STEWARDSHIP REPORT 2025

Finding a better way

ALUWANI
CAPITAL PARTNERS

Contents

A balanced and purposeful approach to sustainability

2024 and the first half of 2025 have highlighted a shift in ESG conversations. While some segments of the market have questioned the relevance or rigor of ESG strategies, this moment signals a natural phase in the evolution of sustainability thinking. A move from initial hype to a more grounded, accountable, and outcomes-driven approach.

At ALUWANI, we believe sustainability is integral to sound, long-term investment decisions. It is not a trend but a necessary lens through which we evaluate risk, and opportunity. The recent backlash against ESG has brought into sharp focus the need for clarity, consistency, and intentionality in how sustainability is approached and communicated.

These developments underscore a critical reality that sustainability cannot be reduced to slogans or symbolic pledges. For us, the priority is clear, to embed sustainability meaningfully across our investment process, corporate strategy, and stakeholder engagements. Over the coming years, the distinction between businesses for whom ESG is a core strategic imperative and those for whom it was a reputational lever will become increasingly apparent. Our view is that businesses that make decisions that benefit either short-term profitability or short-term personal incentives will invariably disadvantage shareholders if their interests are not aligned or if they do not end up on the same side of the equation. We will therefore continue to discern between businesses that see sustainability as part of their ethos versus those that have sought to capitalize on the sustainability wave. The former will use sustainability as a tool for managing risks, understanding changing environments, and intentionally allocating capital to initiatives that are seen as long-term sustainable.

As an organization, we favor a pragmatic approach, one that respects the complexity of sustainability risks, and the nuance required to address them effectively. Our position on climate-related targets, for example, has always leaned toward credible action over headline-grabbing ambition. Rather than committing to distant net-zero goals without a clear operational roadmap, we focus on understanding climate-related risks within our portfolios, engaging with investee companies on disclosures, and driving material improvements over time, where pragmatic.

We continue to advocate for enhanced transparency and active stewardship as tools to support sustainable business practices. This includes engagement over exclusion, particularly where long-term shareholder value and real-world outcomes are at stake. We also acknowledge that simply divesting or shifting assets does not equate to progress, and may, in fact, undermine a responsible transition.

Ultimately, our commitment is to integrate sustainability in a way that is thoughtful, transparent, and enduring. Consistent with our fiduciary responsibility and our broader role in society. We will continue to evolve with the ESG landscape to ensure that our efforts are anchored in substance and aligned with long-term value creation.

Yours Sincerely

Mishnah Seth
Head of Investments

Effuah Kwaw
Sustainability Officer

ALUWANI:
Finding a better way

Founded in

2015

An independent owner-managed investment management business.

Our purpose:

To positively impact the lives of our stakeholders through efficient allocation of capital

54

Employees

**Including Botswana, Lesotho & Interns

23 Investment Professional

With Over **400 YEARS** Collective Experience In The Investment Team

B-BBEE LEVEL 1
CONTRIBUTOR

AUM of R152,02 Billion

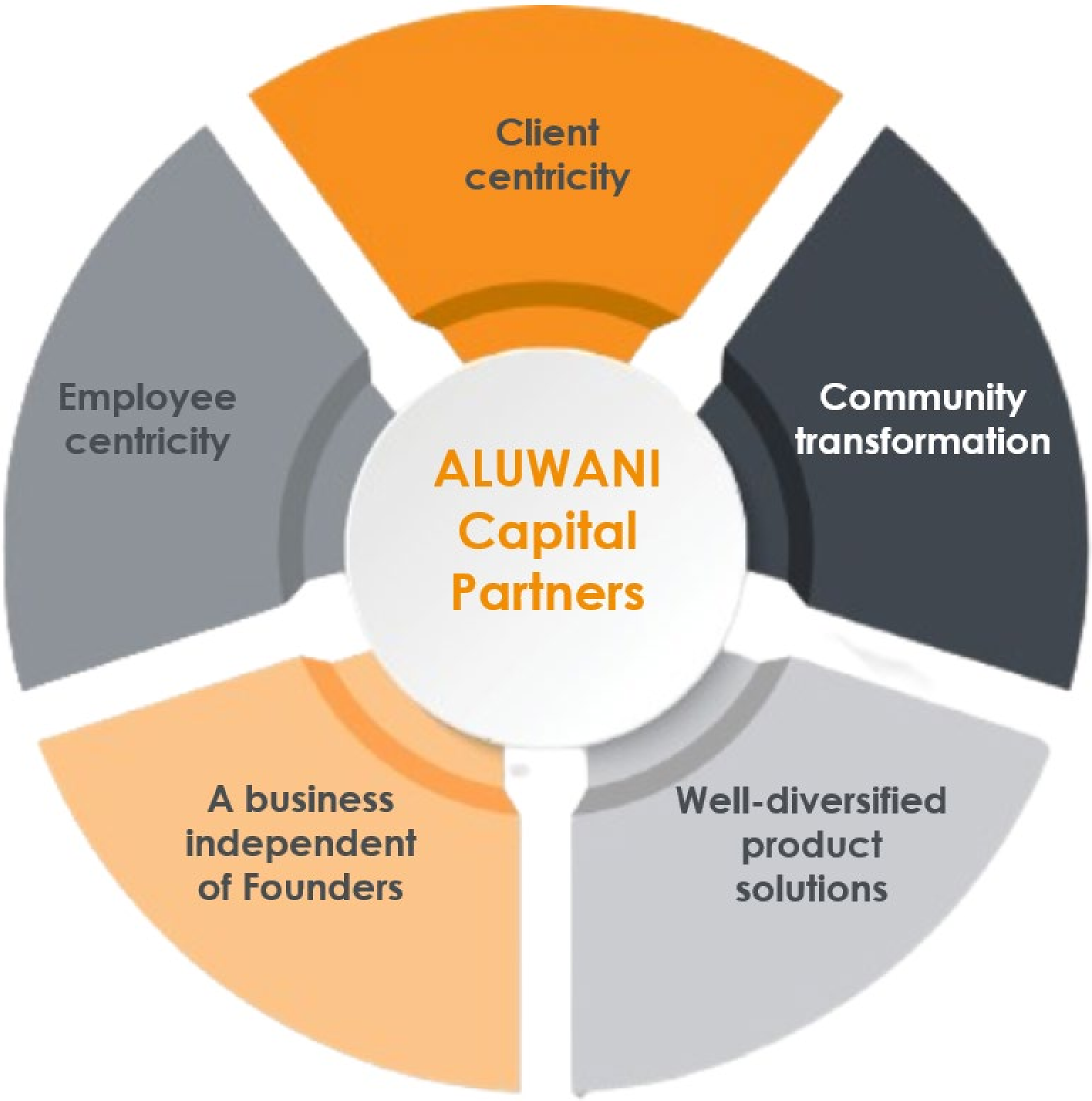
* As at 30 June 2025

Our vision is to create a:

- large multi-strategy investment management business
- transformative black owned and controlled asset management business of scale
- significant staff and management ownership structure aligning investors long term objectives with those of ALUWANI
- sustainable and mutually beneficial

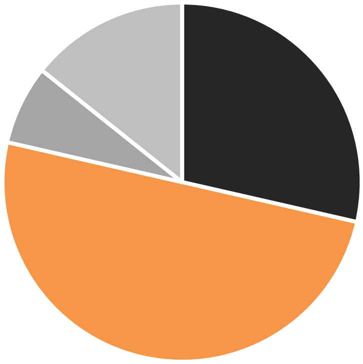
Johannesburg
Cape Town
Botswana
Lesotho
Namibia

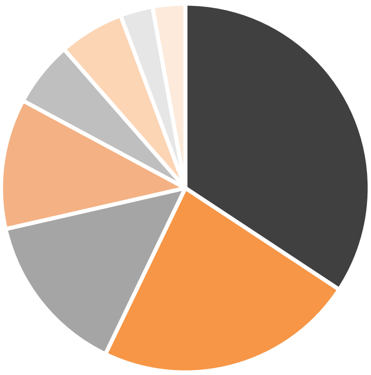
Building a sustainable business



2024 ESG-focused engagements

We conducted 53 ESG-focused engagements, through which we discussed c.67 ESG-focused topics.





Summary of key engagements

Resources Producer	
Objective	To gain clarity over the events leading up to the leadership turnover and investigations announced in 2024. Secondly, to gain an understanding of how carbon impacts are considered in investment decisions. We also raised concerns about some non-executive directors being over-boarded.
Main issue	An announcement that the CEO had been placed on a precautionary suspension for misconduct, a few months after the suspension of the Chief Operations Officer in April 2024. Given that not all jurisdictions have laws in place regulating carbon emissions, how the investment committee considers carbon impacts in these jurisdictions, to avoid surprise outcomes if regulations evolve. Some non-executive directors (NEDs) hold several board positions and are over-boarded based on our internal guidelines.
Details of engagement	We had two engagements with the Board Chair. At the time of initial engagement with the Board Chair, he was unable to share much detail given the ongoing investigations. In the subsequent engagement the Chair shared that the COO suspension was triggered by the CEO and the board was aware of the suspension. And further that neither of the allegations against the key management team are related to fraud. In this meeting it was also confirmed that the Head of Strategy exited due to a restructuring exercise and a Group Strategy Officer was subsequently appointed. The Chair refused to entertain a discussion around strategy but promised follow-up engagements focused on that topic. The Chair confirmed that management apply internal pricing and targets consistent with South Africa's climate change framework, even when evaluating investments in countries where similar frameworks don't exist. They have considered the carbon intensity of the minerals that they want to diversify into relative to coal. The investment committee is well resourced with the appropriate skills. The Chair did not share our view on NEDs being over-boarded and noted that the company has slightly less stringent criteria than ALUWANI with respect to over-boarding tests. The Chair requested we share a copy of our proxy voting policy.
Outcome	Whilst the response offered little clarity, it was understandable given that investigations were still ongoing. The CEO and the COO have since resigned with immediate effect and have both subsequently been replaced. We remain concerned about the capital allocation risk.

	We shared a copy of our proxy voting policy with management as per their request.
Status	We look forward to further details of the leadership change in the coming months. We have resolution on the most significant leadership positions. We will continue to monitor the capital allocation risk. We continue to vote in line with our proxy voting policy on over-boarded directors.

South African Telecommunications Company	
Objective	Follow up on persisting concerns over directors being over-boarded and the effectiveness of the company's board and its subcommittees
Main issue	The company operates in various countries across Africa and the Middle East, and it faces increasingly stringent regulations. It has faced several regulatory fines that have required intense negotiation at corporate and political levels. We raised the concern over directors' being over-boarded again this year because in our view, it is unresolved. Directors have multiple commitments because meeting attendance has declined – in 2023, only 25% of the non-exec directors had 100% attendance for board and committee meetings. The complexity and urgency of the issues the organization faces makes this poor attendance record concerning. Similarly, the International Advisory Board (IAB) which comprised high ranking dignitaries and former executives was disbanded in 2023. We questioned whether the current board has sufficient skills to negotiate and lobby at high levels politically.
Details of engagement	We had a discussion with the Chairman of the board to discuss our concerns and get his views.
Outcome	The Chair is engaging with board members who miss meetings individually and a policy framework is being developed for directors e.g. directors cannot hold seats in more than 4 listed companies The Chair is fully confident that the board can engage at a high level with telco regulators and political heads of states. Issues are usually managed by the boards of the country subsidiaries and if there is no resolution they are escalated to the board at group level. The Chair is currently engaged in one such matter and will be meeting with the president of a key country to lobby on behalf of the Group.
Status	Our engagement remains ongoing. (i) We will continue to monitor attendance levels, and we will vote against the re-appointment of directors who we think are over-boarded. (ii) We will monitor the progress of negotiations.

Non-bank lender	
Objective	This was a follow-on conversation to understand changes implemented by management based on prior concerns raised.
Main issue	The lack of independent member representation on the company's credit committee.
Details of engagement	We had previously raised concerns about the lack of independent oversight of certain investment decisions made by the company. The credit committee was made up exclusively of individuals who, while highly skilled, had long-standing working relationships. We were concerned that this may impede the level of challenge when it comes to decision-making and result in blind spots being less likely to be identified. The management team has since addressed these concerns by introducing an Independent Advisory Board that will oversee the decisions of their investment committee.
Outcome	We were satisfied that the company engaged with us on the matter and made changes to address our concerns, which in our view reduces the risk profile of this investment.
Status	Management responded with appropriate action by implementing the new Board. We consider the issue resolved.

South African Bank	
Objective	To understand their position on decarbonization relative to energy targets as a driver for growth in Southern African.
Main issue	The bank has built a reputation as a champion for ESG. However, ESG factors only form a small part (10%) of the company's long-term incentives (LTI's). Whereas, at peer companies, ESG accounts for at least 15-20% of LTI. At the same time the bank's operations are primarily focused on Southern Africa, where decarbonization efforts remain in their infancy, alongside a need to improve energy accessibility as a driver of economic growth. We wanted to understand how the bank balances these potentially conflicting priorities.
Details of engagement	We engaged with the Chairs of the Board and the Remuneration committee to get their views.
Outcome	The Board Chair indicated that the fossil fuel targets are set over long term. Further, they are flexible in their thinking and that if the landscape continues to require energy funding, then they remain open to revisiting their approach. The Remuneration committee Chair highlighted that individual performance contracts are highly weighted to ESG. However, he also indicated that there have been different views on where ESG is incorporated

	in the scorecard and some investors are of the view that 10% is sufficient.
Status	We found the responses from the board to be satisfactory and continue to monitor the group's approach to the decarbonization of its lending book.

Financial Services Investment Holding Company	
Objective	To discuss the long tenure of board members.
Main issue	A few of their stated independent board members have been on the board for more than 12 years. This is well over internationally acceptable tenure.
Details of engagement	We first engaged the company in 2023 over the tenure of 4 of their stated independent non-executive directors (NEDs) whom in our opinion, based on global best practice, were no longer independent due to the length of tenure on the board. The company disagreed with us and stated that the Board is satisfied that their independence is in no way affected by their length of service, on a substance-over-form basis.
Outcome	At the time we found their response to be unsatisfactory. The company has, however, since issued a SENS announcement informing the market that: 2 of the 4 NED's of concern would retire as independent non-executive directors at the end of June 2025. They further added that, the independence of directors is evaluated annually on a holistic basis in accordance with the South African Companies Act and, on a substance-over-form basis as recommended by the King IV Report on Corporate Governance. Taking this into account and for all future appointments, a non-executive director that has served on the Board for a period of more than 12 years will no longer be classified as independent.
Status	The outcome was positive and given the change in policy on independence, it is likely that the remaining long-tenured directors will retire in the course of time. We will continue to monitor progress on this matter.

Gold Mining Company	
Objective	We engaged with management as part of an investment due diligence process.
Main issue	The impact of illegal mining and health & safety performance.
Details of engagement	Management noted that illegal mining has become an increasingly significant challenge, so much so that the government sent in the army to try and keep the illegal miners out of mines. The negative impact of this activity extending across all business sustainability elements - economic, environmental and social. They discussed their approach to managing these risks via a combination of systems, technology and co-ordination with law enforcement to enhance mine security and prevent illegal mining. The second matter discussed was health and safety performance. Although the company improved most of its metrics and compares favorably to peers, there was a fatality on one of its mines. We discussed the circumstances of the fatality and what changes were made to ensure a similar accident does not occur. We also discussed health and safety philosophy and policy more broadly.
Outcome	The management team was forthright and transparent, and we were satisfied with the responses received. We have flagged this issuer and will continue to monitor fatality and safety performance in the coming few years.
Status	We obtained the information we required to make our investment decisions.

Agriculture Company	
Objective	Part of ongoing discussions with the company to understand what can be done to drive transformation in the agriculture sector.
Main issue	Lack of transformation in the South African Agriculture sector.
Details of engagement	We previously discussed the lack of transformation with the management team, however, this time round, we were afforded the opportunity to meet with a successful Black farmer, whom the company are financing, to understand from his point of view what the reasons are for the lack of transformation. Challenges include a large barrier to entry created by how capital intensive the sector is i.e. a viable farm requires a significant amount of initial capital investment and without a track record, black farmers require huge subsidies to gain access to commercial funders. He engaged us in detailed discussion about his own experience, the challenges to success and how these were overcome.
Outcome	The insights from the engagement were extremely useful for understanding the challenges on the ground and were shared more broadly with the team. Management agreed to continue engaging.
Status	The engagement reconfirmed how far reaching the challenges in the sector are and, as such, this matter remains ongoing.

Oil and Gas Producer	
Objective	The main objective was to discuss the emissions reduction plan and progress to date, as well as the executive remuneration targets that have been set for management, in this regard. Secondly, to share concerns that some of the non-executive directors are over-boarded.
Main issue	The company has set, what we believe to be, a very soft target for emissions reductions (considering the context of the starting point on the emissions intensity curve and the reference year) and has still yet to demonstrate progress on this plan to date. Additionally, the board has applied discretion with regards to related short-term incentive targets which were not met resulting in a concerning quantum increase in guaranteed pay for the CEO.
Details of engagement	We engaged with the CFO, EVP HR and EVP Strategy & Technology to understand their views on our concerns. Management remains committed to their targets despite how poorly they fare relative to peers, and they remain confident that a recovery in production and other projects scheduled for later this decade will contribute to emission reductions. They also spoke in defense of remuneration outcomes. Management has undertaken to take ALUWANI's view of over-boarded NEDs to their board given that our policy is tighter than the companies' own limits.
Outcome	We were wholly unsatisfied with the management's response and remain concerned that despite the intention to back-end traction against 2030 targets, there should be demonstrable progress at this point. We also reserve the view that remuneration should be deferred until STI targets have been delivered. We also remain concerned about the capacity of the non-executive directors we deem over-boarded.
Status	We will continue to monitor progress and engage with management on the emissions reduction plan. On remuneration, the CEO total gross pay increase followed a benchmarking exercise and the discretion on the STIs followed consultation with larger shareholders who preferred that the payment of this portion in question be deferred until the target is delivered. We will continue to vote in line with our proxy voting policy with regards to non-executive directors.

South African Retailer	
Objective	Lack of environmental targets. And secondly, we noted a lack of diversity in both shareholding and board, with no targets in place. We also engaged on the composition of the board.
Main issue	(i) The company's CO_2 performance appears high and yet there are no reduction targets in place. (ii) The company also rates low in terms of ownership and board diversity

	(Black/women) relative to peers and there are also no ownership targets in place. There is also a notable lack of diversity on the company's board, relative to peers. (iii) The Chair could be overcommitted and understanding the composition of the board in terms of Ibex representation.
Details of engagement	We met with the Head of Investor relations to share our concerns and understand management's views.
Outcome	They shared that they have intentions to improve CO_2 performance but are very cognizant of their operating model and driving efficiency and affordability for their target customer profile, who are unable to pay a premium for a sustainable product. As such, they have only committed to incremental changes. Their current environmental focus is on the reduction of spending on electricity. From a board point of view, they are comfortable that the Chair is not overcommitted. Additionally, they have indicated potential improvements in the diversification of the Board composition.
Status	We remain concerned about the lack of environmental and social targets. We will continue to monitor and engage with management on this. We are pleased to see an improvement in governance considerations.

Property Developer	
Objective	This was a governance engagement following the surprise resignation of key management.
Main issue	Sudden leadership transitions and the implications on strategy, risk oversight, board effectiveness and broader governance practices.
Details of engagement	We met with the outgoing CEO and divisional MD, and the CEO designate, who is a co-founder/previous CEO of the company. The return of the co-founder was positioned as a stabilizing move, providing strategic continuity and institutional knowledge during a critical phase in the business's lifecycle. They emphasized this move was not due to a lack of succession planning, but that the plan had been derailed by the simultaneous resignations. We went on to discuss the development of potential internal candidates ascending to the role of CEO. Management stated that it would take approx. 2-3 years to prepare an internal candidate. In the meantime, investors could be assured that the business was in good hands with the co-founder at the helm.
Outcome	We found the engagement to be broadly satisfactory.
Status	We continue to monitor the strategy and executive stability under the reinstated CEO.

UNLISTED DEBT PRODUCT

ALUWANI has a presence throughout the Southern Africa Customs Union (SACU), including, Botswana, Lesotho, Namibia, and South Africa. Our stated purpose in all our markets is to positively impact lives through the efficient allocation of capital.

To achieve our objectives, we must be relevant in the communities in which we operate. We have identified the unemployment challenge as the most pressing socio-economic issue affecting our communities.

ALUWANI is leveraging its strong expertise in fixed income and strong institutional relationships to offer investors alternative private credit investments. Our inaugural alternative investments fund is a sector agnostic, private credit fund investing in the Lesotho market.

Through this fund we have had the following governance engagements in-country:

Financial Services Company	
Objective	We engaged with management on governance as part of our investment due diligence.
Main issue	Lack of sufficient independent oversight and financial controls to support prudent lending book growth.
Details of engagement	We discussed the importance of having independent members with relevant experience on the Investment Committee, given the

	additional funding being injected into the business to fund the growth of the company's lending book. We stressed the importance of ensuring that the company grants loans in a responsible manner, through a robust credit process and the potential risks that emerge with a lack of independence in decision making. Furthermore, we discussed how the introduction of more board members can improve the diversity of ideas and experience, which in turn would support the strategy.
Outcome	As a condition of our funding offer, the company was required to make the necessary governance changes (i.e. appointing an independent board member, two independent IC members, and strengthening its accounting function. The management team was amenable to the suggested changes, which enabled us to make an investment in the company.
Status	The company has appointed two additional directors (including one independent director) and two additional members of its investment committee (both independent). In addition, the accounting function has been outsourced to an accounting firm. On the back of these improvements, funding has been disbursed to the client.

Renewable Energy Project Company	
Objective	We engaged with management on governance as part of our investment due diligence.
Main issue	Lack of sufficient independent oversight and financial controls given the dual role of the contractors as shareholders.
Details of engagement	A renewables project funded by Impact funders, who are also the appointed contractors on the project. As a potential commercial funder, we saw an opportunity to improve the governance controls on the project, given the potential conflict of interest presented by their dual role. We discussed the need for independent oversight over contractor activities and the need for an independent accounting function to improve financial controls.
Outcome	As a condition of our funding offer, the company is required to outsource the accounting function to an independent reputable firm. In addition, ALUWANI will have representation on the board of directors to diversify the level of skills/experience and to ensure sufficient oversight.
Status	The deal is currently in legal execution and the company has committed (legally) to appointing an ALUWANI representative onto the board of directors and to externalize the accounting function.

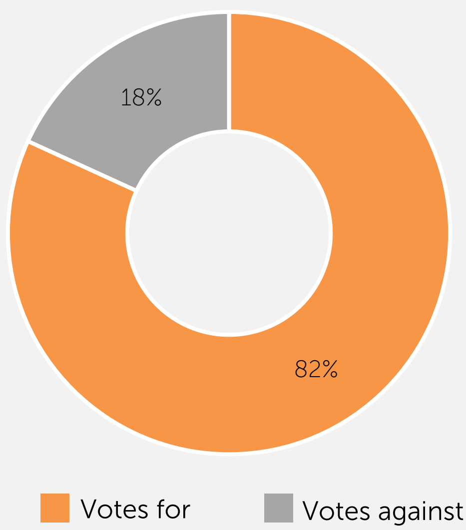
Proxy voting as a form of engagement

Proxy voting is an important part of our investment responsibilities and is a way to protect the interests of our clients. The responsibility for proxy voting rests with the equity team. Each equity analyst is responsible for voting on resolutions proposed by the companies under their coverage. The ALUWANI proxy voting policy outlines the principles that determine how we vote on company resolutions.

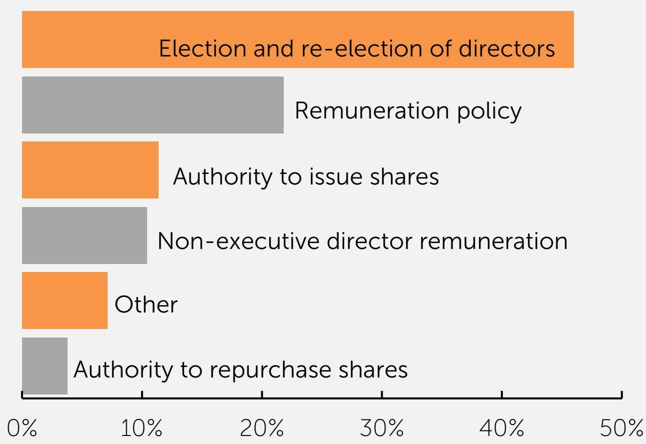
How we voted in 2024

During the year, we considered and voted on 1 161 resolutions. We voted in favour of 950 (82%) and voted against 211 (18%) resolutions.

A split of the way we voted



Resolutions voted against



Below, we provide a brief explanation as to why we voted against certain resolutions.

Re-election of directors

If, according to our assessment, a director is not independent, or if a director lacks the appropriate skills and experience or if he/she is a member of too many boards and/or has poor board attendance, we will vote against their re-election.

Remuneration policy

In our view, remuneration policies should at least keep in mind the following principles:

(i) transparency and accountability.
(ii) align managements and shareholders' interests.
(iii) remuneration must be performance-based, with a clear link between performance remuneration and stakeholder value creation; and
(iv) the policy should not incentivise short-term profit growth at the expense of long-term shareholder value creation.

Misalignment with these principles would result in a vote against the remuneration policy.

Authority to issue shares

Generally, ALUWANI opposes resolutions that seek approval to place unissued shares under the control of the directors or that allow directors to issue shares for cash, because issuing new shares would dilute our relative shareholding. There are times when we would consider voting in favour of these resolutions, if they are in the best interests of existing shareholders. These would be evaluated on a case-by-case basis.

Remuneration of non-executive directors

In our view, non-executive director fees are usually a reflection of the company's size, operational complexity, business risk environment and performance. Fees should also be informed against benchmarking. The quantum of fees should be evaluated in this context. If the amount paid is out of line with these criteria, we would vote against the resolution.

Repurchase of shares

Share repurchases are usually seen as a way of returning capital to shareholders which are often viewed favourably, however, ALUWANI may vote against share repurchases in certain instances, for instance:

(i) where the free float of the company is less than 50%, or approaching it, unbalanced share repurchases could shrink the free float, which could result in lower liquidity and reduced voting rights of minority shareholders,
(ii) when no value was added by previous share repurchases,
(iii) if ALUWANI has concerns about a company's incentive scheme, it will vote against a repurchase of shares if the intention is for those shares to be allocated to the incentive scheme,
(iv) if executive bonuses are linked to an increase in earnings per share, careful consideration should be given before approving share repurchases as this could be a mechanism used by management to increase the earnings per share,
(v) The repurchase could create financial liquidity or growth constraints for the company.

EPPF Office Park
24 Georgian Crescent East Bryanston East Johannesburg, 2152
T +27 (0) 21 204 3800