

RESPONSIBLE INVESTING POLICY

We focus on global equity investing on behalf of our clients. Our core conviction is that, over the long term, returns to shareholders can only ever be as great as the wealth generated by the underlying businesses in which they are invested. As such, our primary focus is to identify companies capable of sustaining high rates of wealth generation over time.

We believe integrity, sustainability and governance factors are important in assessing a company's ability to prosper over the long term. Because of this, we integrate our assessment of these factors into our investment process. Our investment approach is deliberately structured to identify companies that we believe adhere to high standards of integrity, sustainability and governance. In our experience, those companies that fail to do so rarely make good long-term investments. For the avoidance of doubt, this analysis of integrity, sustainability and governance is one part of Walter Scott's research process, meaning that investment decisions are not based solely on these considerations. While there are no "red lines", hurdle rates or benchmarks which a company must meet in order to be invested in, these considerations are taken into account alongside Walter Scott's other proprietary research considerations, including historical financial and valuation analysis, in assessing each company holistically as an investment or investment candidate. In some cases, therefore, Walter Scott may conclude that these considerations outweigh integrity, sustainability and governance considerations when making investment decisions.

Regular engagement with company management is an important factor in the

due diligence and scrutiny of investments. While our research is proprietary, we augment this with information and analysis from external sources, including third-party research providers, academics and subject-matter experts.

When we research any company, regardless of geography or sector, we apply the same analytical framework. This framework involves analysis of historical financial records alongside consideration of seven key areas of investigation:

- Business activities and physical footprint
- Integrity, sustainability and governance
- Market characteristics
- Control of destiny
- Financial profile
- Management and board
- Valuation and trading

In our analysis of integrity, sustainability and governance practices, we assess and monitor companies on relevant and material factors across four key areas:

Environmental Considerations

What is the impact of a company's activities on its wider environment and how does it approach its environmental obligations? Relevant considerations can include use of natural resources, impact on biodiversity or management of waste and pollution.

Carbon Risk & Climate Change

What is the impact of a company's activities on climate change? What is its exposure to the physical and financial risks of climate change and the transition to a low carbon economy?

Human & Social Capital

How does a company approach its people, stakeholders and wider society? Relevant considerations can include conduct and culture, labour rights, supply chain management, taxation or diversity.

Governance

Does a company adhere to appropriate standards of corporate governance and oversight? To what extent does management discharge its obligations to stakeholders in a fair and responsible manner? Relevant considerations can include the experience, independence and diversity of board members, executive remuneration or shareholder rights.

ANALYSIS

We have structured our investment process to attempt to avoid companies where integrity, sustainability and governance standards are a risk to long-term portfolio returns. Whilst we do not apply explicit exclusions to any of our strategies, we do manage portfolios with exclusions specifically requested by clients and are happy to discuss doing so with prospective clients.

OWNERSHIP

This policy is owned by Walter Scott's Investment Management Committee.

Effective 1 March 2021. Revised 13 June 2022

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