

**ASB Investment Committee**

# **Responsible Investment Policy**

› [asb.co.nz/responsible-investment](https://www.asb.co.nz/responsible-investment)

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# 1. Objectives

The purpose of this document (**Policy**) is to describe the responsible investment principles adopted by the ASB Investment Committee (**Investment Committee**) that apply to ASB Funds.

# 2. Context

The purpose of the ASB Investment Committee is to deliver optimal risk adjusted returns for investors, having due regard to the Committee's operating context including ASB's purpose, strategy, reputation, and values.

ASB's Environmental and Social Policy (**E&S Policy**) sets out ASB's approach and commitments to managing the environmental and social impacts of ASB's business activities and operations, in line with ASB's purpose, Code of Conduct and values. The E&S Policy references the UN Principles for Responsible Investment as a framework ASB participates in and is committed to supporting.

ASB has documented in its Responsible Investment Commitments the actions that ASB will take to incorporate Environmental, Social and Governance (**ESG**) considerations into its business. These commitments are part of ASB's corporate responsibility framework. The Environmental and Social Committee (**ESC**) is responsible for overseeing ASB's compliance with the requirements of the E&S Policy in business decisions and interactions. The RI Commitments are owned by the ESC.

This Policy guides the Investment Committee in the application of ASB's Responsible Investment Commitments.

# 3. Scope

This Policy applies to all ASB Funds, as defined in the Charter. Other terms have the meanings attributed to them in the ASB Investment Committee Glossary.

# 4. Ownership and Governance

This Policy is approved by the Investment Committee. It is to be examined, reviewed and approved on a biennial basis, or more frequently as required.

## 5. Principles

The Investment Committee will adhere to the following principles for all ASB Funds.

Commitments		Application
1	We will seek to understand the responsible investment needs of our customers.	ASB Management report annually and make recommendations to the Investment Committee.
2	We will reflect public awareness of responsible investment considerations and demand for responsible investment options through the development and delivery of innovative products and services.	ASB Management report annually and make recommendations to the Investment Committee.
<b>Where consistent with our fiduciary responsibilities:</b>		
3	We will incorporate ESG considerations, into our investment analysis and decision making processes.	The authorised investments of each ASB Fund will reflect the ASB Framework for Excluded Investments, the investment objective of that Fund and the law.
4	We will incorporate ESG considerations into our active ownership policies and practices.	<p>We will use managers that have:</p> <ul style="list-style-type: none"> <li>• A clearly articulated approach to incorporating ESG considerations into their investment management activities.</li> <li>• A clearly defined (proxy) voting policy.</li> <li>• A clearly defined policy for engagement on ESG considerations with the entities in which they invest.</li> </ul> <p>Those policies must be consistent with ASB's values and the Investment Committee's investment beliefs.</p>
5	We will build the capacity of staff to understand and assess ESG risks and opportunities and will collaborate to enhance our effectiveness in implementing our commitments.	<p>We develop knowledge through education sessions, staff training and including ESG considerations in our manager selection and monitoring processes.</p> <p>We will collaborate with our underlying investment managers, our industry peers and with our colleagues in the CBA group to enhance and evolve the effectiveness of our ESG processes and engagement through time.</p>

Commitments		Application
<b>Where consistent with our fiduciary responsibilities:</b>		
6	We will report on how we manage ESG considerations.	We will report annually to our customers and stakeholders on our progress against ASB's Responsible Investment Commitments.
7	We will seek disclosure on ESG considerations by the entities in which we invest and the fund managers that we use.	<p>We select managers with active ownership practices and monitor their activities.</p> <p>We require our managers on a six-monthly basis to report on:</p> <ul style="list-style-type: none"> <li>• How they have incorporated ESG considerations into their investment management activities.</li> <li>• Their engagements on ESG considerations with the entities in which they invest (outcomes and examples).</li> <li>• Their (proxy) voting (outcomes and examples).</li> </ul> <p>We will assess these reports for consistency with ASB's values and investment beliefs.</p>
8	We will promote acceptance and implementation of Responsible Investment considerations within the investment industry.	<p>We will attend and engage with the investment community about responsible investment.</p> <p>We will meet our commitments as a signatory of the PRI.</p>

## 6. Management and Oversight

Management is responsible for ensuring and monitoring compliance with this Policy. Incidents of non-compliance with this Policy must be reported to the Head of Asset Management or to his or her delegate and to the Investment Committee.