Ethical Investment Policy

1. Noting that the General Synod / te Hinota Whanui passed a resolution (in May 2002) which recognises that ethical considerations form an integral part of the investment process in keeping with its Christian values and declared its commitment in principle to a strategy for ethically investing Church funds.

2. Recognising that, in matters of investing, the Pension Board is:
    - acting as trustees for beneficiaries of the Pension Fund, Retire Fund, Koinonia Fund, Widows & Orphans Endowment, and related funds.
    - acting as an investment manager for other trustees of this Church

3. Acknowledging that, as trustees, there are limitations on its ability to exclude any investment from consideration unless there is an alternative investment which is at least equally desirable;

4. Recognising that the "employer" contributions to the Pension Fund, the Retire Fund and the Koinonia Fund are mainly out of regular weekly offertories, charitable donations and other monies received as part of Churches' charitable purposes.

5. Acknowledging that many of those individuals and organisations who contribute to the Pension Fund, the Retire Fund and the Koinonia Fund, support Churches and would not approve of the Pension Board, as part of the Anglican Church in Aotearoa New Zealand and Polynesia Church, investing in certain industries and would generally support the concept of ethical investing;

6. Considering that investing in companies that:
    - have a poor environmental record; or
    - have consistently bad industrial relations; or
    - have dubious business ethics; or
    - have an excessive management remuneration policy;

    are not likely to perform as well in the long term as alternative companies in the same industry;

7. Resolves that:

    (a) It should endeavour to avoid direct investment in:
    - the armament manufacturing industry;
    - the gaming industry;
    - the tobacco industry;
    - the pornography industry; and
    - breweries;

    (b) It should endeavour to avoid direct investment in companies where the activities of the individuals in key positions (e.g. the CEO or Chairperson) raise serious ethical concerns;

    (c) It should endeavour to avoid direct investment in companies with a poor environmental record or consistently bad industrial relations;

    (d) It should endeavour to avoid direct investment in companies where management appears to be excessively concerned with its own remuneration (including by way of loans);

    (e) The foregoing does not preclude investment in:
    - tracker funds;
    - diversified or composite equity funds;
    - alternative strategy funds; and
    - fixed interest funds

    for the purpose of gaining diversification;

    (f) For the purpose of the foregoing resolutions "investment" includes the holding of sovereign debt; debt instruments issued by local authorities, quasi-governmental bodies and corporates; cash and short term deposits and derivatives, but this does not require the Committee to be satisfied with every Government action or the like;

    (g) It should, where feasible and desirable, exercise its voting power in a manner consistent with a socially responsible approach to investment;

    (h) The implementation of such policies is primarily the responsibility of management in conjunction with the investment adviser but, in cases of doubt, the matter is to be referred to the Investment Committee or its Equity sub-committee, as appropriate.