

# JMI Wealth KiwiSaver Scheme Responsible Investment Policy

October 2025

---

## Introduction

Shaw and Partners Financial Services Limited (**Shaw and Partners**) are the investment manager of the JMI KiwiSaver Scheme (**Scheme**), appointed by the licensed manager, Smartshares Limited (**Smart**). The Scheme is subject to certain investment requirements because of both; being a KiwiSaver Scheme and Smart being the licensed manager. Shaw and Partners must factor these requirements into its investment decision making.

This policy is owned by Shaw and Partners and sets out the Scheme's approach to responsible investing. It outlines the extent to which environmental, social and governance (**ESG**) factors are incorporated into the Scheme's investment management processes. Shaw and Partners acknowledges that investors have a variety of views and values in relation to ESG and recognises the importance of describing the approach taken for incorporating ESG factors in the Scheme's investments.

The Scheme's funds do not directly hold securities, instead they hold investments in underlying funds provided by a range of fund managers. Shaw and Partners has a preference for fund managers who incorporate ESG factors into their investment decision making processes.

## Guiding Principles

The Scheme's guiding responsible investing principles are:

- ESG factors (see Appendix A for examples) are important determinants of long-term investment returns and global sustainability.
- Fund managers with strong responsible investment strategies in place, are more likely to act in the best interests of all stakeholders and are better positioned to deal with challenges that arise.
- Strong engagement practices lead to better longer-term returns.
- Climate and the targeting of net-zero emissions by 2050 pose transitional and physical risks that have the potential to impact portfolio risk and asset returns.

## Responsible Investment Approach

The Scheme prefers to use underlying fund managers who integrate ESG and climate factors into their investment decision-making process. The following areas are considered to determine the quality of a fund manager's responsible investment approach:

### *1. Active Engagement*

The level of engagement with companies and industry related engagement initiatives (e.g., Principles of Responsible Investment (PRI) Collaboration Platform) that the manager undertakes. The aim of engagement is to provide feedback and signal concerns to companies about factors affecting long-term company and industry performance. This engagement can provide insights into ESG issues. Shaw and Partners may engage with fund managers on particular ESG issues where appropriate.

### *2. Proxy Voting*

Consideration of the manager's approach to proxy voting and the level to which they advocate for robust corporate governance structures, shareholder rights, and transparency. There is a preference that managers have in place a Proxy Voting Policy. Exercising the right to vote on company resolutions is a key part of active ownership practices.

### *3. ESG Integration*

The degree to which a manager integrates of ESG factors into their investment decision-making process is assessed using a qualitative approach that includes a request for proposal (RFP) and review of relevant policies and exclusions.

#### 4. *Investment Screening*

Shaw and Partners acknowledges that fund managers use both negative and positive screening in their decision-making processes. These are reviewed as part of the selection process.

### **Ongoing Monitoring and Review**

After the selection process, Shaw and Partners undertakes a program of monthly monitoring, quarterly reviews, and an annual sector review of the fund managers. This can include engagement as required, and confirmation of each fund manager's compliance with their Responsible Investing Policy, as outlined at the time of appointment, and rationale for any changes made.

Holdings in underlying managers' funds may be divested if the review process identifies that an underlying manager:

- is not adhering to their stated responsible investment approach;
- does not meet Shaw and Partners' responsible investment expectations; or
- has sub-optimal performance where losses are attributable to ESG considerations.

### **Policy Review**

This policy will be reviewed at least annually or when change occurs that impacts the statements made in this policy. Any resulting changes to this policy will be approved by the Shaw and Partners Investment Committee.

Approved by the Shaw and Partners Investment Committee 1 October 2025

## **Appendix One:**

The following list, which is not exhaustive, broadly represents the characteristics which Shaw and Partners is looking for in fund managers Responsible Investment policies and processes:

### **Environmental factors**

- Climate change – greenhouse gas emissions
- Natural capital – water stress, biodiversity and land use, raw material sourcing
- Pollution and waste –toxic emissions and waste, packaging material and waste, electronic waste
- Environmental opportunities – clean technology, green building, renewable energy

### **Social factors**

- Human capital – labour management, health and safety, supply chain and labour standards
- Community relations
- Animal welfare
- Product liability – product safety and quality, chemical safety, privacy and data security, health and demographic risk
- Controversial sourcing

### **Governance factors**

- Corporate governance – board composition, executive pay, ownership, accounting practices
- Controversial investments
- Corporate behaviour – business ethics, anti-competitive practices, corruption and instability, tax transparency