

Our financial inclusion **commitment**

Our commitment

Australian Ethical Investment is joining the Financial Inclusion Action Plan program to help the enabling power of money advance well-being and resilience across the whole of society.

Aligning values & finance

For 30 years, Australian Ethical has used its voice and investments to benefit people, animals and the environment in accordance with our Ethical Charter. Today we help over 30,000 Australians align their superannuation and investments with the things they value, using the power of markets and capital to do good. We have shown that ethical and financial outcomes can be achieved together.

Calling out the challenge

For all the progress of ethical business and investment, there remain many serious social and environmental challenges. Traditional business models have often struggled to meet the needs of excluded, disadvantaged or vulnerable people. The failure of the financial services sector has been especially striking, with many groups (such as indigenous Australians, women and people in financial difficulty) being ignored, poorly treated or exploited.

The importance of financial inclusion

Financial inclusion has special significance for human well-being, by helping access to education, physical and mental health, and social and economic participation. The action we take to reduce financial exclusion can also help the financial sector do a better job of delivering loans and investments which meet the needs of all clients. Too often a singular focus on short-term profit is harming customers, businesses and society.

Partnering to inform & leverage our impact

The Financial Inclusion Action Plan program gives us access to the insight, energy and resources of Good Shepherd Microfinance, Centre for Social Impact, EY and the Australian Government, as well as the other forward looking organisations involved in the program. To this mix we bring an understanding of the power of ethical business and investment to solve problems where traditional models have failed. This type of collaboration and partnership is crucial to planning how we can best help more Australians to fully participate in our society through greater financial inclusion and resilience.



Phil Vernon

Managing Director
Australian Ethical Investment

Development of our **Financial Inclusion Plan (FIAP)**

As we begin the development of our Financial Inclusion Action Plan (FIAP), we have identified the following questions that the plan will need to address. We expect other important questions to arise through the development process.

IMPACT: How can we most effectively contribute to financial inclusion?

We start this planning process with an open mind about the ways we can positively impact financial inclusion. As examples, we will consider opportunities for impact in:

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| <ul style="list-style-type: none">• Products and services• Awareness & understanding of culture and diversity• Capabilities, attitudes and behaviours• Economic participation & status | <ul style="list-style-type: none">• Design of our investment funds and services• How we communicate with clients and potential clients• How we identify and respond to clients in financial or other difficulty• Recruitment and support for staff who are excluded or at risk of exclusion• Improving financial literacy• Procurement from organisations that support excluded groups• Investment and support for enterprise and programs promoting financial inclusion• Public advocacy for policy and industry reform to advance inclusion. |
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We will look at how different impact options can be pursued with a focus on a specific financially excluded group, or to target greater inclusion for several groups. We will consider not only how we can help those currently suffering financial hardship and exclusion, but also how we can help reduce triggers for hardship and exclusion.

UNDERSTANDING: What do we need to learn and who will teach us?

Australian Ethical is distinctive for its ethical voice and investment approach, and its questioning of conventional financial services wisdom. At the same time, we are part of a financial services sector which is often short on cultural, racial, gender, intellectual and other diversity. To build our understanding of the nature, causes and solutions to financial exclusion, we need to listen, collaborate and partner with people and organisations outside our industry. This is one of the reasons we welcome the opportunity to participate in the community of practice which is being created by the FIAP program.

TRANSPARENCY: How do we make ourselves accountable?

To design a FIAP which drives real change, we will develop ways to measure and manage our actions and impacts. We will create effective reporting channels and tools to achieve internal and external accountability.

TRUST: How do we earn trust to make a difference?

The effective design and implementation of our FIAP requires the establishment of trust with and between our staff, our partners and collaborators and, most importantly, with those we aim to serve.

We look forward to developing and launching our FIAP by June 2017, in collaboration with Good Shepherd Microfinance, the Centre for Social Impact, EY and the Australian Government.



Phil Vernon

Managing Director
Australian Ethical Investment



Adam Mooney

Chief Executive Officer
Good Shepherd Microfinance