

Aon's Responsible Investment Policy

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Aon is dedicated to working with our clients to accommodate all forms of Responsible Investing (RI). Environmental, Social and Governance (“ESG”) Integration is rapidly becoming mission critical for institutional investors, driven in part by emerging regulatory requirements and in part due to the desire to manage pre-financial risks in their portfolios. Likewise, values-based investment considerations including Impact Investing, Socially Responsible Investing (“SRI”) or Mission Related Investing (“MRI”) have gained traction as well, and Aon Investments believe we must help asset owners make and monitor investments that are consistent with fiduciary duty, regulatory requirements, and organizational values.

Aon's Responsible Investment framework

To avoid confusion about Responsible Investment terminology, Aon utilizes the RI framework below, noting that some investment products and asset owner policies may utilize one or more RI strategies together.



Environmental, Social and Governance Integration (ESG) –

A values-neutral approach, ESG integration incorporates material non-financial environmental, social and governance considerations into the investment process. Aon views material ESG factors as potential risks that can and should be monitored and mitigated in the investment process, as well as possible investment opportunities for outperformance. ESG considerations that may be material to an investment include, among others:

Environmental factors	Social factors	Governance factors
Climate change	Diversity and inclusion	Transparency
Carbon footprint / energy use	Consumer protection	Reporting and disclosure
Biodiversity	Fair trade / access	Executive compensation
Deforestation	Employee engagement	Shareholder rights
Water issues (pollution, use, access, impact on local supply)	Human rights	Board accountability and makeup
Waste management	Healthcare	Director independence
Toxic chemical usage	Working conditions (living wage, harassment, physical risks)	Accounting practices and policies
Renewable energy	Community relations	Voting practices

We're here to empower results

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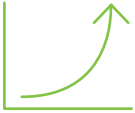
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Active ownership or stewardship – Active ownership refers to the use of ownership of a company or investment (equity, debt, direct) to influence the behavior of that company or investment. Active ownership may involve voting one’s proxy, direct engagement, collaborative engagement, and / or shareholder proposals. Aon believes that active ownership is a key factor in promoting best environmental, social and governance practices.



Socially Responsible Investing (SRI) – SRI involves the avoidance or divestment of investments that may be objectionable based on an organization’s values. As a fiduciary, Aon is concerned that any filter which narrows an investable universe may have an adverse and unpredictable effect on performance, and that wholesale divestment may also limit an investor’s voice and advocacy through active ownership. Still, Aon does evaluate SRI investments on behalf of clients and makes every attempt to quantify potential changes to the portfolio’s risk-reward profile.

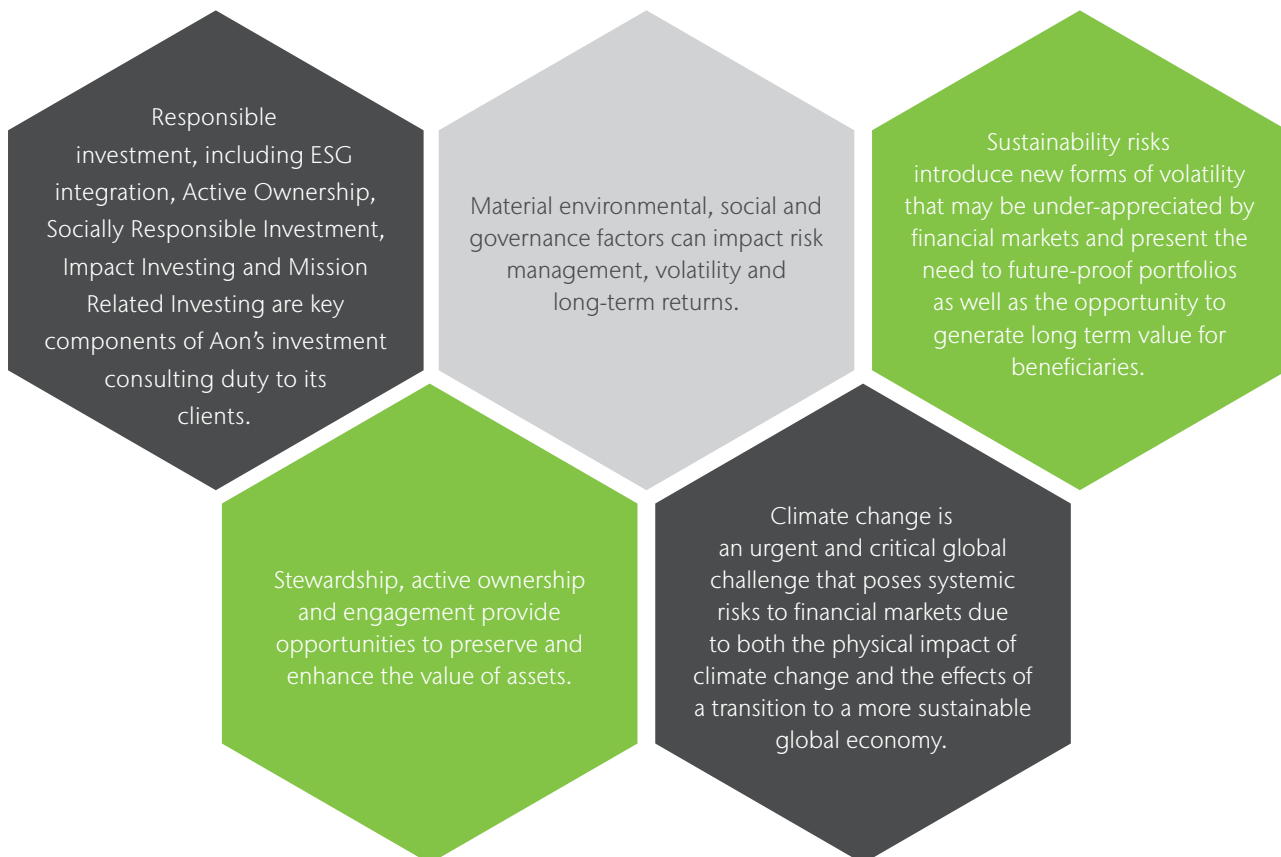


Impact investing – Impact investing involves positive screens that are generally aligned with desired social, economic or environment outcomes. Impact investments are generally viewed as providing additionality, leverage, acceleration or innovation capital. While some investors, particularly those in the non-profit sector, may be able to accept a lower rate of return to achieve a double or triple bottom line, Aon believes impact investments can and should generally be held to the same standard as traditional investment funds.



Mission Related Investing (MRI) – MRI can help an organization leverage their grant making and philanthropic efforts, Through a combination of the Responsible Investment techniques above, MRI allows for an organization to align its investments with philanthropic goals.

Aon's core Responsible Investment beliefs



Aon's commitment to responsible investing

- Aon is committed to working with clients to fulfill their Responsible Investment goals, whether through ESG Integration, Active Ownership / Stewardship, Socially Responsible Investing, Impact Investing, or Mission Related Investing.
- We will, at all times, comply with applicable local regulation relating to responsible investments, ESG, stewardship, climate change and disclosure.
- We will support our clients in their fiduciary and stewardship duties in line with their investment beliefs, time horizons and organizational values. We will monitor various Responsible Investment factors (including environment and climate change, social and governance data) for their impact on financial performance and market stability and will address them as required.
- We will incorporate Responsible Investment best practices into our advisory and Outsourced Chief Investment Officer (OCIO or Delegated) practices.
- As a signatory, we will endeavor to consider at all times the six principles of the United Nations Principles of Responsible Investing.
- On a recurring basis, we will review and assess all buy-rated investment managers according to their level of ESG integration and awareness of climate change risks.
- For asset managers and funds that receive an insufficient ESG rating, we will engage and suggest initiatives and improvements required to achieve a satisfactory rating.
- We will provide information on available investment fund ESG ratings, carbon footprint and ESG integration characteristics to asset owner clients.
- We will develop and maintain climate change scenario models for the United Kingdom, the United States and Canada, with the capability to model other countries upon request.



About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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