

Origin Asset Management LLP (“Origin” or the “Firm”)
Shareholders Rights Directive II Engagement Policy
December 2022

Introduction:

The amended European Shareholder Rights Directive II (“SRD II”) is applicable as of 10 June 2019. SRD II aims to promote effective stewardship and long-term investment decision making. It sets requirements in several areas, including transparency of engagement policies and investment strategies across the institutional investment community. Origin is committed to adhering to SRD II and considers its obligation and stewardship on behalf of its clients. The information below demonstrates our adherence and commitment towards SRD II. In accordance with our disclosure obligations this policy provides information on, where applicable, how we endeavour to:

1. Integrate shareholder engagement in our investment strategy.
2. Monitor investee companies on relevant matters, including:
 - a. Strategy.
 - b. Financial and non-financial performance and risk;
 - c. Capital structure; and
 - d. Social and environmental impact and corporate governance.
3. Conduct dialogues with investee companies;
4. Exercise voting and any other shareholder rights;
5. Cooperate with other shareholders;
6. Communicate with relevant stakeholders;
7. Manage actual and potential conflicts of interests in our engagement

Annual disclosure obligations

As part of the SRD II’s disclosure requirements, we will disclose annually via the website the following information, where applicable:

- The engagement policy’s implementation;
- A general description of voting behaviour;
- An explanation of the most significant votes;
- The use of the services of proxy advisors; and
- How the firm cast votes in the general meetings of companies in which it holds shares unless these votes are considered insignificant due to the subject matter of the vote or the size of the holding in the company.

For the purposes of this policy, ‘most significant votes’ is defined as as the average aggregate holdings per security of the portfolio over 5%.

1. Integration of engagement in Origin's investment strategy:

The Investment Manager's ("the Firm" / "Origin") overriding focus is its fiduciary responsibility towards its clients. Origin aims to build portfolios with a specific set of investment characteristics, as encapsulated in the four stock selection criteria (capital management, valuation, earnings revisions and share price relative trend). The Firm's investment process was developed as a result of many years' experience of markets and of more traditional investment processes. It is the Firm's belief that the investment policy is clear, repeatable, systematic, evidence based and delivers portfolios containing quality but undervalued stocks with improving operational and relative share price performance. A bottom-up approach is used to build a portfolio of companies that share a very specific set of characteristics. The companies in which the Firm chooses to invest will be well-managed, undervalued, enjoy improving operating performance and have rising relative share prices. These criteria are managed objectively using cash flow returns on investment data, consensus forecast earnings data and historic price information. All analysis is based on evidence rather than opinion. As a general rule company management is not met in order to avoid the trap of "emotional bias", and to ensure that companies are evaluated on a uniform basis.

However, whilst direct company contact is intentionally not part of the Firm's systematic investment approach, Origin is aware of the increasing importance of corporate governance and active engagement. To those interested clients, the Firm provides an active governance and voting solution on the stocks held in their portfolios.

In order to do this, Origin has established the following approach:

- Use of the international governance research and voting specialist Glass Lewis
- To actively engage with the lowest ranked companies on the carbon sensitivity metric to reduce carbon emissions over a span of 24 to 60 months, with the aim to rank up and out of the bottom decile or significantly improve their carbon leverage profile.

Whilst the Firm generally does not engage with companies, in instances where the client wishes to do so, the following methodology is applied, outlining when and how the Firm will escalate engagement with investee companies to protect and enhance the value of their client investment

1. Initial engagement
 - Origin will set out a list of target companies to engage with – this is the list of all companies held which rank in the 10th decile on carbon cost sensitivity. This list will be reviewed on a quarterly basis.
 - Every quarter, Origin will engage by issuing notices in the form of letters to the target companies, outlining concerns about their carbon emissions and giving a

timeframe of 24-60 months for reducing them, as well as consequences if they do not take action and no improvement is accomplished.

2. Milestones and Escalation

- Origin will on a quarterly basis track and document any progress made by the target company.
- If, within the established timeframe of 24 to 36 months (timeline at the discretion of the Investment Team), no reduction has been attained, or commitments towards reduction made, Origin will decrease the position.
- As an intermediary step, Origin will, at the discretion of the investment team, leverage its voting power in order to support its mission set out in the letter to the target company. This can mean voting against management on certain matters related to sustainability, in the case where no action has been taken to reduce emissions. (e.g., voting against the re-election of directors responsible for sustainability)
- Over a period of 36 to 60 months (timeline at the discretion of the Investment Team), in the absence of any significant improvement, Origin will divest from the position.
- Once divested, at the discretion of the Investment Team, the company will be excluded from the Origin due diligence process. The company will remain in the investment universe where the team will continue monitoring its ranking.

3. Metrics

- The metrics Origin will measure are:
 - **CFROI sensitivity to changes in the rate of tax on carbon emitted** – in order to identify target companies with which to engage
 - **Scope 1 & 2 Emissions*** – in order to identify reductions in emissions

*Scope 1 covers emissions from sources that an organisation owns or controls directly

*Scope 2 are emissions that a company causes indirectly when the energy it purchases and uses is produced.

4. Tracking and Documentation

- Origin will track and save all interactions (i.e., letters and emails); information/documentation received; commitments from management; and regular assessments of ESG performance.
- Origin will keep a record of all quantitative data, including sources, and share on request; and
- Origin will communicate and report to the Client on this topic accordingly, on an annual and quarterly basis.

Proxy Voting

Origin exercises its right as shareholder to vote in order to adhere to its fiduciary duty to act in the best interests of clients, the assets they are overseeing and to treat all clients and

beneficiaries fairly. To do this, Origin uses the international governance research and voting specialist Glass Lewis, via the Broadridge ProxyEdge voting platform. Origin automatically votes stock on all Global Equity portfolios (whether pooled or segregated) managed for UK clients, in line with the principles set out in Glass Lewis' Proxy Paper Guidelines. The Glass Lewis policy specifically addresses key governance issues such as board composition, remuneration, the appointment of auditors, dividend distributions and Long-Term Incentive Plans.

At least annually Origin evaluates and reviews our proxy voting agent.

Conflict of interest arising from the exercise of voting rights:

Origin has well established policies and procedures to manage conflicts of interest. All employees are expected to adhere to Origin's Conflicts of Interest policy and Receive regular training on this. In addition, Origin has a register of conflicts of interests, which is updated regularly. Further, as Origin enhances its capabilities it will consider carefully any associated conflict of interest risks and ensure these are addressed and managed appropriately. In addition the Firm's proxy voting provider, Glass Lewis, helps manage conflicts arising.

Engagement and Cooperation with other shareholders

Origin recognises that there may be occasions where it will be appropriate to work with other shareholders to effect positive change. Origin is willing to act collectively with other investors, however this will be considered on a case-by-case basis. Collaboration with other investors must always be conducted in compliance with applicable law and regulations.

In all circumstances, we will act in the best interests of our customers ensuring that we treat all customers fairly.

Disclosures

Once a year Origin will publicly disclose how the engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and information on the use of proxy voting advisors.

Please note: Origin supports the underlying themes of environmentalism, social responsibility and good governance, and the goals behind the promotion and expansion of the incorporation of ESG considerations into the investment management industry Origin will continue its ongoing dialogue with various data providers in the ESG realm in the hope that the timeliness, quality and coverage of data can be improved to a level which might make it efficacious, at least as a risk management tool.

Review

Origin will review this statement on its website at least on an annual basis and in addition Origin will also provide a report which will include general description of voting behaviour,



an explanation of the most significant votes and information on the use of proxy voting advisors.

Please email compliance@originam.com if you have queries regarding this policy document.