

ESG and Sustainability Policy

* Environmental, Social,
and Corporate Governance



01. Our fundamental belief

As long-term investors, we acknowledge that as custodians of the wealth of our clients we have the responsibility to invest and continue to invest in a way that promotes and aligns to long-term sustainability.

Sustainability is core to our investment approach. Our equity selection process is based on identifying companies that sustainably generate returns above their cost of capital and are trading at fair to cheap prices. Companies that do not incorporate sustainability, or appropriately consider all relevant stakeholders, are unlikely to sustainably generate returns above their cost of capital.

We are an active investment manager. We believe that with ownership comes responsibility, both to our investors and stakeholders. This responsibility requires us to constantly monitor our investments, exercise our right to vote, engage with company management and, when necessary, raise resolutions or call meetings.

Our firm's essential purpose is to preserve and grow the wealth of our clients through various investment mandates and portfolios. To fulfil this purpose, we assume a stewardship role over our client's assets.

02. Guiding principles and codes

We subscribe to the Code for Responsible Investing in South Africa ("CRISA") and are a signatory of the United Nations Principles for Responsible Investment ("UN PRI"). Our policy and related frameworks incorporate both the CRISA and UN PRI principles in defining our governance and stewardship responsibilities.

03. Investment process

Research

Our aim is to make investments that can be held for the long term and as part of our fiduciary responsibility we acknowledge that environmental, climate, social, and corporate governance ("ESG") considerations can affect the sustainability and performance of our underlying investment portfolios.

Our research team incorporate ESG factors and sustainability considerations into investment analysis across all asset classes. The equity research team compile and maintain a database of reported ESG metrics. The data is used to analyze the overall ESG trajectory of a given company. The focus is less on the absolute numbers at a point in time but rather the trends with regards to company ongoing commitment of incorporating and reporting on ESG metrics. This is strengthened by the use of Sustainalytics and Clarity AI. Sustainalytics is a global leader in ESG research and risk metrics. Sustainalytics provides information on nonfinancial measures such as a company's

environmental credentials, business ethics, and exposure to human rights issues. Clarity AI provides comprehensive tools to understand and optimize social and environmental impact, leveraging scientific research and the latest technologies.

Our research team will monitor stocks that we either actively own or cover as part of our overall research process. News flow is followed closely and, when deemed appropriate, conclusions are communicated to Investment Managers. As such we pay regard to how the company is managed, the composition of its board and how it is performing. We assess the impact of environment and social issues on the companies that we invest in and strive to invest in companies that not only practice good corporate governance but also seek to ensure that social and environmental issues, specific to their business activities are understood and well managed.

Screening

On a bi-annual basis, we screen all our centrally researched equities from an ESG perspective. All proposed additions are reviewed before they are included, as well as any existing company that suffers a material notifiable event.

Our multi-manager research and investment process establishes a thorough understanding of how managers incorporate ESG and sustainability into the management of their funds. This information is sourced through due diligence questionnaires and face-to-face meetings with the managers.

04. Stewardship and voting process

The cornerstone of our stewardship policy is our voting process. We will exercise our fiduciary voting responsibilities on all material issues, which can encompass anything from remuneration to board composition. Our analysts may also make recommendations based on environmental, climate and social considerations.

We use the independent services of Institutional Shareholder Services (ISS), a leading provider of

corporate governance solutions, to provide us with research and recommendations. This research is thoroughly vetted by our research analysts with final voting recommendations reviewed by our voting committee.

Where clients have their own requirements, which require them to be formally excluded, W&I will not vote on their underlying holdings. However, clients are formally required to opt out of the wider W&I voting

05. Engagement with Management

In addition to our screening and ESG integration process, we have the opportunity as investment managers to actively engage and interact with companies' management teams (both the executive and non-executive) on all matters including ESG matters.

We regularly engage directly with company management and executives on matters ranging from remuneration to company strategy in addition to traditional investment matters. We utilize these engagements to actively promote our stewardship and ESG integration by discussing ESG and sustainability matters with company management.

Where we have concern with respect to a company we have invested in, we will engage with the management team through direct dialogue, collaboratively through platforms like the PRI, CDP, Climate Action 100+, or

through exercising voting rights at general meetings. Going further, we can put forward shareholder resolutions and discuss matters with the company as required.

We participate in collaborative engagements to increase pressure on management where appropriate and where it is in the interests of our clients, provided it complies with insider dealing or concert party rules.

From time to time, where our holdings are insufficient to apply appropriate pressure to the company, we may consider disinvestment.

06. Reporting

We maintain a central record of voting activity which will be made available and reported annually on our website. We are likely to report on instances where we have voted against management or participated with other shareholders on a specific shareholder resolution rather than where we have voted in favour of a management resolution.

Further our ESG related policies are also available to clients via our website and on request.

07. Conflicts

We have a company policy on Conflict of Interests which outlines how we manage any conflicts that may arise. The purpose of the policy is to identify, avoid, and (where avoidance is not possible) mitigate and manage any conflicts of interest that may arise. Further, the investment committee of the various investment mandates and portfolios, seeks to identify and mitigate any conflict of interests related to ESG issues.

A copy of our conflicts policy is available on our website.

08. Industry engagement

We are part of the Association for Savings and Investment South Africa ("ASISA") as well as a member of the Johannesburg Stock Exchange. We engage with legislative bodies and regulators to ensure that policy and regulatory developments are inclusive and strive to improve investment standards across the wider investment industry in South Africa.

The Investec Group is committed to support the delivery of the Sustainable Development Goals (SDGs) and finding opportunities within our businesses to build a more resilient and inclusive world. Investec is a participant of the United Nations (UN) Global Compact and we remain committed to the 10 principles with respect to human rights, labour, environment and anticorruption. We are also included in a number of world-leading indices and rating agencies that measure the performance of companies that meet the globally recognized corporate responsibility standards.

