

At Allan Gray, our approach to responsible investment involves incorporating sustainability considerations into the investment decision-making and monitoring processes and helping our clients to exercise their ownership responsibilities.

We affirm our commitment as a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and by supporting the principles outlined in the Second Code for Responsible Investing in South Africa (CRISA 2).

We adhere to the five principles of CRISA 2 as outlined in this position statement.

Principle 1: Integration of environmental, social and governance factors

Investment arrangements and activities should reflect a systematic approach to integrating material environmental, social and governance (ESG) factors.

As long-term investors, sustainability is integral to our investment process. Our in-house research is thorough and reflects ESG risks and opportunities. We carefully assess material ESG factors as part of our broader analysis of a company's long-term earnings potential. By adopting a holistic, fact-based approach, we maintain our focus on value rather than categorising investments as strictly "good" or "bad". Our approach is explained in our [Policy on responsible investment](#). We report on ESG matters of material relevance in our *Stewardship Report* on an annual basis.

Principle 2: Diligent stewardship

Investment arrangements and activities should demonstrate the acceptance of ownership rights and responsibilities diligently, enabling effective stewardship.

We believe that good stewardship of our clients' capital requires truly active ownership. We engage frequently and meaningfully with company boards and management teams, and we think critically about voting recommendations.

Our policy with regard to material, price-sensitive information differs from implementation practice 2.3 of CRISA 2, which recommends that service providers implement controls to avoid exposure to price-sensitive information when engagement is pursued or when seeking any information. We consider strictly controlled, temporary access to material information necessary under specific circumstances. This practice enhances our ability to influence company actions responsibly and in alignment with our clients' interests. Indeed, companies are sometimes unwilling to publicly announce potential transactions without hearing the opinions of representatives of their major shareholders first.

Our [Policy on ownership responsibilities](#) describes our stewardship practices, including our approach to voting, engagement, escalation and dealing with material, price-sensitive information. We summarise our stewardship activities in our *Stewardship Report* on an annual basis. Our voting recommendations to clients are published on our [website](#) on a quarterly basis.

Principle 3: Capacity building and collaboration

Acceptance and implementation of the principles of CRISA 2 and other applicable codes and standards should be promoted through collaborative approaches, as appropriate, and targeted capacity building throughout the investment industry.

We advocate for the promotion of sound corporate governance, sustainable business practices and constructive ESG disclosure across the industry. We engage with South African policymakers on key matters through various channels, and we collaborate with peers on a case-by-case basis when we believe it is in the best interests of our clients. Our ESG specialists represent Allan Gray on the Association for Savings and Investment South Africa's Responsible Investing Standing Committee and the Institute of Directors South Africa's Remuneration Committee Forum. Allan Gray is a signatory to the PRI. Our position on advocacy and collaboration is captured in our [Policy on responsible investment](#). Where material, we report our engagement activity, including collaborative efforts when applicable, in our *Stewardship Report* on an annual basis. Contributions to policy development and noteworthy client or industry initiatives are also noted.

Principle 4: Sound governance

Sound governance structures and processes should be in place (including at all levels of the organisation) to enable investment arrangements and activities that reflect and promote responsible investment and diligent stewardship, including proactively managing conflicts of interest.

Oversight of the firm’s responsible investment activities lies with Allan Gray’s board of directors. The chief investment officer (CIO) is ultimately responsible for the proper implementation of the relevant policies. If a portfolio manager decides to buy a share, accountability for the incorporation of sustainability considerations falls on the portfolio manager. The CIO may veto investments by portfolio managers in cases where he determines that the company’s business practices are unethical in nature. The Investment team reports on ESG matters to the board of directors’ Social and Ethics Committee and Audit Committee, respectively, twice a year. This strengthens board oversight of our ESG function.

We highlight responsible parties in our [Policy on responsible investment](#). Our [Conflict of interest management policy](#) provides guidance in identifying and handling conflicts of interest involving Allan Gray and its employees. Our approach to the remuneration of portfolio managers encourages responsible investment and diligent stewardship, as explained in the [Investment team remuneration](#) FAQ available on our website. Our responsible investment policies are reviewed on an annual basis to ensure they remain aligned with best practice and regulatory expectations.

Principle 5: Transparency

Investment organisations should ensure disclosures are meaningful, timely and accessible to enable stakeholders to make informed assessments of progress towards the achievement of positive outcomes.

Transparency with our clients and stakeholders is an important element of our approach to responsible investment. We publish a *Stewardship Report* detailing our ESG engagements, proxy voting activities and notable ESG developments on an annual basis. We update our clients on ESG matters at client events and meetings, when relevant. We aim to be a thought leader on ESG topics and publish material under the [Latest insights](#) section of our website on a regular basis. Our policies, stewardship reporting, carbon accounting and climate-related content, as well as ESG-themed FAQs can be accessed under the [Sustainability](#) section of our website.

Definitions

Allan Gray refers to Allan Gray Group Proprietary Limited and its subsidiaries, which includes Allan Gray Proprietary Limited.

Review

This policy will be reviewed on an annual basis from 2025 and approved by the chief investment officer.

| Version | Approved by | Summary of changes | Effective date |
|---------|--------------|--------------------|----------------|
| 1.0 | Duncan Artus | Creation | December 2024 |