

## 1. Environmental and Social Governance Investment Policy

- 1.1 Policy number: CO-O-085.0
- 1.2 Category: Organisational
- 1.3 Approval date: October 2018
- 1.4 Revision date: February 2020
- 1.5 Unit responsible Office of the President and CEO

## 2. Policy declaration

This Policy has been developed in accordance/pursuant to the RACGP's Environmental and Social Statement (ESS).

## 3. Background

The RACGP seeks to avoid investments that fail to adhere to a morally positive, sustainable approach to the environment and society or cause unacceptable human harm.

The RACGP endeavours wherever practical to invest its funds only after having given due consideration to ethical, environmental, corporate governance and social issues. This includes investments where products, services and practices enhance health and welfare, together with preservation of the environment.

## 4. Guiding Principles

### 4.1 The RACGP will

- actively engage with its investment managers to influence and encourage positive organisational activity relating to environmental and social issues.
- actively review and screen the environmental and social factors around its direct and indirect investments and where appropriate exclude or reduce negative investments.
- actively engage with its investment managers to ensure it has minimal direct investments in funds whose primary business is production of fossil fuels.
- actively engage with its investment managers to ensure it has minimal direct investments in funds whose primary activity is coal production.
- actively engage with its investment managers to exclude funds whose primary activity is coal production from its indirect investments.
- transparently monitor and report to RACGP members regarding direct and indirect investments.

Where the RACGP finds investment fund managers to be unresponsive or unwilling to become responsive to its environmental and social governance policy, the RACGP will divest from all investments with those managers and seek alternative managers that best align with the policy's principles.

The RACGP will review the current environmental, social and governance factors related its direct and indirect investments on an annual basis and apply appropriate level of screening to positively promote the environmental and social governance investment policy.

## 5. Accepted investment options

5.1 Industry examples considered as positive investment options include funds involved in:

- Clean energy
- Recycling
- Community services

5.2 The RACGP will avoid, where practical, investing in funds that:

- Cause or perpetuate injustice and suffering
- Infringe human rights
- Cause unacceptable damage to the natural environment
- Support oppressive regimes
- Produce, promote or endorse products and services that do not adhere to the RACGP's own clinical standards and guidelines.

5.3 The following industries will be excluded where practical, due to their negative impact:

- Armaments
- Uranium
- Gambling
- Alcohol production
- Tobacco manufacturing
- Pornography
- Coal mining and exports
- Oil and gas extraction

## 6. Risk identification

In accepting and endorsing this draft environmental and social governance investment policy, RACGP members acknowledge and accept the potential impact on the organisation's return on investment. That is, investment in certain industries may yield less desirable, financially lucrative investment outcomes for the RACGP.

## 7. Related policies, documents and legislation

7.1 Policies, Procedures and Guidelines:

- RACGP Environment and Social Statement

## 8. Policy Review

The FARM Committee will review the Environmental and Social Governance Investment Policy at least once yearly and recommend any changes to the Board for endorsement.