



Nikau
FOUNDATION



Responsible Investment Policy

Adopted by Board on 26 September 2023

Nikau Foundation (“the Foundation”) adopts the approach utilised by the New Zealand Superannuation Fund in relation to Responsible Investment and expects that when investments are being made by them, or on their behalf by a third party, that there will be:

- exclusions of investments that do not act in accordance with New Zealand and international law, or International Conventions to which New Zealand is a signatory;
- Further exclusions on ethical grounds, where practical¹, of investments that the Foundation believe are inconsistent with the vision of the Foundation, of building healthy, resilient and self-sustaining communities;
- the application of Environmental, Social and Governance (ESG) benchmark assessments, with recommendations made to exclude or divest from investments as breaches of the ESG benchmarks arise and persist.

The ESG benchmarks adopted by the Nikau Foundation through its investment managers are consistent with those used by the NZ Superannuation Fund.

Nikau Foundation’s current exclusion are:

- manufacture and sale of all weapons
- processing of whale meat
- deforestation of virgin forests
- manufacture and use of gambling machines as the main source of revenue
- manufacture and sale of prohibited drugs and tobacco
- production of adult material
- any other companies on the exclusion list of the New Zealand Superannuation Fund

Nikau has requested that its Investment Managers carefully assess the ESG credentials² of companies involved in the following industries/ESG issues, prior to making any investments and in considering ongoing investments:

- fossil fuel extraction and retail
- child/slave labour in the supply chain
- environmental damage
- corruption
- gambling
- pollution and waste
- product stewardship

¹ The Foundation may also invest in managed funds, including Exchange Traded Funds, where it may not be possible to match the product offer with the Foundation’s exclusion list. In these cases, the funds should be closely aligned as possible to the responsible investment policy.

² The Foundation recognises that ESG issues can arise in a company’s supply chain or they may form a very small portion of a company’s business and it may not be practical in all cases to be able to identify organisations that are operating in areas excluded.



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