

Boral investors urge it to stay the course on green transition

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Australian Ethical Investment is leading a group of high-profile investors that have written to Boral's board of directors urging it not to turn its back on its 1.5-degree Paris-aligned emissions target for 2030, following the company's announcement that it was walking back its 2025 commitment to reducing emissions from 18% to 12-14%.

The group says Boral is also one of only three companies in Australia ranked by Climate Action 100+ (CA100+), a global independent investment network, as misaligned in its direct and indirect lobbying, alongside Woodside and Santos.

The Cement Industry Federation (CIF), the peak lobbying group representing Boral, Cement Australia and Adbri Limited, has recently lobbied for new gas basins on its members' behalf as well as against meaningful, climate policy at a state and Federal level.

Australian Ethical spokesperson Persephone Fraser said today, "Boral benefits from an economy that transitions aligned to Paris and limits warming to safe levels, but lobbying on their behalf is asking for new gas basins. This is extremely concerning as an investor at a stock level, as well as at a system level," she said.

"Investors lose on Boral if we can't limit warming, and we also lose across the economy if companies like Boral get in the way of good climate policy and a transition to a greener economy."

Some 70% of Boral is now owned by Seven Holdings following a takeover in mid 2021. Since then, Australian Ethical, which is a shareholder in Boral, says it has become increasingly concerned about its new management teams' retreat on its climate transition.

"Boral should be incredibly incentivised to do what they can to limit warming. The construction industry is uniquely exposed to increased temperatures and weather on the one hand and, on the other, Boral are seeing growing demand growth for lower embodied carbon products. This business has everything to gain from an orderly and ambitious climate transition, but unfortunately that's not what we're seeing in their lobbying behaviour, or in the company walking back its targets," Ms Fraser said today.

"This is a critical time for Australia's climate transition where companies like Boral need to be showing leadership and doing the work to transition that is required of all Australian companies across the economy."

"We're concerned about what we see as a step back from targets and industry bodies like the Cement Industry Federation, lobbying on its behalf towards outcomes that will slow – and not progress – Australia's pathway to meet its 2030 Paris-aligned climate emissions reduction commitments."

Notes to editors:

- Australian CA100+ Benchmark results, here: <https://www.climateaction100.org/news/latest-net-zero-company-benchmark-results-show-slow-progress-for-australian-focus-companies/>

Investment details

- Australian Ethical has an investment of approximately \$13.4 million in Boral

Background

- Investor Group letter, here: <https://www.australianethical.com.au/globalassets/pdf-files/corporate-engagement/investor-group-letter-to-borals-board.pdf>

About Australian Ethical Investment Limited (AEI)

[Australian Ethical](https://www.australianethical.com.au) is one of Australia's leading ethical investment managers. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide competitive returns. Investments are guided by the Australian Ethical Charter which shapes its ethical approach and underpins both its culture and its vision. Australian Ethical has over \$9.2 billion in funds under management across managed funds and superannuation. Visit: www.australianethical.com.au

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