

## Colonial First State Global Asset Management Launches Responsible Investment Report

### Media release

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Colonial First State Global Asset Management (CFSGAM) has launched its third annual responsible investment report. This report covers the 2009 calendar year, which was one of the most challenging and volatile periods for global financial markets in recent times.

With a long track-record in responsible investment, CFSGAM was one of the first Australian investment managers to become a signatory to The United Nations Principles for Responsible Investment (PRI) in early 2007 and was the first to release a detailed report on its progress of PRI implementation.

Chief Executive Officer of CFSGAM, Mark Lazberger believes ESG issues are now more relevant than ever for the financial services industry which is witnessing a renewed focus from investors on ESG performance.

"We believe ESG issues are material investment issues and the PRI is well aligned with our role as a fiduciary. It's not about ethical investing; it's about protecting and enhancing returns to clients.

"CFSGAM have embedded responsible investment processes within each asset class across the organisation. This is what distinguishes us from other fund managers.

"We don't just look to offer an 'ESG themed' fund in every asset class; rather every asset class looks at the ESG issues that are material for their investment process and all products," Mr Lazberger said.

CFSGAM's third Responsible investment report outlines a number of activities the business has undertaken to ensure its working toward best practice.

CFSGAM has gone a step further and has embedded the PRI into the business strategy and balance scorecard which is used to measure the performance and set key performance indicators throughout the funds it manages.

CFSGAM has set a balance scorecard target to be top quartile across five of the six principles for responsible investment by the 2011 reporting year. CFSGAM currently sits in the top quartile across three out of the six principles relative to global investment managers as assessed in the PRI self assessment process<sup>1</sup>.

With more than A\$70 billion invested in Australian and global equities, CFSGAM is a significant shareholder on behalf of investors in many listed companies around the world. The size and standing of CFSGAM in the industry puts the investment managers in a strong position to engage with individual companies on ESG issues. The report outlines a number of examples of engagement CFSGAM has undertaken with companies on a variety of ESG issues.

CFSGAM has been an active participant a number of collaborative initiatives that help signatories with their implementation of the PRI. One example is the ESG Research Australia Initiative that works towards increasing the quantity, quality and scope of ESG research produced by the sell-side. Others are the Investor group on Climate Change and the Australian Green Infrastructure Council.

CFSGAM has also done a significant amount of work in the direct investments in property and infrastructure to ensure the ESG risks are understood and managed.

“Some of the most tangible outcomes of our approach to responsible investment can be seen in our property portfolio where we manage and operate the assets. We received \$5.5 million from the Green Building fund for the upgrade and retrofit of office towers which reduced energy consumption by 16% and is equivalent to taking 781 cars off the road,” said Mr Lazberger.

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**Notes to editors:****About Colonial First State Global Asset Management**

Colonial First State Global Asset Management is the consolidated asset management division of the Commonwealth Bank of Australia Group, one of the largest financial institutions in Australia. Colonial First State Global Asset Management is Australia's largest manager of Australian sourced funds, employing more than 200 investment professionals.

At 31 March 2010, Colonial First State Global Asset Management managed more than A\$145 billion across a diverse range of asset classes including Australian and global shares, short term investments, fixed interest and credit, property securities, direct property, global resources, unlisted infrastructure and listed infrastructure securities.

In March 2007, Colonial First State Global Asset Management signed the UN Principles for Responsible Investment, which provide a framework for including environmental, social and governance issues for investment decisions. Colonial First State Global Asset Management has undertaken to utilise this framework for the funds for which it provides investment management services.

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**<sup>i</sup> Disclaimer**

Scores have been calculated based on signatories' self assessment and using the scoring methodology approved by the PRI Assessment Group. Although a limited verification exercise was undertaken with a proportion of signatories, responses have not been independently audited by the PRI Secretariat, PRI Assessment Group, or any other third party. Individual results including comparisons to the overall results (quartiles) are indicative and do not imply an endorsement of signatory activity. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of information presented, and no responsibility or liability can be accepted for any error, omission or inaccuracy in this information.