



Mutual Limited

ESG POLICY

August 2024

WHO WE ARE

Mutual Limited specialises in managing funds for investors who are conservative, prudentially supervised or 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

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. We have the responsibility to act in the best interest of investors of our funds and aim to deliver superior risk adjusted returns in a responsible and sustainable manner. We have a minimum ESG criteria for both the portfolio and individual investments within the Funds, and assess these at least monthly and at the Investment Committee Level to ensure these standards are maintained and that ESG considerations are always known and monitored.

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

Our corporate values

- We are focused on behaving in a sustainable and appropriate manner and are continually striving to improve our corporate citizenship. We maintain a willingness to adopt and adapt to the changing global environment.

Making investment decisions (responsible investing):

- We strive to invest for the greater good; positively contributing to the greater future good of the world and its resources, while reducing investments in areas which may cause harm to the world or its people.

POLICY REVIEW

Mutual's ESG policy is subject for review and sign off by the Investment Committee, Risk & Compliance Committee and ultimately the Board on an annual basis. This is to ensure the policy reflects Mutual's ongoing commitment to improve ESG capabilities and integration.

ESG IN OUR CORPORATE VALUES

Mutual's view, and commitment to recognising and considering ESG considerations are as follows:

Environmental Issues

We strongly encourage the use of environmentally friendly practices. We believe 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). We recognise that 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.

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 minimising water usage both clean and grey. Our building currently has a grade 6-star Greenstar accreditation.

Mutual seeks to reduce pollution and 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.

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 improve upon using resources responsibly.

Specifically, we:

- (i) will adhere to ESG guidelines and government regulations.
- (ii) seek to understand and reduce our output of pollution and improve and reduce our disposal of waste.
- (iii) aim to understand and minimise the impact of our company operations on the environment.
- (iv) reduce the utilisation of natural resources in our day-to-day operations including water, paper and energy usage.
- (v) actively and regularly engage with senior management of companies in which we invest, addressing environmental concerns.

Social Issues

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.

Specifically:

- (i) respect human rights in the way we operate
- (ii) encourage the diversity of labour standards and will not knowingly engage in business where we could be complicit in human rights abuse.
- (iii) interact and improve upon our relationship within our community and provide safety for the workforce.
- (iv) actively and regularly engage with senior management of companies in which we invest, addressing social concerns

Governance Issues

We are committed to supporting high standards of governance, ensuring our organisation operates with transparency, accountability and adherence to guidelines and regulations. By prioritising sound governance practices, we aim to build trust among our stakeholders, investors and employees, thereby fostering a culture of integrity and resilience.

We will:

- (i) conduct our business practices with honesty and within the confines of the Law.
- (ii) actively work against bribery, corruption, extortion, money laundering and other financial crimes.
- (iii) comply with regulatory requirements in which we operate and comply with all guidelines set by the PDS and client mandates.
- (iv) minimise governance breaches in our daily operations.
- (v) not consciously work with any company/individual/organisation with criminal links.
- (vi) actively and regularly engage with senior management of companies in which we invest, addressing Governance concerns.

ESG IN OUR INVESTMENT PROCESS & FUNDAMENTALS

Responsible Investing ('RI') is the consideration of ESG in investing and decision making. We recognise the dynamic and evolving nature of ESG issues, and our dedication to responsible investing extends beyond a static approach. We are committed to continuously reviewing and enhancing our approach, tailoring our policies to align with the ESG goals of our investors.

Our commitment to Responsible Investment originates from the understanding that ESG considerations are crucial to making sound investment decisions, ultimately leading to improved investment outcomes. Through the integration of ESG factors into our investment strategy, we strive for a holistic approach to identify risks and opportunities that may go unnoticed with traditional analysis. Our goal is to manage investors' funds sustainably and responsibly, ensuring a comprehensive and responsible approach to investment management.

ESG CONSIDERATIONS

ESG considerations guide our approach to responsible and sustainable investing. Mutual actively applies the following screens to all of our investments:

Investment Type	Category	Action
Environmental Protection	Fossil Fuel Extraction	All excluded
	Nuclear Power	All excluded
	Environmental Degradation	Scanned for disqualification events / potential
Social Inclusion	Adult Entertainment	All excluded
	Alcohol	No more than 10% revenue
	Gambling/Gaming	No more than 10% revenue
	Tobacco	All excluded
Human Rights	Modern Slavery / Human Rights	Scanned for disqualification events / potential
Animal Rights	Animal Cruelty	Scanned for disqualification events / potential

Environmental Protection

Within our investment funds we screen out any companies/financial instruments active in exploring or extracting fossil fuels, or those that generate more than 10% of revenue from these activities.

We provide a full screen against nuclear power companies. We scan all companies that are involved in activities that cause environmental degradation.

Social Inclusion

Gambling

We recognise that although gambling in Australia is legalised and permitted per appropriate regulatory regimes, it can be addictive with unhealthy and negative personal and social consequences. Mutual currently chooses to filter out any company/financial instrument 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-effects. Mutual currently excludes producers of tobacco products from its approved investment universe. Mutual currently chooses to filter out any company/financial instrument that generates more than 10% of its annual revenues from alcohol related activities.

Human Rights

Modern Slavery/Human Rights

Mutual Limited supports and prioritises issuers that have clearly articulated their position on modern slavery. Issuers are scanned for disqualification events or potential for disqualification.

Animal Rights

Issuers are scanned for disqualification events, or the potential for disqualification.

Climate Change

We believe considering environmental, social and governance issues in investment decisions can lead to better investment outcomes. This is because ESG issues can materially impact reputation, earnings and credit quality in companies and across sectors. An important ESG issue is climate change. Investors are exposed to two broad categories of risks, both of which we consider when making investment decisions: the physical impact of climate change and the financial impact from transitioning to a lower carbon economy. Mutual Limited supports issuers that have clearly articulated their climate change policies over issuers that do not.

OUR COMMITMENT TO PROFESSIONAL DEVELOPMENT

At Mutual, we place great emphasis on the training and continuous development of our investment, portfolio management and risk and compliance team with regards to ESG. Recognising the evolving landscape of responsible investing, we prioritise ongoing education to ensure our professionals are well-equipped to navigate and integrate best practices into our investment decisions. We actively encourage and sponsor our professionals to pursue external ESG education through short courses and conferences.