

**Nanuk Asset Management  
Sustainability Policy  
Updated March 2024**

**Purpose**

This policy summarises Nanuk’s overarching approach to sustainability, our beliefs and how they are implemented across the firm.

**Introduction**

Nanuk is an independent investment manager founded to develop world leading expertise in the investment implications of sustainability.

Our focus as a firm is on delivering excellent investment outcomes to clients and through doing so to contribute to improving global sustainability.

**Sustainability**

Sustainability is the ability to maintain healthy environmental, social and economic systems in balance indefinitely.

The concept of sustainability can be applied at both a global and local or company level. It follows that unsustainable corporate practices, activities, products and services and relationships with stakeholders will inevitably be subject to change.

**Our Beliefs**

Our investment philosophy and approach are centred around the investment implications of sustainability.

We believe the global economy, and society more generally, will inevitably change to become more sustainable and these changes will have a material impact on the structure of the economy and the economics of individual companies.

More specifically, we believe environmental and resource constraints necessitate significant structural changes in the global economy in coming decades. Large parts of the global economy are transforming as a broad range of more efficient and sustainable technologies and practices will replace incumbent solutions. The resultant changes and disruption will present a significant set of investment opportunities and risks.

We believe that at a broad level the industries benefiting from these changes are likely to outperform industries being negatively impacted. Evolving historical performance suggest this is already coming to pass. Additionally, the complexity associated with ongoing structural and technological changes leads to inefficiencies in equity markets that can be exploited by active management.

At a company level, we believe the sustainability of companies’ activities (products and services) and the sustainability of their relationships with key stakeholders (shareholders, creditors, customers,

employees, suppliers, communities, governments and society) are material to their longer-term profitability and economic value and that companies generating higher returns on capital and with sustainable practices and stakeholder relationships that are well managed in the interests of minority shareholders typically present lower investment risk and greater potential for shareholder value creation.

More generally, we have an obligation to operate in a sustainable manner and as an asset manager we have the ability to influence corporate decision making and have a role to play in improving sustainability outcomes in a way that is consistent with our clients' financial interests.

### **Approach**

Nanuk's approach to sustainability is reflected in the following broad principles

- We seek to invest in companies that we believe are contributing to improving global sustainability
- We seek to avoid investing in companies whose activities are unsustainable
- We seek to avoid investing in companies whose relationships with stakeholders are unsustainable
- We consider the governance and sustainability of businesses in our investment analysis and decisions
- Where practical and aligned with our clients' interests we seek to influence companies to improve both global and intrinsic sustainability
- We seek to operate our own business in a sustainable manner

The firm is committed to implementing these principles across all aspects of our business and this commitment is prescribed in detail in the firm's ESG, Stewardship and Climate Change Policies.

### **Promotion of Sustainability and ESG Principles**

We believe we have both an opportunity and responsibility to promote more sustainable outcomes within the investment management industry and the economy more broadly.

Where practical and meaningful, we seek to support organisations with aligned sustainability principles and goals.

Nanuk is currently a member of the following industry groups

- UNPRI (United Nations Principles for Responsible Investment)
- IGCC (Investor Group on Climate Change)
- RIAA (Responsible Investment Association Australasia)

Nanuk supports and endorses the approach and goals of the UN Framework Convention on Climate Change and the Paris Agreement.

Nanuk supports the adoption of the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD) in relation to climate related reporting for companies and asset managers.

### **Responsibility**

Responsibility for the implementation of this policy rests with the Managing Director. The policy is implemented through related policies which delegate responsibility to relevant persons within the firm.

**Related Policies**

- Climate Change Policy
- ESG Policy
- Stewardship Policy

**Monitoring**

The implementation of this policy is monitored by the Board.

**Review and Amendments**

This policy will be reviewed annually by Nanuk's Managing Director and CIO for subsequent Board ratification.

**History**

Last reviewed: March 2024

Ratified by the Board in March 2024

Next review: March 2025