

Sustainable International Share Fund

Responsible Investment Policy

ANZ New Zealand Investments Limited (“ANZ Investments”) recognises that socially responsible investment issues can be significant when making investment decisions. Responsible investment, including environmental, social and governance (ESG) considerations, is taken into account in the investment policies and procedures of the Sustainable International Share Fund.

Investment objective of the Sustainable International Share Fund

The investment objective of the Sustainable International Share Fund is to outperform the MSCI World Index (New Zealand dollar).

ANZ Investments is responsible for the investment management of the OneAnswer KiwiSaver Scheme and the Sustainable International Share Fund.

ANZ Investments currently invests the Sustainable International Share Fund in the NN (L) Global Sustainable Equity Fund (formerly known as the ING (L) Invest Sustainable Equity Fund). In order to manage the Sustainable International Share Fund in the most efficient manner, ANZ Investments may hold cash until there is a sufficient amount to invest.

The NN (L) Global Sustainable Equity Fund is a sub-fund of NN (L) (previously known as ING (L) (SICAV)). NN (L) is an investment company established in Luxembourg and is duly authorised by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (**CSSF**). Both the NN (L) Global Sustainable Equity Fund and NN (L) are registered with the CSSF.

NNIP Asset Management B.V. (**NNIP**) (previously known as ING Asset Management BV) is the underlying investment manager of the NN (L) Global Sustainable Equity Fund.

Extent to which responsible investment is taken into account in the investment objective and policy of the NN (L) Global Sustainable Equity Fund

The NN (L) Global Sustainable Equity Fund invests predominantly in a diversified portfolio comprised of equities and/or other transferable securities (warrants on transferable securities – up to a maximum of 10% of the net assets of the NN (L) Global Sustainable Equity Fund – and convertible bonds). These are issued by companies that pursue a policy of sustainable development and that combine the respect of social principles (such as human rights, non-discrimination, the fight against child labour) and environmental principles with their focus on financial targets. The selection of portfolio holdings is based on the companies that best fulfil the combination of these criteria, largely determined by a “best-in-class” approach.

Extent to which responsible investment is taken into account in investment procedures of the NN (L) Global Sustainable Equity Fund

In deciding what to invest in, NNIP follows a four-step investment process.

This involves:

1. the primary research phase
2. the portfolio construction phase
3. trade execution, and
4. monitoring and reporting.

Responsible investment is primarily taken into account in the primary research phase.

During its primary research phase, NNIP screens its chosen universe (MSCI Developed Market World Index) for stocks based on its sustainability criteria. NNIP automatically omits any companies from the universe which do not qualify as "best-in-class". For each sector, generally 50% of the companies are eligible.

This is followed by the use of the absolute "Exclusionary Criteria", meaning that companies which derive a significant part of their revenue from activities deemed harmful for society are not included. It also excludes non-ethical and non-environmentally friendly companies. For example, companies involved in cluster bombs, landmines, tobacco, gambling and pornography are excluded. The definitive sustainable universe is therefore made up of roughly 700 eligible companies. Based on the fundamental research and the input of its equity research analysts, NNIP decides which attractively priced stocks have above-average growth and return expectations. NNIP also makes use of its proprietary ranking tool which helps to rank the companies according to their attractiveness regarding valuation, quality and momentum.