

# Fisher Funds Group

## Responsible Investment Policy

February 2024



## 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.

## 2. Scope

This Policy applies to all asset classes managed by Fisher Funds Management Limited. Where an external Manager is appointed, this policy will also apply to them. In circumstances where Fisher Funds invest in a pooled vehicle and do not have control of the investment guidelines, we will ensure that there is an alignment of interests, values and philosophies during the due diligence process.

This will ensure that the manager:

- Has credentials and a policy aligned with our Responsible Investment strategy
- Are a close fit with our investment philosophy
- Has a strong evidenced approach to assessing and evaluating companies with regards to ESG Factors.

## 3. Approach

Fisher Funds aims to invest responsibly in three ways.

The first is by maintaining a Master Exclusion List (MEL) that identifies, countries, sectors and companies that are not aligned with Fisher Funds Responsible Investment approach and what we are required legally to comply with in the regulatory environment in New Zealand and for being a Default Kiwi Saver provider.

Secondly, Fisher Funds as part of our proprietary investment process, uses insights from our own research and third party providers, integrates ESG factors, risks and opportunities in our fundamental research process and they feed into our investment decisions. These factors also help inform our local engagement with companies and our requirements with our global engagement partner Columbia Threadneedle.

Lastly, one of the key aspects of our engagement is through our active approach to ownership. Fisher Funds has a dedicated Proxy Voting Policy. Fisher Funds exercises our votes across all our portfolios. 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.

## 4. Responsibilities

The Investment Team is responsible for the day to day implementation of the Policy's commitments. This is overseen by the ESG Committee and the Fisher Funds Board.

## 5. Commitment

Fisher Funds became a signatory of the United Nations backed Principles for Responsible Investment (PRI) in July 2017. Fisher Funds is committed to the PRI principles and this extends through our responsible investment approach and ESG integration within our investment process and applies to our investable universe. Adopting the Principles provides us with an externally recognized benchmark against which Fisher Funds monitor our progress towards best practice in sustainable investment and active ownership practices.

Fisher Funds is also a member of the Responsible Investment Association of Australasia.

## 6. Implementation

Fisher Funds has an ESG Committee consisting of members appointed by the CEO. The ESG Committee oversee all ESG activities and report through to the Investment Strategy Committee.

The MEL will be constructed by the Investment Operations team and will apply the following aspects and beliefs. This is adopted, reviewed and approved by the ESG Committee. Companies on the Conduct List within the MEL are reviewed every two years. The MEL is uploaded into our trading system for pre-trade compliance and provided as part of the investment management agreement to External Fund Managers.

Fisher Funds will not invest in industries that negatively impact our planet and society. These exclusions are defined by third party data providers, have a 0% zero revenue threshold, and include:

### Sanctions:

Fisher Funds will not invest in countries that have sanctions against them, as defined by New Zealand law and otherwise in accordance with the Fisher Funds Sanctions Policy.

### Controversial weapons

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. A 0% revenue threshold applies.

### Tobacco and related industries

Fisher Funds will not invest in companies that manufacture cigarettes and e-cigarettes, or other tobacco related products. A 0% revenue threshold applies.

### Gambling

Fisher Funds will not invest in companies where their core business includes operating gambling establishments, or manufacture of specialized hardware or software used exclusively for gambling. A 0% revenue threshold applies.

### Whaling

Fisher Funds will not invest in companies involved in the hunting of whales and the processing of whale meat.

### Fossil Fuels

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.

#### Thermal coal

Companies using thermal coal to generate electricity should demonstrate sufficient commitment to transition to renewable generation.

### 7. Divestment of prohibited securities

Divestment of securities will only occur after Fisher Funds has engaged with a company and has not achieved a satisfactory resolution of our concerns and/or there is undue risk. Fisher Funds will look to divest as soon as is practicable to do so.

### 8. Responsibility, training and reporting

The MEL will be updated at least quarterly, or when required. The MEL will be uploaded in our pre-trade compliance system and will be issued to External Fund Managers. Existing portfolios will be reviewed against the MEL whenever the MEL is updated, and on a regular basis.

Portfolio Managers must take the MEL into account when determining new portfolio additions.

Fisher Funds will maintain records of our proxy voting and disclose this monthly, one month in arrears.

### 9. 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.