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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) - RESPONSIBLE INVESTMENT POLICY

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<b>Owner Title:</b> Chief Financial Officer	<b>Approver Title:</b> Board	<b>Policy number:</b> FI.016	<b>Level:</b> 1
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### BACKGROUND AND OBJECTIVES

Orygen's responsible investment policy's purpose is to set out Orygen's approach for how we consider Environmental, Social and Governance (ESG) factors as part of our investment decision-making and ownership practices.

This policy supports Orygen's investment principles of investing in line with stakeholder expectations, and maximising investment returns as outlined in Orygen's Investment Policy documents. Stakeholder expectations were gathered through their responses to a responsible investment survey undertaken. Stakeholder expectations will continue to be monitored via future survey responses.

This policy shall be used to guide for external investment advisers and investment managers on how they should manage ESG issues on our behalf.

The Board understands that it will not always be possible to incorporate ESG factors exactly as outlined in our policy; however, our expectation is that our investment advisers and investment managers will do so on a best endeavours basis and report back to us where compliance has not been achieved.

Where compliance is not possible, this policy serves as a statement of intent and outlines the direction Orygen will take with incorporating our ESG views into our investment portfolio.

### SCOPE AND EXCLUSIONS

This policy details Orygen's position on responsible investing, with direct application to equity investments.

This policy provides direction in relation to investment decision making.

This policy's scope is limited to responsible investing and does not represent a broad Orygen-wide ESG policy.

This policy applies to:

1. Staff of Orygen;
2. Board Directors and committee members;
3. Orygen;
4. all other individuals engaged in activities reasonably connected with Orygen. Typically, such individuals include (but are not limited to):
  - a. students;
  - b. volunteers; and
  - c. contractors

## POLICY STATEMENTS

### RESPONSIBLE INVESTMENT VALUES & BELIEFS

Clauses	Principles
<b>1.1</b>	<b>Investment Values &amp; Beliefs</b>
1.1.1	Orygen is a youth mental health organisation that strives to reduce the impact of mental ill-health on young people, their families and society. By treating early and focussing on recovery, our vision is to achieve a future where every young person enjoys optimal mental health as they grow into adulthood. As such, we look to invest in a way that aligns with our mission and supports the communities we serve.
1.1.2	We believe we have a duty to the young people we work with, and our stakeholders to manage our portfolio responsibly and to maximise returns while effectively managing risks associated with those investments.
1.1.3	We believe the most effective way of incorporating ESG factors into a portfolio is by embedding it into the investment decision making process.
1.1.4	We believe ESG factors can and should be applied across all asset classes.
1.1.5	Orygen's responsible investment policy outlines our ambition and proposes a phased implementation approach.
1.1.6	We believe corporate engagement and shareholder action can have a positive impact on companies' behaviours and so it is important to engage with companies on ESG issues and instruct our investment manager on the exercise of proxy share voting rights.
1.1.7	When considering investment opportunities, Orygen will prioritise investments that improve mental health outcomes, reduce inequalities, and promote human rights if they align with our risk and return objectives.
1.1.8	Stakeholder expectations help define Orygen's responsible investment priorities and will be reviewed, at a minimum, every two years. Expectations will be gathered through respondent results to an ESG responsible investing survey.
1.1.9	Orygen's will adopt a balanced approach to responsible investing, employing a combination of negative screening (investment exclusions) and positive screening (investing in companies that score highly on ESG factors relative to their peers, or investing in companies with a mission aligned to Orygen's own values and beliefs).
1.1.10	Orygen strives to ensure that its financial investments are not in businesses that are socially or culturally destructive and negatively impact youth mental health, such as tobacco, alcohol, gambling, gaming, armaments, pornography, or predatory lending.
1.1.11	Orygen strives to ensure that its financial investments are not in carbon intensive and environmentally destructive activities and industries, unless or where there is a credible net zero transition plan.
1.1.12	Orygen will seek transparency and appropriate disclosures on ESG issues from the entities in which it invests.
<b>1.2</b>	<b>ESG Integration</b>
1.2.1	<p>We expect the investment managers we invest with to incorporate ESG considerations as part of their investment approach. We therefore expect Orygen's investment manager to understand and consider how underlying investment managers identify ESG opportunities and manage risk prior to their appointment. This may include:</p> <ul style="list-style-type: none"> <li>• A review of the investment manager's ESG policy.</li> </ul>

- An understanding of how ESG risk management is built into the manager's investment process.
- An understanding of how opportunities are identified that create positive real-world outcomes for people and the planet whilst providing good financial returns.
- Ensuring ESG risk management is appropriately built into proxy voting policies, where applicable.

1.2.2 Once an underlying investment manager has been selected, our investment manager should monitor the integration of responsible investment into their processes. We will request annual reporting on ESG integration from our investment manager.

## SCREENING

Clauses	Principles
<b>2.1</b>	<b>Negative Screening</b>
2.1.1	<p>Inline with our Mission and values we will:</p> <ul style="list-style-type: none"> <li>i) exclude tobacco production, gambling and gaming, armaments, pornography, and predatory lending from our investments.</li> <li>ii) not invest in any company that generates more than 10% in revenue from tobacco distribution, or alcohol.</li> <li>iii) help reduce the negative impact of climate change on youth mental health. Orygen will not invest in oil and gas producing companies or other manufacturing (e.g. fertiliser production) or distribution companies (e.g. Qube) that do not have a credible/approved plan to achieve net zero greenhouse emissions by 2050.</li> <li>iv) help reduce the negative impact of biodiversity loss on youth mental health, Orygen will not invest in companies that adversely affect the natural environment and contribute to climate change.</li> </ul>
<b>2.2</b>	<b>Positive Screening</b>
2.2.1	In line with our mission and values, and risk and return objectives, Orygen will look to support positive screening, by investing in certain sectors or companies that demonstrate ESG leadership.
2.2.2	<p>In line with our mission and values, we will:</p> <ul style="list-style-type: none"> <li>i) Help reduce the negative impact of climate change on youth mental health, by making green investments, investments that focus on companies or activities committed to the conservation of natural resources, pollution reduction, or other environmentally conscious business practices.</li> <li>ii) Help reduce inequalities and promote human rights by investing in companies that promote diversity and inclusion in their workforces, have excellent workforce practices, employee safety records, and a strong record of ethical and transparent business governance.</li> </ul>
<b>2.3</b>	<b>Mission Related Screening</b>
2.3.1	When considering investment opportunities, Orygen will adopt mission-related screening by prioritising investments that improve mental health care, reduce inequalities, and promote human rights if they align with our risk and return objectives.
2.3.2	<p>In line with our mission and values, we will:</p> <ul style="list-style-type: none"> <li>i) screen for companies that invest in research and development of new treatments for mental health disorders, as well as companies that promote prevention of mental ill health, or provide access to affordable mental health care services. Orygen may also prioritize investments in companies that have policies and practices that promote employee well-being and mental health.</li> </ul>

- ii) screen for companies that have a track record of promoting diversity, equity, and inclusion in their workforce and operations. Orygen may prioritize investments in companies that have a commitment to reducing inequities in access to healthcare, education, and employment.
- iii) screen for companies that have policies and practices that protect human rights, such as not engaging in forced labour or child labour. Orygen may also prioritize investments in companies that promote fair labour practices, respect the rights of indigenous peoples, and support human rights organizations.

## IMPLEMENTATION

Clauses	Principles
<b>3.1</b>	<b>Immediate Exclusions</b>
3.1.1	Immediate exclusions from Orygen's investment portfolio: <ul style="list-style-type: none"> <li>i) tobacco production, gambling, armaments, pornography, and predatory lending from our investments.</li> <li>ii) invest in any company that generates more than 10% in revenue from tobacco distribution, alcohol, or gaming.</li> </ul>
<b>3.2</b>	<b>Phased Implementation</b>
3.2.1	Assessment of the investment's credibility and alignment to science-based targets is a critical consideration ahead of investment selection. Orygen's investment manager will provide support in this assessment (refer 1.2).
3.2.2	Applying a phased implementation, Orygen will monitor and report on adherence to screening criteria annually at the Orygen Youth Mental Health Foundation Board. Progress and trajectory of improvement will be reviewed, and requisite adjustments to the approved investment strategy discussed and recommended to the Orygen Board for implementation. Orygen strives to achieve annual improvement targets between 5 – 10%, until 100% adherence is reached.
3.2.4	Mission related screens provide a direction Orygen strives to achieve in the future.

## MONITORING & EVALUTION

Clauses	Principles
<b>4.1</b>	<b>Monitoring</b>
4.1.1	Orygen will monitor and report on adherence to negative screening criteria annually at the Orygen Youth Mental Health Foundation Board Meeting.
<b>4.2</b>	<b>Evaluation</b>
4.2.1	Evaluation and endorsement of ESG responsible investments will be discussed and form part of the investment strategy discussions and recommendation to the Orygen Board.
4.2.2	Stakeholder expectations will be reviewed, at a minimum, every two years, and the ESG Responsible Investment Policy updated for any required changes.

## ACTIVE OVERSHIP & ENGAGEMENT

Clauses	Principles
<b>5.1</b>	<b>Responsibility</b>
5.1.1	We believe that Orygen has a duty to act as a responsible steward of capital. We therefore expect the managers we invest with to engage in dialogue and apply our shareholder rights to act

where necessary. We will look to receive annual reporting on proxy voting and shareholder engagement from our investment manager.

## VALUES STATEMENT

The ESG responsible investment policy details the framework which provides direction on responsible investing.

## DEFINITIONS

Term	Definition
<b>Associated entities</b>	Entities associated with Orygen within the meaning of s.50AAA of the Corporations Act 20010 (Cth).
<b>Controlled entities</b>	Entities over which Orygen has the capacity to determine the outcome of decisions about the entity's financial and operating policies, within the meaning of s.50AA of the Corporations Act 2001 (Cth).
<b>Gaming</b>	The action or practice of risking money in games of chance.
<b>Staff</b>	A person: <ul style="list-style-type: none"><li>• employed directly by Orygen;</li><li>• provided or seconded to Orygen under an agreement with their employer (e.g. Melbourne Health or University of Melbourne); or</li><li>• who is a visiting scholar or researcher (e.g. on sabbatical at Orygen).</li></ul>
<b>Orygen</b>	Orygen Limited, controlled entities, associated entities and associated charities.

## RELATED DOCUMENTS

This document is to be read in conjunction with:

1. Orygen Investment Policy
2. OYMHF Investment Policy

## REFERENCES

No references applicable to this policy.

## STAKEHOLDERS

Stakeholder (identified by Department or Title)	Stakeholder Category & Description of Involvement (accountable, consulted, informed)
<b>Chief Financial Officer</b>	Accountable
<b>Executive Director</b>	Consulted
<b>Executive Leadership Team</b>	Consulted
<b>Young People (Youth Participation Team)</b>	Consulted
<b>Orygen Board</b>	Consulted
<b>OYMHF Board</b>	Consulted

## REVISION AND APPROVAL HISTORY

Version	Revision Date	Summary
01	14.08.2023	First approved version