

# Fisher Funds Management Limited

## Responsible Investment Policy

31 May 2023



## 1. Policy Statement

Investing capital in a way that recognises Fisher Funds Management Limited's (including Kiwi Wealth Investment Limited Partnership) (collectively "Fisher Funds") fiduciary duty to act in the best economic interests of our clients but also encompasses Responsible Investing considerations, including taking into account environmental, social and governance (ESG) concerns, is an important consideration for Fisher Funds.

Fisher Funds aims to invest responsibly in three ways.

The first is by maintaining a Prohibited Companies List (the List) that identifies companies that do not meet Fisher Funds ESG standards. Fisher Funds will not invest in companies on the List.

Secondly, Fisher Funds incorporate ESG considerations in our fundamental research and in our investment decisions. This also feeds into our engagement with companies which may be undertaken directly by our team or through external advisors as required.

Lastly, as another key part of our active approach to ownership, Fisher Funds exercises our voting rights in a way which takes into account our ESG standards. This includes exercising our voting rights directly through our custodian, or through a proxy voting service. Fisher Funds retains full discretion over all voting decisions.

Our Responsible Investing Policy is published on our website and made readily accessible to all Fisher Funds staff and clients.

## 2. Commitment

As an important part of Fisher Funds' commitment to Responsible Investment, Fisher Funds is a signatory to the United Nations sponsored Principles for Responsible Investment.

## 3. Implementation

Fisher Funds will maintain an ESG Committee consisting of members appointed by the CEO, from time to time.

The ESG Committee will maintain the List. Companies may be placed on the List because the products they produce, services they engage in, or their past conduct does not meet Fisher Funds' ESG standards.

The ESG Committee will ensure that the List achieves the exclusion of the following industries:

1. Fisher Funds will not invest in companies that produce core components or systems used in weapons. This includes, but is not limited to, cluster munitions, landmines, chemical and nuclear weapons.
2. Fisher Funds will not invest in companies that
  - (i) own proved or probable fossil fuel reserves and revenue share from exploration and extraction of fossil fuels, excluding metallurgical coal, of 15% or more; or
  - (ii) has its primary business activity in any of the following subsectors: integrated oil and gas, crude oil producers, offshore drilling and other services, oil and gas equipment and services, oil and gas drilling, oil and gas exploration and production, coal (excluding metallurgical coal) and consumable fuels.

3. Fisher Funds will not invest in companies that manufacture cigarettes (including e-cigarettes), or other tobacco related products.
4. Fisher Funds will not invest in companies where their core business includes operating gambling establishments, or the manufacture of specialised hardware or software used exclusively for gambling.
5. Fisher Funds will not invest in companies involved in the hunting of whales and the processing of whale meat.

In addition to this, companies operating in industries of sensitivity (due to their ability to cause significant harm to people and the environment) will also be subject to exclusion if they are not run to a high enough standard. This includes:

1. Thermal coal - companies using thermal coal to generate electricity should demonstrate sufficient commitment to transition to renewable generation.
2. Nuclear power – companies using nuclear reactors to generate electricity should demonstrate sufficient health and safety standards and comply with industry accepted regulatory oversight.
3. Palm oil - companies producing or distributing palm oil, and where these companies do not demonstrate sufficient commitment to prevent deforestation through observing RSPO and source tracing standards.

Fisher Funds will also not invest in companies that have exhibited unacceptable corporate behaviour and that we regard as a fundamental breakdown of the integrity of the business. This includes but is not limited to human rights abuses, and abuse and degradation of the environment.

Fisher Funds will consider demonstrable evidence of change in company governance, activities or behaviour when making inclusion decisions.

ESG factors are always considered whenever Fisher Funds undertakes qualitative research on individual securities or companies. Insights from this research are incorporated into the final recommendation on whether the individual security or company would be a suitable investment for clients of Fisher Funds.

Fisher Funds will use tools and methodologies from respected ESG service providers to assist in improving our principles and generating the List, however companies placed on the List will be determined at the sole discretion of the ESG Committee (other than where it is illegal to invest in certain companies due to the products and/or services they provide).

#### 4. Divestment of prohibited securities

If Fisher Funds holds a security that is subsequently placed on the List, the holdings will be divested from the relevant funds as soon as is practicable to do so.

#### 5. Responsibility, training and reporting

The List will be updated at least quarterly by the ESG Committee. Existing portfolios will be reviewed against the List whenever the List is updated, and on a regular basis.

Portfolio Managers must take the List into account when determining new portfolio additions. In addition, the Head of Trading will not action a purchase of a security on the List.

Investment and other Fisher Funds' staff will be introduced to this policy at induction.

## 6. Transparency

Fisher Funds will maintain open communication with our clients and give them an opportunity to contribute to our deliberations on ESG issues.

## 7. Review of policy

The Responsible Investment Policy will be reviewed bi-ennially or more frequently if required. This Policy is subject to change at any time.