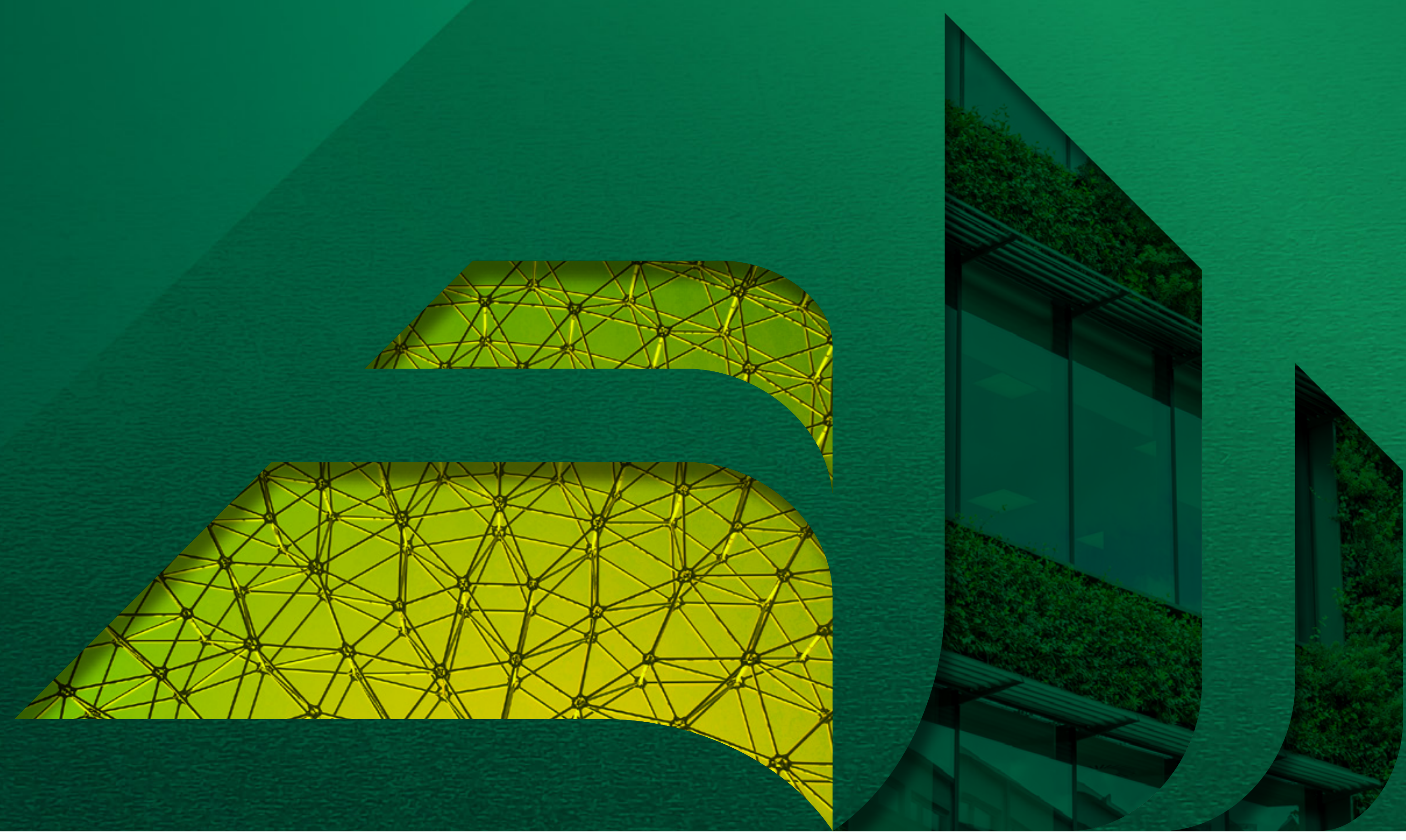
Responsible Investment Guidelines 2026



NEDGROUP INVESTMENTS

Introduction and purpose

Nedgroup Investments is a wholly owned subsidiary of Nedbank Group Limited and forms part of a purpose-led financial services group that seeks to use its **financial expertise to do good** for individuals, families, businesses and society, while delivering competitive long-term, risk-adjusted investment outcomes for clients.

Responsible Investment (RI) is integral to this purpose. As a long-term steward of client capital, Nedgroup Investments believes that the systematic consideration of environmental, social and governance (ESG) factors enhances investment decision-making, strengthens risk management, and supports sustainable value creation over time.

> This guideline sets out Nedgroup Investments' overarching approach to responsible investment across all asset classes and investment styles. It replaces and supersedes prior Responsible Investment Guidelines, while remaining consistent with existing supporting policies, including our Climate Change and Nature Position Statements.

Our Responsible Investment philosophy

As long-term investors, we believe that incorporating ESG factors into investment and ownership decisions will support the pursuit of superior risk-adjusted returns for clients. Not only does this make sound business sense, but as the custodian of our unit holders' and beneficiaries' long-term future, it is also the right thing to do. Nedgroup Investments believes that:

- ESG factors can be financially **material** and affect investment risk, return and long-term resilience
- Stewardship and responsible ownership are **essential** components of fiduciary duty
- Constructive engagement and collaboration are generally more effective than blanket exclusions
- Responsible investment practices must be proportionate, pragmatic and **adaptive,** reflecting evolving data, standards and regulation

> Our approach is underpinned by a 'double materiality' lens: we consider both how sustainability factors affect investment value and how investment activities may impact the environment and society, where relevant and practicable.

Governance and accountability

Responsible Investment at Nedgroup Investments is overseen through established governance structures.
The Nedgroup Investments Responsible Investment Committee (RIC) is responsible for:

- Setting RI strategy and policy direction
- Reviewing and approving RI-related policies and position statements
- Overseeing implementation across investment ranges
- Monitoring progress and emerging ESG risks and opportunities

The RIC operates under the leadership of the Head of Responsible Investment and works in coordination with Nedgroup Investments' investment, risk and governance committees.

> The RIC reports periodically to relevant Nedgroup Investments, CIB, and Nedbank Group governance forums, ensuring alignment with group-level sustainability frameworks and risk oversight.

Integration of ESG factors into investment oversight

At Nedgroup Investments we believe that generating a perspective on sustainability provides important insight into existing or emerging ESG risks and opportunities. Furthermore, we believe that this important source of information should be considered by asset owners (corporations; pension funds; medical schemes; insurers) and asset managers.

Our approach recognises the investment principles that govern each of our investment partners, the diversity of asset classes managed by the various appointed Best of Breed™, Multi-Manager and Core (passive) managers, the unique value proposition of each manager, and the independent nature of their investment styles.

Nedgroup Investments integrates ESG considerations primarily through:

- **Investment manager selection** and due diligence
- **Ongoing monitoring** and review of appointed managers
- **Engagement** on material ESG risks, practices and outcomes
- **Proxy voting** oversight and stewardship expectations

We assess ESG integration qualitatively and quantitatively, recognising that approaches will differ by strategy and mandate.

> ESG integration is guided by the principle of financial materiality, with a focus on identifying risks and opportunities that could affect long-term investment performance, portfolio resilience and downside protection.

Stewardship, engagement and proxy voting

Stewardship is central to our Responsible Investment approach. Nedgroup Investments:

- Encourages appointed managers to engage with investee companies on material ESG issues
- Requires periodic reporting on engagement activity and outcomes
- Oversees proxy voting to ensure consistency with stated policies and good governance principles

Proxy voting is conducted in line with the Nedgroup Investments Proxy Voting Policy, with voting records disclosed publicly (updated quarterly) and rationales provided where votes are cast against management.

Where appropriate, Nedgroup Investments supports collaborative engagement initiatives, recognising that collective investor action can be more effective in addressing systemic ESG risks. Corporate engagements are disclosed in our quarterly fund commentaries and annual Responsible Investment Report.

Responsible Investment framework

Nedgroup Investments' Responsible Investment approach is informed by **four sustainability focus areas** that are particularly relevant to long-term investment outcomes, including:

Climate change

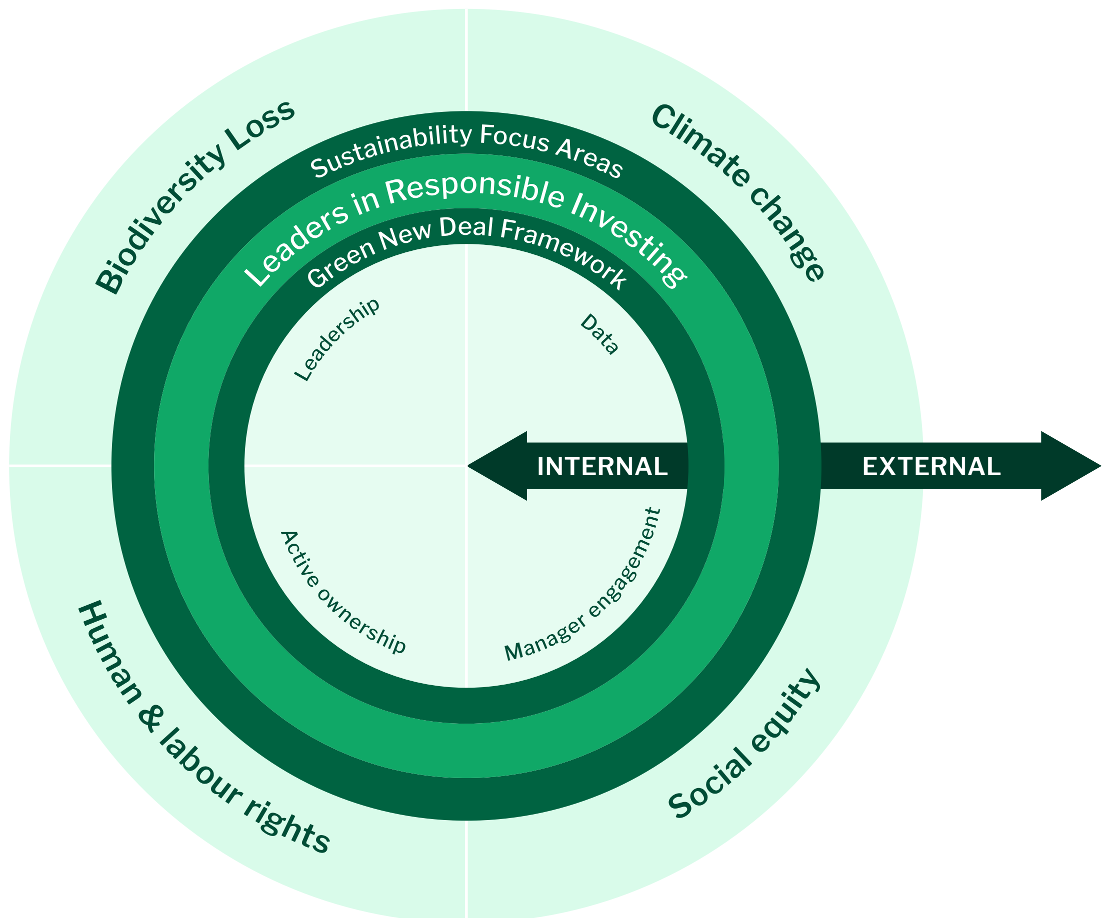
Nature and biodiversity loss

Human and labour rights

Social equity

Investment activities have a direct and indirect impact on these focus areas, and our framework defines these as **'external' factors.** Importantly, the metrics (or data points) need to satisfy the criteria of being appropriate, measurable, trackable, and actionable.

Regarding the framework's inward-looking, or 'internal', factors, these are defined as the areas we believe we have greater control over. These are referred to as our DEAL acronym - Data, Engagement, Active Ownership, and Leadership. The framework is borrowed from Kate Raworth's Doughnut Economics and works on the premise that if we mitigate our external impacts while delivering on the DEAL components, we will be moving the dial on our Responsible Investment effort.



Climate change and nature

Nedgroup Investments recognises climate change and nature loss as systemic risks with far-reaching economic and financial implications, particularly in emerging markets and the African context. Nedbank Group Ltd have set out clear targets regarding lending into the fossil fuel value chain and, alongside reporting to the Taskforce on Climate-related Financial Disclosures, has set an ambitious pathway for each of the clusters to align with.

At Nedgroup Investments, we remain cognizant of a 1.5°C global warming target by 2100, as well as South Africa's pledges into the United Nations Framework Convention on Climate Change.

As of 2026, we do not enforce an exclusionary mandate on our sub-investment managers; instead, while celebrating their unique approaches to responsible investing, we champion pragmatic responses and measures from them and the high-impact companies they invest in. With both regional and globally focused portfolios, we appreciate the context and evolution of the energy mix required over the short-, medium- and long-term - as the just transition from traditional fossil fuels to a cleaner means of energy production materialises.

We periodically measure and assess our funds and their underlying portfolio holdings against their Paris alignment and 2050 net zero emission reduction initiatives. By focusing on materiality, we can identify high-impact companies and, importantly, those that are insufficiently mitigating against future physical and transitionary climate risks. The Net Zero Investment Framework serves as a toolkit to determine portfolio alignment and readiness.

In line with Nedbank Group's ambitions:

- We support the objectives of the Paris Agreement and the transition to a lower-carbon, climate-resilient economy
- We acknowledge the interdependence between climate and nature and the importance of protecting and restoring natural capital

Detailed positions on climate change and nature are articulated separately in the Nedgroup Investments Climate Change Position Statement and Nature Position Statement, respectively. Our role as an asset manager is primarily one of oversight, stewardship and influence, rather than direct asset selection, and our expectations of managers reflect this reality. Our dedicated Climate Change and Nature Position Statements can be viewed **here.**

Transparency, reporting and disclosure

Nedgroup Investments is committed to transparency in its Responsible Investment activities.

This includes:

- Public disclosure of RI policies and position statements
- Quarterly online publication of proxy voting records
- Annual Responsible Investment reviews assessing ESG practices across managers
- Annual Responsible Investment Report
- Alignment with evolving global disclosure standards where relevant and proportionate

We monitor developments in global sustainability reporting frameworks (including IFRS S1 and S2, TNFD and related standards) and will evolve our disclosures as expectations and data quality improve.

Collaboration and industry participation

Nedgroup Investments believes that collaboration and regulatory alignment are essential to advancing responsible investment practices. We are signatories to, or align with, relevant industry frameworks and codes, including:

- The UN-supported Principles for Responsible Investment (PRI)
- The Codes for Responsible Investing in South Africa (CRISA)
- Regulation 28 of the South African Pension Funds Act
- The King Codes on Corporate Governance
- The EU Sustainable Finance Disclosure Regulations

Nedgroup Investments became a signatory to the PRI in June 2022, motivated by the resources that it provides, the academic training, the ability to collaborate with peers, and to stay abreast of the latest ESG trends and thinking. Through industry participation, research and thought leadership, we aim to meaningfully contribute to the development of responsible investment practices locally and globally.

Portfolio alignment and data points

Fund ESG data points are primarily used to:

- **Enhance risk** identification and portfolio oversight
- **Inform engagement** priorities with managers
- **Support alignment** with evolving best practice and disclosure frameworks
- **Record, measure and track** our funds against key metrics

Below are the fund-level indicators that form part of our regular assessments. The climate and nature related indicators are captured in the respective position statements.

Factor	Description
Fund ESG Rating	The resiliency of portfolios to long-term ESG risks and opportunities. The most highly rated funds consist of issuers with leading management of key ESG risks. The ESG Rating is calculated as a direct mapping of ESG Quality scores. The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).
Fund ESG Trend Positive	The percentage of the portfolio's market value with a positive ESG rating trend (upgrade) in the year prior to the most recent ESG rating.
Fund ESG Trend Stable	The percentage of the portfolio's market value with a stable ESG rating trend (maintain) in the year prior to the most recent ESG rating.
Fund Environmental Score	A fund's Environmental Score measures holdings' management of and exposure to key environmental risks and opportunities.
Fund Governance Score	A fund's Governance Score measures holdings' management of and exposure to key governance risks and opportunities.
Fund Social Score	A fund's Social Score measures holdings' management of and exposure to key social risks and opportunities.
Fund Weighted Average ESG Score	The Fund Weighted Average ESG Score is the fund overall score based on the weighted average of the underlying holdings' ESG Score.
Fund SDG Alignment	The percentage of the portfolio's market value exposed to companies that are aligned with each of the 17 SDGs based on the nature of their products and services and their operational alignment to the goal.

Source: MSCI

Review and continuous improvement

This Policy is reviewed annually, and ad hoc when required, by the Responsible Investment Committee and updated as needed to reflect:

- Evolving regulatory and disclosure requirements
- Advances in ESG data, tools and methodologies
- Emerging sustainability risks and opportunities
- Changes in client expectations and market practice

Nedgroup Investments recognises that responsible investment is an evolving discipline and commits to continuous learning, adaptation and improvement.

For more information regarding responsible investing, our annual RI reports, and related policies, please visit **Responsible Investing.**