

Responsible investment policy

Purpose

1. NZ Funds has adopted this policy to help ensure it invests in a socially responsible manner and does not invest in any controversial weapons prohibited under New Zealand law.

Scope

1. The policy applies to NZ Funds' Investments team.

Principles

1. Investments' research and investment management shall include consideration of environmental, social and governance matters.
2. NZ Funds shall contract a third party to provide socially responsible investment research that identifies 'red flag' companies. Investments may supplement this research and identify other 'red flag' companies.
3. Investments shall ensure that no fund it manages owns securities issued by companies identified by its socially responsible investment research as 'red flag' in the following sectors:
 - Controversial Weapons; and
 - Global Norms.
4. Investments will ensure that it is communicated to each underlying investment manager appointed to manage a discrete mandate that it must invest in accordance with clause 3 above.
5. Investments will communicate to each underlying investment manager appointed to manage a non-discrete (or pooled) mandate that it is NZ Funds' wish for it to invest in accordance with clause 3 above, but that NZ Funds cannot obligate it to do so.
6. Any exemption to this policy must not be unlawful and must be approved by the CIO, Head of Risk, CE and a Director who is not also a member of Investments.