

Aon's Responsible Investment Policy

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Introduction

Aon is dedicated to working with our clients to accommodate the many aspects of Responsible Investing (RI). Whether institutional investors are committed to Environmental, Social and Governance (“ESG”) Integration, Impact Investing, Socially Responsible Investing (“SRI”) or Mission Related Investing, we believe we must help investors evaluate non-financial investment risks and make investments that are consistent with their values and achieve their goals.

Aon is a global signatory to the United Nations Principles of Responsible Investing (“UN PRI”). We were the first consultant to sign globally, as opposed to in a single region. Since that time, we have used the UN PRI as an internal 'yard stick' against which we evaluate our manager screening, consulting and investment activities.

The UN PRI provides the framework of principles that are used by Aon to develop and gauge manager research practices, client education and reporting, and other Responsible Investment initiatives, as indicated in this Responsible Investment Policy document.

UN Principles of Responsible Investing	
1	We will incorporate ESG issues into investment analysis and decision making processes
2	We will be active owners and incorporate ESG issues into our ownership policies and practices
3	We will seek appropriate disclosure on ESG issues by the entities we invest
4	We will promote acceptance and implementation of the Principles within the investment industry
5	We will work together to enhance our effectiveness in implementing the Principles
6	We will each report on our activities and progress towards implementing the principles

The Aon Responsible Investment Framework

Aon considers Responsible Investing to be comprised of four specific sub-categories. One of the key distinctions made is the placement of Responsibility. That is, whether an investment strategy is focused on personal or

institutional responsibility or values, or whether it is focused on corporate responsibility. We believe that each sub-category of Responsible Investment has specific considerations for clients as described below:

Socially Responsible Investing (SRI - negative screens) – As a fiduciary, Aon is concerned that any filter which narrows an investable universe may have an adverse effect on performance. In addition, we believe that wholly disengaging from a sector limits an investor’s voice and advocacy in that sector. We will discuss any proposed SRI investments with clients and attempt any impact on investment risk and reward, where possible. We will evaluate SRI investments on behalf of a client if we believe that they do not compromise a client’s risk and reward goals within their overall portfolio, or if the client has certain values which drive the restriction of particular investments (e.g. tobacco or alcohol free).

Impact Investing (positive screens – generally aligned with desired social, economic or environment outcome) – Impact Investing must be evaluated to determine if investments have fiduciary merit or are philanthropy cloaked as investments. We believe these products must be held to the same standard as more traditional investment funds, with the expectation of outperformance versus an appropriate asset class benchmark and peer universe over a full market cycle.

Environmental, Social and Governance Integration (ESG) - Aon acknowledges that a growing body of research presents compelling cases that certain ESG factors will likely have an impact on the global economy (e.g. climate change) and on individual corporate results. From an investment strategy perspective, Aon views non-financial ESG factors as potential risks that can and should be monitored, as well as possible investment opportunities for outperformance. We believe that incorporating material ESG factors into investment research has the potential to improve returns and to reduce risk and volatility within investment portfolios. We acknowledge that the following ESG factors, among others, may have a material impact on a company’s future performance, and we encourage investment managers to evaluate these, and other, factors.

Environmental Factors	Social Factors	Governance Factors
Carbon/Greenhouse Gas Emissions	Diversity	Transparency
Ecosystem Change	Consumer Protection	Reporting & Disclosure
Fossil Fuel Dependence	Fair Trade	Executive Compensation
Climate Change	Animal Testing	Shareholder Rights
Water Issues (Use, Access, Impact on Local Supply)	Human Rights	Board Accountability & Makeup
Clean Tech	Healthcare	Director Independence
Toxic Chemical Usage	Working Conditions (Living Wage, Harassment, Physical Risks)	Accounting Practices & Policies
Renewable Energy	Child Labor	Voting Practices

In some instances, regulation and governmental intervention will likely have a large impact on how and whether ESG factors impact the market. To the extent that ESG factors are already built into consensus expectations or market prices they are reflected in our Capital Markets Assumptions.

Mission Related Investing (MRI - positive & negative screens using a combination of the three Responsible Investment strategies above) – Values-based investing must be evaluated to determine its fiduciary merit in addition to any philanthropic aims. While we recognize that MRI can help an organization leverage their grant making and philanthropic efforts, we also believe any potential investment products must be

held to the same standard as more traditional investment funds, with the expectation of outperformance versus an appropriate comparator over a full market cycle.

Aon's Commitment to Responsible Investing

- We will endeavor to consider at all times the six principles of the United Nations Principles of Responsible Investing.
- We have studied, and will continue to study, Responsible Investing so we can incorporate best practices into our consulting and Outsourced Chief Investment Officer (Delegated) practices.
- We believe consideration of ESG factors in the investment process is beneficial from both a return and risk reduction standpoint.
- Aon is committed to working with clients to fulfill their Responsible Investment goals, whether through Socially Responsible Investing, Impact Investing ESG Integration or Mission Related Investing.
- On at least an annual basis, we will review and rate all buy-rated investment managers according to their level of ESG integration. The rating scale will be 1 (lowest) to 4 (highest). Managers will be informed about our intention to rate them on ESG integration, and we will communicate their initial rating and any rating changes in the future.
- We will rate non-buy rated managers on a set of quantitative ESG criteria.
- We will provide information on available ESG ratings to clients.
- We will not advise on the manner in which to vote proxies in a client's plan/portfolio. However, from time to time, non-discretionary investment consulting clients may request guidance on investment decisions related to mutual fund proxies. In such cases, Aon will refer the question to the appropriate local investment committee for further research.
- We will factor Responsible Investment into local investment beliefs.
- 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 also support our clients to fulfill their fiduciary and stewardship duties in line with their investment beliefs and organizational goals.

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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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