



Security with Performance

ESG Policy Principles

Mutual Limited

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Introduction

At Mutual Limited we specialise in managing funds for investors that are either conservative, prudentially supervised or who operate subject to APRA regulated investment regimes. The firm acts as Responsible Entity and Investment Manager for registered managed investment schemes which we have established, specialising in cash, enhanced cash, credit and enhanced credit.

Our aim is to deliver a sustainable and predictable investment benefit to all our stakeholders and we strive to be a leader within the fixed interest investment space. Our aim is to improve investment performance and grow assets under management and we endeavour to do this in a sustainable and responsible way.

Mutual's core principles around Environmental, Social and Governance (ESG) issues are:

- We strive to invest for good, positively contributing to the greater future good. ESG issues represent both a short-and-long-term risk, however with appropriate management, strategy and action, they can be overcome to the benefit of all stakeholders involved.
- We believe we can positively impact performance and reduce risk at both the firm and portfolio level with the appropriate action taken in regards to ESG issues.
- We are focused on continually improving the firm's corporate citizenship and will maintain a willingness to adapt to the changing global environment.

Mutual's commitment to recognising and acting to minimise ESG risks follows:

Environmental Issues

We:

1. Strive to reduce and improve our environmental impact and as an Australian business we adhere to guidelines and regulations.
2. Reduce pollution and improve the disposal of waste.
3. Aim to minimise the impact of company operations on the environment.
4. Consume resources responsibly.

Social Issues

We:

1. Respect and abide by Human Rights initiatives according to Australian Human Rights laws. The basic human rights are outlined in the International Bill of Human Rights, International Labour Organisation Declaration on Fundamental Principles and Rights at work and of course we respect the Australian Governments outlined Human Rights initiative. The United Nations Guiding Principles on Business and Human Rights is the guidelines in which we and other businesses are guided by.

2. Encourage the diversity of labour standards and will not knowingly engage in business where we could be complicit in human rights abuse.
3. Interact and improve upon our relationship within our community and provide safety for the workforce.

Governance Issues

We:

1. Will conduct our business practices with honesty and within the confines of the Law.
2. Actively work against bribery, corruption, extortion, money laundering and other financial crimes.
3. Comply with regulatory requirements in which we operate and comply with all guidelines set by the PDS and client mandates.

What Responsible Investing means to Mutual

Responsible Investing (RI) is the consideration of ESG in investing and decision making. Mutual believe that ESG policies need to be thoroughly integrated into the decision making process for both the business and investment management. For ESG to be effective, all stakeholders must engage and adopt the ESG policies and build adherence to these policies and beliefs within the culture of the business.

ESG is a growing area and more businesses are using this as a key reference for investing. At Mutual we understand this and are constantly reviewing and enhancing our business and investment processes and understandings to ensure optimal outcomes.

Mutual's position on key ESG issues follows:

Human Rights and Modern Slavery

We respect human rights in the way we operate. The basic human rights are outlined in the International Bill of Human Rights, International Labour Organisation Declaration on Fundamental Principles and Rights at work and we respect the Australian Governments outlined Human Rights initiative. We are guided by The United Nations Guiding Principles on Business and Human Rights and support fair and safe working conditions globally. We will assess a company and their reputation and performance and look for any of the following issues: workplace safety, freedom of association, forced labour, child labour, discrimination, harassment and other similar activities and we will not support these activities.

Climate Change / Eco-system decline

We believe that Climate Change can have a long-term impact and we believe in practices that minimise the impact on Climate Change (such as the Paris Agreement). Human contribution is a major factor in global climate change and we accept that people and businesses need to adopt more eco-friendly practices to decrease their footprint on the global environment. We are committed to reviewing our footprint and creating practical actions to decreasing this and engaging with stakeholders to ensure mutual agreement on these matters.

Pollution and Disposal of Waste

We strongly encourage the use of environmentally friendly practices. Mutual are currently achieving a 5 NABERS energy rating as well as a 6-star Greenstar accreditation. Pollution and waste are managed with a 3-tier disposal system segregating specific goods for recycling and waste purposes.

Population Growth

We will seek to carefully manage resources that will challenge the planet in the future. We acknowledge that the population growth has been and will continue to be a circumstance that will challenge the planet going forward.

Water Scarcity

At Mutual we seek to improve on current water usage. We recognise that water is arguably the most important resources for the planet and we can see access to clean water as a growing global problem. We recognise water management and security is a relevant and important issue that is being combatted globally. We encourage businesses to take steps in securing sustainable water and minimizing water usage both clean and grey. Our building currently has a grade 6-star Greenstar accreditation.

Material / Resource scarcity

We strive to decrease our material and resource consumption by prioritising economically and sustainably friendly materials for the workplace and the community. Our aim is to better and always improve upon using resources responsibly. Within our investment funds we screen out any companies active in exploring or extracting fossil fuels, or those that generate more than 10% of revenue from these activities.

Cybersecurity

Mutual seeks to maintain a secure and impenetrable IT systems, processes and overall online presence. It prioritises the protection of its customers data as well as their (and our) reputation. Mutual has adopted sophisticated procedures such as a 2 signature authentication and review process for our daily movements, as well as a peer review system. Our systems are backed-up frequently, always accessible and are professionally and expertly managed.

Social Media

Mutual currently has multiple social media platforms and seeks to maintain an appropriate and positive online presence. We ask that our business, employees and stakeholders take caution in using different social media platforms.

Gambling

We recognise that although gambling in Australia is legalised and permitting per appropriate regulatory regimes it can be addictive with unhealthy and negative personal and social consequences. Consequently, through its investment processes, Mutual currently chooses to filter out any company that earns more than 10% of their revenue through gambling activities.

Alcohol & Tobacco

We recognise the consumption of alcohol and tobacco is legal subject to age restrictions but realise that the consumption of these items if not appropriately managed can lead to adverse health, social and community side-affects. Accordingly, through its investment filtering processes Mutual currently excludes producers of tobacco products from its approved investment universe. Mutual currently chooses to filter out any company that generates more than 10% of its annual revenues from alcohol related activities.