



September 2021

# Statement on Racism and Racial Diversity

We recognise the existence of inequality and institutional racism across the world – we share the horror felt by so many as we have witnessed events that highlight the inequality, prejudice and sheer injustice faced by members of the black community the world over.

As we sit at our desks and analyse companies, we recognise we do not have all the answers on this issue. Indeed, we approach this issue with so much to learn, especially as it relates to the experiences of so many. These long-standing issues stem from a centuries-old and complex cultural and historical context. In some cases our team members have also experienced the unjust and unfair effects of racism, both in and outside the workplace. But this can only be an excuse for so long.

As investors, we have always favoured companies that understand the need to, and live by the principles of, operating in the right way. While this may sound vague, we know what it looks like. It is as simple as showing an open mind to diversity, through to more complicated matters of respecting all communities and supporting their advancement, not abusing minorities or human rights, as well as operating within an explicit or implicit licence to operate.

On top of that, it is about looking for companies that understand the links between poverty, disadvantage, accessibility to services, basic human rights and climate change. We have long sought out and invested in companies which build necessary goods and services, such as providing clean reliable water, sanitation, access to medicines and healthcare, and essentials, such as soap and personal care goods. Added to this in recent years are internet access, mobile telephony, clean electricity, basic banking services and micro insurance. Our hope is that our clients' capital can support companies which sustain and advance the livelihoods of those most in need of these services and who face the greatest challenges, regardless of ethnicity.

Although this is an integral part of our investment philosophy, there is much more we can and should be doing to play our part in addressing racism and racial diversity.

We plan to:

- > Educate ourselves better as investors and not shy away from the complex issues particularly around caste, ethnicity, Black Economic Empowerment (BEE), specific challenges faced by indigenous communities, as well as similarly localised issues of race. We will educate ourselves by listening, discussing, sharing, understanding, analysing and commissioning research where necessary.
- > Engage more persistently on diversity in all forms with companies. For example, we have written to many companies about racial diversity on boards over the past 20 years, but we have not been active enough in following up or taking tough decisions. We need to work harder with the companies we invest in as genuine partners.
- > Educate ourselves better as people. A few years ago every Sustainable Funds Group team member took part in a two-day course on unconscious bias. It is time to revisit and challenge our biases as individuals.
- > Stand firm and be prepared to call out racism when we see it. In the past, we may not have been firm enough on this issue. We will work towards a clear mechanism for identifying and addressing racial bias that allows us to engage with the relevant parties in a constructive manner. Often these parties are external, which creates its own challenges, but we need to learn how to overcome them.

Unequivocally it is time for change, and for us as an investment team, there is much we can and will be doing to play our part in this change.

## Investment terms

View our list of [investment terms](#) to help you understand the terminology within this document

---

### Important information

This document has been prepared for general information purposes only and is intended to provide a summary of the subject matter covered. It does not purport to be comprehensive or to give advice. The views expressed are the views of the writer at the time of issue and may change over time. This is not an offer document, and does not constitute an offer, invitation, investment recommendation or inducement to distribute or purchase securities, shares, units or other interests or to enter into an investment agreement. No person should rely on the content and/or act on the basis of any matter contained in this document.

This document is confidential and must not be copied, reproduced, circulated or transmitted, in whole or in part, and in any form or by any means without our prior written consent. The information contained within this document has been obtained from sources that we believe to be reliable and accurate at the time of issue but no representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information. We do not accept any liability for any loss arising whether directly or indirectly from any use of this document.

References to “we” or “us” are references to Stewart Investors. Stewart Investors is a trading name of First Sentier Investors (UK) Funds Limited, First Sentier Investors International IM Limited and First Sentier Investors (Ireland) Limited. First Sentier Investors entities referred to in this document are part of First Sentier Investors, a member of MUFG, a global financial group. First Sentier Investors includes a number of entities in different jurisdictions. MUFG and its subsidiaries do not guarantee the performance of any investment or entity referred to in this document or the repayment of capital. Any investments referred to are not deposits or other liabilities of MUFG or its subsidiaries, and are subject to investment risk including loss of income and capital invested.

Past performance is not a reliable indicator of future results.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

#### **Hong Kong and Singapore**

In Hong Kong, this document is issued by First Sentier Investors (Hong Kong) Limited and has not been reviewed by the Securities & Futures Commission in Hong Kong. In Singapore, this document is issued by First Sentier Investors (Singapore) whose company registration number is 196900420D. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. Stewart Investors is a business name of First Sentier Investors (Hong Kong) Limited. Stewart Investors (registration number 53310114W) is a business division of First Sentier Investors (Singapore).

#### **Australia**

In Australia, this document is issued by First Sentier Investors (Australia) IM Limited AFSL 289017 ABN 89 114 194 311 (FSI AIM). Stewart Investors is a trading name of FSI AIM.

#### **United Kingdom**

This document is not a financial promotion. In the United Kingdom, this document is issued by First Sentier Investors (UK) Funds Limited which is authorised and regulated in the UK by the Financial Conduct Authority (registration number 143359). Registered office: Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB, number 2294743.

#### **European Economic Area (“EEA”)**

In the EEA, this document is issued by First Sentier Investors (Ireland) Limited which is authorised and regulated in Ireland by the Central Bank of Ireland (registered number C182306) in connection with the activity of receiving and transmitting orders. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland, number 629188.

#### **Middle East**

In certain jurisdictions the distribution of this material may be restricted. The recipient is required to inform themselves about any such restrictions and observe them. By having requested this document and by not deleting this email and attachment, you warrant and represent that you qualify under any applicable financial promotion rules that may be applicable to you to receive and consider this document, failing which you should return and delete this e-mail and all attachments pertaining thereto.

In the Middle East, this material is communicated by First Sentier Investors (Singapore).

## **Kuwait**

If in doubt, you are recommended to consult a party licensed by the Capital Markets Authority ("CMA") pursuant to Law No. 7/2010 and the Executive Regulations to give you the appropriate advice. Neither this document nor any of the information contained herein is intended to and shall not lead to the conclusion of any contract whatsoever within Kuwait.

## **UAE - Dubai International Financial Centre (DIFC)**

Within the DIFC this material is directed solely at Professional Clients as defined by the DFSA's COB Rulebook.

## **UAE (ex-DIFC)**

By having requested this document and / or by not deleting this email and attachment, you warrant and represent that you qualify under the exemptions contained in Article 2 of the Emirates Securities and Commodities Authority Board Resolution No 37 of 2012, as amended by decision No 13 of 2012 (the "Mutual Fund Regulations"). By receiving this material you acknowledge and confirm that you fall within one or more of the exemptions contained in Article 2 of the Mutual Fund Regulations.

## **United States of America**

In the United States, this document is issued by First Sentier Investors International IM Limited, as SEC registered investment adviser. Stewart Investors is the trading name of First Sentier Investors International IM Limited. This material is solely for the attention of institutional, professional, qualified or sophisticated investors and distributors who qualify as qualified purchasers under the Investment Company Act of 1940 (hereafter the "1940 Act"), as accredited investors under Rule 501 of SEC Regulation D under the US Securities Act of 1933 ("1933 Act"), and as qualified eligible persons as defined under CFTC Regulation 4.7. It is not to be distributed to the general public, private customers or retail investors.

## **Other jurisdictions**

In other jurisdictions where this document may lawfully be issued, this document is issued by First Sentier Investors International IM Limited which is authorised and regulated in the UK by the Financial Conduct Authority (registration number 122512). Registered office 23 St. Andrew Square, Edinburgh, EH2 1BB number SC079063. about any such restrictions and observe them. By having requested this document and by not deleting this email and attachment, you warrant and represent that you qualify under any applicable financial promotion rules that may be applicable to you to receive and consider this document, failing which you should return and delete this e-mail and all attachments pertaining thereto.

For more information please contact:

[client.engagement@stewartinvestors.com](mailto:client.engagement@stewartinvestors.com)

Or visit our website at [stewartinvestors.com](http://stewartinvestors.com) and dedicated sustainability microsite at [sfg.stewartinvestors.com](http://sfg.stewartinvestors.com)