

Sustainability Considerations: Global Sustainability Trust

As at 22 April 2022

The information below represents the environmental and sustainability impact and social considerations ('Sustainability Criteria') that may be applied to the Trust as of the date indicated. The Sustainability Criteria and primary sustainability goal are subject to change and may not be representative of the current or future considerations of the Trust.

This is not an offer or recommendation to buy or sell securities or other financial products, nor a solicitation for deposits or other business, whether directly or indirectly.

Sustainability Criteria applied to the Trust are based on available data, either actual or estimated, and our interpretation of the data.

Sustainability Score Weighting ¹			
Greenhouse gas emissions intensity ²	See "Emissions-Focused Exclusions".	85% of score	
Land use and biodiversity	An assessment of a company's history of disturbing large and/or fragile ecosystems and whether they have adequate policies and programs designed to protect biodiversity.	15% of score	Within sectors, companies are generally emphasised or de-emphasised in the fund's eligible universe based on the sustainability score. Companies ranking in the worst 10% of their sector are generally excluded altogether.
Toxic spills and releases	An assessment of a company's involvement in non-greenhouse gas-related legal cases, criticisms by NGOs around non-GHG emission practices, resistance to improvement practices, and direct impact due to non-GHG emissions.		
Operational waste	An assessment of a company's history of involvement in non-hazardous waste-related legal cases, criticisms by NGOs around non-hazardous waste practices, resistance to improvement practices and direct impact due to non-hazardous waste.		
Water management	An assessment of a company's history of involvement in water-related legal cases, criticisms by NGOs around water practices, resistance to improvement practices and direct impact due to water pollution.		

Data sources: Depending on each ESG consideration, data may be sourced externally from one or several vendors, including MSCI ESG Research and ISS. It may be cross-referenced and supplemented in order to create a proprietary data set. Alternatively, data may be created and maintained internally by our portfolio management team, using reported financial data and sector information, among others.

Emissions-Focused Exclusions ¹		
Greenhouse gas emissions intensity ²	A company's most recently reported or estimated Scope 1 (direct) + Scope 2 (indirect) GHG emissions in carbon dioxide equivalents (CO ₂ e) normalised by sales (metric tons CO ₂ e per USD million sales). GHG included are carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆), and Nitrogen trifluoride (NF ₃).	Generally, exclude companies ranking in the worst 5% of the fund's eligible universe, and half-weight the next 5%.
Potential emissions from reserves	An estimate of carbon dioxide produced if a company's reserves of oil, gas, and coal were converted to energy, given estimated carbon and energy densities of the respective reserves.	Generally, exclude the worst 5% of companies.

Additional ESG Refinements ^{3,4}	
Coal	Evidence of owning proven and probable thermal or metallurgical coal reserves or revenue from the mining of thermal coal and its sale to external parties.
Factory farming	>20% of revenue from sectors related to factory farming.
Palm oil	>20% of revenue from palm oil farming and/or palm oil processing.
Controversial weapons	Involvement in the manufacture of cluster munitions or anti-personnel mines or their key components, chemical and biological weapons, or depleted uranium ammunition and armour.
Nuclear weapons components, systems and support services	Involvement in the manufacture of components of nuclear weapons or systems that are capable of the delivery of nuclear warheads, or provision of support services related to nuclear weapons (such as the repair and maintenance of nuclear weapons).
Tobacco	Involvement in the production of tobacco products or, >10% of total revenue related to tobacco products.
Child labour	Involvement in severe controversies related to child labour practices.
Alcohol	>10% of revenue from the production, distribution, retailing, licensing or supply of alcoholic beverages, key products and services.
Gambling	>10% of revenue from the ownership or operation of gambling facilities, or from the support or services to the gambling industry.
Adult entertainment	>10% of revenue from the production, distribution or retailing of adult entertainment products.
Personal firearms	Involvement in the manufacture of handguns, pistols, shotguns, rifles, revolvers, and ammunition for civilian (nonmilitary) use, or >20% of revenue from distribution of personal firearms.

1. The Trust's primary sustainability goal is to aim to provide a reduction in exposure to greenhouse gas emissions intensity of at least 50% and a reduction in exposure to potential emissions from reserves of at least 75% relative to the MSCI World ex Australia Index. There is no guarantee that the Trust will meet its primary sustainability goal.
2. This methodology is subject to change with data developments or other findings or events.
3. The Trust generally (a) avoids purchase and (b) divests from companies which, in our opinion, are involved in these activities and controversies. Indirect involvement, for example through ownership structures, may also lead to exclusion. Should existing holdings, compliant at the time of purchase, subsequently become ineligible, they will be divested within a reasonable period of time considering turnover, liquidity and associated trading costs.
4. Companies may be excluded for other factors believed to be important to investors interested in sustainability, such as companies associated with significant environmental controversies.

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