

TRUST MANAGEMENT PIE FUNDS

Kaupapahere Haumitanga Matatika

Ethical Investment Policy

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Issued by Trust Investments Management Limited as corporate trustee of the Trust Investments Management Charitable Trust ("Trust Management").

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What is ESG? | He aha te ESG?

PURPOSE | PŪTAKE

As a charitable entity, Trust Management (referred to in this document as “we, our”), believe it is appropriate to operate in a manner that is consistent with our values and the values of our ‘for purpose’ client base. Accordingly, ethics, prudence, and fiduciary duty have always underpinned the foundations of our investment funds.

We believe that embedding environmental, social and governance (ESG) considerations into the management practices for the investment funds we are responsible for is consistent with our fiduciary duties and provides an opportunity to add value by identifying investment opportunities, enhancing investment returns and mitigating risk.

We believe it is possible to both generate attractive returns while also contributing to leaving the world in a better place.

Our Ethical Investment Policy sets out how we approach ethical investment across the Trust Management PIE Funds (the “Investment Funds”).

DEFINITIONS | WHAKAMĀRAMATANGA

ESG investing refers to the consideration of environmental, social and governance factors alongside traditional financial factors when making an investment decision. We define ethical investment as the integration of ESG considerations into investment management processes and ownership practices, in the belief that these factors will enhance financial value and mitigate risks through taking a broader approach to investment analysis and decision- making.

EXAMPLES OF TYPICAL ESG FACTORS INCLUDE:

Environmental (<i>Taiao</i>)	Social (<i>Whanaungatanga</i>)	Governance (<i>Rangatiratanga</i>)
<ul style="list-style-type: none"> Climate change Energy efficiency Waste management Pollution Biodiversity Deforestation Resource depletion 	<ul style="list-style-type: none"> Diversity & Inclusion Employee engagement Human rights Health & safety Labour standards & working conditions Supply chain management Community relations 	<ul style="list-style-type: none"> Anti-competitive behaviour Appropriate executive control Board diversity Bribery & corruption Executive remuneration Transparency Accurate accounting methods

Ethical Investment Principles | Mātāpono Haumitanga Matatika

We have identified three key ethical investment principles which underpin our focus on and approach to managing ESG issues across the Investment Funds. These key principles form part of our investment decision-making, fund exclusion settings, stewardship activities (including engagement), and collaborative activities.

Kaitiakitanga: Care for the Environment

“Toitū te Marae o Tāne, o Tangaroa, o Rangi, Toitū tonu te whenua me te iwi”

If the forest is well, if the sea is well, if the sky is well, the land and the people will thrive.

We must take care of the environment to help nature thrive and maintain the delicate balance necessary to sustain life on this planet. This includes protecting our natural resources and biodiversity, reducing air pollution and waste, and combatting climate change.

Kaitiakitanga refers to guardianship, preservation, and protection of the sky, land, and sea. Māori believe the earth is a taonga (gift) from our ancestors and should be protected.



Kotahitanga: Care for Equality

“Me mabi tabi tātou mō te oranga o te katoa”

We should work together for the well-being of all.

Society is founded on the idea of fairness and equality. Every person has the right to equal and fair treatment, regardless of gender, race, age, religious belief, or sexual orientation. As a result, people feel socially connected and can participate and contribute to their community to create a safer, more prosperous, and harmonious society.

Kotahitanga refers to collaboration, unity, and togetherness. Kotahitanga is identifying as one, lifting each other up, sharing the earth, extending our āwhina (support) to everyone, and receiving the same back.



Manaakitanga: Care for Community

“He aroha whakatō, he aroha puta mai”

If kindness is sown, then kindness you shall receive.

We believe everyone has a responsibility to do no harm and to care for our fellow tāngata (people) and ourselves. Everyone deserves to have good health and well-being, as well as to live in an inclusive, safe, and sustainable community.


Manaakitanga describes the way tāngata demonstrate respect, care, and consideration of each other, through the expression of aroha (love), compassion, hospitality, generosity, and mutual respect (whakarangatira). Manaakitanga secures the strength and elevation of our whānau (family) and communities.





*Kāore i kō atu
i te kāinga.*

There is no place like home.





Our Ethical Investment Approach | Tā mātou Hātepe Haumitanga Matatika

Trust Management is a specialist financial services provider to for-purpose organisations, including charities, not-for-profits, trusts, Māori owned entities and foundations. As the licensed manager and issuer of the Investment Funds, we specialise in asset allocation, investment manager selection and monitoring, and property management.

We and our external investment managers incorporate ESG in the investment processes across our investment funds in three main ways:

ESG Integration | Whakaurunga ESG

ESG assessment (including climate change)
integrated into the investment process

Exclusions | Kauparenga

Active screens to avoid
harmful sectors



Stewardship Activities |

Ngā mahi kaitiakitanga

Engagement / Proxy voting

EXCLUSIONS | KAUPARENGA

We believe that some products and business practices are detrimental to society and not suitable for ethical investment strategies. We want to avoid investing in companies which we or our clients deem unsuitable, and therefore certain exclusions are applied as outlined below.

In summary, there are three focus areas for our exclusions:

Controversial behaviours









Where possible, we exclude investment in companies involved in controversial weapons, civilian firearms, and UN Global Compact Principles violations relating to human rights, labour, environment, and anti-corruption. We consider these activities controversial, and include those not permitted under Aotearoa New Zealand law, or contravene international laws, conventions and treaties to which Aotearoa New Zealand is a signatory.

Environmental harm

Where possible, we exclude investment in companies with significant involvement in certain fossil fuel production activities, as they are harmful to the environment.

Social harm

Where possible, we exclude investment in companies with significant involvement in alcohol, gambling and adult entertainment, as they can cause harm to individuals, families and communities.

Exclusion Criteria	Exclusion sub-area (summary)	Revenue threshold for ESG International Share Fund	Revenue threshold for corporate bond issuers for ESG International Bond Fund*^	Revenue threshold for ESG Australasian Share Fund, ESG NZ Bond Fund, Property Fund
 Controversial weapons	Cluster munitions, anti-personnel mines, nuclear explosive	0%	0%	0%
 Civilian Firearms	Manufacturing, key components, ammunition, distribution	10%	5%	-
 Controversial behaviours	Extreme ESG controversies, UN Global Compact Principles violators	0%	0%	-
 Fossil Fuels	Thermal coal extraction, production	10%	0%	10%
	Oil & gas extraction, production	10%	0%	10%
 Tobacco	Manufacturing	0%	0%	0%
 Alcohol	Production	10%	5%	10%
 Gambling	Operations	10%	5%	10%
 Adult entertainment	Production	10%	5%	10%

The ESG Balanced Fund incorporates the ethical investment criteria of each of the underlying funds as outlined above.

The above table provide a summary of the exclusions. Further detail for each of the investment funds can be found in section 6 of the Trust Management PIE Funds Statement of Investment Policies and Objectives. (SIPO)

These exclusions are managed through a series of controls. Where investment decision making is delegated to specialist investment managers, the exclusions form part of the investment management agreement or fund offer documentation and are subject to change. The specialist investment managers are assessed against a range of criteria including the controls utilised by each specialist investment manager to avoid investment in the sectors outlined above. Where any non-complying securities are identified, the specialist investment manager will divest the position as soon as practicable. Specialist investment managers are monitored regularly by us. For the Trust Management Property Fund, compliance with the exclusions outlined above is reviewed as part of the acquisition due diligence process.

**Trust Management ESG International Bond Fund also excludes treasury and government-related issuers with an MSCI ESG government rating below "BB" or those with a "Red" MSCI ESG Controversies Score. The Controversies Score measures an issuer's involvement in major ESG controversies and how well they adhere to international norms and principles.*

^ On or around 1 July 2025 the approach to ethical investment for the ESG International Bond Fund will reflect a change of investment strategy to invest in the Nuveen Global Sustainable Bond Fund. See Section 6 of the Statement of Investment Policies and Objectives document for more information.



— ESG INTEGRATION | WHAKAURUNGA ESG

The assessment of ESG factors for a company is designed to help identify and understand material ESG related risks and how they may affect long term investment value. We believe companies that actively manage ESG risks and opportunities that are material to them and their industry, will exhibit stronger performance over the long term.

We outsource the management of all asset classes, with the exception of direct Property which is managed by our internal property team.

As part of our external investment manager selection process we undertake a formal review of each managers' processes to ensure they meaningfully integrate ESG into their investment decision making process, and have the dedicated people and resources to support this.

We require our investment managers to be a signatory of the UN-supported Principles of Responsible Investment (PRI).

ESG integration by our investment managers is monitored by the Investment Committee through managers' regular reporting of ESG activities, reviewing the outcomes of their annual PRI assessment, and ongoing dialogue on ESG issues. For Property assets, ESG factors of the building and tenant are considered as part of the due diligence process involved in the acquisition and management of properties.





STEWARDSHIP ACTIVITIES | NGĀ MAHI KAITIAKITANGA

We believe that as responsible stewards of our clients investments, we have a duty to use their ownership rights to influence corporate behaviour and encourage positive change. These stewardship activities can be in the form of proxy voting and engagement, both of which can be a very powerful strategies for effecting change.

All our external investment managers have policies with regard to stewardship and proxy voting. We review their policies for alignment with our values and industry best practice. We expect our external investment managers to cast their votes in a manner consistent with their proxy voting principles.

Our external investment managers provide us with regular reporting on their voting and company engagement activities, which we monitor and maintain regular discussions to further encourage them be responsible stewards.

We undertake stewardship activities through:

- Joining collaborative engagement initiatives to add our voice in support of key issues
- Monitoring the engagement activities of our investment managers
- Advocating for effective ESG public policy with policy makers and regulatory bodies, and
- Engaging with property tenants and service providers to encourage and ensure positive change is enacted.

Engagement can be in the form of regular face-to-face meetings with investment managers, responses to market participant surveys, submissions to public policy makers and regulatory bodies, newsletter updates, surveys, campaigns and regular meetings with tenants and service providers.

Prioritisation of engagements is linked to our ethical investment principles outlined above. The focus is on issues that are deemed important to our clients based on our annual client survey, and to the importance of the ESG issue.

Stewardship activities of us and our underlying investment managers, including engagement and proxy voting, are monitored by the Investment Committee.



PROXY VOTING | PŌTITANGA TUKUATU

When reviewing the voting policies of underlying managers we expect to see guidelines that promote and protect investor interests by addressing material ESG risks. This may include advocating for effective board composition, quality disclosures (for example carbon emissions and climate risk), and identification and management of risks such as human and labour rights violations.



CLIMATE CHANGE | HURINGA Ā-ĀHUARANGI

We believe that climate change poses a clear and significant danger to the health of our planet, society and future generations. We support the objectives of the Paris Agreement and are committed to playing a constructive role in the decarbonisation of the global economy to serve the long-term interests of investors.

We are also supportive of improving disclosures by listed companies in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Companies that do not address the need to transition to a low-carbon economy are exposed to significant risks from regulatory change and changing consumer demand. Climate change risks and opportunities are addressed as part of the fund exclusions, ESG integration and stewardship activities.

*Nā te kai ko te toto i ngā
iatoto, engari anō te
hauora, nō te whenua.*

While food provides the blood in our veins,
our health is drawn from the land.



Targets | Whāinga

We have committed to implementing ESG-related targets for the investment funds. These targets per fund may relate to higher ESG characteristics and lower carbon intensity than the broader market index for a given Investment Fund. Where applicable, targets will be reviewed and set annually, with processes in place to measure and monitor the progress towards targets quarterly.

Transparency and Reporting | Māramatanga me ngā Pūrongo

We recognise the importance of providing our investors with regular reporting on our ethical investment activity. We and our underlying investment managers undertake a range of reporting. This includes our annual reporting to the PRI, our Ethical Investment Update, and our regular newsletter which includes updates on ESG matters.



Education and Promotion | Mātauranga me te Whakatairanga

We have committed to implementing ESG-related targets for the investment funds. These targets per fund may relate to higher ESG characteristics and lower carbon intensity than the broader market index for a given Investment Fund. Where applicable, targets will be reviewed and set annually, with processes in place to measure and monitor the progress towards targets quarterly.

Net Carbon Zero - Property Fund | Waro Kore - More Tahua Āhuatanga

We have achieved Toitū Envirocare net carbonzero certification for landlord-controlled components of the Property Fund for FY23 emissions. We are committed to managing and reducing the landlord-controlled emissions and will continue to participate in annual audit with the aim to retain the current net carbon zero certification which is valid to November 2026. Science-based* targeted initiatives will be used as part of the formation of the reduction pathway with near-term and long-term science aligned targets being developed for implementation.

Direct engagement with underlying tenants of the Fund is underway to record the Green House Gas (GHG) emissions to establish a 'whole of building' footprint to measure emissions with the view of developing a collaborative pathway to manage and reduce emissions.

*Targets are considered 'science-based' if they are in line with the latest climate science deems necessary to meet the goals of the Paris Agreement.





Industry Commitments | Takohanga Ahumahi



PRI DECLARATION | WHAKAPUAKANGA PRI

We are a signatory to the Principles for Responsible Investment (PRI). As a signatory to the PRI, we have committed to adopt and implement the following principles:

- We will incorporate ESG issues into our investment analysis and decision-making processes
- We will be active owners and incorporate ESG issues into our ownership policies and practices
- We will seek appropriate disclosure on ESG issues by the entities in which we invest
- We will provide acceptance and implementation of the Principles within the investment industry
- We will work together to enhance our effectiveness in implementing the Principles
- We will report on our activities and progress towards implementing the Principles



RIAA MEMBERSHIP | MEMATANGA RIAA

We are a member of the Responsible Investment Association Australasia (RIAA), the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and Aotearoa New Zealand.

We support RIAA's mission of ensuring capital is aligned with achieving a healthy and sustainable society, environment and economy.



AOTEAROA NEW ZEALAND STEWARDSHIP CODE MEMBERSHIP | MEMATANGA KAWA KAITIAKI O AOTEAROA

Trust Management is a founding signatory of Aotearoa New Zealand's Stewardship Code. The Stewardship Code was developed by the investment industry to strengthen engagement and active ownership practices, supporting the goals of responsible ownership and creating and preserving sustainable value for current and future generations.

As a signatory to the Stewardship Code, we commit to principles including active ownership, incorporating material ESG matters into stewardship, voting responsibly, collaborating for change, education, and transparency.

To find out more about PRI, RIAA and Aotearoa New Zealand Stewardship Code, you can visit their websites at: www.unpri.org, www.responsibleinvestment.org, or www.stewardshipcode.nz



Governance | Kawanatanga

— GOVERNANCE | KAWANATANGA

The Board sets this policy. Our executive team has responsibility for the day-to-day application of this Policy, and provides an attestation of compliance with the policy to the Board on a regular basis.

TRUST+ MANAGEMENT

Standing with you to deliver community good.

+ INVESTMENT + PROPERTY + ACCOUNTING

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