UK STEWARDSHIP CODE 2020

“Be the change that you want to create”

Effective as of March 2021

This document is an overview of Panarchy Partner’s Stewardship for the year 1st January 2020 to 31st December 2020 in application of the 12 Principles for Asset Managers under the UK Stewardship Code 2020 submitted to the Financial Reporting Council in the United Kingdom.

This document has been reviewed by our Chief Investment Officer and Founding Panvestor, Munib Madni for submission for the UK Stewardship Code 2020.

Signed……………………………………………….

Dated…………………………20th October 2021 …………………..

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Principle 1 Purpose, Strategy and Culture

About Panarchy Partners

Our purpose statement:

“Together with capital owners and users we aim for a better future for the world”

What do we do?

“We help redefine wealth and how its created”

How do we do that?

By “Panvesting and Partnering"

Our mission:

"BE THE CHANGE YOU WANT TO CREATE"

The mission of Panarchy Partners is to be one of the world’s leading Panvestors, ensuring that human, social, environmental and financial capital are respected equally. Using our team's diversity and skill, engagement with partners and proprietary resilience framework, our portfolio seeks to provide progress and return on all forms of capital. We help redefine wealth and how it is created, sustainably.

Panarchy Partners is a purpose-driven asset management company. From the beginning the founders Munib Madni and Christian Derold founded Panarchy Partners with a differentiated Philosophy, investment process, team and incentivisation structure. 50% of Panarchy Partners’ net performance fees are given to the Panarchy Foundation, a separate not for profit charitable entity, with a mission to support Children, Animals and Earth as causes. The team is given the opportunity to propose causes to support and take ownership in creating impact.

About Panarchy Partners

Panarchy Partners is a Singapore-based employee-owned asset management company founded in 2018 with a dedicated focus on sustainability through our Panvest® Philosophy. Panarchy Partners is regulated by the Monetary Authority of Singapore. Panarchy Partners is a B Corp Certified company, signatory of UN PRI and signatories of the Singapore Stewardship Principles for Responsible Investors. Our clients are accredited investors only and are made up of HNWIs, family offices, foundations and institutions. Our ultimate responsibility is to all our stakeholders including our fiduciary duty to our clients. As active owners we believe that governance and stewardship are vital to protect and enhance the value of our clients’ financial capital while also delivering progress on human, social and environmental capital.

Our Culture and Core Values

Panarchy Partners is a small organisation with a team of 6 at the end of December 2020. Although the company was founded in 2018, the team has over 100 years of combined experience in equity markets and brings a strong institutional and professional culture to the organisation.

These are the values that we pride ourselves on:

Innovation – To Challenge The Status Quo
Passion – Commitment Drives Success

Respect – Building Relationships
Integrity – Doing The Right Thing
Diligence – Quality In All We Do

<u>Business Model and Strategy</u>

Panarchy Partners has a single strategy The Global Panvest® Fund which invests in global equities using our Panvest® philosophy. The Panarchy Global Panvest® Fund invests in Purpose-driven companies. It is our belief that Purpose-driven companies that improve and sustain progress on human, environmental and social capital whilst incorporating them into their business models ensure sustainable financial returns but also have a positive impact on their ecosystem and the world. The Global Panvest® Fund is a concentrated portfolio of 20-30 companies identified through our proprietary Panvest® philosophy and engagement-driven Resilience framework.

- 50% of net performance fees goes to the Panarchy Foundation
- Benchmark & sector agnostic (excluding gambling, tobacco, weapons, alcohol)
- No hedging, leverage or derivatives
- <30 stocks, low turnover with 3-5y holding period

<u>Investment Philosophy</u>

Panvesting describes how we think investing should evolve. ***As a shareholder, to Panvest® is to be <u>vested</u> in all (Pan) four forms of capital; Human, Social, Environmental and Financial.*** We look for companies whose *Purpose* is to make a positive change for all stakeholders, including shareholders. Through *Panvesting,* we seek out proof of that *Purpose*. Companies that have strategies to explicitly develop all forms of capital - in line with their *Purpose* are better positioned to deliver sustainable growth and returns over the long-term. We carefully assess the idiosyncratic risks associated with the four forms of capital and require a sincere focus on each by the management teams of the companies we invest in.

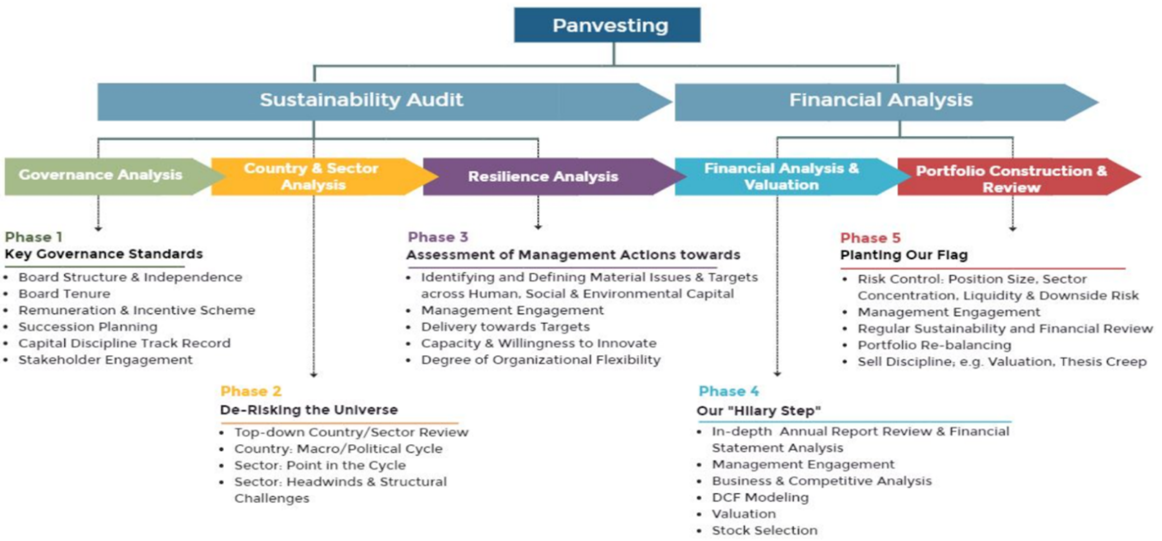
We believe companies that adhere to our Panvestor principles stand a better-than-average chance of ensuring ecosystem wide sustainable growth as well as attractive financial returns for their shareholders.

Stewardship is an integral part of Panarchy Partner's investment process. We believe that effective stewardship comes from active engagement and best practice sharing with our portfolio companies. We aim to deliver to our clients, sustainable returns with impact through regular active engagement with our portfolio companies giving us deep knowledge of our investment's purpose and sustainable practices.

How is stewardship embedded into our investment process:
1. Our first step: Governance Analysis:

- Board structure and independence
- Board tenure
- Financial capital discipline & respect for non-financial capital
- Stakeholder engagement identifying material issues relevant to all stakeholders
- Remuneration and incentive scheme
- Succession planning

2. We embed an assessment of a company's non-financial capital (human, social and environmental capital) progress prior to financial analysis/portfolio construction which can be seen in the following diagram.



3. Finally, there is engagement and voting with the company:

Engagement at Panarchy Partners pursues these main ambitions:

I. Establish and maintain an open dialogue with company management and our other stakeholders

II. Definition, measurement and tracking of quantitative targets concerning resilience and the four forms of capital

III. Identification and exchange of best practice standards

IV. Identification and exchange of emerging methods with respect to tracking of qualitative goals

V. Identification of early-stage companies and benchmarking them against best-in-class companies

We engage with companies directly at least twice a year and on specific occasions where material issues may have changed our investment thesis. We also find that companies often do reverse engagement where they invite us to share what we deem to be best practice. We engage through:

- One on one meetings with management, IR, Boards, sustainability specialists
- Email queries on various topics and issues
- Phone Calls
- Voting directly and not through external parties

Outcome & Activity in 2020

B Corp Certification

In June 2020 we received B Corp Certification meeting verified standards of governance, impact and environmental standards. This also holds us accountable to our stakeholders and brings with it a commitment to improve our scores by 10% with recertification every 3 years. With this commitment we are also required to amend our Articles of Association to incorporate stakeholders thus balancing profit with purpose.

We believe that this accountability for us as a company serves in the best interest of our clients and beneficiaries as becoming a B Corp certified company embeds sustainability into all our decision-making. It enables us to 'walk the walk' and not just 'talk the talk.'

A Test On Our Purpose-driven Portfolio and COVID-19

During 2020 the COVID pandemic tested not only our own resilience with new working conditions but it also tested our portfolio companies. Our Panvest philosophy invests in companies that have a purpose which we define as having significant influence, directly and via second-degree effects, on their extended ecosystem including their suppliers, competitors, customers, governments and shareholders.

We spent a significant amount of our engagement time with them in the first half of the year understanding how they have protected stakeholders during the pandemic. This included emails, conference calls with management and sustainability teams as well as public sources such as announcements on social media, news articles and press releases. We were impressed with how our portfolio companies protected stakeholders with initiatives such as increased health insurance coverage for employees, additional time-off to support families working from home, extended supplier credit lines and product and monetary donations to those in need. We also noticed many of the executive management took temporary pay cuts in 2020 to support some of these initiatives.

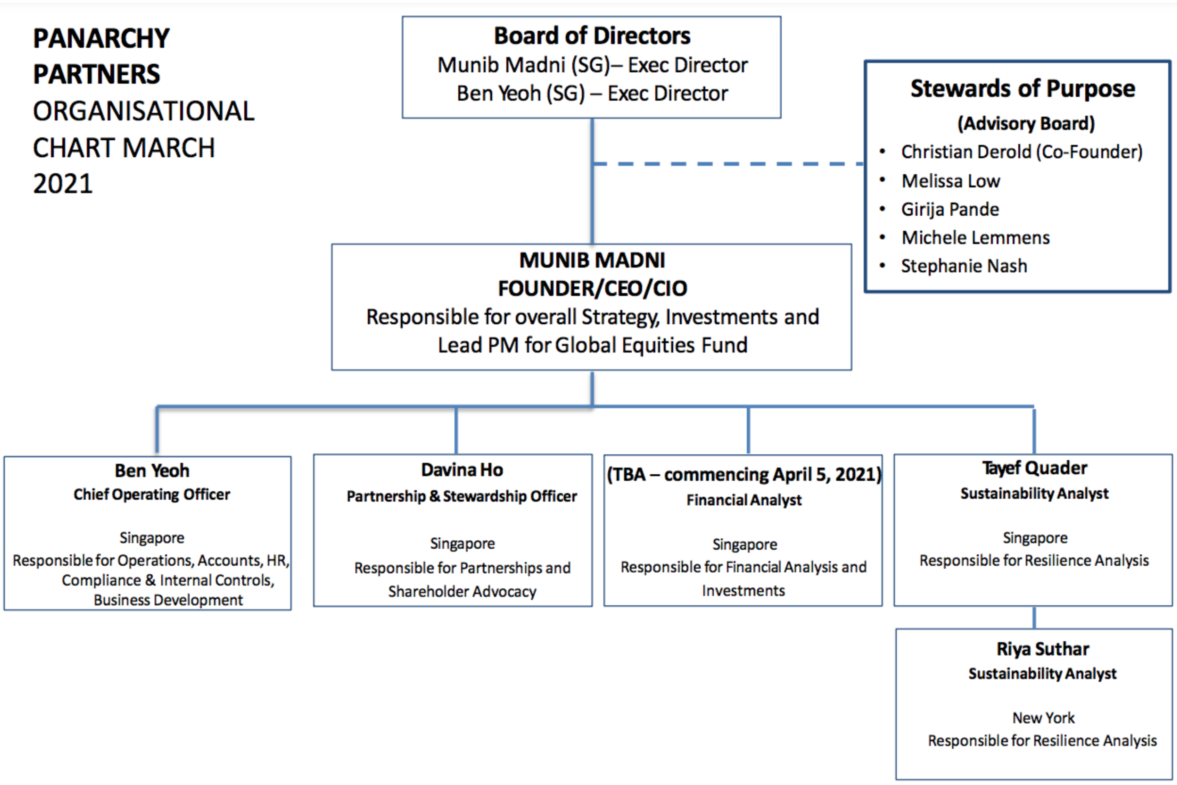
We believe that this supported our philosophy of investing in purpose-driven companies and this was shared in quarterly and annual reports with our clients. We believe that this level of engagement works in the best interest of our clients and beneficiaries as it provides us with a deeper understanding of our companies and how they treat stakeholders.

Foundation

Panarchy Partners is committed to being a purpose-driven asset management company and we do this through creating direct impact via our Foundation. In December 2020 we donated to The Orangutan Foundation and charitable organisations based in the UK that just celebrated its 30th anniversary. The foundation protects 500k acres of Orangutan habitat that's home to 5000 critically endangered orangutans. The donation was made up of an adoption of an infant orangutan called Mona and 100 acres of habit which is the equivalent of 100 football pitches.

The Panarchy Foundation serves in the best interest of our clients as it provides an incentive for the team to deliver financial performance with 50% of our net performance fees going to the Foundation. It also demonstrates our commitment as a company to create impact not just on financial capital but on the other forms of capital given the Foundation supports causes Children, Animals and Earth. We see it as win-win for everyone.

Principle 2 Governance, Resources and Incentives



Panarchy Partners is an employee-owned firm with the principal owner, Munib Madni, being the founder and lead portfolio manager. The remaining ownership of the company belongs to other employees. We believe that conflicts of interest are limited as Panarchy Partners manages a single product in a single asset class. That said, the company has strict policies with regards to mitigating conflicts of interests as discussed in Principle 3.

The ultimate responsibility for Stewardship sits at our board. As a B Corp certified company we have a commitment to incorporate all stakeholders into our Articles of Association and consider the impact on stakeholders when decision-making. Our board of directors meets 3 times per year. Our intent is to have a board that is equally represented by independent directors and we are actively searching to add the appropriate candidates - an independent non-executive Director was added in 1H21. In the meantime, we have an executive board which oversees the business.

Oversight is provided by our advisory board known as the Stewards of Purpose (their biographies can be found on our website) who are subject matter experts in Human, Social, Environmental and Financial Capital. Our Stewards of Purpose guide and instruct Panarchy Partners on staying true to our purpose. The Panarchy Team meet with the Stewards 3 times a year formally and are individually contacted when their expertise is required. Our Stewards of Purpose monitor our responsibilities and provide oversight and input into our annual Stewardship and Sustainability report.

Our Process Ensures Good Stewardship

Munib Madni is the Co-Founder and CIO of Panarchy Partners. He has the ultimate responsibility of Stewardship of our company and our portfolio. He has 27 years of institutional investment experience and has the final say in all investment decisions. Our proprietary investment process which he developed ensures that we are good stewards from start to finish. Only companies that have done a stakeholder engagement and have been evaluated by our in-house sustainability team can be included in the portfolio.

We do not outsource any data analysis or buy any data as we source from publicly available documents such as integrated or sustainability, annual reports, proxy materials and other publicly available information. Our team is sufficiently qualified with 2 sustainability analysts that cover the portfolio and candidate list on annual basis which amounts to approx. 90 stocks. Our Stewardship and Partnership Officer is involved in the process providing a deep dive into the governance of any candidate company. Each year our proprietary methodology is updated by this team with new data from integrated and sustainability reports. All the companies on our candidate list and in our portfolio are required to have done a stakeholder engagement and materiality assessment. This gives us insight into our investment company's material issues and provides an opportunity for significant engagement on the topic of sustainability. Only companies that have been analysed by our sustainability team can be considered for inclusion within the portfolio.

Prior to engaging with any company a 360 degree view of the company is taken by the resilience team, stewardship panvestor and portfolio manager. Engagement is a key part of our investment strategy that also provides us with a deep understanding of our portfolio companies and provides stewardship on all forms of capital.

The team meets once a week to discuss ESG and sustainability matters relating to the portfolio or teach-ins on specific topics. Topics in 2020 included: Responses to COVID, Purposeful companies, Hydrogen and Carbon pricing and UN SDG rainbow washing risks. These meetings are usually 90 minutes in length and include everyone within the company i.e. the portfolio manager, sustainability analysts, stewardship officer and risk and compliance officer. Research includes meetings with management, sustainability officers, integrated and sustainability reports, datasets and more.

Our team has multifaceted expertise and levels of experience

Most investment firms have their sustainability team as a separate team to the Investment team. At Panarchy Partners the sustainability team is embedded within the investment team. It is headed by our lead PM and contains everyone who spends time analyzing companies on their four forms of capital. We have broad ranging skill sets from CFA/Economics to environmental management/engineering/sustainability and medtech. This gives us confidence in our ability to undertake the necessary sustainability analysis without needing to outsource this to external providers. The full bios of our team can be viewed on our website.

Diversity

We have a diversity and inclusion policy:

- We track the demographic data of the candidates in our hiring process and include an equal opportunity statement in our job postings.
- We internally track the key metrics of diversity within the company.
- We have a target for a minimum of 1/3 female representation in the workforce and a target of 50% on a 3-year rolling basis. In 2020, 40% of employees identified as female. We also provide flexible working hours to all employees.
- The diversity of the team is broad with representation from ethnicities: Bangladesh, Austrian, Indian, Chinese, and Pakistani.

Training

Training is an ongoing process with various training sessions conducted throughout the year on financial and non-financial capital topics – we invite experts within their field to present on sustainability issues related to the four forms of capital. In 2020 we had talks from the Head of Sales at Microsoft and the measurements team on sustainability from DBS.

The Company provides financial assistance for a designated field of study per annum as mutually agreed with senior management. It also encourages employees to undertake further education courses which help broaden their skill sets in sustainability and investing.

Incentivisation

Financial incentives are in line with the Investment Management industry. Each individual is incentivised in accordance with her/his individual KPIs, the KPIs of the team and in line with the financial performance of the fund. There is also an equity ownership structure in place, with an intent to have all employees with tenure of at least 3 years to be able to participate in future profit share.

We also provide non-financial incentives to the team via Panarchy Foundation. At Panarchy Partners 50% of our net performance fee is contributed to the Panarchy Foundation, a separate entity with the employees of Panarchy Partners invited to propose causes to the Board for Foundation Impact. Employees have ownership of the causes proposed and are required to present a business case to the Foundations Board which includes an outline of the desired outcomes as well as regular updates to provide details on progress.

Outcome

In 2020 the key outcome was maintaining the flow of information in a remote working environment. This includes amongst the teams, with our clients and with our investee companies.

Covid-19

In 2020 a significant amount of time was put into engagement with companies on the COVID-19 pandemic. The COVID-19 pandemic was a huge shock on the world and how it operates. Our engagement with companies gave us insight into the challenges faced by our portfolio companies and in particular how all the forms of capital are impacted. After conducting these engagement sessions our team sat down to discuss UN PRI's guidelines for responsible investing during COVID-19 and to go through each of our portfolio companies' COVID-19 strategy to ensure that all stakeholders were considered.

Stewards of Purpose

In 2020, we created an advisory board The Stewards of Purpose to guide us on the four forms of capital - Human, Social, Environmental and Financial. The agenda for meetings covers business updates, external affairs such as partnership and opportunities and internal affairs such as people, purpose, The Panarchy Foundation to name a few. Each of the Stewards of Purpose provides thought leadership, for example, one of our Stewards Of Purpose is a leading expert on climate change and has followed the COP meetings over the last 10 years. We featured her on a podcast prior to the COP conference which would have been held in Glasgow in 2020. Our newsletter is sent to all of our clients and stakeholders.

How We Can Improve

As an organisation we are always looking for ways that we can improve. As a flat organisation this happens on an organic basis either through 1-1 meetings with other team members or through ad hoc as well as formal meetings which include:

- Stewards of Purpose Meetings 3 times a year
- Board Meetings - Quarterly
- Team Meetings - Twice Weekly

We are looking at improving the strength of our board over the course of 2021 with one new independent director already identified and coming onboard in 1H21 and the search for another underway.

Principle 3 Conflicts of Interest

Our client first prerogative necessitates a serious consideration of potential conflict areas. It is expected that conflicts may arise in the normal course of business. For those that we have identified, we have put in place procedures to monitor and mitigate their occurrence. These are documented in detail in our Conflict Management Guidelines Handbook. In situations that we haven't considered, our approach will always be to put our clients' best interests first.

In order to further minimise the potential for any conflict, Panarchy ensures that the risk management function does not carry out any portfolio management or investment research tasks. As part of the Firm's compliance and risk framework, the Chief Compliance Officer oversees the Monitoring of our Conflicts Guidelines. The Chief Compliance Officer is responsible for taking any necessary decisions to ensure that Panarchy acts in the best interest of the client, fund, or investors in the fund.

Panarchy suggests that its organizational structure being an employee-owned company with a single Fund minimises the risk of conflicts. The Firm does not have any subsidiaries or connected parties. Senior management are committed to ensuring that the Conflicts of Interest Policy is embedded in our culture. Potential conflicts of interest and actual conflicts of interest identified are discussed at regular Board meetings to ensure the correct action to mitigate the conflict was or will be taken. All staff are educated on our Policy Guidelines during induction as well as annually and also what they should do if they identify a potential conflict of interest.

Our Chief Compliance Officer reviews and updates our Conflicts of Interest Policy on an annual basis, with oversight from the executive team and Board.

Notwithstanding the low potential for conflicts of interest, some examples identified include:

- New clients - are there any potential conflicts of interest between a member of staff with the client or a conflict with other clients?
- Inducements – are there any inducements in relation to a service provided to the Fund that is not the normal fee for that service?
- Employee trading – is the employee trying to benefit themselves at the expenses of the Fund and by implication our investors?
- Outside business interest – is the employee also working for another fund manager?

Potential conflicts of interest in 2020:

One of our investors works at one of the companies the portfolio invests in. We are aware of this conflict of interest and always request for engagement meetings with independent and relevant sustainability or financial professionals of that firm.

Principle 4 Promoting Well-Functioning Markets

Market Wide and Systemic Risk

A consideration for market wide and systemic risk is inherent in our investment philosophy and process with a requirement for all our portfolio companies to have done a stakeholder engagement that is readily available to the public. We only invest in companies that do a stakeholder engagement and understand their material issues. This requirement we believe reduces the impact of market wide and systemic risk from our portfolio companies.

We believe that the following philosophy and process inherently takes this into account:

1. Respect
Genuine stakeholder engagement is a MUST for our portfolio companies, and through this process they are better equipped to future-proof their organisations. It also through respect for all stakeholders that companies find their own purpose.

2. Resilience Framework
Only companies that have and pursue a well-planned, purpose-driven and credible sustainability strategy become worthy candidates for our portfolio. Our in-house sustainability specialists scrutinise companies on:

a) management's actions with respect to all forms of capital
b) their capacity and willingness to innovate
c) their degree of organisational flexibility

3. Engagement with Companies
Through in-depth conversations and engagement with portfolio company management and sustainability teams, we endeavour to understand and help them achieve their purpose.

An example of this can be seen in the section 'Understanding Portfolio Climate Risk.'

External Frameworks

Panarchy Partners actively works with the wider eco-system to understand the systemic risks. We demonstrate our involvement in the wider eco-system through several ways:

1) We engage with all of our portfolio companies at least once a year and share best practices with them across the four forms of capital.
2) We use internationally recognized reporting and measuring frameworks to evaluate the risks within our portfolio, for example GRI, The Science Based Targets initiative (SBTi), CDP, etc.
3) We conduct our own Stakeholder Engagement with our stakeholders every 2 years and share a materiality assessment on our website.
4) We publish an annual Stewardship and Sustainability report which is available on our website.
5) We are signatories of UN PRI and our sustainability analyst is a member of 2 working groups 1) Investor Reference Working Group on Corporate Reporting and 2) Investor Working Group on Sustainable Palm Oil.
6) We are signatories of Singapore Stewardship Principles (SSP).
7) We are B Corp Certified which requires us to be re-certified every 3 years and improve our score by 10%.

8) We collaborated with the Singapore Stock Exchange on establishing relevant ESG metrics for their listed companies.

A Case Study On How Our Process Helps To Identify Systemic and Market Wide Risk

Understanding Portfolio Climate Risk

For our portfolio, the resilience framework is our tool through which we give particular importance to systemic risks such as climate change. We do this in the following manner:

Firstly, we track the portfolio company's first known stakeholder engagement and subsequent materiality assessment where material topics are identified (this enables us to evaluate what material topics the portfolio company identified under 'environmental' capital and how it addresses the topic of climate action). Secondly, we look at S.M.A.R.T. targets which are specific, measurable, attainable, relevant and timely under all forms of capital. Most companies identify topics under environmental capital which can range from energy, water, waste, resource depletion and environmental assessment among others. In this phase, we assess the S.M.A.R.T. targets they have put in place based on the environmental material topics identified. For example, operational footprint or company emissions are a material topic and in most cases companies will specify an emissions reduction target for a 5, 10, or sometimes even 20-30 year period. As an example in 2020:

- 95% of portfolio holdings have S.M.A.R.T long-term targets on absolute carbon emissions reduction
- 62% of portfolio holdings have adopted Science-based Target Initiative (SBTi) for their carbon emissions reduction targets, in line with the Paris Climate Agreement
- Portfolio's absolute carbon emissions reduced by 46% (scope 1 and 2) from baseline year
- Total carbon emissions of portfolio reduced by 11.2% YoY in 2019 compared to 2018

Outcome - Carbon-adjusted Valuations

The outcome of this analysis is an understanding of the risk in our portfolio in a decarbonising world. In 2020 we began to measure our carbon-adjusted valuations. We shared details in a monthly newsletter in May 2020 that is available on our website on how we and other portfolio managers can address the systemic risks of a decarbonising world with an extract here:

"As Panvestors we seek companies who are committed to reduce their carbon footprint in a measured, practical, impactful, realistic and financially sustainable manner.

To ensure we can measure and monitor our portfolio companies progress, we look to the potential financial impact of their carbon reduction efforts, through measuring their Carbon Adjusted EPS, Carbon Adjusted EPS Growth and also Carbon Adjusted PE. As an example:

Danone's carbon-adjusted EPS is set to grow faster in the coming years than recurring EPS as the company's carbon emissions are falling faster than the underlying volume/earnings growth. In 2019, Danone's carbon-adjusted EPS grew 12%, ahead of the company's 8.3% recurring EPS growth. This shows that as and when Carbon taxes and/or carbon reducing regulations are enforced, Danone's business and financial model will be more resilient than those without carbon reduction strategies.

Companies and portfolios should have minimum difference between their traditional reported EPS Growth and their Carbon Adjusted EPS Growth. A company or portfolio with a 10% reported EPS growth but a 4% Carbon Adjusted EPS growth, is carrying serious future earnings risks. You may be sitting on significant future value destruction as and when carbon costs are internalised in decarbonised world."

Principle 5 Review and Assurance

Panarchy's stewardship practice is guided by our Stewardship Policy Document. This is reviewed on a semi-annual basis firstly by our Sustainability team and then subsequently by the Management Committee. We also discuss this with our Stewards of Purpose.

We follow a strict 5 phase process in our sustainability assessment (see chart in Principle 7) which emphasises the sustainability analysis of companies ahead of any traditional financial analysis. This assures our clients that only companies that meet our criteria for sustainability using our proprietary Panvest® philosophy are included in the portfolio construction phase.

Whilst the steps in the process are constant we regularly review the parameters within each phase to ensure that we adapt for new standards of reporting and trends.

Changes may occur to our policies for a range of reasons, namely:

1. **In 2020, we added alcohol to our exclusion list of industries** as we failed to see how any companies in this sector can demonstrate a positive purpose that is true to the definition that we demand of any portfolio company;

2. We are distinguishing between the environmental targets of a company if they are **assured by SBTI** versus those that are not;

3. We advocate in our voting that **compensation** of the C-suite should also have **KPIs which encompass non financial targets**;

Our own Company Stakeholder Engagement and Sustainability Report

One of the key considerations for policy setting at Panarchy Partners is to consider all stakeholders and to identify the risks and opportunities for the firm. We review these policies on a regular interval to take into account any material changes. We also conduct a stakeholder engagement every 2 years from which we create our materiality matrix and which we use as a basis for target setting. This is presented to our Stewards of Purpose as well as to our management committee for review. This can be viewed via our website.

Outcome

In 2020, we created an advisory board The Stewards of Purpose to guide us on the four forms of capital - Human, Social, Environmental and Financial. The agenda for meetings covers business updates, external affairs such as partnership and opportunities and internal affairs such as people, purpose, The Panarchy Foundation to name a few.

In 2020 we become a certified B Corporation which required us to do a significant review of all our internal procedures and policies. It also required an audit of data and documents with B Lab in the US (B Corp's verification lab) and keeps us accountable to improve our internal procedures and processes as we need to re-apply for certification every 3 years and we have also committed to improving our score by 10%.

In addition to this we are also signatories of UN PRI which requires an annual report of our activities which is available on the UN PRI website.

In 2020 we became signatories of the Singapore Stewardship Principles for Responsible Investors and work closely with the Stewardship Asia Center in Singapore, a thought leadership center promoting effective governance, stewardship and best practices in Singapore and across the rest of Asia.

Principle 6 Client and Beneficiary Needs

Panarchy Partners is an asset management company that manages a single global equity Fund. At the end of December 2020, we managed US$6m for our investors, which includes a combination of family offices and high net worth individuals. Our Founders were also material investors in the Fund. 100% of our investors are domiciled in Asia and Australasia. Our Fund has a long-term time horizon with a typical holding period of 3 to 5 years. This is aligned with the interests of our investors that are seeking a portfolio that will compound returns over a longer period, with low turnover and that is agnostic to any index. Our sustainability focus also necessitates a longer-term perspective as sustainability efforts often take years for the desired outcomes to be achieved.

Client Communication

In addition to the financial performance of the Fund which we report on monthly; on a quarterly basis we provide a detailed assessment of the portfolio's progress on human, social and environmental issues. We proactively engage with clients at least twice/year on an individual basis and use their feedback and ideas to improve our reporting standards.

On request our clients can ask for notes on our investment research and engagement activities.

Client Engagement Activities

At the end of 2020 we held several small client events to discuss non-financial capital topics along with experts such as on environmental and social capital. These small events give us an opportunity to hear from thought leaders as well as from our clients on what they think is important. With these insights we are better able to understand what our clients' needs are.

We had our inaugural Global Panvest Forum in 2019 and we were scheduled to have the 2nd edition in 2020 but had to defer it due to COVID. This is an event for our investors, potential investors and partners which focuses on highlighting a specific form of capital in any given year. We remain committed to hosting our Global Panvest Forum in coming years as and when it's safe to host in-person events again.

Publicly Available Documents

Each year we issue release a Sustainability annual report on our website.

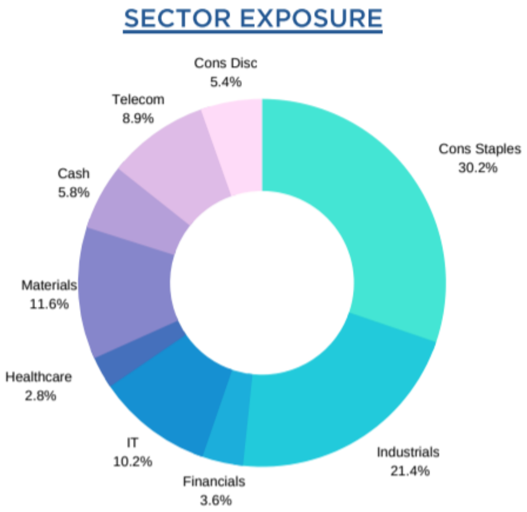
Our materiality assessment is available on our website.

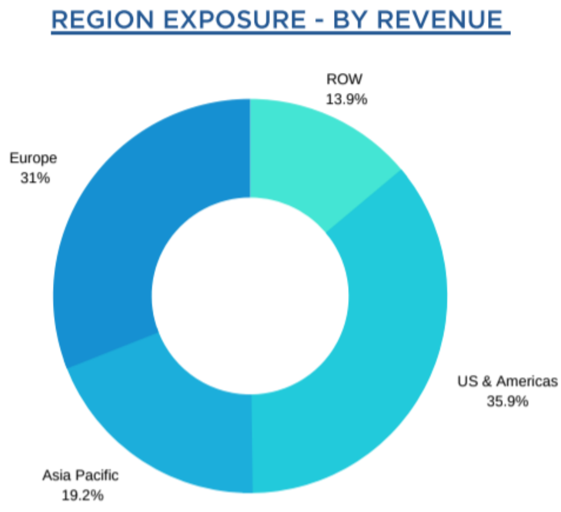
Our B Corp score is available publicly on their directory.

Our UN PRI report is available on their website.

Principle 7 Stewardship, Investment and ESG Integration

We have a **single fund** that focuses on **listed equities** across the globe. As of December 31st 2020 our portfolio breakdown is as follows:





We are cognizant of the geographic diversity of the portfolio companies and the governance structures that are specific to a particular jurisdiction. For example, we have found that companies based in Europe often have structures where workers are represented on the board of directors while for Northern American companies this is rare. When it comes to voting and engagement, we consider these nuisances in geographic location.

Prior To Buying A Company We Deploy Our Panvest® Process

Panvesting expands on ESG in two ways:

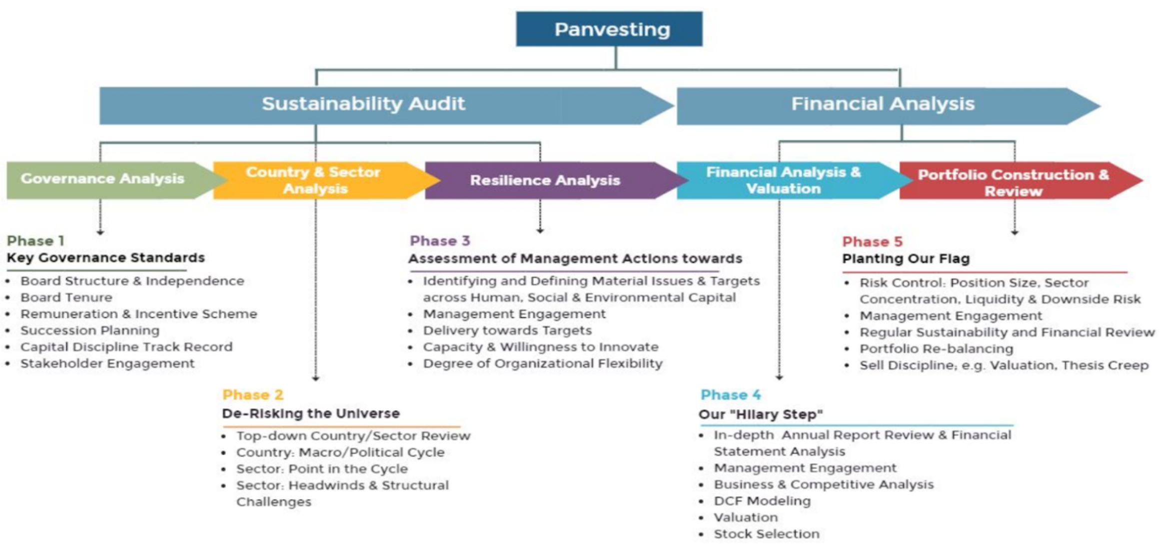
- ESG analysis focuses on Risk Mitigation. Panvesting treats the four forms of capital as assets not expenses, thus requiring progress and returns.
- ESG is a historical point in time analysis, Panvesting is about the Journey.

Our process is not about integrating environmental, social and governance (ESG) criteria; for us, Respect for the four forms of capital and Purpose along with additional non-financial factors, are the starting point and foundation of our process, not a mere tweak or appendix. While others use ESG as a sign of sustainability, at Panarchy Partners we see sustainability as being composed of two parts, Respect and Resilience.

Respect for a company's surroundings and its ecosystem, and respect for the wishes and concerns of all stakeholders who represent the four forms of capital, is a necessary precondition to sustainability. Stakeholder engagement and reporting is a good starting point. Without Respect, a company is likely to institutionalize models of arrogance, ignorance and self-interest, thereby leaving itself open to losing its social license to operate. We do not invest in companies that are involved in alcohol, tobacco, gambling, weapons or pornography as we deem these socially destructive.

Resilience completes the picture when company management acts with purpose in fulfilling the wishes of their stakeholders (act on the Respect) is innovative to avoid becoming obsolete and is flexible in reacting appropriately to the ever-changing environment and responsibilities.

We put this into practice through our Panvesting process shown below and through the expertise in our team also discussed below. Companies that exhibit positive incremental change in their treatment of one or more of the four forms of capital, yet where the market appears to ignore or under-appreciate the efforts undertaken, is where we see potential for value creation in the future, and these companies are therefore considered for inclusion in the portfolio. We do not outsource any activity we deem critical to Panvesting.



During our process we refer to a Firm's sustainability reports, proxy and annual reports, investor presentations and company website for data used in our analysis. Additionally, CDP reports of a firm are also reviewed for further environmental disclosures. Recognized industry sources are also referenced, such as the SBTi. External research articles on specific impacts of the industry and sector of the Firm are considered on an ad-hoc basis. We also utilise the engagement sessions we conduct with our portfolio and candidate companies to guide our analysis.

Portfolio construction is then conducted on our candidate list only by our financial analyst and portfolio manager. Stocks that have not been through our resilience process cannot be included in our portfolio.

Once a candidate is identified we email the investor relations with our 'resilience pack' which includes our analysis of the company along with the key questions it has identified for engagement. The engagement calls usually cover all the four forms of capital equally although it depends on what our analysis has thrown up. If a company is heavily involved in renewable energy for example a significant amount of time might be spent on environmental capital during the engagement. After the call and investment stock initiation note is written-up and shared with the team.

<u>Our Resilience Team Expertise</u>

In terms of expertise that support the investment process we have embedded sustainability into our team and decision-making:

- We have two in-house Sustainability Specialists (one with a Masters in Environmental Management and the other with a Masters in Sustainability) with a thorough understanding of globally accepted and prescribed frameworks and their shortcomings. In addition to this the lead PM has a Masters in Environmental Management. The team understands sustainability reporting standards as prescribed by the Global Reporting Initiative (GRI) and disclosure standards for measuring environmental impact such as carbon and greenhouse emissions. Besides scrutinizing each company's sustainability strategy and targets, our sustainability Panvestors also review each of our portfolio companies' human capital management and social investments.

- Two former institutional Portfolio Managers as Founders, each with 27 years of industry experience in asset management across both developed and emerging markets and all sectors, including cross-industry analysis, business cycle identification, financial statement analysis and valuation. Critically, they have multi decade, in-depth experience engaging with company management and driving the governance, financial analysis and portfolio construction phases of the process.

- A Partnership & Stewardship Panvestor with >10 years financial market experience who provides a governance analysis of the company.

Monitoring Activities Of Portfolio Companies

Our portfolio companies are monitored regularly with regards to financial and non-financial capital. With regards to financial capital, our portfolio companies usually report quarterly or every 6 months and our financial analysts go through these and share their investment opinion with a note shared with the entire team.

At the end of their financial year they also issue an annual report and a Sustainability or Integrated Report. Non-financial capital is reported much less frequently compared with financial reports. Our financial team update their investment view of the company using the annual report while our resilience team deploy our resilience framework using the data from the sustainability report.

Each of our portfolio companies is then discussed with the entire team present before we send our engagement questions along with our analysis of the company requesting an engagement call. These engagement calls are usually very focused on specific issues that our analysis has thrown up. Our calls are usually 60-90mins with Investor Relations, Sustainability Team and others depending on what our engagement session is on. On our side our engagement calls include our portfolio manager and resilience team. These engagement calls provide us with a much better picture of the company's sustainability initiatives. An engagement note is then written up and shared with the entire team.

In 2020 we got an understanding from our engagement calls of the:

- History and progress of sustainability at the company
- Firm's organizational structure (implementation and accountability) for sustainability
- Standards/Certifications being adopted
- UN SDG selection/input/output and outcome - to prevent rainbow washing
- Internal and unique practices/tools on Human, Social and Environmental capital deployment
- Financial causation between sustainability initiatives and performance

Exiting Our Portfolio Companies

We may exit a company for many different reasons.

Technology Company Case Study
As an example, in 2020, we had a portfolio company that we were not able to engage with despite our many attempts. We wanted to further understand some of their policies including their C suite compensation plan which seemed to be significantly more than the industry norm. In their proxy statement they disclosed CEO pay ratio at 11 to 1, however, when including significant non-fixed payments the CEO salary was significantly higher. After repeated attempts to engage, we decided to exit as we believe engagement is a critical part to our success as stewards of the four forms of capital for our clients and beneficiaries.

Healthcare Company Case Study
In 2020, we divested from a healthcare company in light of the opioid crisis. While we were aware of the opioid issues and had factored this into our investment analysis prior to investing we were disappointed by their management of this issue which seemed in contrast to their historical ethos and practise.

Principle 8 Monitoring Managers and Service Providers

As discussed in Principle 7 on our philosophy and process, we do not outsource any part of our investment process or ESG analysis to third party providers. Our proprietary analysis is undertaken on publicly available and reported information that the companies have lodged with their respective stock exchanges and regulators.

We do not use ESG ratings in our investing process and consider them like any other external research tool, optional and for ad hoc use. One of the main reasons for non-adoption is that the discrepancies between the various ratings, even on the same company, creates more questions than answers. Second, given we are aiming to have a portfolio of only 20-25 companies, we felt the research agenda should be driven by our own analysis and not an external score, especially given the experience and knowledge of our own team. Having our own research assessment also gives us added credibility with management teams of listed companies and helps us with getting access that we might not otherwise have if we used outsourced providers. We also feel that using our own framework helps us to identify the value creation opportunities.

We do not depend on third party brokerage sales or research for investment recommendations.

We also do not outsource any of our voting advice. We have a single portfolio of 20-25 companies and believe that we can make informed decisions using our Panvest® philosophy to be good stewards of the four forms of capital for our clients and beneficiaries. We do not engage in stock lending in any of our Funds.

We believe that we adequately meet our own needs in terms of research but we do monitor solutions and discuss resources internally at board meetings as well as on an ad hoc basis.

Principle 9 Engagement

We currently have a single strategy that invests in global equities with a concentrated portfolio of 20-25 companies. This makes our engagement policy simple to execute as we have the ability and capacity to engage with all of our portfolio companies every year, which we do. We do not have a geographic focus when it comes to engagement as we engage with all of our portfolio companies wherever they are located.

The topics we engage in comes from multiple different drivers:

1. We engage with a company prior to buying it or on a company specific issue that might be new. For example see the 'Banking Sector Engagement' in Principle 9.
2. We engage annually with a company based on what our resilience analysis has uncovered based on the company's sustainability or integrated reports.
3. We might engage on a specific topic that arises, for example in 2020, we engaged with our portfolio companies on their response to COVID.

Our process requires us to engage with companies as our resilience framework covers all forms of capital not just financial. Given that reporting of non-financial capital has yet to be standardised in terms of reporting, we find that companies report varying degrees of depth and that engagement is essential for two reasons 1) to get the data we need to complete our picture of the four forms of capital 2) to share best practices with our portfolio companies so that they can improve their reporting in coming years. During our resilience analysis assessment of all of our portfolio companies following their annual sustainability or integrated reports, this review process often throws up many questions that drive the engagement with the company.

Our strategy's center-piece is company engagement because both sides benefit from it. Through recurring engagement, we gain a detailed picture of progress that is being made by the companies we track, while improving our own engagement process.

Engagement at Panarchy Partners pursues these main ambitions:

1. Establish and maintain an open dialogue with all stakeholders

   "Let's talk, all sides are likely to benefit"

2. Definition, measurement and tracking of quantitative targets concerning resilience and the four forms of capital

   "Be measured and be accountable"

3. Identification and exchange of best practice standards

   "Who does it best and the sharing of successful methods"

4. Identification and exchange of emerging methods with respect to tracking of qualitative goals

   "Who has developed valuable concept for recognizing progress that is not numerically measurable"

5. Identification of early-stage companies and benchmarking them against best-in-class companies

   "Engaging with who's next on a resilience path, sharing our experiences with past early-stage companies and encouraging them"

Outcomes of Engagement In 2020

In 2020 we engaged with all of our portfolio companies at least once; this is a requirement for us to continue to hold the position.

Engagement Statistics for 2020:

Portfolio Companies:	20 (100% of our portfolio excluding one which we divested from discussed in Principle 7)
Non-Portfolio Companies:	3
Total Engagements	**23***

(*we may have engaged with the same company on several occasions – this is simply the number of companies we have spoken to, not the number of times we engaged with them)

Our success with engagement has been positive in our short history. One of our portfolio holdings in the Philippines did not have any female board members and we engaged with management directly on this issue a few times. We were pleased to see that in 2020, an elected female to the Board of Directors following our engagement on the issue.

Principle 10 Collaboration

We have collaborated with several stakeholders during the year as we place importance in our role in raising the level of stewardship and governance in the eco-system. Some examples of this are illustrated below.

Our sustainability analyst is a member of two PRI working groups and has given an overview of the following activities in 2020:

1**. Investor Reference Group on Corporate Reporting**
The PRI have setup this committee which has over 20 members from various global asset managers. The purpose of this committee is to improve the quality of corporate ESG reporting, stimulate convergence in reporting standards, support innovations in incorporating ESG issues, and engaging with policymakers and regulators on the issues. The PRI secretariat holds a virtual meeting once every 2 months where we discuss certain agenda items put forward by the group. Since middle of 2020, the current agenda focuses on TCFD adoption and incorporation in corporate reporting and how it can be better aligned with GRI,SASB and other reporting frameworks.

2. Investor Working Group on Sustainable Palm Oil
Objective: Raising investor awareness of ESG issues within the palm oil supply chain, providing investors with a unified support for sustainable palm oil, and engaging with companies across the value chain in support of sustainable practices. This group has 12 members and is also led by the PRI secretariat. From mid 2020, with the help of PRI the group has reached out to palm oil producers particularly in Southeast Asia and sent letters of engagement enquiring about their practices of such.

2020 Outcomes

Banking Sector Engagement
In late 2019 an Australian bank we owned had fallen short of the regulator's standards in their customer due diligence procedures that led to alleged child exploitation issues amongst other failings. In 2020 we followed up with all of our financial sector positions and engaged with them on:

Question
Which regulatory body in your jurisdiction monitors you for financial crimes?
Are there any pending investigations regarding your services and potential AML, Counter Terrorism, Financial crimes etc? If so, what has been your response so far?
What standards do you maintain for customer due diligence, especially in relation to funding for anti social activities?
What systems and controls do you have in place to prevent your services being exploited for financial crimes – Please share any process flow that will help us understand your systems.
Can you share the organisational structure/reporting around financial crimes?
Is there a bank policy or roadmap for stakeholder engagement as and when such events occur? Maybe an example of a past event and how you dealt with it will help us understand.

Through us sharing the case of the Australian regional bank we highlighted this risk with banks in other jurisdictions such as Thailand and Canada.

Reverse Engagement

An example of how we collaborate with our portfolio companies, a Mexican supermarket company invited us to take part in their stakeholder engagement. They engaged with us on reporting expectations particularly on non-financial capital metrics and how and where this should be presented to stakeholders including shareholders like ourselves.

Education Opportunity With Portfolio Company's Executive Team

In 2020, a portfolio company in the Philippines invited our portfolio manager to provide a day's training for their senior management teams on sustainable best practices and reporting. This supported the company's subsidiary companies and executive teams with sharing of best practices from our experience of analysing globally listed companies.

Principle 11 Escalation

We have a single globally diversified fund with 20-25 companies. This gives us enough capacity to engage with all of our companies directly if we need to address any issues on an ad hoc or on-going basis. We do not outsource any of this as we believe in building a relationship with our portfolio companies directly. There are no differences on how we treat companies; as and when an issue arises we engage with that company directly.

There may be instances where engagement with a company is not constructive or that an individual event may need specific urgent action or engagement on any of the forms of capital. In this case we would start with an initial communication with the company such as an email or a call. After this initial dialogue with the company on the issue we would assess whether all reasonable steps have been or are being taken to address our concerns.

If the company do not accept our requests for engagement, we may take steps to further escalate our concerns which could include:

- Communication of our concerns to the Board of the Directors
- Using our vote or submitting special resolutions at the AGM
- A collaboration with other shareholders or institutions such as NGOs
- Divesting our shares

Outcomes

Divesting

We have held a US technology company since the inception of our fund on the 1st April 2019. In 2019 and 2020 we made repeated attempts through several channels to engage with the company but did not get a response. We decided in 2020 after repeated attempts to divest our holding as we felt that we could not address issues over topics such as CEO compensation.

Australian Bank Escalation

As discussed in Principle 10, in late 2019 an Australian bank we owned had fallen short of the regulator's standards in their customer due diligence procedures that led to alleged child exploitation issues amongst other failings. We escalated this issue with management through a direct conversation and in this case the CEO resigned from his position.

Principle 12 Exercising Rights and Responsibilities

Panarchy's approach is documented in our Stewardship and Governance Policy handbook. Our Partnership and Stewardship Officer is in charge of administering our policies and voting. Our policies are reviewed annually in collaboration with our Head of Compliance, our Sustainability team and the Executive Committee. We do not use proxy advisors and do our own in-house analysis. Our Partnership and Stewardship Officer will review the voting documents for each portfolio company and then conduct a review of alignment with our Panvest® philosophy with the resilience and investment team including the lead Portfolio Manager.

We currently manage one fund and our voting policy covers this fund. We have aligned our internal voting policies to provide proper stewardship of the four forms of capital: financial, human, social and environmental capital. We expect the Board and its governance structure to direct, enable and support the stewardship efforts of management through the proper governance of capital and stakeholders.

Voting Policies

Proxy voting is an important part of Panarchy Partner's stewardship and governance as a long-term shareholder of a company on behalf of our clients. We perform our voting based on our fiduciary duty to our clients ensuring that our investments create a sustainable future for all. We ensure that all our votes are in adherence to our Panvest Philosophy and framework on the four forms of capital. We also vote to ensure that good governance is maintained at the board level and ensure that boards remain accountable on a wide variety of measures such as diversity, transparency, alignment of interests, compensation structures, financial, social, human and environmental metrics, policies and disclosures.

We do not believe in having a blanket policy on certain issues such as dual listings, an executive compensation to mean employee pay ratio, an independent chair and CEO, uneven voting rights etc. We treat each of these on a case-by-case basis depending on the jurisdiction, laws and most importantly the past governance of the company. We do, however, engage with the companies we own on these topics highlighting best practices and understanding the reasoning behind the issue. In some cases this could be a legacy issue that the company is working to resolve over time, such as a significant family shareholding that has more voting rights. If the company's governance history has been stable then we wouldn't see the need to immediately divest from the company.

We do not outsource any decision making nor do we receive proxy advice on our voting. Clients with a segregated fund may override our policy. We monitor the Annual General Meeting schedules of our companies and download their proxy statements to be analysed by our Stewardship Panvestor. Any issues are then flagged to the investment and resilience team to discuss and take appropriate action. We do not participate in any stock lending activities.

In general, we look for the following in making the decision on each vote (see our full voting policy and 2020 record in the appendix):

Board Quality

- Independence
- Diversity
- Qualifications & Tenure of each board member
- Transparency
- Appropriate remuneration for role

Executive Compensation

- Full disclosure and transparency of executive compensation policies both long and short-term
- Compensation policies in line with peers
- Preference for long-term compensation policies >3 years with clear performance targets
- KPIs that include non-financial capital for senior management
- Restricted equity compensation that is long-term with holding requirements
- Clawbacks for malfeasance

Capital Allocation

- Decision-making that ensures a long-term high-return on capital
- Avoids negative externalities for stakeholders

Environmental Risks

- Adequate Consideration, Reporting and Disclosures that ensure the sustainable health and growth of the company and safe-guard the health of the planet

Human Capital

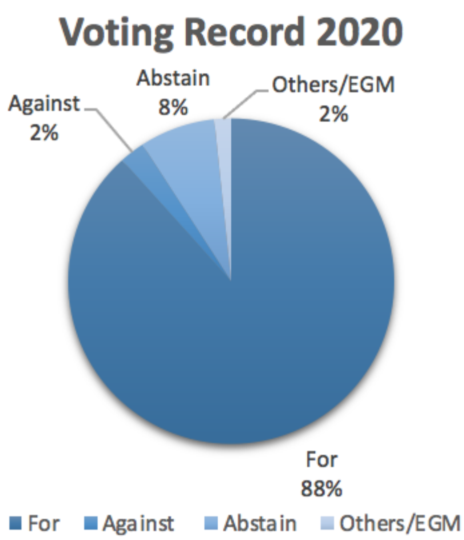
- Support policies that support human capital industry specific metrics such as diversity and inclusion, health and wellbeing and safety and treat human capital as an asset rather than expense

Social Capital

- Maintaining and safe-guarding the company's license to operate and reputation

<u>Voting Record 2020</u>

In 2020 we voted on 100% of portfolio holdings as shared below.



<u>Overview of Voting Topics 2020</u>

Every year we choose a Governance theme to concentrate on with regards to our voting and engagement with our portfolio companies – in 2020 we focused on capital management during COVID-19 as we highlight in the case study below.

In 2020, we focused on capital management due to COVID-19 and the impact it would have on human capital for our portfolio companies. We decided that buybacks would not be a good use of funds while companies were making redundancies. For this reason we abstained on all share buyback decisions and engaged with companies on their COVID-19 contingency plans.

For each portfolio company we engaged with and analysed their public response to COVID-19 as in the example of Unilever and Reckitt Benckiser to ensure that the four forms of capital were adequately respected. 44% of our portfolio companies took specific actions to address stakeholder needs with support to suppliers, communities and employees.

RECKITT-BENCKISER

12 March 2020 – Public Health Information Campaign Launched by Dettol and Lysol (specific Covid-19 facts website launched as well)

Focus on: information awareness, showcasing company's commitment to fight the issue

16 March 2020 - Lagos (Nigeria): Jumia, the leading e-commerce platform in Africa has announced a major partnership with RB, the global health products manufacturer to help consumers access hygienic products at the lowest price

19 March 2020 - **Napisan donates €250,000 to support San Raffaele Hospital in Milan, Italy**

25 March 202 – Fight for Access Fund

Annual investment of 1% adjusted operating profit to address improved access. Additional £32 million as part of Fight for Access Fund to address collective fight against the spread of Covid-19. Also to involve product donation of Dettol, Lysol and Napisan

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UNILEVER

13 March 2020 – CEO Announcement on action for all employees, contractors, suppliers, etc

Focuses on must to do, must not to dos, and other actions to be taken.

24 March 2020 Announcement: **Unilever contributes more than €100m to continue helping people affected around the world**

Focus on:

i) Consumers and communities – 50mn product donations, product partnerships, education and awareness programs

ii) Customers and suppliers – 500mn cash flow relief support extended in the value chain for livelihoods supports

iii) Workforce – protection from sudden drop in pay from market disruption for up to 3 months

Social media post on their Linkedin, Facebook and Twitter on these efforts, and specific ones using hygiene products

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Voting 2020 - Global Panvest Fund

No.	Company	NUMBER OF ITEMS VOTED ON	FOR	AGAINST	ABSTAIN	OTHERS/EGM	Notes
1	**Heineken**	16	13	0	3	0	
2	**Ayala Corp**	5	4	0	1	0	
3	**Unilever**	23	21	0	1	1	EGM Voted in favour FOR unification of shareholding structure
4	**IFF**	3	2	1	0	0	Voted Against. We do not think TSR should be used as a measure for LT performance. There were no other KPIs on non-financial capital metrics.
5	**Telenor**	11	10	1	0	0	Voted Against. We do not think TSR should be used as a measure for LT performance.
6	**RB**	21	20	0	1	0	
7	**3M**	4	3	1	0	0	The vote Against was for a shareholder proposal and we voted in-line with board advice.
8	**Neste**	11	9	0	2	0	
9	**SAP**	8	8	0	0	0	
10	**Zoetis**	7	6	0	0	1	Others: We voted 1 year in line with board advice.
11	**Danone**	11	10	0	1	0	

Total		120	106	3	9	2
			88%	3%	8%	2%

PANARCHY PARTNERS

Panarchy Stewardship and Proxy Voting Policy Document

We invest in companies with strategies to explicitly develop all (pan) forms of capital - financial, human, environmental and social - since we believe these companies are better positioned to deliver sustainable growth and returns over the long term.

There is increasing recognition, as evidenced by the ever-growing focus on ESG (environmental, social and governance) factors, that we cannot continue to strip our world's resources, abuse human capital and ignore social contracts. Likewise, we cannot continue to ignore the negative impact of the investment industry's conventional approach to social and human capital by blindly pursuing only financial wealth, shareholder value and economic growth.

We carefully assess the idiosyncratic risks associated with these four forms of capital and require a sincere focus on each by the management teams of the companies we invest in.

As shareholders we actively exercise our proxy voting rights to ensure good stewardship along with active engagement with a company. We believe in full transparency and will release our voting decisions annually to our Panvestors and on a request-by-request basis for other stakeholders.

As long-term investors this is what we look for:

<u>Executive Management Team KPIs</u>

When it comes to executive management teams, we look for ones that are:

- supervised by a credible board
- appropriately incentivized for the long term to deliver on all forms of capital
- and have conducted stakeholder engagement and are held accountable to stakeholders for their actions

We encourage the Board to give executive management teams longer term targets along with longer term incentive schemes and KPIs on all 4 forms of capital. We will also pro-actively engage with companies to ensure that non-financial KPIs are brought into the incentive schemes of C-suite.

We discourage KPIs related to short-term profitability and share-price performance. We will engage with a company to recommend instituting longer term targets.

<u>Remuneration</u>

Aligning executive management pay for long-term value creation and ensuring that financial and non-financial capital are respected is our aim when it comes to remuneration.

We encourage companies to have complete transparency when it comes to renumeration policies and disclosure of pay for Executive Management teams. We encourage companies to approve executive compensation in line with longer-term targets and incentives that are deferred over several years.

We engage with companies who have renumeration policies that are not clear, unfair or do not reflect the financial or non-financial performance of the company. We will discourage the payment of incentive schemes during periods of financial underperformance or when non-financial metrics are not met or disregarded.

The Board & Governance

The board is responsible for approving the direction of Executive Management teams, ensuring that all stakeholders interests including shareholders are considered by executive management and that there is adequate due care taken with respect to all four forms of capital.

Independence of Board

We encourage boards to have greater than 40% independent directors.

Diversity of Board

We encourage boards to have gender diversity with greater than 30% female board members.

Tenure

The average board tenure should ideally be between 3 and 12 years.

Chairman Independence

We advocate that the Executive Chairman and CEO roles are separated.

Board Accountability

When looking at the motivation for Directors to be on a board we look at how many boards they are a member of and the experience they bring to the company. We also encourage all board members to attend the majority of meetings.

Dual Class Shares

In general, we encourage fair voting rights to be given to all shareholders so that founders cannot use preferential voting rights to their advantage. We examine this on a case-by-case basis. We generally discourage multiple share class structures from majority shareholders who wish to exert influence on the company.

PROXY VOTING

Proxy voting is an important part of Panarchy Partner's stewardship and governance as a long-term shareholder of a company on behalf of our clients. We perform our voting based on our fiduciary duty to our clients ensuring that our Panvestments create a sustainable future for all. We ensure that all our votes are in adherence to our Panvest Philosophy and framework on the four forms of capital. We also vote to ensure that good governance is maintained at the board level and ensure that boards remain accountable on a wide variety of measures such as diversity, transparency, alignment of interests, compensation structures, financial, social, human and environmental metrics, policies and disclosures.

We carefully consider and review our voting for each of our Panvestments.

In general, we look for the following in making the decision on each vote:

Board Quality
- Independence & Diversity
- Qualifications & Tenure of each board member
- Transparency
- Appropriate renumeration for role

Executive Compensation
- Full disclosure and transparency of executive compensation policies both long and short-term
- Compensation policies in line with peers
- Preference for long-term compensation policies >3 years with clear performance targets
- KPIs that include non-financial capital for senior management
- Restricted equity compensation that is long-term with holding requirements
- Clawbacks for malfeasance

Capital Allocation
- Decision-making that ensures a long-term high-return on capital
- Avoids negative externalities for stakeholders

Environmental Risks
- Adequate Consideration, Reporting and Disclosures that ensure the sustainable health and growth of the company and safe-guard the health of the planet

Human Capital
- Support policies that support human capital industry specific metrics such as diversity and inclusion, health and wellbeing and safety and treat human capital as an asset rather than expense

Social Capital
- Maintaining and safe-guarding the company's license to operate and reputation