

Director Governance: Stephen Gilmore and Anne-Maree O'Connor

Video Transcript

Stephen: One of our core investment beliefs is that robust governance and decision-making structures can improve long term returns for shareholders.

Our legislation also requires us to manage the NZ Super Fund in line with best practice.

Anne-Maree: Best practice governance is therefore a very strong focus for us – both in terms of how we manage our own organisation, and what we expect of companies that the Fund is invested in.

Stephen: As active investors, we forge close relationships with the companies the Fund invests in directly. We continue to challenge their Boards to meet the global best practice standards of governance that we hold ourselves to.

Anne-Maree: For investments where we have a significant shareholding, we may appoint Directors to the Board.

It is important to us that these Directors have the skills needed by the Boards they are on, and are using their expertise to help ensure our investee companies fulfil their long-term growth potential.

We expect our Directors to be strong advocates of:

- implementing best practice governance approaches to issues such as board composition, skills, risk management, reporting, and diversity and culture.
- making strategic and capital expenditure investment decisions with long-term results in mind;
- addressing significant environmental and social risks, such as climate change and health and safety;
- understanding and considering the perspectives of stakeholders and the impact of the company's activities on the communities in which they operate.

Stephen: We invest in ongoing training and development to ensure that our Directors understand our objectives and drivers, how their investee company fits into the Fund's portfolio and strategies, and are up to speed on emerging governance trends. This is our contribution to ensuring our Directors have the skills and expertise to represent the Fund effectively, and are doing their jobs to a global best practice standard.

Anne-Maree: We are committed to supporting our Directors in achieving this, and to continuing to challenge Boards to have a long-term mindset, and give full consideration to environmental and social factors, when setting strategy and making major business decisions.