. I decided to study and work in the field and graduated in 1990 with a Master of Commerce (First Class Honours) in ethical business and investment, and a PhD in 1999.

My first year in the advisory industry was 1988, heading the New Zealand research and training arm of an Australasian investment firm. A highlight was meeting the Australian pioneers of ethical investment advice and other international investment trailblazers, and then working with them to educate investors that how they invest their money matters. When I found myself sitting a couple of metres away from Nelson Mandela at the World Summit on Sustainable Development in Johannesburg in 2002 as the official representative of NZ business, I knew I'd come full circle.

**What differences have you noticed between Australian and New Zealand ethical investments?**

New Zealand is a relatively small market. There are not as many locally-based investments and fewer positive-impact funds. Money Matters' portfolios include Australian-based funds that access leading managers based in the United Kingdom and elsewhere. At times, demand from our clients has provided the critical mass for Australian-based funds to be made available in New Zealand.

**How would you describe the ethical advice landscape in New Zealand, and how does this compare to Australia?**

There are fewer specialist ethical investment advisers in New Zealand. As one media commentator put it, for a very long time I was "almost a lone voice". However, after a major media investigation revealed "millions of New Zealanders have unwittingly invested in tobacco and controversial weapons", the zeitgeist, as the commentator described it, "suddenly and quite spectacularly... changed. Cluster bombs and tobacco are widely discussed, and socially responsible investing (SRI) has become important."

**Why did you join the Ethical Advisers' Co-op and what has been your experience so far?**

Being part of the Co-op has provided a unique forum for in-depth sharing of insights with the Australian pioneers I've been honoured to know since the late 80s. I've received valuable guidance on how leading advisers in Australia are creating ethical portfolios—often with reference to the Co-op's Ethical Fund Ratings—and have applied that wisdom to help maintain my leadership position in ethical advice in New Zealand.

**What is one thing that makes New Zealand ethical investment unique?**

An increasing indigenous influence, with Māori concepts interwoven through some New Zealand ethical investment approaches. Reflecting her Māori descent, my wife and colleague Professor Chellie Spiller has taken a leading role in advocating for a "five well-beings" system, challenging our businesses, investors, and New Zealand as a nation, to consider cultural and spiritual dimensions as well as the conventional "triple bottom line" of environmental, social and financial factors.

## OUR BOARD

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The board has been integral in ensuring the Co-op maintains good governance and works together, as well as with members, to manage the strategic direction of the Co-op.



TERRY PINNELL  
Chairperson



SARAH WOOD  
Director



FIONA THOMAS  
Director



LUKE PRICE  
Director &  
Secretary



CHRIS LANG  
Director &  
Treasurer



ALEXANDRA  
BROWN  
Director



PAUL GARNER  
Director



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## WHO ARE WE?

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The Ethical Advisers' Co-operative was first established in 2011 by a dedicated group of financial advisers who recognised the need to represent and advocate on behalf of ethical and sustainable investment advice within Australia, a need that remains to this day. Since those early days, the Co-op has grown to 41 members, all of whom operate within ethically focused financial planning practices around Australia, collectively managing almost \$2 billion of ethical investors' money.

A not-for-profit organisation, the Co-op has built an outstanding reputation as a vocal representative on behalf of those advisers and investors seeking ethical alternatives. Through their active participation within the investment industry, the Co-op has worked alongside major organisations promoting sustainability and ethical advice, such as the Responsible Investment Association Australasia, 350.org, ACCR and Market Forces.

**The primary objective for Co-op members has been to help expand awareness of the benefits of ethical investing and to provide guidance to those investors seeking to adopt and implement investment strategies that align with their personal values.**

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.

Currently, EAC advisers assist over 2,300 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. Co-Op advisers have been in the vanguard of ethical investing both within Australia and internationally and have helped develop some of the most innovative ethical investment solutions to help clients achieve their financial goals without compromising their personal values.



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## GET IN TOUCH

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If you would like to speak with a financial adviser, who is a specialist in ethical and responsible investing, about your own super and investments, head to the Co-op website and search by Australian State or Territory, or New Zealand.

[FIND AN ETHICAL ADVISER](#)

If you are a financial adviser who is interested in joining the Ethical Advisers' Co-op, please reach out to us using the contact form at the link below. The Co-op welcomes both experienced ethical investment advisers, as well as those who are transitioning to this space.

[JOIN THE CO-OP](#)



# ETHICAL ADVISERS' CO-OP



The Co-op's Australia-wide and New Zealand membership of ethical financial advisers help everyday people invest and make financial decisions to match their ethical values.

Find out more:  
[www.ethicaladviserscoop.org](http://www.ethicaladviserscoop.org)



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This report was created by Alexandra Brown

Ethical Adviser Consultant

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