Colonial Foundation

Colonial Foundation - ESG Principles

Introduction

Colonial Foundation acknowledges that every business, including this Foundation, has an impact on society and the environment, and that the governance thereof affects that impact. The ESG (Environmental, Social and Governance) impact may be positive, or negative, intended, or unintended. We agree that, as a responsible organisation, we should consider our ESG impact when making business decisions.

Following due consideration and taking into account the nature and scope of the organisation, Colonial Foundation resolved to adopt a pragmatic principles-based approach to ESG.

Our approach to ESG

Colonial Foundation's desired impact is informed by its Vision and Purpose, namely:

> *Vision - All Australians living a fair, healthy and fulfilling life.*
>
> *Purpose - We are committed to driving positive social change in Australia by partnering with organisations that empower Australians to achieve the most out of life and develop a healthy, fair and innovative society.*

Our approach to ESG is informed by this desired impact. Consistent with the Foundation's Vision and Purpose, Colonial seeks to 'avoid harm' to society and the environment.

The following ESG framework has been adopted to determine and assess our overall ESG impact and performance.

Environmental (Emissions & Resource Use)

- Internal Operations – Although our internal operational footprint is small, we are committed to minimising our use of paper, water and energy.
- Suppliers - In selecting our suppliers, for significant suppliers i.e. above $50,000 annual spend, they will be required to inform us of their approach to minimising Emissions & Resource Use prior to engagement.
- Grantees - In selecting all grantees, they will be required to inform us of their approach to minimising Emissions & Resource Use at the grant assessment stage.

Social:

- Diversity, equity and inclusion (DEI) – The total number of employees and directors is small. The Board will consider DEI as part of the selection process whenever a new director is recruited. Given employees comprise no more than 2 FTE, there is limited scope for DEI other than to ensure that whenever new employees are recruited, the scope of potential candidates is open to all segments of society i.e. equal opportunity.
- In selecting our suppliers, for significant suppliers i.e. above $50,000 annual spend, they will be required to inform us of their approach to DEI prior to engagement.
- In selecting all grantees, they will be required to inform us of their approach to DEI at the grant assessment stage.
- Health and wellbeing – We will annually review the flexibility of work arrangements, the adequacy of staff support & assistance, and professional development plans, including technical training. The objective will be to ensure that these arrangements provide a reasonable balance between the needs of the organisation and that of our employees.
- Responsible Investment – A practical negative screening policy will be adopted for direct investments and we will consider impact investments on an opportunistic basis as part of our granting process.

Governance:

- Compliance, integrity and accountability – Our business governance processes will continue to evolve in line with better practice to ensure accountability, integrity and compliance with all relevant legislation.
- Structure – We will consider whether our business relationships are ethical, accountable and structured to achieve our desired impact.
- Risk management – Responsible risk management underlies all dimensions of our business.

Assessment

The Board will conduct an annual internal assessment of our ESG performance.