

ESG Risk Management Policy

VERSION:

V.1.2

PROCEDURE OWNER:

Chief Investment Officer, ANZ Wealth

PROCEDURE LEVEL:

Level 3 – Entity Specific

POLICY REFERENCE:

FSC Standard No.20 Superannuation Governance

ENDORSED BY:

Wealth Investment Governance Forum

APPROVAL BODY:

OnePath Custodians Pty Limited

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ESG RISK MANAGEMENT POLICY

1 INTRODUCTION

1.1 PURPOSE

Under FSC Standard No.20 all FSC members who are trustees operating a registrable superannuation entity (RSE) are required to implement and develop an 'Environmental Social Governance (ESG) Policy' and disclose that policy to RSE members.

1.2 APPLICATION

The FSC standard applies only to an RSE's employer default superannuation product offered by relevant 'MySuper' authorised licensees, which includes OnePath Custodians Pty Limited (the Trustee).

This document constitutes the ESG Risk Management Policy for the Trustee as required by FSC Standard No.20 and only addresses the ESG approach as it applies to ANZ's 'MySuper' product - ANZ Smart Choice, and the lifestage investment options in which MySuper members are invested.

2 ESG APPROACH

Within Wealth Australia the Office of the CIO manages all investment portfolios and funds, including the selection and oversight of external investment managers. ANZ Smart Choice is issued by OnePath Custodians Pty Ltd as a default superannuation product under the 'MySuper' regime.

OnePath Funds Management Limited (OPFM) is the Responsible Entity of the investment funds into which the ANZ Smart Choice lifestage fund monies are invested. OPFM has engaged Vanguard Investments Australia Limited (Vanguard) through investment mandates to provide investment services in relation to the investment funds that ANZ Smart Choice invests into. These investments are applied to passively managed index pools across a broad range of defensive and growth asset sectors.

Given the Smart Choice investment pools are managed relative to index benchmarks, it is not expected that ESG matters will feature significantly in any security selection or proxy voting choices undertaken by Vanguard.

3 WHERE TO GET HELP

For more information or assistance with this document contact:

- Head of Business Governance (Document Custodian)
- Head of Investment Strategy & Portfolio Management
- Chief Investment Officer

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4 COMPLIANCE WITH FSC STANDARD 20-SUPERANNUATION GOVERNANCE

In accordance with specific disclosure requirements of FSC Standard No.20, in developing and formulating our approach to ESG matters, we respond to the specific requirements of the Standard in the table below.

Question	Our response in formulating and implanting our ESG policy
1. How will the fund incorporate a consideration of ESG in the investment decisions that it makes?	Given the fund assets are managed according to index pools and benchmarks it is unlikely ESG considerations will be applied in security selection.
2. How will the fund monitor the ESG exposure across its portfolio of investments?	The Trustee does not explicitly monitor the ESG exposures across the lifestage investment options within which a MySuper member's monies are invested.
3. How will the fund act on ESG risks?	The Trustee does not directly act on ESG risks within the lifestage investment options that a MySuper member's monies are invested in.
4. How will the fund report to its members on the actions it has taken in relation to an ESG issue?	The Trustee does not plan to report ESG actions to ANZ Smart Choice members in light of the fact that the lifestage investments are invested in index pools that are managed relative to index benchmarks.

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5 DOCUMENT HISTORY

Version (Date)	Description
V1_220414	Creation of Document. Endorsed by the WIGF 23/5/14.
	Approved by OnePath Custodians Board 19/6/14.
V1.1	No changes. Approved by OnePath Custodians Board 18/6/15.
V1.2	Annual review with negligible changes. Approved under Policy Governance Requirements delegation 21/6/16.