

Responsible investing is internationally accepted to involve the consideration of the environmental, social and governance (ESG) factors alongside financial performance in investment decision making.

The Acorn Foundation (the Foundation) expects that when investments are made directly by them — or by a third party on their behalf — the following points will be followed:

- Include ESG assessments where available with recommendations to invest.
 - Make recommendations to divest from investments if ESG breaches arise and persist.
 - Exclude investments that do not act in accordance with NZ and international law or which act in opposition to International Conventions in which New Zealand is a signatory.
 - Exclude investments in industry sectors or companies that do not align with the Foundation’s values.
- Current exclusions include:

- The manufacture and sale of alcohol, armaments and tobacco
- Pornography
- Gambling.

In considering ESG factors, the Foundation expects that the companies that it invests in will operate in ways that, at a minimum, will meet their fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption as defined by the Ten Principles of the United Nations Global Compact:



The Foundation recognises that there are some practical considerations in applying this policy, including:

- Investments in managed funds, including Exchange Traded Funds, may occur where it is not possible to match a product offer with the Foundation’s exclusion list. In this case, funds should be sought that most closely align with Acorn’s responsible investment policy.
- ESG issues may occur in a company’s supply chain or in a division that forms a small part of the company’s business.
- It may not always be possible to identify organisations that are operating in the exclusion areas.

Acorn Foundation commits to formally review this Responsible Investment Policy with its investment manager(s) on at least a two-yearly basis in conjunction with the review of the Foundation’s Investment Policy Statement.