

Colonial First State Global Asset Management direct infrastructure team takes lead on environmental and social issues

Media release

June 8 2010

Colonial First State Global Asset Management (CFSGAM) made another significant investment in its implementation of the Principles for Responsible Investment (PRI) undertaking a globally recognised training program for the direct infrastructure team, a first for fund managers in Australia.

CFSGAM appointed Environmental Resources Management (ERM), one of the world's largest environmental services firms to specifically develop a unique course for the direct infrastructure team on the environmental and social issues currently facing the infrastructure sector.

Global co-head of CFSGAM Infrastructure, Perry Clausen said the training was the next step in our implementation of the PRI.

"CFSGAM has been a signatory to the principle of the United Nations of Responsible Investment since 2007. The consideration of environmental, social and corporate governance issues has always formed an integral part of our due diligence, asset management, valuation and investment strategy.

"Given the long-term nature of direct infrastructure investing, we believe it's critical we understand and manage ESG issues to both maximise value for our investors and to reduce investment risk," Mr Clausen said.

CFSGAM decided the International Finance Corporations (IFC) Environment, Health and Safety Guidelines provided the most structured framework for the direct infrastructure team to refer to in their consideration of environmental and social issues in the investment process.

"We decided that to get the most out of the application of IFC guidelines we needed every member of our team across the detail and for their thinking to be challenged and to allow for continuing improvement.

"Our asset managers sit on the board of the infrastructure businesses we invest in, and we want to ensure they are well equipped on the most current environmental and social challenges ensuring we protect and enhance performance," Mr Clausen said.

ERM is one of the world's largest and most experienced environmental services firms. They have extensive experience in the application of the IFC guidelines and other environmental and social due diligence processes for some of the world's largest companies.

ERM Global Practice Leader, David Snashall said he was pleased to be working with the CFSGAM direct infrastructure business to train the investment team.

“This level of commitment and dedication demonstrates how serious CFSGAM are in their approach to understanding and managing environmental and social investment issues”

A summary of the direct infrastructure Guidelines for corporate engagement on the implementation of the United Nations Principles for Responsible Investment – Environment, Social and Governance issues is available at www.cfsgam.com.au

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.

Colonial First State Global Asset Management has been a signatory to the principles of the United Nations of Responsible Investment since March 2007.

The principles are an initiative developed by institutional investors in conjunction with the UN Environment Programme Finance Initiative and the UN Global Compact.

The UN PRI provide a framework for including environmental, social and governance (ESG) issues in investment decisions. Colonial First State Global Asset Management undertakes to utilise the framework provided by the UN PRI in aligning our investment processes with the objectives of our investors.

By embracing the Principles, Colonial First State Global Asset Management believes it can achieve better long term investment returns for our clients.

Media contact

For further information please contact:

Name	Telephone	Email
Anneliese Diedrichs	02 9303 6412 0407 168 494	adiedrichs@colonialfirststate.com.au