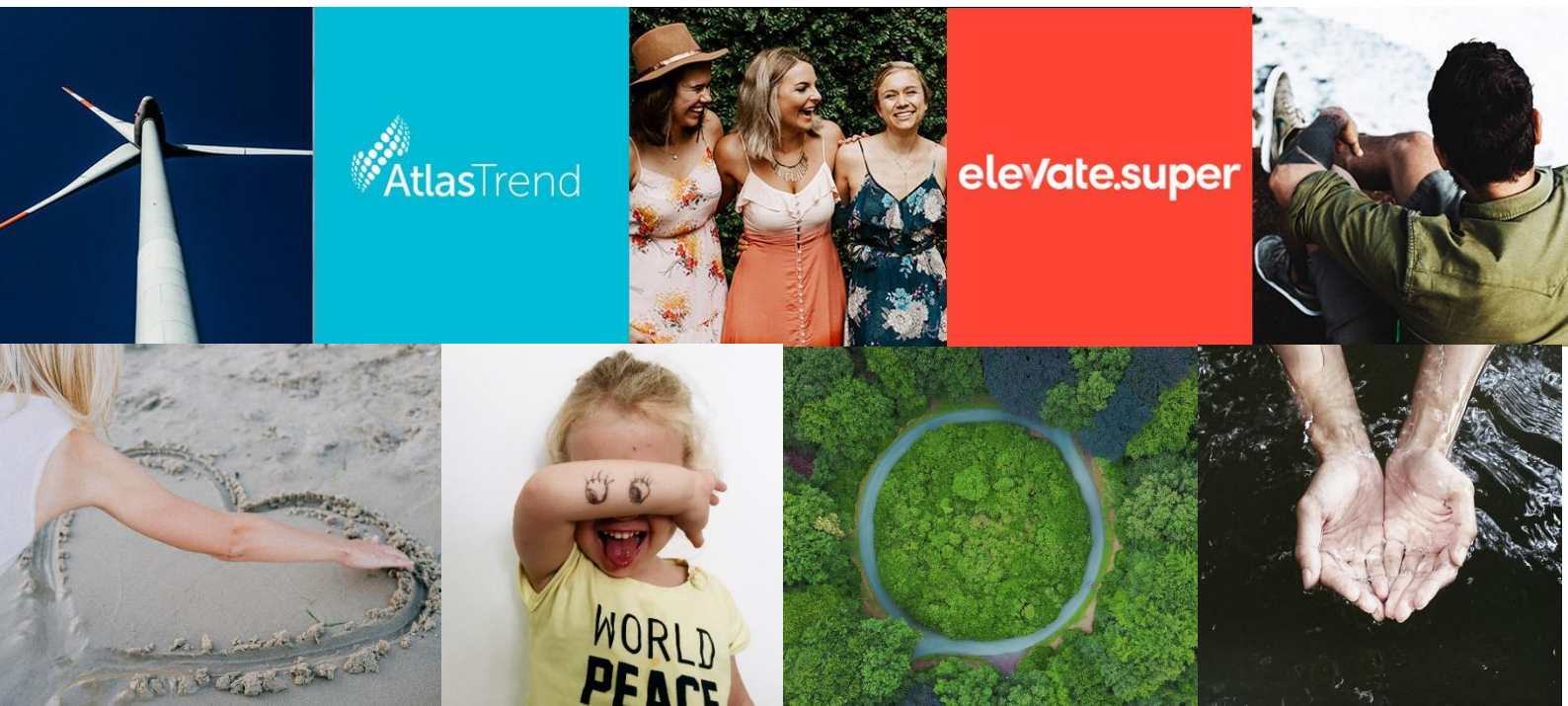




# United Nations Global Compact (UNGC)

## Communication on Progress Report 2022

VICTORIA KENT



# Statement of Continued Support



AtlasTrend Pty Ltd is a proud signatory of the UN Global Compact since 2019.

I am pleased to confirm that we support the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

At a time when we face significant health and economic challenges globally, best practice in corporate responsibility and progress towards sustainability is more important than ever – and greater progress can be achieved if we all work together.

In this annual Communication on Progress, we describe some of our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We support public accountability and transparency, and therefore commit to sharing this information with our stakeholders and the general public.



Kent Kwan  
Co-founder & CEO, AtlasTrend

# Aligning with the UNGC

## About the United Nations Global Compact

The United Nations Global Compact is an organisation that aims to mobilise a global movement of companies and stakeholders who are committed to sustainability.

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. With more than 12,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 Local Networks, it is the largest corporate sustainability initiative in the world.

## What is the UNGC Communication on Progress?

The UNGC requires participating companies to produce a Communication on Progress (COP), a public, annual report which demonstrates their corporate sustainability through embedding the Global Compact's Ten Principles into their business.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

# Who We Are & What We Do

## Helping Australians build wealth with purpose

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AtlasTrend was established to fulfil a vision of building a better world for all through the power of investing and technology. Our mission is to democratise investing with measurable impact.

After many years in the industry both locally and abroad, our Co-founders Kent Kwan, Jade Ong and Kevin Hua were motivated to create smarter, more purpose-driven financial products.

AtlasTrend has launched two sustainability and tech-driven investment products:

**Elevate Super:** We see the ~\$3 trillion superannuation industry as a vehicle for social change, and want to empower more Australians to realise their investing power. Elevate Super is a superannuation fund that's purpose-built to be a superannuation offering that targets competitive returns plus measures and discloses how its investments contributing positively to the UN Sustainable Development Goals (SDGs).

**AtlasTrend managed funds:** Created to help everyday Australians learn and easily invest in disruptive growth trends – big data, e-commerce, clean disruption. Each of AtlasTrend's three managed funds invest in a portfolio of international shares that drive or benefit from these long-term trends.

AtlasTrend aims to achieve high sustainability credentials as a business and across our investment portfolios. When making investment decisions, we take into account how it impacts each of our portfolio's overall contribution to the SDGs to help transition to a better world by 2030.

This year we have unified our products under the brand [Elevate Money](#), as part of our strategy to help companies embed financial products in their own apps, unlocking access to fintech experiences for their customers.

It's all part of our mission to help people live their best financial life. Our partners are empowered to elevate their customer's financial wellbeing, enabling them to manage their money from platforms they already know and trust.

## Super for Sustainable Solutions

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We're focused on investing in solutions to help shape a positive future for Australia and our world.

That's why Elevate Super uses the UN Sustainable Development Goals (SDGs) to measure the impact and the sustainability of our investments.

We measure the impact of investments using independently-assessed, third-party data from our partner Sustainable Platform. So members can not only track the growth of their super balance, but also its contribution to goals like SDG 3: Good Health & Well-being and SDG 11: Sustainable Cities & Communities.



"It's great to see Elevate Super using the Sustainable Development Goals...one of the first Australian superannuation funds to take this approach...we should not underestimate the power of our money to do good."

- Dr Bronwyn King AO, CEO at Tobacco Free Portfolios, radiation oncologist and 2019 Melburnian of the Year



United Nations Association of Australia  
WA Division

In support of

**WOMEN'S EMPOWERMENT PRINCIPLES**

Established by UN Women and the UN Global Compact Office



Portfolios mapped against the UN Sustainable Development Goals (SDGs).



# Human Rights

Human rights are commonly understood as those rights that are inherent to the human being (e.g. the right to education, freedom of speech). The concept of human rights acknowledges that every single human being is entitled to enjoy his or her human rights without distinction as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** Businesses should ensure that they are not complicit in human rights abuses.

## Our commitment

- AtlasTrend supports and respects the protection of internationally proclaimed human rights and we are committed to providing a fair and safe workplace where our employees are treated with dignity and respect.
- We operate as an entirely remote workforce, and allow our team to select safe, suitable and sanitary work facilities, whether that be the comfort of their own home, or a coworking space if they prefer.
- As our team are based across Australia and in the United States, each employee faced individual changes brought on by the COVID-19 pandemic, particularly regarding lockdown restrictions. Senior management paid particular emphasis on proactively reaching out to employees to ensure their mental health and wellbeing.
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- We are a strong supporter of the work of our partner Classroom of Hope, a non-profit organisation providing access to quality education in developing countries.
- Gender diversity pledge: In 2020 we became a signatory of the Women's Empowerment Principles – Equality Means Business: A set of principles for business, offering guidance on how to empower women in the workplace, marketplace and community. (UNGC/ UNIFEM, 2010).



**WOMEN'S  
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# Labour

The Global Compact's labour principles are derived from the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Businesses should uphold the elimination of forced or compulsory labour.

**Principle 5:** Businesses should uphold the effective abolition of child labour.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

## Our commitment

- **Flexible working:** Many of our employees have children and broader family commitments, so we are supportive of employees working from flexible locations, switching days of work or hours worked to suit their lifestyle.
- **Equal Employment Opportunity:** AtlasTrend are committed to the principles of Equal Employment Opportunity. We do not tolerate discrimination, harassment or bullying in the workplace and focus on providing a supportive workplace that values difference.
- **Inclusion and diversity:** At AtlasTrend we recognise that diversity can help innovate and attract great talent. Our team comes from diverse backgrounds including *Sri Lankan-Australian, Balkan-Australian, Dutch-Chinese Indonesian, Australian, Malaysian, Chinese, Vietnamese, Latin American*.
- **Gender representation and diversity:** AtlasTrend harnesses a culture of inclusion to support the success of women in the company. We offer a maternity leave policy and flexible working arrangements to support female staff with new and young children. We are proud of the gender diversity in our team – one of our three co-founders is female, and our overall team is made up of equal numbers of both genders. We are also a proud signatory of the Women's Empowerment Principles – Equality Means Business.
- As an investment company and fund manager, we also aim to reduce adverse impacts and identify opportunities within our investment universe to drive positive social and environmental change.

- AtlasTrend ensures that the company does not participate in any form of forced or bonded labour and it most certainly complies with minimum wage standards.
- In 2020 we were **one of the first adopters of the Tobacco-Free Finance Pledge via Elevate Super**. In 2022 we continue this pledge. The Tobacco-Free Finance Pledge is an initiative founded by Tobacco Free Portfolios and developed in collaboration with the United Nations' Environment Programme Finance Initiative (UNEP FI), PSI, PRI. Through this pledge we publicly demonstrate our existing commitment to avoid investing in tobacco, an industry that is notorious for its child labour abuses.





# Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

## Our commitment

- **Sustainable investments:** As a financial services business, our greatest impact on the environment is via our investments. To that end, we measure our fossil fuel exposure through our Carbon Risk score. SP Carbon Risk is a single metric used as a proxy for combined Scope 1, 2 & 3 reporting. It is calculated from fossil fuel exposure within a portfolio as a proportion of company revenue. Any emission offsets are taken into account using a USD 20 per tCO<sub>2</sub> carbon price. SP Carbon Risk provides a single, quantitative way to compare any company against any other on carbon pollution, regardless of the industry that the company is in. Elevate Super targets to achieve a lower Carbon Risk exposure than the market.
- **Carbon offset air travel:** Recently we implemented a commitment to offsetting all carbon emissions from work related air travel.
- **Sustainability education content:** We are constantly producing content to educate people on how they can reduce their carbon footprint. See examples here: <https://sustainability.elevatesuper.com.au/blog/10-good-habits-live-sustainably>

# Anti-corruption

**Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery.

## Our commitment

- AtlasTrend regularly assess the risk of corruption and other ethical considerations when doing, particularly when doing due diligence on potential business partners.
- We continuously ensure we adhere to strict regulatory requirements for example the Know Your Customer (KYC) procedures relating to investments.
- AtlasTrend provides ongoing training for employees who are Australian Financial Service Licence holders. In addition to this training, AFSL holders must complete monthly compliance reporting to support the company's anti-corruption commitment.
- AtlasTrend focuses on continual upgrades and monitoring to ensure our technology platform is highly secure. We take measures to ensure the protection of customer identity through data encryption and appropriate data storage.
- Senior management provides regular cyber security training and notifications to the team of cyber security risks.
- **Portfolio Transparency:** Elevate Super users have full transparent information on their underlying investments. We seek to avoid investments where underlying shares have direct exposure to tobacco, weapons, firearms, gambling and alcohol companies. **Recently we welcomed our government's moves to make the Superannuation industry more transparent in the interests of their member, through the enforcement of the Your Future Your Super legislation. We provide transparency to a level over and above that required by the now mandated Portfolio Holding Disclosures.**

# How do we score?

Sustainability measurement is integral to what we do. Companies, like people, are not perfect. We use the 'SDG score' metric to measure a company's overall contribution to the SDGs. It accounts for the positive and negative impacts of transitioning to a more sustainable world.

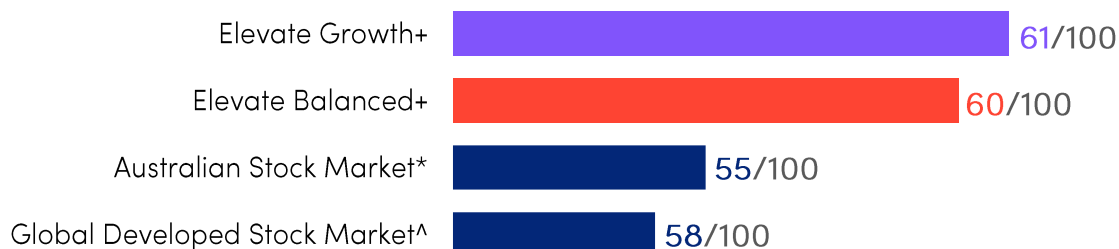
In constructing Elevate Super's portfolio, investments are assessed on both fundamental financial analysis and positive contribution to the United Nations 17 Sustainable Development Goals (SDG) for a better world by 2030.

## Elevate Super

We are proud that the Elevate Super portfolio's current SDG score is 61 for Elevate Growth and 60 for Elevate Balanced (as of 31 Dec 2021). This is as opposed to the Australian market (top 200 listed companies) which has an SDG Score of 55.

Elevate Super targets to achieve a higher SDG Score and low Carbon Risk exposure than the market. Both scores are calculated using independently assessed data from Sustainable Platform.

### SDG Score



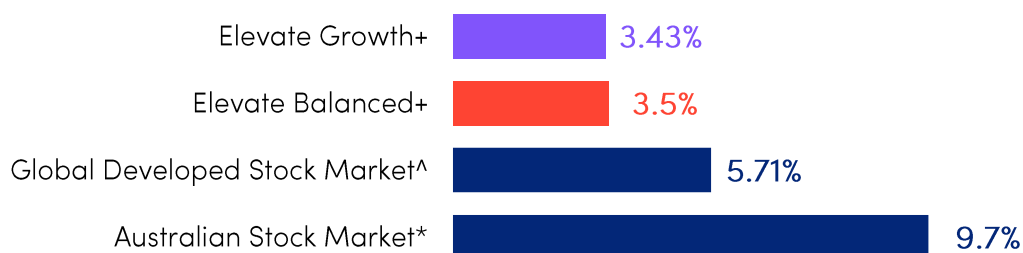
Based on net SDG score provided by Sustainable Platform (data as at 31 December 2021) based on the proportion of revenue (plus R&D spent) of a listed company that contributes to, or detracts from, one or more of the SDGs. Each underlying listed company's SDG score is weighted by its portfolio holding percentage to calculate the portfolio SDG score (out of 100). Data available for over 98% of the underlying listed companies.

+ Based on underlying listed equities investment exposure only (where data is available)

^ Proxy based on the largest 1200 companies listed on developed stock market exchanges by market capitalisation.

\* Proxy based on the largest 200 companies listed on the ASX by market capitalisation.

## Carbon Risk Analysis



Carbon Risk Analysis provided by Sustainable Platform (data as at 31 Dec 2021). The analysis combines fossil fuel exposure data (by type of fossil fuel) with the Bank of England climate stress test tool modelling to give alignments of portfolios to the Paris Agreement. Fossil fuel exposure is expressed as a % in terms of the revenue derived from fossil fuels compared with the total revenue of the whole portfolio being analysed, as well as taking into account operating exposure to products that create carbon emissions.

+ Based on underlying listed equities investment exposure only (where data is available)

^ Proxy based on the largest 1200 companies listed on developed stock market exchanges by market capitalisation.

\* Proxy based on the largest 200 companies listed on the ASX by market capitalisation.

## AtlasTrend Managed Funds

AtlasTrend's managed funds aims to make a greater positive contribution to the UN SDGs than the MSCI benchmark index.

The target is for each of the Trends to have a better SDG contribution than the benchmark index being the MSCI World Net Total Return Index ex Australia (MSCI World Index) while aiming to deliver competitive returns.

### SDG Score



Based on net SDG score provided by Sustainable Platform (data as at 31 Dec 2021) assessed on the proportion of revenue (plus R&D spent) of a listed company that contributes to, or detracts from, one or more of the SDGs. Each underlying listed company's SDG score is weighted by its portfolio holding percentage to calculate the portfolio SDG score (out of 100). Data available for ~98% of the underlying listed companies.

^ Based on underlying listed equities investment exposure only (where data is available).

\* Proxy based on the largest 1200 companies listed on developed stock market exchanges by market capitalisation.