MORANT WRIGHT
MANAGEMENT LIMITED
43 St James's Place, London, SW1A 1NS
Telephone: 020 7499 9980 Email: enquiries@morantwright.co.uk Website: www.morantwright.co.uk

ESG Policy

This document sets out the ESG Policy of Morant Wright Management Limited ("MWML" or "the Firm").

We are long-term investors following a bottom-up, fundamental investment process. We have a value investment philosophy and this has not changed since the firm was established in 1999. We seek to invest in Japanese companies with strong balance sheets, low valuations and sustainable business franchises. The investment process focuses on achieving absolute returns and reducing the risk of permanent capital loss. Enterprise Value/Operating Profit and Price to Book ratios are given prominence. We identify companies whose share prices offer potential for significant upside over a period of up to five years either through increases in earnings or asset appreciation. We adopt an investment rather than a trading approach and tend to hold stocks for the longer-term. Our investment process involves regular engagement with portfolio companies and monitoring of ESG issues.

In terms of environmental and social factors, our focus is on assessing the opportunities and risks the most material issues present to the long-term growth and sustainability of a company, with a double materiality lens. In July 2024 we added an ESG specialist who has over 20 years' experience in stewardship and ESG engagement to the investment team to significantly expand the breadth and depth of our ESG approaches including holding dedicated ESG meetings with portfolio companies in both Japan and London.

Given our investment process, our emphasis is very much on the governance element of ESG, and when we meet with companies many of our questions are directed towards how management might allocate capital. The importance we attach to governance is also a function of materiality. We invest in financially strong companies with strong balance sheets. In some cases, these balance sheets are excessively large for the needs of the business. We therefore consider corporate governance and capital allocation to be the most material ESG risk and opportunity for virtually all our holdings. Given how cash rich our holdings tend to be, even modest improvements in capital allocation can have a major impact on returns for our clients.

We are investing in companies of all sizes, operating across various sectors and facing different challenges in their decarbonisation efforts. In our fundamental analysis of companies, we apply a qualitative lens to identify opportunities and risks around key ESG factors that may have a material impact on a company's long-term prospects. We therefore use a holistic and forward-looking approach to assess climate transition initiatives. With the aim of delivering sustainable returns for our clients, we believe it is important to recognise the evolving details of each companies' transition plans and their ability to execute on these plans, by focusing on company-specific challenges, the real-world impact, as well as their competitive position in the transition to a net zero economy. In our stewardship activities, climate strategies and human capital management are two major engagement themes. Our engagement can also cover other ESG factors where material and which may have significant impact on a company's performance, including biodiversity, water management, human rights and local community relationships. We will continue to develop our expertise and enhance engagement on material ESG factors.

If a company rates poorly in terms of ESG it can present risks but also opportunities for improvement through engagement. Morant Wright seeks to engage actively on our clients' behalf in a constructive and beneficial way with the companies in which we invest and with other institutions such as the Tokyo Stock Exchange. We believe this to be in the best interests of our clients, the companies themselves, and other stakeholders. We do this through a continuing dialogue with companies and regulatory authorities, and letters to senior management and boards. We regard the exercise of voting rights is an integral part of our engagement process and vote at every shareholder meeting where we can.

It is our preference to conduct engagement privately and constructively with the companies in which we invest through our regular meetings and calls. However, we have no objection in principle to collaborating with other investors, although opportunities for doing so have historically been limited due to the uncertainties around Japan's concert party regulations. We welcomed the 2025 revision to the Japanese Stewardship Code regarding investors' commitment to collaborative engagement as "an important option". We recognise that collaborative engagement, when conducted appropriately, could form a key escalation mechanism and increase the effectiveness of our engagement efforts. We will use a bottom-up approach and consider our actions in this regard on a case-by-case basis.

Morant Wright is a signatory to the Japan Stewardship Code. Our statement of compliance with the principles of the Code is available on our website. We also became a signatory to the UN Principles for Responsible Investment (UN PRI) in 2025.

This policy is reviewed and updated annually and is available on our website www.morantwright.co.uk or on request at enquiries@morantwright.co.uk. All decisions affecting the business are taken collectively by the Board of Morant Wright Management. The board is responsible for monitoring execution of the ESG Policy and our approach to ESG integration. We publish an Engagement Report for each calendar year which is available on our website at the beginning of the following year. Our voting and other relevant policies are also published on our website or on request.

Morant Wright Management Limited
July 2026