

Engagement Policy

As fundamental long-term contrarian Value investors, we consider it an important part of company analysis to assess corporate governance, as well as the management of social and environmental issues. This forms part of our risk assessment of business fundamentals. During this risk assessment, we identify the ESG issues most material to the investment case. Once we become shareholders, we seek to engage with the company on these issues. This is done through the discussions we hold with company representatives within the ordinary routine of interaction. However, we may decide to extend our engagement activity and/or escalate specific areas of concern in order to effect the change we are seeking. Such decisions are made on a case-by-case basis, influenced by factors such as the materiality of the issue, the size of our shareholding, and where it is deemed that there is a realistic ability to influence the outcome in a meaningful way.

While the focus of our engagement efforts is on the ESG issues which we deem to be most material to the investment thesis, we also monitor new or existing ESG controversies, and continually assess whether these issues should be escalated to engagement. We employ the services of MSCI to help us monitor such controversies.

The investment team are responsible for company engagements and typically, the lead Analyst, along with the Responsible Investment Lead will carry out the engagement. The Stewardship Committee monitors the progress of our engagement efforts, providing useful oversight. The Committee will sometimes challenge the materiality rating, or the method and process of engagement to reflect concern about a particular activity or aspect of governance.

The process of escalation in our engagement can include:

- withholding support or voting against management (and informing them)
- meeting/communicating with non-executive directors or the chairman
- collaborative intervention with other institutional investors
- engaging with regulatory or governmental bodies, where deemed appropriate and effective

Collaborative Engagement

We are signatories to and members of several groups that facilitate collaboration with other institutional investors for company engagements. Where individual engagement attempts have failed to create traction, or where interactions are challenged, either by the size of our shareholding, or by structural issues that limit access to management, collaborating with other shareholders can be an effective way to raise our voice. Due

to the concentrated nature of our portfolios, there can be a more limited number of company collaborations available to us. Where this is true, we seek to endorse industry collaborations to signal our support and to learn from industry best practice in these priority areas. Our collaborations outlined here cover a range of topics including climate change, human rights, and biodiversity.



Climate Related Engagement

Our commitment to the Net Zero Asset Managers' (NZAM) initiative formally applies to our Global strategy and includes the adoption of a portfolio coverage target focused on engagement. The framework outlines that today at least 70% of our financed emissions in material sectors will be either aligned to or achieving net zero, otherwise they will be subject to engagement. Over time, and officially by 2030, this number will increase to 90% of financed emissions. Eventually, by 2040, 100% of our assets within our Global strategy will be aligned to or achieving net zero. This guides us to focus on emissions which are most material to the strategy and is an important factor into how we prioritise climate related engagements. Whilst this applies formally to our Global strategy, the focus on materiality is a consistent approach across our funds.

Proxy Voting

It is our policy to vote all shares where we are entitled to do so, except where there are onerous restrictions – for example, shareblocking. We employ the services of ISS to manage the voting of proxies and we receive their analysis and voting recommendations for each proposal. The research assists our decision-making however and we take the ISS recommendations on-board, however where we have a conflicting opinion about a particular issue, we instruct ISS to vote as we see fit.

Reporting

We publish our voting and engagement activities on a quarterly basis. This report provides an overview of proxy voting and a description of our key engagements for the quarter. This is publicly disclosed via the website.

September 2023