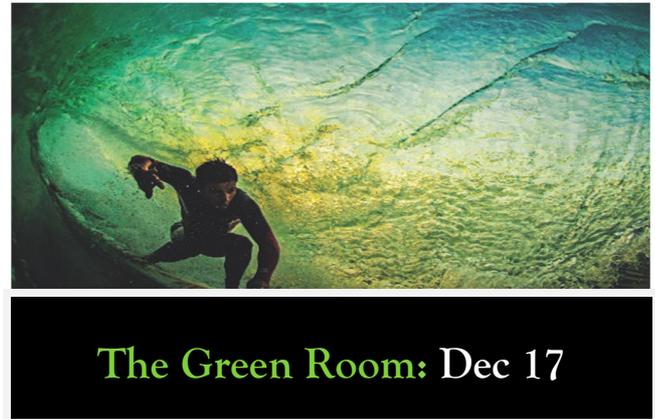




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The 'Green Room' – important ESG news for ethical investors. We're keeping an eye on companies, because someone has to do it!

Environment

Above the line

BHP (BHP): BHP has demonstrated its support for environmental charities and green groups in the face of a push within the Federal Government to make these charities and groups spend a portion of their money on non-activist efforts or risk losing their charity taxation status. The restrictions backed by the Minerals Council of Australia (MCA) may negatively affect the actions environmental charities and green groups take against the coal and mining industry. BHP has been applauded by the Australian Conservation Foundation for its stance relative to that of the MCA.



BHP is currently conducting a review as to whether they should continue as a member of the MCA. This review follows a shareholder resolution put forward at the Company's AGM by the ACCR calling to question inconsistencies in ideology between the Company and its industry body. [\[09/11/2017\]](#)

Oz Minerals (OZL): Oz Minerals is looking to solar power to help run its proposed Carrapateena copper project in South Australia. In an interview with Reuters, the Company stated that they are considering installing solar power as a result of previous blackouts in the state and energy security concerns. According to the Company's chief executive, copper will remain a core focus for Oz Minerals given its short term returns and importance to energy and electrical vehicles. [\[01/11/2017\]](#)

Rio Tinto (RIO): Rio Tinto has issued a public statement backing the adoption of a national emissions trading scheme (ETS) in China. Rio Tinto, along with BHP, support

movement away from thermal coal, a transition China intends to make. The introduction of an ETS in China couple with the support shown by Australian companies for such a scheme is expected to intensify the energy policy debate here in Australia. [\[03/10/2017\]](#)

Below the line

BHP (BHP): BHP has been granted an extension of 150 days on top of its deadline to clean up the repercussions of the Samarco tailings dam break which occurred in November 2015. The Company now has until 20 April 2018 to continue negotiations regarding the incident. The dam break is still considered Brazil's biggest environmental disaster, killing 19 people and destroying entire villages. 21 former BHP staff have been charged with manslaughter and environmental crimes over the dam collapse. [\[21/11/2017\]](#)

Tassal Group (TGR): Tassal has announced plans to retire two inshore salmon farms as part of a move towards oceanic fish farming. After receiving extensive feedback from the community who have voiced concern for the environmental damage the Company has been causing, particularly regarding a 'deadzone' created by pollution from a salmon farm in Macquarie Harbour, Tassal Group has stated that they are listening to the community's opinions. State Greens MP Rosalie Woodruff however has voiced the opinion that Tassal's commitment to offshore farming is 'simply a PR exercise' and that if Tassal was truly committed to offshore operations the Company would "abandon expansion plans at Okehampton Bay". [\[17/11/2017\]](#)

After announcing their intention to explore salmon farming off King Island, Tassal received a negative response from the surrounding community. According to local fishermen and Environment Tasmania, 'there had been no communication' from the Company as well as a lack of consultation. [\[08/11/2017\]](#)

Tassal Group (TGR) & Huon Aquaculture Group (HUO): Salmon farming companies Tassal and Huon are currently

in discussion with the Environmental Protection Authority regarding contingency planning for the possibility of a mass fish mortality event in Macquarie Harbour. An increase in the intensity of a particular salmon virus as well as a reduction of oxygen levels in the water have been cited as factors contributing to the potential mass death. A failure to plan for the occurrence of such an incident could result in serious environmental damage. Huon has warned that it may take weeks to remove all of the dead fish from the harbour. [\[01/12/2017\]](#)

Social

Above the line

Austal (ASB): Despite being part of an unsuccessful tender, Austal have been inserted into German company Luerssen's winning tender to build 12 offshore patrol boats for the Defence Industry with support from the Australian Government. The inclusion into the tender will ensure that Austal continues to be a critical employer in Western Australia over the next 10 to 15 years as the project rolls out. [\[24/11/2017\]](#)

Woolworths (WOW): Woolworths has made a historic agreement with the National Union of Workers to collaboratively identify and address human rights risks in fresh food supply chains throughout Australia. This commitment comes off the back of a resolution put forward at the Woolworths AGM by the ACCR which was later withdrawn after successful engagement with the Company. The commitment made by Woolworths will see workers in the Company's supply chains be educated about their workplace rights, including their right to join a labour union, have access to an effective grievance mechanism, and to be protected if they report human rights violations.

In a separate deal, more than 2000 warehouse workers in Victoria and NSW will receive a wage increase of about 4 per cent a year and improved redundancy pay. [\[22/11/2017\]](#)

Below the line

Macquarie Group (MQG): The head of US cash equities for Macquarie Group Robert Ansell is facing a Sexual Harassment lawsuit. The allegations and lawsuit come from former colleague Christina McLaughlin who alleges that Mr Ansell pressured her to have an affair with him. Ms McLaughlin is suing Ansell and the Australian bank's US unit for USD 40 million (AUD 53 million), saying co-workers are now ostracising her making it impossible to do her job. Ms McLaughlin did not follow up the issue with human resources as she had been dissatisfied with their response to a previous incident she had taken to them. She has also drawn direct correlations with her choice not to tell the Company of the incident before now and the

unequal, male dominated environment in which she works. The Macquarie Group's statement in response to the issue affirmed their no tolerance take on such conduct but provided no further information regarding the alleged culture of equality within Macquarie. [\[21/11/2017\]](#)

South32 (S32): South32 is dealing with a long term cultural issue at its Illawarra Dendrobium Coal mine. Earlier in the month the Fair Work Commission found the Company guilty of unfairly dismissing an employee for harassment. South32 claims the worker used aggressive language to abuse and threaten his co-workers and is appealing the decision stating that the stance the Company takes on social issues intends to create 'an inclusive workplace where people feel safe.' [\[23/11/2017\]](#)

Telstra Corporation (TLS): Telstra has refunded up to 42,000 customers who paid for a 'speed boost' offer which could not actually be achieved on their internet connections due to the capability of some NBN services. In response to the misleading advertising campaign, The ACCC issued a warning to retailers: "if you advertise a particular speed and customers cannot get that speed, you will risk breaching the Australian consumer law." [\[08/11/17\]](#)



Governance

Above the line

Westpac Banking Corporation (WBC): Westpac is starting to place mortgage brokers and their clients under much greater scrutiny in association with the Company's new responsible lending rules and declarations. These rules insure a higher level of 'reasonable and plausible' lending by mortgage brokers, as well as an increase in the necessary evidence required for payments, income and information about the customer and their strategy for repayment. [\[14/11/2017\]](#)

Below the line

Australia and New Zealand Banking Corporation (ANZ): It was revealed in The Paradise Papers that in 2012 HSBC in the Cook Islands, which has clients in the tax haven who bank with ANZ, threatened to sue ANZ for allegedly handing over customer details to the Australian Tax Office without telling clients first. An Australian federal court decision forced ANZ to hand over all information on any Australians who held secret accounts in ANZ's Vanuatu subsidiary even though they were protected by local bank secrecy laws. ANZ has not been charged with breaching

Cook Islands bank secrecy laws, nor has it been sued by any account holders. [\[06/11/2017\]](#)

Fortescue Metals Group (FMG): After the High Court made a ruling that some Australian mining leases are not considered valid based on the Native Title Act, mining groups, including Fortescue Metals, are scrambling to reclaim leases they previously believed they held. Leases are considered invalid if certain required documents were not filed at the same time as the lease application. Fortescue Metals Group has re-applied for multiple mining leases after the High Court ruling, applying for leases over those that already appeared to be in place as a precautionary measure. The industry has been warned that complications regarding this issue may continue to effect companies until well into next year. [\[29/11/2017\]](#), [\[03/12/2017\]](#)

Myer (MYR): Myer has received its first strike against the Company's remuneration report. Myer's largest shareholder, Solomon Lew, whose retail group Premier Investments holds 10.8 per cent of Myer's shares, supported the strike against the remuneration report which received a 29.3 per cent no vote. Premier Investments opposed all of Myer's resolutions at their annual general meeting. [\[24/11/2017\]](#)



Westpac Banking Corporation (WBC): Westpac's traders have now completed their evidence in ASIC's case against the bank for allegedly manipulating the bank bill swap rate (BBSW). Experts on BBSW will now discuss how the market works as the trial enters its final few weeks. Westpac have continued to argue that the bank bills were used for liquidity. A managing director of Westpac has claimed that UBS has been in involvement in manipulating the BBSW but not Westpac. [\[24/11/2017\]](#), [\[22/11/2017\]](#)

By the Way

New census records have revealed that only 900 aboriginal people who live in Western Australia's Pilbara mining region are working in the industry. The finding has prompted a call for independent monitoring of native title agreements in order to make sure indigenous employment targets are actually being met as some mining companies currently claim to employ at least twice the number indicated by the census. [\[08/11/2017\]](#)

The World Health Organisation has recently warned of the danger in using antibiotics on farm animals. While the use of antibiotics can aid growth and prevent disease in animals, it has also been directly linked to the rise of

antibiotic resistant superbugs. Chief medical officer for England, Dame Sally Davies has warned repeatedly that the overuse of antibiotics on animals will lead to even low-risk operations in humans becoming dangerous due to the risk of infections resistant to medicines. [\[08/11/2017\]](#)

Chief Scientist Alan Finkel released a report on the potential for energy storage, suggesting reliable and secure requirements for energy needs in Australia could be met with already available technologies. Soaring power prices and falling solar panel costs have plummeted are fuelling a boom in household power generation where owners of solar panels and batteries are able to feed surplus energy into a network allowing which allows for sharing and reduction of waste. German company Sonnen, is leading the way with its battery service that sells customer's excess energy back into the grid. [\[20/11/2017\]](#)

Research and marketing group Meat and Livestock Australia (MLA) have claimed that Australia's red meat industry could be carbon neutral by 2030. The MLA has funded CSIRO to investigate and identify ways the industry could become neutral, an important issue given that in 2015 CSIRO found that almost 70 per cent of Australian agricultural emissions could be attributed to cattle and sheep. While the livestock industry has reduced its emissions by two thirds over the last decade, there is still a long way to go to reduce them further. Potential strategies flagged by the recent report include offsetting emissions with carbon neutral farming, genetic selection and a potential vaccine to methane production. [\[22/11/2017\]](#)

Engie has confirmed it will be selling the Loy Yang B power station in the Latrobe Valley in Victoria to Alinta Energy's Hong Kong-based owners, Chow Tai Fook Enterprises. Alinta's executive director of merchant energy Ken Woolley has said that coal is critical to energy security and will continue to play an important role for a period of time but that the Company understands that renewables are coming. The sale has been slammed by the Greens who have said that the Company's reliance on coal and support of the industry are misplaced, drawing attention to previous incidents where coal fired power stations were unable to operate effectively during hot conditions. [\[23/11/2017\]](#)

Tesla has completed the construction of its giant lithium ion battery in South Australia. South Australian tax payers will subsidise the battery and in return the South Australian government will have access to some of the battery's output to provide stability services to the grid. During these circumstances the SA government is allowed access to the full capacity of the battery, while the pirate

operators have the right to sell back into the grid when the supply allows at all other times. The battery will be charged by a nearby windfarm and is expected to increase competition in the renewables market. [\[24/11/2017\]](#) Scientists have been successful in regrowing coral in the Great Barrier Reef. The process involves collecting coral spawn, growing it to maturity in tanks, and then depositing the spawn back into damaged areas of the reef. Some coral larvae managed to survive for days after being deposited giving hope that they will survive long enough to reproduce and help restore the reef to its former glory. [\[26/11/2017\]](#)

In order to alleviate sustained pressure within his own government and on the behest of the big four banks, Prime Minister Malcolm Turnbull has announced a Royal Commission into the banking, superannuation and financial services industries with a view of restoring public faith in the financial system. The inquiry will investigate the nation's banks, wealth managers, superannuation providers and insurance companies to assess how cases of misconduct have been dealt with by these groups in the past. The response to the inclusion of industry super funds in particular has caused uproar, being considered by many as an attempt by the government to attack unions. The unions have also voiced their concerns. [\[30/11/2017\]](#) [\[30/11/2017\]](#)

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