

Dundas Partners LLP: Engagement Policy

Dundas is a signatory to the United Nations Principles for Responsible Investment (PRI). Businesses which operate as serious and positive corporate citizens are, in our experience, more likely to achieve sustainable long-term growth. Analyses of Environmental, Social and Governance (ESG) factors are integrated into the investment process. An important part is how the firm engages with companies and this note summarises how we go about it.

The firm invests for long-term dividend and book value growth in a maximum of 100 hand-picked stocks. Operating as a small investment team with tight lines of communication permits focused engagement with those in which we have invested and prospects. The aim is to understand how ESG issues impact business success and we engage with companies to that end. ESG factors may influence buy/avoid or sell/hold decisions. The firm has an internal engagement procedure for all staff to follow and will always engage with companies first before making a decision to vote against management or to divest.

Investment research delivers insight into each company's ESG conduct. What do we look for? Board structure, management incentives and transparency on corporate policies are amongst the most important topics. Where good corporate governance leads, responsible environmental and social practices tend to follow.

Client proxies are voted by Institutional Shareholder Services Inc. (unless clients request to vote their own ballots) in accordance with their Global Voting Principles. In any instance where the firm believes that voting according to ISS recommendations would not be aligned with a client's best interest, we will make the final decision.