



Quarterly Sustainability Report

For the quarter ended 30 September 2023

mint
ASSET MANAGEMENT

Summary of activity

We are very pleased to share with you Mint's first Quarterly Sustainability Report. The first part of the report contains information on what we've been focused on over the last quarter, gives some insight as to what's ahead and then includes some engagement examples from the quarter. The second part provides specific information on the carbon emissions, the voting activity, and the engagements relevant to each fund.

The focus over the last quarter has been on climate-related disclosures, our internal processes and education, and reporting as a signatory to the PRI.

Our work on climate-related disclosures has included the appointment of Sustainalytics to assist with our reporting - this was after an extensive review of several providers, and we are looking forward to working with Sustainalytics on this going forward. We have also been having very constructive discussions with the FMA as they continue to provide guidance on what they expect from climate-reporting entities.

We completed our annual report as a signatory to the PRI. This was an extensive piece of work, and we expect to receive the completed assessment by the end of the year. The reporting framework has been overhauled over the last couple of years, and the PRI expects a larger range of scores as a result - rather than most of their signatories receiving top marks as was the trend before the change. We support this change as the PRI is the world's largest voluntary corporate sustainability initiative and it needs to continue to lift expectations for its 5,000 signatories.

Looking ahead, we are working hard on our inaugural Climate Related Disclosures report. While Mint is not required to produce this report under the legislation, we recognise how important these disclosures are, and we want to inform our clients of the work we are doing in this area. Our report will be published by the end of July 2024.

We are also setting up more engagements with our investee companies on ESG-specific issues, including discussions with Internet Service Providers on offensive material and scamming activities. Our climate-related disclosure work will inform more engagements too. As new members to Investors Against Slavery & Trafficking Asia-Pacific (IAST APAC), we will be doing a policy piece on the proposed Modern Slavery legislation in New Zealand, and we'll drive a collaborative engagement on Modern Slavery issues within a couple of New Zealand-listed businesses.

Below you'll find some examples of recent engagements we've conducted. Engagements like these are a crucial part of our role as a responsible investor, and we look forward to sharing more examples with you in future, as our engagement programme grows.

Engagement case study: Infratil

Infratil invests in a diverse range of businesses, one of which is Longroad Energy, a renewables company based in Boston, Massachusetts. Their focus is on developing and managing wind, solar and storage projects through North America. This type of investment is incredibly positive from an environmental perspective; however, modern slavery is a known risk in renewables supply chains. We became aware of an instance of debt bondage – a form of modern slavery – in a Malaysian factory owned by renewables company First Solar. First Solar is the solar panel supplier for Longroad. First Solar made the discovery themselves, through their modern slavery due diligence work, and they published a statement on it which was picked up by the media. This discovery was immediately recognised as a red flag for us, given First Solar’s relationship with Longroad, and we reached out to Infratil to discuss.

The company confirmed that Longroad source all their solar panels through First Solar, but also confirmed their panels are from First Solar’s US-based factories, not the Malaysian factory where the incident occurred. Longroad chose First Solar as their solar supplier for the fact they have a leading approach in sustainability – certainly, the fact the company picked up the modern slavery incident by way of their own due diligence goes to show they are working hard to adhere to due diligence expectations across their supply chain. Since the detection of the modern slavery incident, First Solar have put additional controls in place and have committed to follow up audits to ensure adherence. The results of these audits will be communicated to Infratil too – despite Infratil/Longroad’s link to the Malaysian factory being only by association.

The knowledge of the incident triggered a full risk & compliance exercise by Morrison & Co, Infratil’s manager. Longroad are also undertaking a comprehensive risk review of all their suppliers – which the company started before this issue was discovered in the First Solar supply chain – and are developing their own supplier code of conduct. The outcomes of these will be shared with Mint once complete.

Even though there was not a direct link to a modern slavery incident on this occasion, these discoveries serve as a reminder of the inherent risk facing companies with a global supply chain. We were pleased to hear the incident triggered comprehensive risk reviews by both Infratil and Longroad. It is this type of reaction that we believe indicates a strong approach to the management of ESG risks.

Engagement case study: Aroa Biosurgery

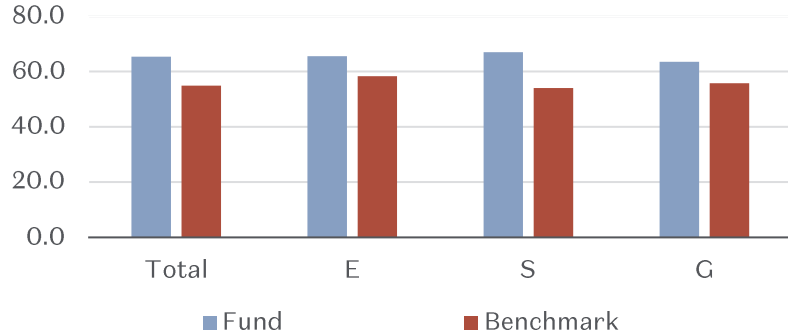
ASX-listed Aroa Biosurgery is a soft-tissue regeneration company that develops, manufactures, and distributes medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. When the company originally listed, they chose to do so on the Australian stock exchange. Our expectations for the company are therefore in line with the ASX Corporate Governance Principles & Recommendations - one of which recommends no less than 30% of female directors on boards. For the last few years, Aroa has had a 5-member board of directors, all of whom are male. Directors with MedTech experience are hard to find, but the Board told us that appointing female directors was a priority for them. We therefore gave the company leeway with our vote at last year's AGM, voting in support of all Director re-elections, despite the board continuing to be all-male.

At the August AGM this year, the company put Catherine Mohr, a US-based female director with MedTech experience, up for election. This was a positive step in the right direction. However, despite the appointment of Catherine, the board's gender split is still not up to best practice recommendations. To escalate our view that the company still has not made enough progress in this area, despite them sharing it was a priority for them last year, we voted against the Chair John Diddams at this year's AGM. We have outlined our expectation to the company that the gender balance on the board should be a higher priority for them in the year ahead.



Mint New Zealand SRI Equity Fund

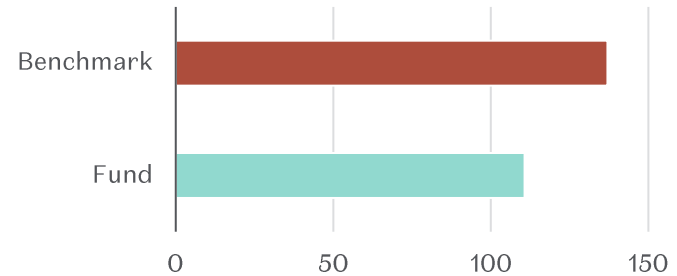
ESG scores versus Benchmark



Mint has a proprietary scoring methodology to review holdings as a result of the more limited coverage offered by third party services and our own detailed knowledge of the company.

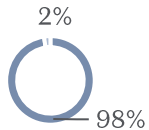
Carbon Emissions

Carbon Footprint (tCO2e/mil USD invested)



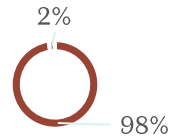
Voting Record*

Vote Alignment with Policy



- Votes with ISS policy
- Votes against ISS policy

Vote Alignment with Management



- Votes with Management
- Votes against Management

Engagements

Company	Nature of the engagement		
	E	S	G
IFT		✓	
SPK	✓	✓	✓
FPH	✓		✓

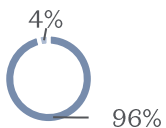
*ISS (Institutional Shareholder Services) is Mint's proxy voting provider. ISS provide Mint with voting recommendations based on a 'Sustainability' policy, which has a higher expectation on ESG matters than their standard policy.



Mint Australasian Equity Fund

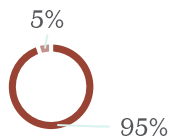
Voting Record*

Vote Alignment with Policy



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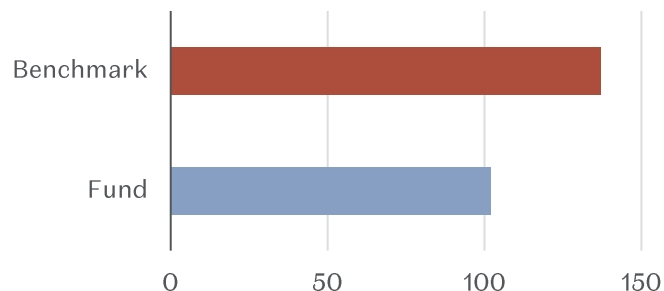
Vote Alignment with Management



- Votes with Mgmt
- Votes against Mgmt

Carbon Emissions

Carbon Footprint (tCO2e/mil USD invested)



Engagements

Company	Nature of the engagement		
	E	S	G
IFT – modern slavery discussion (Longroad); offensive material (One NZ).		✓	
IDP – company environmental & social disclosures; director tenure.	✓	✓	✓
SPK – general ESG risk discussion.	✓	✓	✓
CSL – management & board Chair remuneration.			✓
ARX – lack of gender diversity on board.			✓
FPH – discussion on emissions targets.	✓		✓

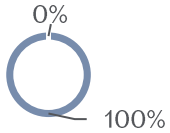
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Mint Australasian Property Fund

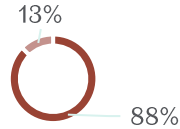
Voting Record*

Vote Alignment with Policy



- Votes with ISS policy
- Votes against ISS policy

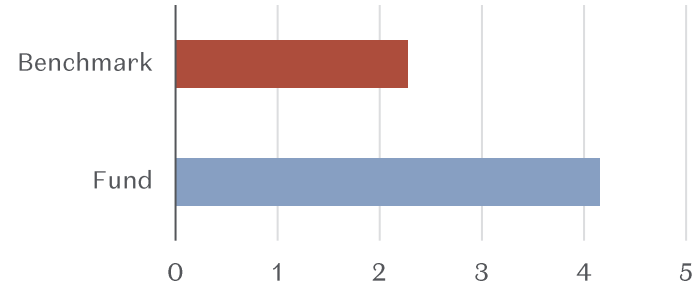
Vote Alignment with Management



- Votes with Mgmt
- Votes against Mgmt

Carbon Emissions

Carbon Footprint (tCO2e/mil USD invested)



Engagements

Company	Nature of the engagement		
	E	S	G
KPG - consent fee offered to approve a change in the Master Trust Deed.			✓

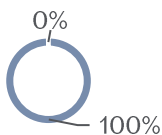
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Mint Diversified Growth Fund

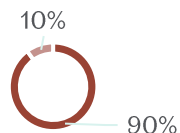
Voting Record*

Vote Alignment with Policy



- Votes with ISS policy
- Votes against ISS policy

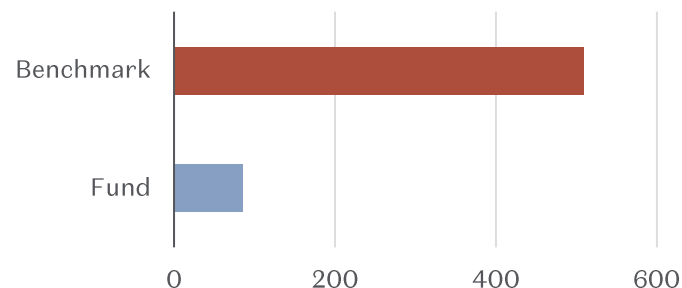
Vote Alignment with Management



- Votes with Mgmt
- Votes against Mgmt

Carbon Emissions

Carbon Footprint (tCO₂e/mil USD invested)



Engagements

Company	Nature of the engagement		
	E	S	G
KPG – consent fee offered to approve a change in the Master Trust Deed.			✓
IFT – modern slavery discussion (Longroad); offensive material (One NZ).		✓	
SPK – general ESG risk discussion.	✓	✓	✓
CSL – management & board Chair remuneration.			✓
FPH – discussion on emissions targets.	✓		✓

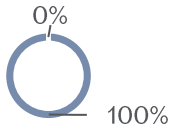
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Mint Diversified Income Fund

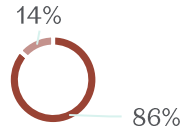
Voting Record*

Vote Alignment with Policy



- Votes with ISS policy
- Votes against ISS policy

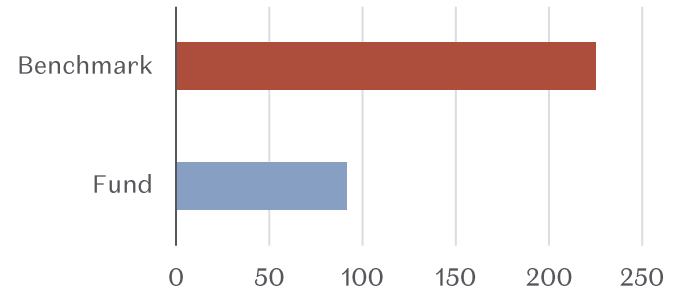
Vote Alignment with Management



- Votes with Mgmt
- Votes against Mgmt

Carbon Emissions

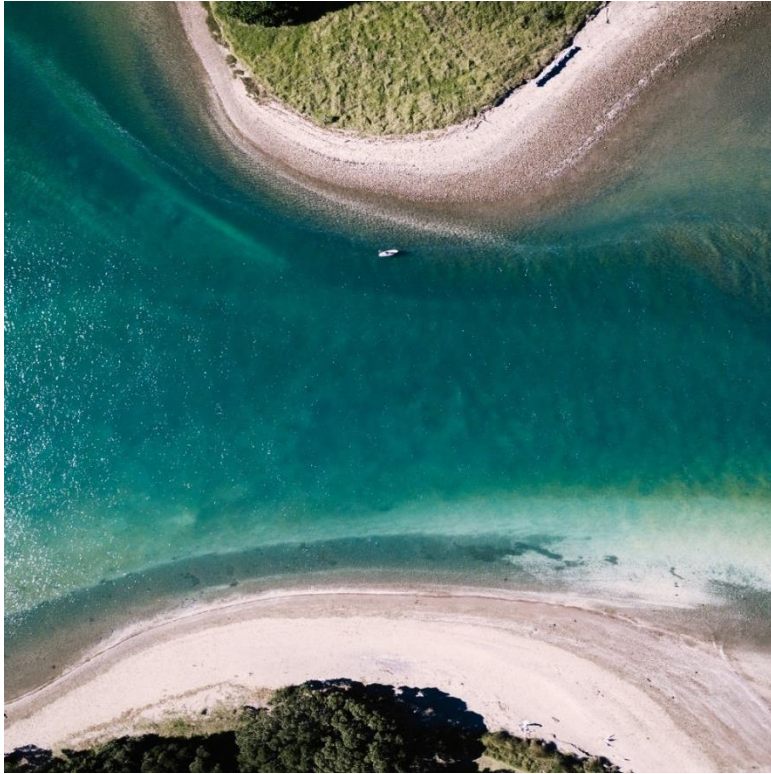
Carbon Footprint (tCO2e/mil USD invested)



Engagements

Company	Nature of the engagement		
	E	S	G
KPG – consent fee offered to approve a change in the Master Trust Deed.			✓
IFT – modern slavery discussion (Longroad); offensive material (One NZ).		✓	
SPK – general ESG risk discussion.	✓	✓	✓
FPH – discussion on emissions targets.	✓		✓

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