



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff 	<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	
	<p>Collaborative engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in collaborative engagements
	<p>Service provider engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service provider

RI TRANSPARENCY REPORT

2020

Allan Gray Australia

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	✓	Private		✓					
LEA End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Allan Gray Australia

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Australia

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

23

OO 02.4 Additional information. [Optional]

We also share a number of resources with our sister company in Australia, Orbis investment Advisory Pty Limited covering back office and support functions.

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3 Additional information. [Optional]

We do not have any subsidiaries, but our global sister companies, Orbis Investment Management Limited and Allan Gray Group Proprietary Limited are signatories to the UNPRI.

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2019

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		7	109	429	717
Currency	AUD				
Assets in USD		4	815	924	918

Not applicable as we are in the fund-raising process

OO 04.4

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

OO 06

Mandatory

Public

Descriptive

General

OO 06.1

Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income	<10%	0

Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	0	0
Other (1), specify	<10%	0
Other (2), specify	0	0

`Other (1)` specified

The Allan Gray Australia balanced fund holds a small portion in a listed gold ETF which is approximately 0.07% of total AUM

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 06.6	Provide contextual information on your AUM asset class split. [Optional]
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Less than 1% of Allan Gray Australia's AUM is invested in the Allan Gray Australia Balanced Fund which is partially managed by Orbis Investment Management Limited (Orbis), our sister firm which is headquartered in Bermuda. Orbis is also a PRI signatory.

OO 09	Mandatory	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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	Developed Markets
--	-------------------

99.9

	Emerging Markets
--	------------------

0.10

	Frontier Markets
--	------------------

0

	Other Markets
--	---------------

0

	Total 100%
--	------------

100%

OO 09.2	Additional information. [Optional]
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Allan Gray Australia is primarily an Australian equities manager.

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
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	Listed equity – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

Allan Gray Australia's holdings of SSA bonds consist of short-duration government bonds issued primarily by the Australian government. We do not consider engaging with the government issuers of these bonds on ESG factors to be in the best interests of the Funds we manage for clients.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

Other (1)

- We address ESG incorporation.
- We do not do ESG incorporation.

`Other (1)` [as defined in OO 05]

The Allan Gray Australia balanced fund holds a small portion in a listed gold ETF which is approximately 0.07% of total AUM

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (non-financial)

Closing module

- Closing module

OO 12.2 Additional information. [Optional]

With respect to corporate fixed income securities, Allan Gray Australia typically acquires these where extensive research on a company has already been undertaken as part of our fundamental equity research process. As mentioned elsewhere, an analyst must turn their mind to ESG matters in the course of conducting bottom-up research on a company. This is reflected in a dedicated ESG section in the research report presented to the Portfolio Managers and the investment team.

A Portfolio Manager will rely on this same research when deciding about a fixed income security. Similarly, any engagement with the Board or management of a portfolio company will benefit Allan Gray Australia in its capacity as

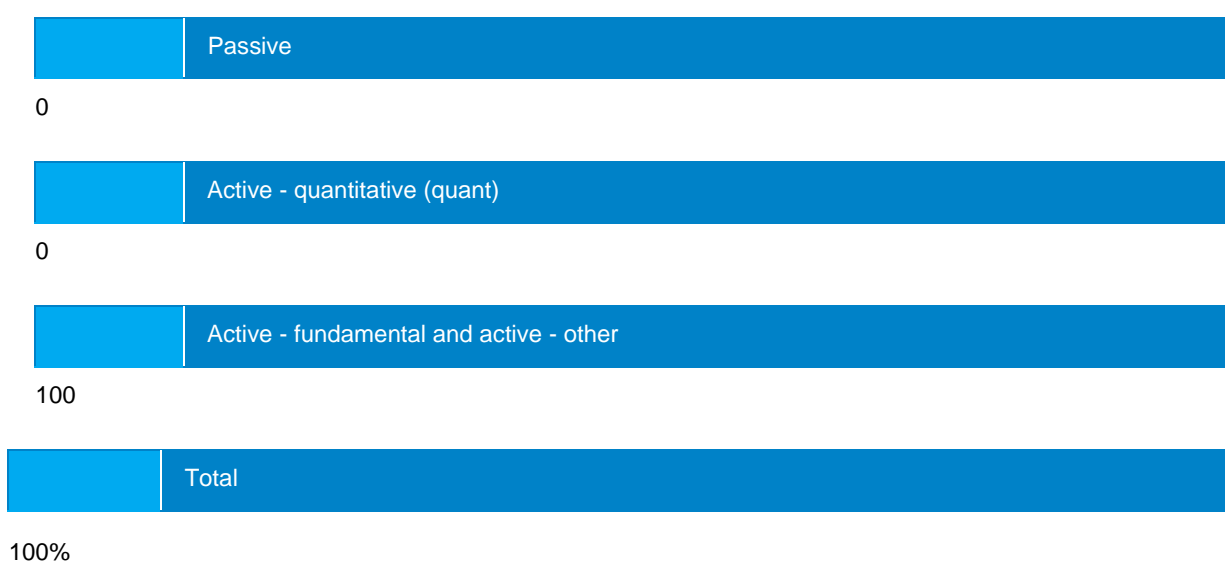
holder of fixed income securities as well as shareholder. Thus, the principles expressed in connection with ESG integration in stock picking and continuous monitoring may be read as also applying to corporate fixed income

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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Percentage of internally managed listed equities



OO LE 01.2	Additional information. [Optional]
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There are three distinct characteristics within Allan Gray Australia's active investment strategy:

1. Long-Term

In an increasingly competitive market, practicing patience can give you a distinct advantage. By waiting for the right opportunity to buy, and giving an investment time for its value to develop, you may discover enormous potential for an undervalued company.

2. Contrarian

In a highly competed market, where everyone has access to the same information, we thrive by not following the crowd. As contrarians, we resist trends and uncover opportunities in areas where nobody else is looking. It puts us in a space where we face little competition, where an investor's greatest assets are patience and independent thinking.

3. Fundamental

We seek out companies that are out of favour and wait for an opportunity to buy at a price well below their value. We study a company's fundamentals, and then calculate what we believe to be its true value.

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1

Provide a breakdown of your internally managed fixed income securities by active and passive strategies

SSA	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
	Total	100%
Corporate (non-financial)	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
	Total	100%

OO FI 03

Mandatory

Public

Descriptive

General

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1

Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.



If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

Allan Gray Australia

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Conflicts of Interest Policy <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

At Allan Gray Australia, our investment philosophy is to take a contrarian approach, apply it consistently and to invest for the long term. We do not try to guess external sentiments, the next share price movement or trends. Instead, we evaluate opportunities that are not necessarily 'obvious'. We search for value in places that others may overlook or undervalue. Then we determine the things that drive the company's performance and hence its value over the next five or even ten years. This is the investment philosophy and approach we have been following for the past 12 years; and our sister entities have been following for over 40 years.

As part of our bottom-up investment research process, our analysts consider a range of factors that might affect a company's intrinsic value. We are long-term investors and any company in which we invest must therefore be sustainable. We believe that a company that acts in a way that is morally or socially irresponsible or acts in a way that damages the environment will eventually undermine its own earnings and profitability

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Just as there is scope for different views on the sustainability of a company's competitive advantage, there is scope for investors and individual analysts to have diverse views about ESG matters. We believe that by performing rigorous, fact-based research, we may from time to time form a divergent view from the consensus, which may alert us to the opportunity to buy a security at a discount to its intrinsic value.

Where clients have approached us for screening solutions, this would be a departure from our usual investment policy. However, through our compliance systems, we do seek to accommodate, certain client screening requests such as 'No Tobacco'.

No

SG 02**Mandatory****Public****Core Assessed****PRI 6**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

URL

URL

<https://www.allangray.com.au/b/frequently-asked-questions/>

Attachment (will be made public)

Attachment

[File 1:Allan Gray - Statement on Responsible Investing.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.allangray.com.au/b/frequently-asked-questions/>

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

<https://www.allangray.com.au/b/frequently-asked-questions/>

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

<https://www.allangray.com.au/b/frequently-asked-questions/>

- Attachment (will be made public)
- Other, specify (1)
- We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Time horizon of your investment

URL/Attachment

- URL

URL

<https://www.allangray.com.au/b/who-we-are/>

- Attachment
- ESG incorporation approaches

URL/Attachment

- URL

URL

<https://www.allangray.com.au/b/frequently-asked-questions/>

- Attachment

File Attachment

[Allan Gray - Statement on Responsible Investing.pdf \[3030KB\]](#)

- Active ownership approaches

URL/Attachment

- URL

URL

<https://www.allangray.com.au/b/our-investment-approach/>

Attachment

Reporting

URL/Attachment

URL

URL

<https://www.allangray.com.au/b/product-update/>

Attachment

Climate change

URL/Attachment

URL

URL

<https://www.allangray.com.au/b/frequently-asked-questions/>

Attachment

We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Allan Gray Australia has a four-step process for managing conflicts of interest, including those that arise as part of the investment process. For example, engagement activities may present certain potential conflicts of interest, as may the exercise of our proxy voting right.

Identify: It is the responsibility of every director, employee and consultant to identify all actual and any material potential conflicts of interest before they occur.

Avoid: Directors, employees, consultants and Allan Gray Australia must act in the best interests of our clients when avoiding conflicts of interest.

Manage: It is impracticable to avoid every actual or potential conflict of interest. Where Allan Gray Australia determines that it is impractical to avoid an actual or potential conflict of interest, we will strive to mitigate it by managing the associated risks.

Disclose: In some circumstances disclosure to the affected client(s) is the appropriate way to handle the actual or perceived conflict. Additionally, when directors, employees or consultants become aware of a potential material and previously undisclosed conflict of interest, they must notify our Compliance team, which determines the appropriate course of action to ensure any conflict is avoided, managed and/or disclosed as appropriate.

No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

Our policy on responsible investment activities (as set out in the Statement of Responsible Investing) is reviewed on an annual basis.

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- Investor relations
- Other role, specify (1)

Other description (1)

Legal Counsel, Compliance Manager

- Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

Other description (2)

Institutional Distribution

- Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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Our Chief Investment Officer (CIO) is responsible for ensuring that the organisation implements its objectives in relation to responsible investment. Furthermore, he is accountable for the process of incorporating ESG factors into our investment process and ensuring that both the Portfolio Managers and analysts apply this approach during the bottom-up stock picking process and ongoing review and monitoring of portfolio companies.

Allan Gray Australia does not have a dedicated resource to specifically analyse ESG factors. In common with the principle of individual accountability that we apply, and our long-term fundamental approach to investing, we believe that such issues are initially best considered at the individual analyst level as part of their exhaustive company research process. This is then peer-reviewed within the investment team. We have a range of ongoing processes in place to review and monitor the activities of investee companies if we do decide to invest.

Supporting the analysts and the Chief Investment Officer in pursuing RI goals are the legal, compliance and institutional distribution teams, who are the interface with clients and assist with reporting requirements

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
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Number

0

SG 07.4	Additional information. [Optional]
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As long-term investors, we have always believed it is critical to understand the full range of factors that might affect a company's business and its stock market performance. As part of our bottom-up research process, our analysts consider a range of factors that might affect a company's intrinsic value, which can include environmental, social and governance (ESG) issues. For example, if a company makes money in a manner that is not sustainable from an environmental or social perspective, we will not gain conviction in the sustainability of its current level of profits. Similarly the consideration of governance issues is a critical part of our assessment of a company's intrinsic value.

Allan Gray Australia does not have a dedicated resource for responsible investment. In common with the principle of individual responsibility that underlies our investment process, we believe that such issues are best considered at the individual analyst level. In considering such matters our analysts will draw on whatever resources are available and appropriate. For example, they would have access to the expertise of our legal team and compliance teams with respect to governance matters.

We have designed our investment process to maximise the chances that we can successfully implement our fundamental, long-term and contrarian investment philosophy. Our equity analysts must develop a high degree of conviction before making an investment decision. They use a highly structured research process to eliminate unattractive ideas in the early stages and to concentrate their efforts on only the most promising ideas. If an idea merits consideration for purchase in the Allan Gray Australia funds or for clients, we convene a Policy Group Meeting (PGM), which is a forum for rigorous peer review. In these PGMs the analyst presenting their investment thesis must complete a section of their research pertaining to ESG factors and be prepared to defend their views on the long term viability of the stock for the portfolio from a sustainability perspective/

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Allan Gray Australia is a signatory to the UNPRI.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are members of ESG Research Australia, a not-for-profit industry working group that is committed to raising the profile of ESG issues in broker research.

- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

From time to time, our distribution team presents to clients, advisers and other stakeholders on ESG issues and education

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided financial support for academic or industry research on responsible investment
 - Provided input and/or collaborated with academia on RI related work
 - Encouraged better transparency and disclosure of responsible investment practices across the investment industry
 - Spoke publicly at events and conferences to promote responsible investment
 - Wrote and published in-house research papers on responsible investment

Description

From time to time our distribution team write notes for internal distribution about ESG trends and analyses that are prevalent in the industry, and that also identify key client concerns about our investments.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged the adoption of the PRI
 - Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
 - Wrote and published articles on responsible investment in the media
 - A member of PRI advisory committees/ working groups, specify
 - On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
 - Other, specify
- No

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation				
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SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

- Yes, in order to assess future ESG factors

	Describe
--	----------

There are a number of long-term trends that we take into consideration whilst investigating the investment universe. One example is the impact of climate change on the broader economy. We tend to put these types of factors into the long-term risk category in the sense that they can impact valuations,

- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

	We do the following
--	---------------------

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

An example of a long-term trend that we take into consideration while investigating the investment universe is the impact of climate change.

- We do not consider ESG issues in strategic asset allocation

SG 13.3	Additional information. [OPTIONAL]
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A formal risk report is delivered to the investment team periodically, detailing key exposures and including recommendations to improve the risk profile of the portfolios. These reports highlight where the Fund may be taking too much or too little risk, and are followed by a meeting to discuss the key insights and recommendations. Our quantitative analysts also provide proprietary tools and analysis to the portfolio management process that are available in real time. The general categories of risk they cover include market risk, currency risk, style risk, macroeconomic risk and sector risk. These areas are supplemented by examining the expected impact extreme scenarios might have on the portfolios.

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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SG 16.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - SSA	Allan Gray Australia's holdings in SSA bonds mainly consist of T-bills. In the case of SSA bonds, we do not actively engage as these bonds are investment grade and issued by the Australian government, which we consider to be a low-risk issuer.
Fixed income - Corporate (non-financial)	Same process, outputs and outcomes as for equities.

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <p><input checked="" type="radio"/> Broad approach to ESG incorporation</p> <p><input type="radio"/> Detailed explanation of ESG incorporation strategy used</p>	<p>Disclosure to clients/beneficiaries</p> <p><input type="radio"/> Broad approach to ESG incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</p>
<p>Frequency</p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>	<p>Frequency</p> <p><input checked="" type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>
<p>URL</p> <p>https://www.allangray.com.au/b/frequently-asked-questions/</p> <p>URL</p> <p>https://www.allangray.com.au/b/product-update/</p>	

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="256 304 922 367">Disclosure to public and URL</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information 	<p data-bbox="948 304 1449 367">Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input checked="" type="checkbox"/> Other information <p data-bbox="948 1133 1449 1240">Our clients are increasingly focused on ESG issues with respect to their investments and our responses are tailored to their specific questions in this arena.</p>
<p data-bbox="256 1283 922 1346">Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested 	<p data-bbox="948 1283 1449 1346">Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
<p data-bbox="256 1603 922 1666">URL</p> <p data-bbox="256 1682 900 1709">https://www.allangray.com.au/b/frequently-asked-questions/</p> <p data-bbox="256 1794 922 1856">URL</p> <p data-bbox="256 1872 772 1899">https://www.allangray.com.au/b/product-update/</p>	

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
Frequency	
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
https://www.allangray.com.au/b/product-update/	

SG 19.2 Additional information [Optional]

We are happy to provide a more detailed engagement summaries for clients and other stakeholders, and are keen to answer their specific questions in this area.

Allan Gray Australia

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e., not combined with any other strategies)
- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 64.9
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- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 35.1
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- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

Our purpose is to empower our clients by enhancing their savings and wealth. In seeking superior risk-adjusted returns for our clients, we aim to invest in securities of companies that trade at a significant discount to our assessment of their intrinsic value, being the price that a prudent business person would pay for the business.

We have designed our investment process to maximise the chances that we can successfully implement our fundamental, long-term and contrarian investment philosophy. Our analysts use a structured research process to eliminate unattractive ideas in the early stages so that they can concentrate their efforts on only the most promising ideas. As part of this bottom-up research process, our analysts consider a range of factors that might affect a company's long-term value, which can include ESG issues. For example, if a company makes money in a manner that is not sustainable from an environmental or social perspective, the analyst will not gain

conviction in the sustainability of its current level of profits. Similarly the consideration of governance issues is a critical part of an analyst's assessment of a company's intrinsic value.

Our analysts' research of ESG factors informs decisions not to invest in a company as much as it informs decisions to invest, although there is no ESG issue that would automatically prevent us from investing in a company unless otherwise restricted by a portfolio's investment mandate or client driven restrictions.

To this end, several of our client mandates have investment rules that prevent investment in sectors such as coal, controversial weapons and tobacco. These investment rules affect approximately 35.1% of our AUM.

Just as there is scope for different views on the sustainability of a company's competitive advantage, there is scope for investors (and individual Allan Gray Australia analysts) to have different views on ESG matters. We believe that by performing rigorous, fact-based research on ESG matters, we may from time to time form a divergent view from the consensus that may alert us to the opportunity to buy a security at a discount to its intrinsic value.

All research reports that are produced by our analysts include an in-depth assessment on ESG matters, which are reviewed and debated by Portfolio Managers and the investment team at a policy group meeting.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Please see LEI 0.1.2

(A) Implementation: Screening

LEI 04

Mandatory

Public

Descriptive

PRI 1

LEI 04.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

Negative/exclusionary screening

Screened by

Product

Activity

Sector

Country/geographic region

Environmental and social practices and performance

Corporate governance

Description

Approximately 35.1 % of our assets under management sit within portfolios that have investment restrictions. Among other things, these prevent the purchase of companies involved in the manufacture or distribution of coal, tobacco and controversial weapons

- Positive/best-in-class screening
- Norms-based screening

LEI 04.2

Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

Negative and exclusionary screens are investor-led and notifications in client screening criteria are advised to us for implementation by our Portfolio Managers and through our compliance systems.

LEI 05

Mandatory

Public

Core Assessed

PRI 1

LEI 05.1

Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
 Clients often have access to their own independent ESG research providers and indicate these screening preferences to us for implementation.
- None of the above

LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.5

Additional information. [Optional]




We screen companies for any ESG issues which may affect the intrinsic value of our investment before and during the process of holding investments. We do this by looking at all available information as well as through Board engagement. We meet with the management teams of all companies in which we have an investment, first and foremost. We do this twice a year as part of the half-yearly reporting process adopted in Australia and meet with the Board of each of these companies once a year. Next in terms of priority is the management teams of companies in which we are interested in investing or who may provide valuable insight into a portfolio-owned company. In all these meetings we have discussed diversity in general (specifically including gender diversity), remuneration and environmental and social issues. We give the Boards ample opportunity to discuss these ESG issues and communicate their views on each of these issues and how they may impact future decision making to us.

For example, in one company meeting, we discussed the unacceptably high TRIFR (Total Recordable Injury Frequency Rate) and how this might affect our appetite to continue to hold the position in the company. For another company we queried the value of promotional plastic toys in the face of their claim to be the 'most sustainable retailer' without any metrics which could reliably measure this. We challenged them to do better with measurable outcomes and targets.

Pure exclusionary screening is conducted on approximately 35% of AUM. These screens are typically client initiated but there is debate and eventual mutual agreement as to what is included in the particular screen. This might include, for example, where a client has asked us to divest due to a company's involvement in a contentious activity but where, through our continued engagement with the company, we believed we could achieve a better ESG outcome than applying the exclusionary screen

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
LEI 08.1	Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.			

ESG issues	Proportion impacted by analysis
Environmental	 <ul style="list-style-type: none"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	 <ul style="list-style-type: none"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	 <ul style="list-style-type: none"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

Before an investment is made, a research report is prepared by the relevant analyst for peer review and rigorous scrutiny and discussion. The analyst recommending the stock must include in their research report a section summarising their consideration of ESG factors. These factors are subjected to the same analysis and debate by peers when considering whether the stock is a sound investment idea. Examples of ESG factors considered include the sustainability of management remuneration practices, experience of directors of the company, diversity within the leadership team, and sustainability of environmental practices

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above

LEI 09.6

Additional information. [Optional]

ESG matters are very important to us, because we invest for the long term. Our analysts are focused on ensuring that ESG factors form part of our bottom-up analysis of a company. Specifically, our focus on ESG issues relates to their potential impact on the sustainability of a company's earnings and accordingly, our assessment of the company's intrinsic / fundamental value.

As we consider the stability of company earnings over the long term, we have an interest in whether a company acts in a way that is socially responsible or acts in a way that damages the environment where these actions may have an impact on the company's earnings. We formalised this approach in 2009 through the introduction of a section on ESG in our internal analyst research reports. In 2010, we introduced an ESG register to track our ESG engagements. This register is reviewed by distribution staff and legal compliance teams. These reviews are focused on ensuring that we can generate client reports and allow for better monitoring and transparency

Allan Gray Australia

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

<https://www.allangray.com.au/b/frequently-asked-questions/>

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)
- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other; (specify)
 - Other
 - None of the above
- No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes
- No

LEA 01.6 Additional information [optional]

While Allan Gray Australia does not outsource any active ownership activities to service providers, it actively engages with shareholders, investee company management and their Boards, as well as external service providers such as Ownership Matters and Glass Lewis to inform opinions. It also has engaged its sister entity Orbis Investment Management Limited (Orbis) to provide recommendations and advice regarding the global component of the Allan Gray Australia Balanced Fund. The Balanced Fund makes up less than 1% of the AUM of Allan Gray Australia. Furthermore, Orbis is a signatory to the PRI

Engagement

LEA 02

Mandatory

Public

Core Assessed

PRI 1,2,3

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.4

Additional information. [Optional]

Just as we would never delegate stock picking to a third party, we do not delegate responsibility for engagement to service providers. As the focus on corporate governance and responsible investing intensifies in Australia, coupled with the growing movement towards enhanced oversight, transparency and disclosure, we engage expert service providers to advise on environmental, social and governance matters. On rare occasions, when we consider it in our clients' best interest, and subject to applicable laws, we would undertake collaborative engagement. This may take the form of joint submissions to regulators, or in collective shareholder actions in requisitioning meetings. We have in the past also met with proxy advisers Glass Lewis, Ownership Matters and ISS to engage and debate issues of interest.

LEA 03

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Collaborative engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers

No

LEA 03.3

Additional information. [Optional]

Our approach to engagement is very much based on acting in the best interests of the Funds we manage on behalf of our clients, and to enhance and preserve shareholder value.

We generally consider private engagement to be more constructive than public engagement, but on rare occasions we have taken a public stance, raising our concerns with our clients, other asset managers and stakeholders so that we may enact change.

For example, we have in the past called an Extraordinary General Meeting where we felt strongly about a matter of principle, good corporate governance and shareholder transparency. This related to a proposed merger which was within Australian Securities Exchange regulations and permitted by law, but which we felt was not in the best interests of shareholders. In that case, even though we were ultimately not successful, we were able to influence and raise awareness about Board transparency, and not acting in the best interests of shareholders.

In another example of collaborative engagement, we hosted a roundtable on appropriate remuneration structures which we want to see adopted across the board. These are simple and transparent, long-term focused, symmetrical, fair and aligned with shareholder's interests. We also promoted this through the media, with the aim of gaining broader support within the investment community. While this has not yet borne fruit, we remain committed to this view.

We do not detail in our policy a prescriptive methodology for engagement as this will constrain how we engage. We do, however, engage with a view to ensuring a preferred or favourable outcome for our clients. As a matter of high-level prioritisation above that described in LEA 03.1, we meet with the management teams of all companies in which we have an investment, first and foremost. We do this twice a year as part of the half yearly reporting process adopted in Australia. We also meet with the Board of each of these companies once a year. Next in terms of broad priority is the management teams of companies in which we are interested in investing or who may provide valuable insight into a portfolio-owned company.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 04.2	Additional information. [Optional]
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Before each meeting we formulate a list of questions, the nature of which will vary depending on the content of their reported result. Given that much of this is financial in nature, and the impetus behind these half-yearly meetings, these meetings are generally financially focused but also cover strategic direction (including ESG). Where pressing ESG matters arise, these are always addressed and resolved in the meeting. Where required, follow-up meetings may be scheduled and certain matters directed to senior management or the relevant Board.

On occasion, it is important to set up out-of-cycle meetings to address unexpected issues, generally of an ESG nature. These could be capital allocation-related, remuneration-related or at times more humanitarian /social (e.g. dissatisfaction with the operation of detention centres, or concerns over employee suicide rates at and environmental considerations attached to trinkets in supermarkets, to name a few).

Most engagement outcomes are addressed and resolved in the meeting itself. For others they are noted and followed up subsequently with management or the Board.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1 Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2 Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 05.3 Additional information. [Optional]

We typically document engagements internally to ensure proper record-keeping, monitoring and accountability, as well as to enable us to report on our engagement activities. Our objectives and timelines on engagement are however fluid and occur throughout the lifecycle of an investment. If issues are not addressed or resolved satisfactorily at relevant engagement points, we will follow up subsequently with senior management or the Board of companies.

LEA 06	Mandatory	Public	Additional Assessed	PRI 2,4
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LEA 06.1

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

No

LEA 06.3

Additional information. [Optional]

Our escalation strategy is decided on a case-by-case basis with a view to ensuring that outcomes sought are tangible and achievable. In most cases where we have been unsuccessful, we will continue to advocate and educate for change. In other circumstances, we may decide that 'small wins' are prudent, given the time we have to achieve the target outcome. We do not stop actively engaging with a view to ensuring a positive outcome for our stakeholders. This is true for the entire period for which we own the position in the company, whether that position be large or small. When continued escalation to senior management or the Board of a particular company is unsuccessful, we rely on the press. We discuss our objections openly and promote media coverage. We vote against directors who come up for re-election and continue to agitate for change. We discuss these issues with our industry super fund clients as well. When all else fails, and assuming the price does not compensate us for this elevated risk, we sell the company.

For example, we recently engaged with a company regarding allegations in the media about unsatisfactory client AML/KYC due diligence and visa grants for VIP junkets at a competitor. While the response from the company was satisfactory about their own practices and there was nothing further to investigate, we will continue to advocate for transparency and ensure that the company's practices are above board and their policies compliant with applicable regulations.

A recent media release in the Financial Review highlights a comment from our Portfolio Manager where we have been unsuccessful, but we will continue to engage despite the company not allocating capital in a way that delivers value to shareholders.

Allan Gray Portfolio Manager Suhas Nayak pointed to the several "challenges" facing Woodside on its LNG projects, including spot prices, headwinds from coronavirus and increasing supply from the US. "At the end of the day, it's important that the projects only get off the ground if they can deliver value to shareholders," he said, adding the firm would rather Woodside "parked" them until more favourable times

LEA 08**Mandatory****Public****Gateway****PRI 2**

LEA 08.1

Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

LEA 08.2

Additional information. [Optional]

The insights gained from engagements are shared with members of the investment team responsible for that particular security, as well as the Chief Investment Officer and the Portfolio Managers. This ensures that research outcomes and investment decisions are improved. All previous contacts are documented and available to the investment team.

(Proxy) voting and shareholder resolutions

LEA 12

Mandatory

Public

Descriptive

PRI 2

LEA 12.1

Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

Based on

- The service-provider voting policy we sign off on
- Our own voting policy
- Our clients` requests or policies
- Other (explain)
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

LEA 12.2

Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

Our guiding principle in voting is that we will strive to act in what we believe are the best long-term economic interests of our investments. These are not divorced from maintaining a sound social license to operate. We will consider all aspects of proposals being put to the vote. This includes broader social and political ramifications but in the context of their impact on the long-term value of the companies. We vote on all resolutions that we consider important however we do not have a prescriptive set of rules for proxy voting as we believe this would limit our flexibility to maximise the interests of our clients. Our voting approach is based on the principle of considered investigation and transparency and can be broken up into the following three stages:

1. **Investigate and communicate:** We thoroughly consider all proposed resolutions prior to submitting our voting instructions. Our instructions could be in the form of supporting, opposing or abstaining from voting on resolutions. As such, we cast our vote based on what we consider to be justifiable and reasonable, given the present facts and circumstances surrounding the resolution, and what is in the interest of our clients as a whole. We do not analyse how our voting decision may be preferred by or will provide a benefit to any one client. While we receive recommendations and research from service providers, we do not 'blindly' follow proxy adviser voting recommendations nor the company Board's recommendations. Our approach may mean supporting or opposing a resolution, even if it is contrary to the company's Board recommendation. Where we are inclined to vote against the Board's recommendation, we may contact the company's management to advise them of the proposed view and engage in a discussion about why we are proposing to vote in a particular way. If our view remains unchanged after such a discussion, we may then elect to attend the shareholder meeting to share our view.
2. **Submit votes:** We support the principle of 'one share, one vote' and are reluctant to engage in 'borrowing' stock to increase our voting rights and voting power regarding any proposed resolution. We also actively engage with the external voting service providers to ensure that we meet the custodial cut-off voting timelines.
3. **Report to clients:** Upon request we provide our clients a voting summary including our rationale of how we have voted on particular resolutions.

LEA 12.3

Additional information.[Optional]

The analyst responsible for covering the particular company will have delegated responsibility for considering a resolution and deciding whether to vote for, against or to abstain from voting. This voting decision is communicated to the Chief Investment Officer and the Portfolio Managers, who may challenge a decision or seek to better understand the rationale.

LEA 15**Mandatory****Public****Descriptive****PRI 2****LEA 15.1**

Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2 Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

LEA 15.3 Additional information. [Optional]

Where we are certain that we are going to vote in a manner that is 'Against' the management recommendation, we would engage with the company to inform them of this decision and actively seek change. This however might not be possible if we are a new shareholder and have not had the opportunity to engage meaningfully prior to the voting season. In those circumstance we may vote Abstain.

For example for one company we are invested in, 70% of STI is based on EBITDA hurdle. No adjustments exist for share count and the current framework incentivises acquisitive behaviour. We have raised this with the Board and would ordinarily vote against a remuneration structure like this. But being a new shareholder and not having had the opportunity to engage until now, we've decided to abstain. Feedback from the Board was that this will be changed from next year

LEA 16

Mandatory

Public

Core Assessed

PRI 2

LEA 16.1 Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2 Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

Explain

In all circumstances, we would seek to engage with the companies that we are invested in and part of engagement is ensuring that when we vote against management recommendation, that they are well aware of our reasons for doing so. We seek to ensure that there is change enacted by the time the next voting season begins.

LEA 16.3 In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 16.4 Additional information. [Optional]

Our voting statistics are available on our website. Clients and other stakeholders can write to us to request reasoning for voting directions.

LEA 17 **Mandatory** **Public** **Core Assessed** **PRI 2**

LEA 17.1 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

100

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 19 **Mandatory** **Public** **Core Assessed** **PRI 2**

LEA 19.1 Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

LEA 19.2

Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.

- Contacting the company's board
- Contacting the company's senior management
- Issuing a public statement explaining the rationale
- Initiating individual/collaborative engagement
- Directing service providers to engage
- Reducing exposure (holdings) / divestment
- Other

LEA 19.3

Additional information. [Optional]

Our strategy is one of continual engagement despite unsuccessful voting. In the vast majority of interactions with company executives and other directors, our analysts' primary objective is to improve their understanding of the company and its business. We believe that responsibility for the day-to-day operations of a company rests with its management, and that we probably have limited value to add in this regard. From time to time, our analysts may believe that they can contribute to a company's deliberations over its broad strategy. When offered these opportunities, our analysts aim to further our Funds' interests by sharing ideas that they believe will enhance or preserve shareholder value.

In 2019, we met with a metal and minerals company to discuss our dissatisfaction with a particular board appointment. This individual presided over massive destruction of value in his capacity as CEO of another company. We flagged our intention of voting against him. We also flagged concern about their move to an EBITDA metric for their remuneration on account of D&A being meaningful, especially at this time in their cycle of elevated capex. At the time there was no commitment from the company to address our concerns.

We later received a letter from the Chair referencing a decision to not seek election at the upcoming AGM and they dropped EBITDA as a measure in favour of EBIT as per our recommendation.

See also comments regarding our general escalation policy in LEA 06

Allan Gray Australia

Reported Information

Public version

Confidence building measures

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 02.3 Additional information [OPTIONAL]

We became a signatory to the UNPRI in April 2018 and did not report on a mandatory basis last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1 Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)

specify

The Chief Operating Officer and the Chief Investment Officer of Allan Gray Australia has reviewed key aspects of the report.