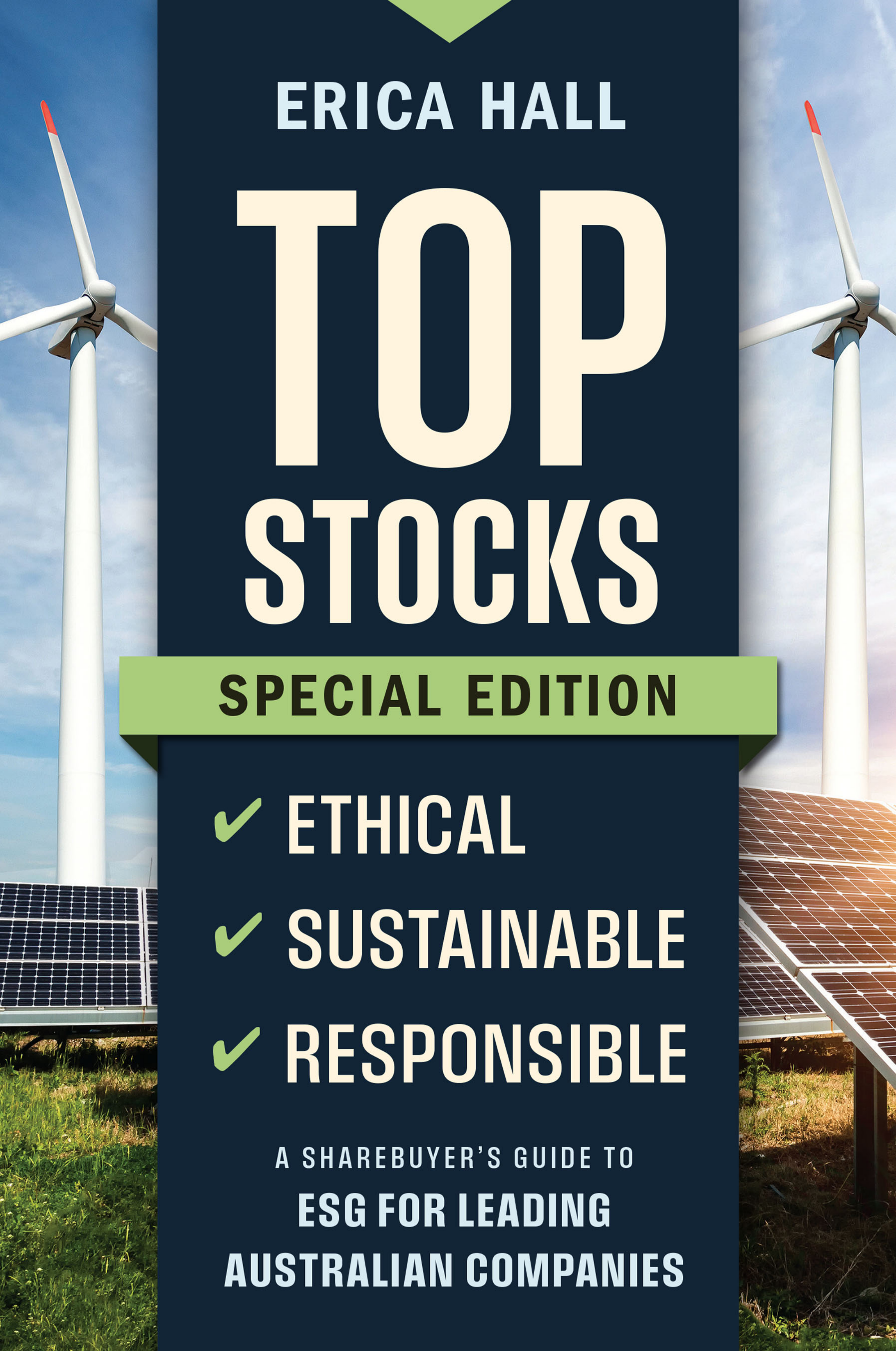

ERICA HALL

TOP STOCKS

SPECIAL EDITION

✔ ETHICAL

✔ SUSTAINABLE

✔ RESPONSIBLE

A SHAREBUYER'S GUIDE TO

ESG FOR LEADING AUSTRALIAN COMPANIES

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PREFACE

We live in interesting times. In a globalised world, offshore trends filter through to local markets. A company's value is linked to its ability to operate sustainably over the longer term. The game has changed. From the pursuit of short-term profits for shareholders, the approach has shifted to generating value for multiple stakeholders while making sustainable profits that take into account environmental, social and governance (ESG) factors. In a nutshell, profits still matter but *how* those profits are generated matters just as much.

BlackRock chairman Larry Fink coined the phrase 'stakeholder capitalism' to describe this phenomenon. He laid out the groundwork for this concept in his 2018 letter to CEOs, asserting that to be prosperous in the long term a company needs to benefit *all* stakeholders. And for the successful long-term investor, a company's ESG attributes are increasingly important: ESG capability has become a proxy for quality.

Grappling with ESG issues can be daunting. Determining which factors matter most can rest on an individual values decision. Climate change, however, has emerged as a mega-theme. Increasingly, investors and regulators are pushing companies to report on climate-related activities, including data related to transition and physical risks as well as their plans to manage those risks. To that end, many large-cap Australian listed companies have made net zero carbon emissions commitments, despite there being no regulatory requirement (yet) to do so. According to KPMG, approximately three-quarters of listed companies are reporting to the Task Force on Climate-related Financial Disclosures (TCFD), which has been the gold standard for the depth and breadth of reporting. TCFD reporting will be incorporated by the International Sustainability Standards Board from 2024, requiring baseline sustainability disclosures to help inform investors.

After years of limited activity in the ESG space in Australia, regulatory changes—particularly in relation to climate risks—and opportunities are proliferating. Australia is expected to introduce mandatory climate reporting through a staged approach in 2024. With changing requirements and expectations as we transition to a low-carbon economy, investors are being encouraged to consider the management of ESG risks and opportunities to help identify companies likely to be successful in the long term.

Different sectors face inherently different ESG risks, and some companies will find the transition to decarbonisation easier than others. A company's management of ESG risks is an important component of its likely transition success. The data shows us that the two best business sectors from an ESG perspective, taking into account both the risks inherent in the sectors and the management of those risks, are Industrials and Australian real estate investment trusts (REITs). Companies facing the highest risk are those operating within the materials sector (specifically diversified metals mining) and the energy sector (especially those involved with coal and oil and gas exploration and production). Typically, sustainability investors have avoided companies operating in the energy and materials sectors because of a lack of alignment, as these companies have rated poorly from an ESG perspective. That said, there is plenty of room for improvement across the board. Only 10 listed companies in Australia have achieved the top-ranking Morningstar Sustainalytics five-globe ESG risk assessment, which signals they face negligible ESG risks. Interestingly, though, there are far more companies to choose from if only climate risk is considered: 68 companies are rated as having 'negligible risk' for overall carbon risk.

Given that many sustainable investors tend to have systemic sector underweights and overweights to align with their values, recent market conditions have been tough for them to navigate. The energy sector, which is either not held or is underweighted by sustainable investors, had a significant performance boost in 2022. This was due largely to the Russia–Ukraine conflict. As Russia is a significant supplier of global crude oil and natural gas the conflict caused an energy supply shock, which buoyed the energy sector's returns. Fossil fuel companies' stock prices catapulted as a result of the imbalance between supply and demand and, after years of benign returns, energy became the standout sector on a returns basis in the 2022 calendar year. Those not holding this sector missed out on this short-term performance uptick in 2022, although it was short-lived, as energy subsequently became one of the worst performing sectors in the ASX for 2023.

To combat rising inflation caused by an expansive monetary policy used to stimulate economies during the disruption caused by the COVID pandemic, central banks around the world, including the Reserve Bank of Australia (RBA), started to raise interest rates. The RBA hiked rates 13 times between May 2022 and December 2023. This strategy created jitters in the stock market and impacted investor confidence.

This, in turn, has contributed to recent pockets of scepticism in relation to sustainable investing, particularly in the US where some states have gone so far as to seek to restrict ESG considerations through anti-ESG bills. This action is out of step with a global commitment to transition to net zero carbon in order to slow climate change, which includes imposing more reporting on ESG risks and opportunities alongside financial metrics. Even in purely investment terms, to ignore the collaborative global decarbonisation commitment is ill-advised, because the trend is clear: 193 nations signed the Paris Agreement commitment to net zero carbon emissions by 2050. As they say in the markets, 'the trend is your friend'; you disregard it at your peril.

Mandatory reporting of climate-related risks is already in place in many countries around the world. Such regulation is being developed in Australia, but we are late to the party and local companies face the real risk of losing out to competitors who have already committed on ESG issues. Predictions are that they may find it increasingly difficult to attract capital. They may potentially find themselves holding 'stranded assets' that have no financial value because of lack of demand or because of a change in regulations or laws.

Recognising the changing landscape and global commitment to ESG, prudent investors will carefully assess the risks and opportunities ahead. They will pay attention to how companies are transitioning their operations as the market evolves into a more regulated ESG environment, which is leading to better ESG reporting and standards.

There are clear signals that embracing ESG factors is likely to secure long-term financial prospects for companies. KPMG's 2022 Sustainability Reporting Survey found that 90 per cent of the ASX top 100 companies by market capitalisation recognise climate as a financial risk; 89 per cent report on carbon targets. Despite pockets of dissent, most governments, companies and investors are committed to ESG and particularly to managing climate risks, although not all share the same level of commitment. The purpose of this book is to help investors identify the best-in-class in relation to ESG, both overall and particularly from a carbon perspective.

The absence of legislation, or even agreed terminologies, around what constitutes a sustainable/ESG or 'green' investment makes decision making difficult for investors. Given the importance of investor confidence in relation to green claims, the

Australian regulators ASIC and ACCC have made 'greenwashing', when a company overstates its green credentials, a top priority.

Aside from regulatory changes, investors are demanding more from companies in relation to ESG. Arguably, it has been investors who have driven the ESG investing mandate and the legislators who are catching up. Investors are increasingly seeking to invest in line with their personal values. While they still seek a return on their investment, they care *how* this return is generated.

The problem with ESG investing to date has been a lack of objective standards. The industry is still maturing, so while the data is improving, it is still not robust or completely reliable. Further, the lack of standardisation has given rise to many different methodologies, which makes it hard to compare companies and confidently sort the good from the great. On top of all of this, ESG is very broad, which is likely why the Australian government have been focusing on one specific aspect, climate, via mandatory climate related financial disclosures.

While decarbonisation and other environmental issues are perhaps the major theme in ESG investing, it also encompasses social issues — from workers' rights, diversity and inclusion to modern slavery and good governance. Essential to a company's overall success, good governance considers issues such as board composition and competency, executive remuneration, ethical policies and a social licence to operate.

While this book considers all ESG elements it has leaned into the E, given climate change–related initiatives have been an area of focus in Australia. Mandatory climate reporting requirements set to kick off via a phased approach from 1 July 2024 for large businesses, many of which are ASX-listed companies. The Australian Institute of Company Directors have advised their members that this is the biggest change to corporate reporting in a generation.

I have selected top ESG stocks from among ASX 300 companies, starting with overall ESG risk then drilling down into each individual ESG pillar. I began by looking at these companies' current overall ESG risk attributes and their ESG momentum: are they reducing their environmental, social and governance risks through improved management approaches? It is important to note that these metrics are necessarily subjective since the lack of regulatory standards can make it difficult to obtain objective data. If the data is not available, it has been estimated. Methodologies are explained, but their application can differ between companies, countries and researchers. Given that decarbonisation is the principal focus both domestically and offshore, carbon has been considered as a standalone metric. Overall carbon risk, emissions and carbon intensity as well as exposure to fossil fuels have been examined to help clarify specific risks to decarbonisation. Carbon data is obtained on a lagged basis.

What are the entry criteria?

Morningstar separates ASX 300 companies into the following 11 sectors: Basic Materials, Communication Services, Consumer Cyclical, Consumer Defensive, Energy, Financial Services, Healthcare, Industrials, Real Estate, Technology and Utilities.

Strict criteria have been applied for inclusion in *Top Stocks - Ethical, Sustainable, Responsible*. All companies must be included in the ASX 300 index, which comprises Australia's 300 largest stocks. Smaller companies are excluded because there is typically not enough consistent data available to make a thorough assessment.

The companies selected are the best-in-class within their sector. These companies typically have relatively low ESG risks, a strong pathway to decarbonisation, robust and transparent ESG reporting, and strong governance.

Assessments have been made primarily through the use of Morningstar Sustainalytics ESG data and other data sources such as company reports. Morningstar Sustainalytics is a leading independent ESG and corporate governance research firm that has been providing investors with ratings and analytics data for more than 30 years.

INTRODUCTION

I have divided the companies listed on the Australian Stock Exchange into their various sectors and selected the best-of-breed from each, acknowledging that different sectors have different ESG challenges and opportunities. In doing so I have sought to make the data consistent and comparable. For example, the financial services sector's challenges are different from those of the energy sector or the healthcare sector.

I have restricted the opportunity set to large-cap stocks as this is typically where the best sustainability data is available. Currently there is no regulatory requirement for companies to report on ESG metrics; however, most of the larger companies have the resources to enable them to report and those that operate globally often need to do so to meet mandatory ESG reporting disclosures and maintain global competitiveness.

Legislative changes in Australia are pending and we can expect to see staged mandatory reporting on ESG metrics, partly in relation to climate risk reporting, as soon as 2024. These changes will improve overall data and comparability, which will flow through to better data in both small- and large-cap sectors over time.

Some of the data is provided on a lagged basis; carbon emissions, for example, captures the 2021 fiscal year.

Unlike typical financial assessment we are looking at stocks purely through a sustainability lens. To obtain a more complete picture, investors are encouraged to consider the financial fundamentals of these companies, which are outlined in the companion book, Martin Roth's annual *Top Stocks*.

Head

At the head of each entry is the company name, its three-letter ASX code and its website address.

Market capitalisation

The estimate of the value of the business by multiplying the number of shares outstanding by the current price of the share (mil). Market cap was captured as of 30 November 2023.

Morningstar sectors

The Morningstar Global Equity Classification Structure classifies by equity sector and industry, based on the business activities which best reflect each company's largest source of revenue and income. This helps determine relative performance among industry peers.

Morningstar Sustainalytics peer group classification

Morningstar Sustainalytics assigns each ASX company to one of 42 peer groups, which allows for more meaningful peer comparability.

Environmental risk score

This measures the degree to which a company's economic value may be at risk due to environmental factors. Scores are between 0 and 100, with 100 being the worst. Most scores ranged between 0 and 25. I used the following simple scale for assessment: a score below 8.33 received a tick (✓); a score between 8.34 and 17.67 received a dash (–); a score above 17.68 received a cross (X).

Social risk score

This measures how much a company's economic value may be at risk due to social factors. Scores are between 0 and 100, with 100 being the worst, although most scores ranged between 0 and 25. I used the following simple scale for assessment: a score below 8.33 received a tick; a score between 8.34 and 17.67 received a dash; a score above 17.68 received a cross.

Governance risk score

This measures the degree to which a company's economic value may be at risk due to governance factors. Scores are displayed between 0 and 100, with 100 being the worst (although most scores ranged between 0 and 25). I used the following simple scale for assessment: a score below 8.33 received a tick; a score between 8.34 and 17.67 received a dash; a score above 17.68 received a cross.

ESG risk rating assessment

This is a visual representation of the ESG risk on a 1–5 scale. Stocks with five tabs are most desirable as they exhibit the lowest ESG risks, while those with one tab are the riskiest from an ESG perspective.

ESG risk classification

A company's risk is classified as *negligible*, *low*, *medium*, *high* or *severe*. ESG risks materialise unpredictably depending on fluctuating conditions. No predictions relating to financial or share price impacts — or the time horizon of such impacts — are intended to be implied by these risk categories. Rather, it attempts to measure the degree to which a company's economic value is put at risk by ESG factors, taking into account what risks management can and can't control.

ESG risk exposure score

This measures the degree to which a company's economic value may be materially driven by relevant ESG factors. It considers exposure to specific material risks within the industry and how well the company is managing those risks, on a scale from 0 (best) to 100 (worst).

This assessment is relative to all the individual stocks in the book. All stocks are ranked from highest to lowest risk; the higher the risk exposure score, the greater the risk. The entire cohort was captured, ranked then split into thirds. Companies facing the highest risks were scored 34.70–76.50 and given a cross; medium risk scored 26.40–33.00 and were given a dash; lowest risk scored 17.10–26.35 and were given a tick.

ESG risk rank universe

An assessment of a company's risk score relative to the entire global listed stock universe is expressed as a ranking. At the time of writing there were 15 491 stocks in the peer group globally.

ESG excess risk exposure score

This measures the difference between the company's exposure score and its sub-industry exposure score. The excess exposure score is subtracted from the company's exposure score. The company's exposure is desirable if it falls below the sub-industry's exposure score. A score above 0 shows that the company's exposure is above the sub-industry's exposure.

Assessment: The assessment has a binary outcome. A score below 0 means the company had less exposure than its sub-industry average so received a tick; a company with a score above 0 had more exposure so received a cross.

ESG risk compared to sub-industry peers

The company's ESG risk is subtracted from the average ESG risk for sub-industry peers. A negative number indicates that the company's ESG risk is less than the average of its peers. This is calculated by subtracting the company's ESG risk score from the average sub-industry ESG risk score.

Assessment: It is a binary outcome. Companies with lower ESG risk compared to their average sub-industry peers, depicted by a negative number, received a tick; companies with a higher score than their sub-industry peers received a cross.

ESG risk beta

This assesses the degree to which a company's risk exposure differs from its sub-industry peers' exposure. A score above 1 demonstrates that the company is more volatile and riskier than its peers; below 1 means the stock is less risky than its peers.

Assessment: Above 1 received a cross; exactly 1 received a dash; below 1 received a tick.

ESG risk score momentum

The year-on-year absolute change in ESG risk is measured by comparing the current score with the historical score for 12 months before on a rolling basis. It is calculated by subtracting the current ESG risk score from the ESG risk score from 12 months ago. A negative number shows positive or improving ESG momentum.

Assessment: Comparing ESG risk year on year, a negative figure shows reducing ESG risk so attracted a tick; a positive figure shows increasing ESG risks so attracted a cross. Zero attracts a dash.

ESG risk management score

This measures a company's handling of ESG risks across issues. The score ranges from 0 (no evidence of management) to 100 (very strong management). The overall management score is calculated by adding the weighted corporate governance management score to the sum of all weighted issue management scores, such as assessments of management policy commitments related to an ESG risk, programs designed to implement those policy commitments, the availability of quantitative performance data measuring how well the programs have met stated targets, and how well a company is managing its involvement in related ESG controversies.

Assessment: Dividing the range into thirds, companies were assessed using the following ranges: 0–33 received a cross; 34–67 received a dash; 68–100 received a tick.

ESG risk management classification

Risk management classification captures a company's management of ESG risks as weak, average or strong.

Assessment: I relied on Morningstar Sustainalytics classification of *weak*, *average* and *strong*. Weak management received a cross; average management received a dash; strong management received a tick.

ESG risk exposure classification

This denotes the overall ESG risk exposure assigned by Morningstar Sustainalytics. A company's overall exposure score was assigned to one of three categories in the ESG risk rating: low exposure (0–34.99 points), medium exposure (35–54.99 points) or high exposure (55–100 points).

Assessment: Low exposure received a tick, medium exposure received a dash and high exposure a cross.

ESG risk management score momentum

The change in absolute terms of the ESG risk management score is captured by comparing the current score to the historical score 12 months before on a rolling basis. A negative number shows deteriorating management of ESG momentum.

Assessment: If the company's management of ESG risks deteriorated year on year, the scores are negative. Negative scores received a cross, positive scores that captured improving management of ESG risks year on year received a tick. Zero received a dash.

Company controversies

An ESG controversy case is defined as either an event or an ongoing situation in which company operations and/or products allegedly have a negative environmental, social or governance impact. Topics include business ethics, society and community, environmental operations, environmental supply chain, products and services, employees, social supply chain, customers, governance and public policy.

Assessment: The level of company controversies **r**elied on Morningstar Sustainalytics' classifications of 0–5. Those rated 0 (none) and 1 (low) received a tick; rated 2 (moderate) and 3 (significant) received a dash; rated 4 (high) and 5 (severe) received a cross.

Carbon overall risk score

A company's overall score is calculated as the difference between exposure and its management of the risk. A score of 0–10 represents *negligible* to *low risk*; 10.01–29.99 is medium risk; 30–49.99 is high risk; 50 or above is severe risk.

Assessment: Negligible or low risk receives a tick; medium risk received a dash; high or severe risk received a cross.

Carbon emissions

Carbon emissions are classified into three scopes. Scope 1 are direct company emissions, emissions that occur in their operations owned or controlled by the company; scope 2 are indirect company emissions from energy purchased; and scope 3 emissions are all other indirect upstream and downstream emissions not captured by scope 2 generated from the value chain. As the company is indirectly responsible for these emissions this can make them hard to account for. Examples of scope 3 emissions include emissions generated through use of a company's products or services, the transportation of the products to customers or the disposal products. Scopes 1, 2 and 3 emissions are measured in metric tonnes CO2e. Of those in the ASX cohort for which we have data, the highest was 549 200 000 and the lowest 23.70 metric tonnes CO2e.

Carbon fossil fuels level of involvement

To help in assessment of risk, a simplified tiered scale measures a company's dependence on fossil fuels based on a percentage of revenues. The level of involvement is ranked from zero to 5. Companies with zero have no fossil fuel involvement and those with a score of 5 have significant involvement.

Assessment: Companies with score of zero and 1 receive a tick, companies with score 2 and 3 a dash, and companies with 4 or 5 a cross.

Carbon fossil fuels level of involvement range

These are calculated as an aggregate percentage of involvement in fossil fuels (the sum of involvement in thermal coal extraction, thermal coal power generation, oil and gas generation, oil and gas production, and oil and gas product and services).

Assessment: Companies with 0 to 4.9 per cent receive a tick, 5 to 9.9 per cent and 10 to 24.9 per cent a dash, and 25 to 49.9 per cent and 50 to 100 per cent a cross.

Carbon intensity scopes 1, 2 and 3

This calculates total emissions across all scopes over revenue (USD). The range in ASX companies where data is available ranges from 0 to 30 090.01 metric tonnes CO2e per million USD revenue.

Assessment: This assessment was relative to all stocks in the book. Stocks were ranked from highest to lowest emissions. The higher the emissions the less desirable and the greater the transition risk. The entire cohort was captured, ranked then split into thirds. The highest emitters, were between 419.93 and 30 090.01 in metric tonne Co2e per Mil USD revenue, received a cross. The next group, which ranged from 57.72 to 414.01 received a dash. The lowest emitters, which ranged from 1.55 to 42.52, received a tick.

Company commentary

Each company commentary begins with a brief introduction to the company and its activities, followed by highlights of its sustainability aspirations and results as at 30 September 2023.

DEFINITIONS

AASB	Australian Accounting Standards Board—an independent government agency that develops, issues and maintains accounting standards in Australia. The *Corporations Act 2001* mandates the use of Australian accounting standards in the preparation of financial reports
APCO	Australian Packaging Covenant Organisation—a not-for-profit organisation leading the development of a circular economy for packaging in Australia
APPEA	Australian Petroleum Production and Exploration Association—represents Australia's oil and gas exploration and production industry to policy makers, regulators and the community
ARENA	Australian Renewable Energy Agency—an independent agency of the Australian Government tasked with managing Australia's renewable energy programs
ASI	Aluminium Stewardship Initiative—promotes sustainable processes through the value chain
ASRS	Australian Sustainability Reporting Standards—based on ISSB standards IFRS S1 and IFRS S2. These new standards are expected to apply to annual reporting periods from 1 July 2024
CACNSO	Climate Active Carbon Neutral Standard for Organisations—a certification standard for measuring and managing GHG emissions in order to achieve carbon neutrality
CEFC	Clean Energy Finance Corporation—Australian Government–owned green bank that facilitates flows of finance into the clean energy sector
CEMARS	Certified Emissions Measurement and Reduction Scheme—an internationally recognised carbon emissions measurement and reduction scheme for large organisations

CLC	Australian Climate Leaders Coalition — a group of corporate CEOs who support the Paris Agreement commitments and setting public decarbonisation targets
CO2e	Carbon dioxide equivalent — a measurement to compare the impact of GHG emissions contribution to climate change
EP 100	A global initiative whose mission is to accelerate energy efficiency through energy smart businesses
Fugitive emissions	The unintended or unaccounted release of pollutants into the atmosphere, typically occurring during production. These emissions can have varying harmful impacts to the environment depending on what the emissions are and the frequency and volume of pollutants released into the atmosphere.
GHG	Greenhouse gas emissions — includes carbon dioxide, which accounts for an estimated 75 per cent of emissions, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride
GHG Protocol	Greenhouse Gas Protocol — provides standards for business and governments to ensure that they are appropriately accounting for and managing climate warming emissions
GICS	Global Industry Classification Standard — a standard for assigning companies to a specific economic sector and industry group that best defines its business operations
GRESB	Global Real Estate Sustainability Benchmark — industry-led organisation that provides actionable and transparent ESG data to financial markets
GRI	Global Reporting Initiative — a set of sustainability reporting standards that reflect best practice for organisations when reporting environmental, social and economic impacts
ICMM	International Council on Mining and Metals — a CEO-led leadership organisation committed to improving sustainable development in the mining and metals industry
IEA	International Energy Agency — Paris-based intergovernmental organisation that provides policy recommendations, analysis and data on the global energy sector

IFRS	International Financial Reporting Standards — a set of accounting rules for the financial statements of public companies intended to make them consistent, transparent and easily comparable
IFRS S1	General requirements for disclosure of sustainability-related financial information
IFRS S2	Climate-related disclosures
IGCC	Investor Group on Climate Change — a collaboration by Australian and New Zealand institutional investors focused on the impacts of climate change on investment
IIRF	International Integrated Reporting Framework (IIRF) — used to connect financial statements and sustainability-related financial disclosures
IPCC	Intergovernmental Panel on Climate Change — UN body tasked with advancing scientific knowledge and informing governments about climate change
Ipieca	International Petroleum Industry Environmental Conservation Association — global oil and gas industry association focused on advancing environmental and social performance across the energy transition
IRMA	Initiative for Responsible Mining Assurance — considered international best practice standard for responsible mining providing third-party verification.
ISCA	Infrastructure Sustainability Council of Australia — seeks to generate social, environmental and economic returns by advancing sustainability in infrastructure planning, procurement, delivery and operation
ISSB	International Sustainability Standards Board — an independent body that develops the IFRS Sustainability Disclosures, a comprehensive global baseline of sustainability disclosure standards
MECLA	Materials Embodied Carbon Leaders Alliance — an alliance of industry, university and government organisations working together to drive reductions in embodied carbon in the building and construction industry

NABERS	National Australian Built Environment Rating System — provides simple and reliable comparable sustainability measurement across all building sectors
NGER	National Greenhouse and Energy Reporting — a framework for reporting and disseminating company information about GHG emissions, energy production and energy consumption
NGFS	Network for Greening the Financial System — a network of central banks and financial supervisors focused on accelerating the scaling up of green finance
NZAMI	Net Zero Asset Managers Initiative — aims to galvanise the asset management industry to commit to a goal of net zero emissions
PCAF	Partnership of Carbon Accounting Financials — enables financial institutions to assess and disclose greenhouse gas emissions associated with financial activities and begin their journey towards decarbonisation
RE100	Global corporate renewable energy initiative to accelerate change towards zero carbon electricity grids globally by 2040
RIAA	Responsible Investments Association Australasia — a network of people and organisations dedicated to responsible investing and a sustainable financial system in Australia and Aotearoa New Zealand
Safeguard mechanism	The Australian government's policy for reducing emissions via setting baselines on GHG emissions aligned to the government's GHG reduction targets of 43 per cent below 2005 levels by 2030 and net zero by 2050
SASB	Sustainability Accounting Standards Board — a non-profit organisation that develops sustainability accounting standards and helps companies disclose relevant sustainability information to their investors
SBTN	Science Based Targets Network — a corporate engagement program to help organisations set science-based targets in the sustainability space
TCFD	Task Force on Climate-related Financial Disclosures — a framework to help organisations more effectively disclose climate-related risks

TNFD	Taskforce on Nature-related Financial Disclosures — a risk management and disclosure framework to help organisations and financial institutions to identify, assess, manage and report on nature-related dependencies, impacts, risks and opportunities
UN Global Compact	Global initiative to encourage businesses to commit to sustainable and socially responsible policies
UN PRI	Principles of Responsible Investment — United Nations–supported network of financial institutions working together to incorporate ESG issues into investment analysis and decision making
UN SDGs	United Nations Sustainable Development Goals — a collection of 17 interlinked objectives designed to serve as a 'shared blueprint for peace and prosperity for people and the planet, now and into the future'
XRB	External Reporting Board — develops and issues reporting standards on accounting, audit and assurance and climate for New Zealand organisations

PART I
THE COMPANIES