

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

LEVEL 20
101 COLLINS STREET
MELBOURNE VIC 3000
AUSTRALIA

TEL (613) 9654 0499
EMAIL INFO@AUL.COM.AU

RESPONSIBLE INVESTMENT POLICY

Introduction

This policy outlines the approach of Australian United Investment Company Limited (we / us / our, the Company) in ensuring that Environmental, Social and Governance (ESG) risks and opportunities are incorporated within our investment decision making practices.

The Company's Board of Directors are responsible for approval and implementation of this policy.

Commitment and approach

We are a long-term investor and look to invest in companies which have a sustainable franchise which we expect will generate growth in earnings. We recognise that ESG matters can and do have a material impact on the long-term prospects of companies and therefore can directly affect their profitability and long-term value. Consequently, we have a duty to our shareholders to ensure that ESG matters are appropriately considered in our portfolio decision making and in maximising the long-term viability and prosperity of the companies in which we invest.

We believe good ESG practices over time can deliver both direct and indirect impacts on shareholder value and can provide a broader public community benefit.

We strive to be a responsible investor, in that we invest with the goal of financial success while encouraging proper management of ESG matters within our investee companies. We aim to achieve this by integrating ESG considerations within our investment process and in our actions as active investors.

Identification and analysis of ESG matters

We primarily source information to identify and understand ESG matters by engaging with companies directly and also from broker research reports or other trusted third-party reporting. This information is then utilised in our decision-making practices.

The way in which we analyse a particular ESG matter will vary between different investee companies based on the particular circumstances of each company. The financial materiality of an ESG matter is also considered in our assessment.

The ESG matters we may consider include:

- **Environmental:**
 - Climate change and carbon risk
 - Pollution (light, air, noise, chemical etc.)
 - Environmental impact
- **Social**
 - Modern slavery, working standards and conditions
 - Workplace health and safety
 - Human rights
- **Governance**
 - Board composition and diversity
 - Compliance
 - Financial integrity and audit quality
 - Corporate culture
 - Tax practice
 - Remuneration

Investment Process

We consider ESG matters as part of our investment decision-making process, recognising that they can have a material impact on the sustainability of a company's business and its prospects.

When assessing a new company for investment, material ESG matters are raised for discussion by the Board. The same applies when reviewing existing investments for further investment or potential divestment.

If insufficient information is available on an ESG matter and it is deemed to be material to the investment decision, the decision is deferred until we are satisfied that we understand the relevant matter.

We assess ESG matters on a case-by-case basis and do not have blanket exclusions for certain sectors.

Active Investors

We engage on ESG matters with our investee companies and vote responsibly on ESG-related resolutions at investee company meetings.

1. Engagement

We consider active engagement with our investee companies to be the most effective way to encourage those companies to address effectively their ESG responsibilities.

As shareholders in the companies in which we invest, we have the opportunity to directly communicate and meet with their management teams – this is a valuable way in which we can raise and discuss matters of concern, including on ESG matters. By engaging in direct communication, we believe we can have productive conversations to encourage improved management practices.

Ways in which we may engage on ESG matters with investee companies include:

- Discussing the company's approach to ESG,
- Providing our feedback on how the company is responding to a particular ESG matter,
- Making suggestions on how the company may improve their ESG practices.

2. Voting

We acknowledge the importance of voting at investee company general meetings as this is an effective way in which we can influence their governance practices in a positive way. Effective governance, as part of a broader approach in management of ESG matters, allows companies to be better placed to achieve financial success.

When we vote at company general meetings, we do so with careful consideration of ESG-related resolutions and how they impact the company's long-term viability.

Review

This Policy will be reviewed annually by the Board.

Last reviewed – 14 July 2022