

# Aon KiwiSaver Scheme

## Responsible investment policy

Prepared by **Aon Saver Limited**

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# Responsible investment policy

Aon Saver Limited, the Manager of the Aon KiwiSaver Scheme (the Scheme), recognises the importance of incorporating environmental, social and governance (ESG) issues into the investment process. The purpose of this document is to set out the Manager's responsible investment policy (which is summarised in the Scheme's statement of investment policy and objectives). It provides an explanation of the extent to which responsible investment is taken into account in the investment policies and procedures of the Scheme. The policy will be reviewed at least annually.

## Background

Fisher Funds Management Limited (Fisher Funds) has been appointed by the Manager as the Scheme's investment manager and investment consultant and provides investment advice to the Manager.

The Manager seeks to offer a variety of investment options which cater to the diverse range of KiwiSaver members, whose views on what constitutes responsible investment may vary and differ from those of the Manager.

The Manager selects the underlying investment managers and Fisher Funds delegates the day-to-day investment management responsibilities to them.

The Schemes' underlying investment managers avoid investment in companies whose activities are deemed unlawful under New Zealand laws such as the *Cluster Munitions Prohibition Act 2009*, and may exclude certain sectors or activities based on the respective underlying investment manager's responsible investment policy. Exclusions differ by investment manager and investment strategy; typical prohibitions include companies that manufacture tobacco and controversial weapons (nuclear weapons, landmines, etc).

## Policy

The Manager and Fisher Funds believe, based on a growing body of evidence, that companies with stronger ESG practices are better positioned to create long-term value and deliver improved risk-adjusted returns than companies with poorer ESG profiles.

Due diligence for the appointment, ongoing monitoring and retention of the Scheme's underlying investment managers includes the managers' responsible investment policies and quality of ESG practices. Fisher Funds and the Scheme's current underlying investment managers are all global signatories to the Principles for Responsible Investing (PRI): six principles that promote the importance of incorporating environmental, social and governance issues into investment decision-making and collaboration processes. PRI signatories believe that ESG issues can affect the performance of investment portfolios through time, and that applying the principles – where consistent with our fiduciary duty to members to work in their best financial interests – may better align investors with the broader objectives of society.

The Manager expects all underlying investment managers to integrate ESG principles into their investment processes, and the Manager encourages them to actively engage with companies on ESG and stewardship issues. On the Manager's behalf, Fisher Funds monitors the application of responsible investing principles by underlying investment managers through its regular oversight processes which include a detailed responsible investment assessment rating.

