C.4  ESG Policy

C.4.1  Overview

As an investment manager of client funds over the medium to long term, we are conscious that the stocks in which we invest, are best positioned to perform if they can sustain:

▪ cash flow generation growth;
▪ brand value; and
▪ reputational credibility.

These characteristics are common with many environmental, social and corporate governance (ESG) attributes.

Therefore, we believe it is valuable to consider ESG issues as part of our investment process, as such issues can influence the risk adjusted investment returns of a stock.

Similarly, as per our stock analysis, ESG issues are relevant to the management and operations of our business.

C.4.2  ESG Policy

ESG issues have direct relevance to several of our policies. The following policies have direct ESG relevance:

▪ C.1 Trading & Investment Activities Policy
▪ B.4 Gifts, Benefits & Entertainment Policy
▪ E.2 Staff Training and Competency Policy
▪ B.2 Conflicts Policy
▪ A.2.5 Risk Management
▪ F.5 Outsourcing Policy

Greencape is a signatory to the United Nations Principles of Responsible Investing (UN PRI).

The UN Principles for Responsible Investing are ingrained in our organisational culture, and therefore we commit to the following:

▪ We will incorporate ESG issues into our investment analysis and decision-making processes.
▪ We will be active owners and incorporate ESG issues into our ownership policies and practices.
▪ We will seek appropriate disclosure on ESG issues by the entities in which we invest.
▪ We will promote acceptance and implementation of the Principles within the investment industry.
▪ We will work to enhance our effectiveness in implementing the Principles.
▪ We will report on our activities and progress towards implementing the Principles.