



CODE FOR RESPONSIBLE INVESTING SOUTH AFRICA (CRISA)

PRINCIPLE 1: INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

Investment arrangements and activities should reflect a systematic approach to integrating material environmental, social and governance (ESG) factors.

- > We view ESG policy as a critical part of our investment process. While we have individuals who are more intimately involved in ESG disclosure and reporting, the full team is involved in generating ideas relating to better ESG incorporation in our investment management process. This takes the form of regular meetings with key stakeholders in the companies within the investable universe (management, suppliers, customers, competitors, regulators, sell-side analysts, etc), as well as our internal analysis performed on the companies through the Visio proprietary ESG system which is used to rank companies – this is called the Risk Assessment Procedure (or RAP Sheets). The RAP process was refined and integrated as an essential tool in our research and risk management discipline after significant internal introspection post the Steinhoff collapse.
- > RAP Sheets are an overlay to our fundamental analysis and formalise an otherwise qualitative process into a quantifiable measure which helps to identify Environmental, Social or Governance risks within companies. The tool is also crucial in assisting the team to identify investment opportunities based on improving ESG characteristics, that an otherwise quantitative investment process may not capture (for example cyclical companies may see a potential reduction in the cyclical nature of earnings as they manage risks associated with the industry).
- > We are acutely aware that companies with weak governance, unsustainable environmental and social practices are at risk for a range of penalties – these could include monetary fines, additional taxes, weak share price performance or the complete failure of a company in a worst-case scenario. We continuously monitor company compliance to regulatory changes as well as a willingness to address more stringent regulations (i.e., whether there is a willingness in companies to meet the new regulations or a preference for delaying required changes which may hurt near term profitability).

PRINCIPLE 2: DILIGENT STEWARDSHIP

Investment arrangements and activities should demonstrate the acceptance of ownership rights and responsibilities diligently enabling effective stewardship.

- > Visio is and always has been an active participant in stewardship of the funds under its management. This has taken the form of both active and considered proxy voting policies and implementation but also through long term constructive board and management engagements in the companies in which we invest.
- > We do not believe that stewardship is a separate issue, but rather an integrated aspect of how we approach investments for the full benefit of the funds under our management.
- > Visio has always seen company engagement regarding areas of concern as a core part of our investment process. Our focus historically has been primarily on governance-related issues, where we believe we have the expertise to make recommendations, however we continue to engage on a broad range of issues. Visio prides itself on avoiding investing in companies we perceive to be exposed to meaningful ESG risks. However, we equally acknowledge that this is not always a simple black and white issue of excluding companies from investment universe. We ensure that our process and reasoning for investing particularly in provocative companies or industries are well understood and supported by valuation or growth opportunities. But we continue to overlay this assessment with our RAP sheets which may exclude potentially attractive investments for ESG issues.

PRINCIPLE 3: CAPACITY BUILDING AND COLLABORATION

Acceptance and implementation of the principles of CRISA 2 and other applicable codes and standards should be promoted through collaborative approaches (as appropriate) and targeted capacity building throughout the investment industry.

- > Visio has been a signatory to the UN PRI since 2014. We have consistently invested in our ESG capabilities through continuous education and rigorous team debate.
- > Visio has been a signatory to the Task Force on Climate-Related Financial Disclosure since March 2021.
- > Sector collaboration is done with careful consideration for what the outcome aims to achieve. We do not believe in public nor gratuitous sector collaboration on all issues and rather seek to put our name and reputation behind issues where constructive engagement and industry collaboration is warranted.

PRINCIPLE 4: SOUND GOVERNANCE

Sound governance structures and processes should be in place (including at all levels of the organisation) to enable investment arrangements and activities that reflect and promote responsible investment and diligent stewardship, including proactively managing conflicts of interest.

- > Visio does not have a separate ESG committee and believes that ESG is best implemented at an investment analyst/portfolio manager level. This ensures that those closest to a company can keep abreast of any changes that may drive a change in our ESG risk perception
- > The Visio board and executive have final responsibility in the assessment and oversight of ESG implementation.
- > All Visio responsible investment policies are publicly available at <https://visiofund.co.za/governance/>

PRINCIPLE 5: TRANSPARENCY

Investment organisations should ensure disclosures are meaningful, timeous and accessible to enable stakeholders to make informed assessments of progress towards the achievement of positive outcomes.

- > The Visio ESG Policy, Responsible Investing Policy and Proxy Voting Policy are publicly available on the Visio website (<https://visiofund.co.za/governance/>). These policies underlie how Visio integrates its responsible investing initiatives for the funds under its management.
- > The Visio Fund Management proxy voting reports are available monthly in arrears on the Visio website (<https://visiofund.co.za/governance/proxy-voting-register/>). These show how the team voted for each resolution over the prior quarter.
- > In addition to our publicly available communications, Visio engages with interested parties as required and proactively on specific issues which we believe would be of interest and can provide a summary of company engagements upon request.