

Responsible investment policy

Ashburton Investments, as prudent stewards of capital, consider a wide range of factors that may affect the risk and return profile of the investments we make, now and in the future. Our long-term success is not only measured on investment performance alone, but also on the contribution it makes to society and the environment. It is our duty to manage these investments responsibly and have therefore formulated this Responsible Investment Policy which underpins our investment decision making process.

Ashburton Investments commits to the following objectives:

- Incorporating sustainability considerations, including Environmental Social and Governance (ESG) factors, into its investment process, from research and analysis to engagement and decision making.
- Seeking appropriate disclosure on ESG issues by the entities in which we invest when necessary.
- Disclosing responsible ownership practises including disclosure on proxy vote results.
- Promoting and collaborating within both the industry and the public arena on issues of responsible investing.
- Recognising and addressing any areas where conflicts of interests may arise and managing them diligently.
- Consciously present and avail our investment policies, particularly those concerning ESG, to investors as well as the public.
- Report on progress and activities with respect to responsible investing.
- Offer a range of investing for impact products that offer the opportunity for investors to engage directly with a positive and intentional approach to the development and growth of the economy.

Ownership responsibilities including collaboration

A Proxy Voting Policy has been adopted by Ashburton Investments, which guides investment managers on how to exercise shareholder rights in the best interest of their clients. The proxy voting records quarterly and these records are publicly available. For debt investments, proxy-voting is not a tool that can be used to address ESG concerns and therefore Ashburton Investments main frontiers with respect to responsible ownership for this asset class are engagement, collaboration and industry leadership. In addition, all lender rights are exercised after careful consideration as to what action would have the optimal results for clients.

Ashburton Investments as part of the FirstRand Group Limited does subscribe to the FirstRand Excluded Activities list. These activities will include industries which FirstRand will not finance due to legal constraints, international financing agreements or where FirstRand may suffer reputational damage as a result of involvement within the specific industries.

Ashburton Investments employees are represented on the Association for Savings and Investment South Africa (ASISA) Responsible Investment Committee. The ASISA Infrastructure Investment Workgroup and the CRISA committee are regularly invited to speak at responsible investing events. We are signatories to the United Nations Principles of Responsible Investment (UNPRI) and facilitate the work of the UNPRI by contributing to research, convening's and case studies.

Furthermore, Ashburton Investments supports various industry initiatives such as the Impact Reporting Investment Standards (IRIS) and the Carbon Disclosure Project (CDP).

Incorporation of ESG factors into the investment process

Ashburton Investments incorporates all material factors that the investment team believes could affect an investment. Environmental, Social and Governance (ESG) factors form a part of this process. The integration of ESG into investment analysis and decision-making is conducted at the selection / initiation phase of an investment as well as over the term of the investment. Within equities the Ashburton philosophy emphasises the selection of shares based on principles of substance and sustainability which includes ESG factors. Within debt, the Ashburton philosophy focuses on those material ESG factors that could affect the ability of a company to repay its debt both willingly and timeously.

It is expected of Ashburton Investments to comply with local laws and regulatory requirements as well as hold itself accountable to the highest ethical standards. It expects every investee company to similarly comply with local laws and regulations, and ethical standards. Further to disclose all relevant data in their Integrated Annual Reports.

Disclosure

Ashburton Investments will report annually on its progress and performance regarding responsible investing.

Responsible investment governance structure

Ashburton recognises that, like all aspects of effective investment decision making, consideration of ESG factors requires keeping up to date with emerging requirements, risks, opportunities and the continuous improvement in processes.

These processes are guided and monitored by the Ashburton Investments Responsible Investment Committee which report to the CIO, the Ashburton Business Forum and the FirstRand Group Ethics Forum.