GENESIS

ANNUAL STEWARDSHIP REPORT 2022

GENESIS INVESTMENT MANAGEMENT, LLP

Contents

Executive Summary

We aim to deliver excellent investment returns for our clients, and our long-term, fundamental style means we look for sustainability in the companies we invest in. This report explains how we do this and demonstrates how we integrate ESG considerations into our investment process, with relevant examples from 2022. The primary audience we are aiming at is our clients, and we trust that this report explains how we practise good stewardship of our clients' capital. We hope you enjoy reading this and welcome your feedback.

2022 was a tumultuous year with markets battered by major events including the complex fallout from the devastating invasion of Ukraine, geopolitical tensions, a variety of issues in China and the ratcheting up of interest rates. Nevertheless, our commitment to effective stewardship remained steadfast throughout the year, with the UK Stewardship Code as our guide. We detail our progress, frustrations, engagements (primarily around Net Zero), proxy voting activities and efforts as a firm to act in the interests of our various stakeholders. We are particularly sensitive to the Code's emphasis on corporate culture in support of good stewardship. It resonates with how we see things. In many respects, investing sustainably still needs to be viewed as a work in progress in Emerging Markets ("EM"), and in the absence of robust guardrails, it falls to the culture of the investment firm to invest responsibly for the long-term benefit of clients and the world around us.

We are an owner-managed boutique with an exclusive focus on EM equity. We engage deeply with the management teams of our holdings to understand sustainability from various aspects. Based on this analysis, a Quality Rating is assigned to each holding. The Quality Rating specifically includes a Stakeholder Analysis and an engagement plan. Our Quality Ratings capture a company's ESG footprint as one of the five factors that guides the weight of a position in the Portfolio. We record and assess the effectiveness of our company engagements and as a result, our discussions with management are increasingly useful and we hope influential.

To our clients – we thank you for the trust you have placed in us as the stewards of your capital and we look forward to continuing our long-standing partnership.

***Stewardship** is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. UK Stewardship Code 2020 www.frc.org.uk*

Our Values

Our values are the backbone of everything we do as an organisation, reflecting our culture and fundamental beliefs.

We aim to generate excellent long-term investment performance in EM equities for our clients.

In doing so, we will uphold our values and consider the interests of all stakeholders.

EXCELLENCE

We strive for excellence in everything we do

We put our clients' interests first

We seek constant improvement

TEAMWORK

We work collaboratively to accomplish more than we can alone

We share knowledge, expertise and relationships with our colleagues

We support each other to develop and learn

OPENNESS & HUMILITY

We continually question our views and welcome constructive challenge

We are honest with ourselves and each other

We embrace diverse thinking styles, experience and skills

Our Pillars

Genesis Investment Management, LLP ("Genesis") was founded in 1989 and is currently owner-managed by eight Partners and Affiliated Managers Group. As a boutique asset manager with a single office in London, Genesis has focused on global EM equities for over 30 years. Our EM equity strategy is managed by seven Portfolio Managers ("PMs"), six of whom are also Partners of Genesis.

We believe that we can best deliver excellent investment performance by working as a team making long-term investments in quality businesses at attractive prices. Our competitive edge is the unique combination of the four pillars of our business: The four pillars of our long-term investment success are our supportive clients, an aligned partnership structure, a consistent investment philosophy & process, and our diverse & experienced team.

OUTPERFORMANCE

c.2.4% (gross)/1.4% (net) per annum over 33 years*

CLIENTS

- Sophisticated asset owners
- Long-term relationships
- Prudent AUM management

PARTNERSHIP STRUCTURE

- Owner-managed
- Sole focus on EMs
- Culture of excellence, teamwork, openness & humility

PHILOSOPHY & PROCESS

- Long-term investments in quality businesses at attractive prices
- Collaborative process with individual accountability
- Deep fundamental research

PEOPLE

- Diverse group of skilled & experienced investors
- Enduring personal interest in EMs
- Well-resourced organisation

* Based on Genesis Global Emerging Markets Equity Composite vs. MSCI EM (TR) Index from 1 October 1989 to 30 December 2022.

Source: Genesis Investment Management, LLP

Our Clients

We manage assets for a geographically diverse range of sophisticated institutional clients, such as pension funds, endowments and foundations. All of our clients are invested in our EM equity strategy, which is our sole focus.

We strive to provide an exceptional service to all clients. We aim to build strong, long-standing partnerships with our clients, which is reflected in a median duration of 16 years. The Client Team, a dedicated, experienced team of five people, engages proactively to understand clients' expectations and needs. In 2022, we held more than 150 one-on-one client and consultant meetings and conference calls, most of them jointly with members of the Investment Team.

2022 was certainly eventful. The year was marked early on by the invasion of Ukraine. Inevitably, this caused a direct impact on the value of all Russian holdings, alongside the devastating human cost of war. Meanwhile, as the year progressed, the complex consequences of the conflict began to emerge on supply chains, energy and food prices, among many other issues.

More positively, we saw EM economies gradually reopening post the pandemic, culminating in December with the sudden end of China's zero-Covid policy. The pandemic has redefined many elements of the global social and economic landscape, but it has also created some interesting investment opportunities for us as bottom-up stock pickers.

Given the rapid pace of events throughout the year, we regularly updated all clients on performance, holdings, business operations and how the Investment Team was responding to changes in the investment backdrop.

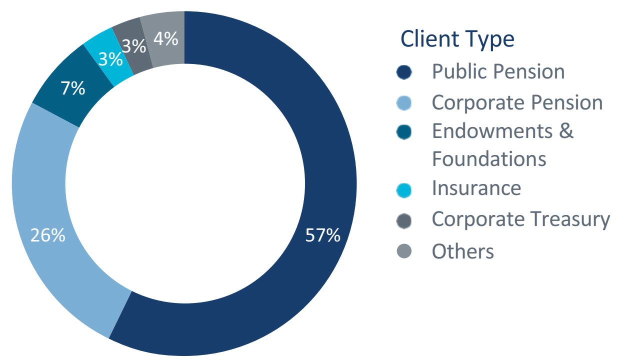
We provide detailed and timely reporting to our clients on a monthly and quarterly basis, including the carbon footprint of the Portfolio and proxy voting activity. All clients are invited to join our quarterly conference calls, which are hosted by the Client Team and involve the entire Investment Team. These calls provide an opportunity for clients to receive timely updates on Portfolio performance and positioning, as well as a relevant topic of interest each quarter. This special topic is also addressed in our quarterly client letters which, in 2022, included our reflections on Russia's invasion of Ukraine, the short and long-term impact of Covid on EMs, our optimistic view on EMs following a challenging decade and our plans for the global shift to a low carbon economy.

The quarterly client calls always conclude with an opportunity for clients have their questions answered directly by the Investment Team and, in 2022, we held an additional live Q&A session on the subject of stewardship.

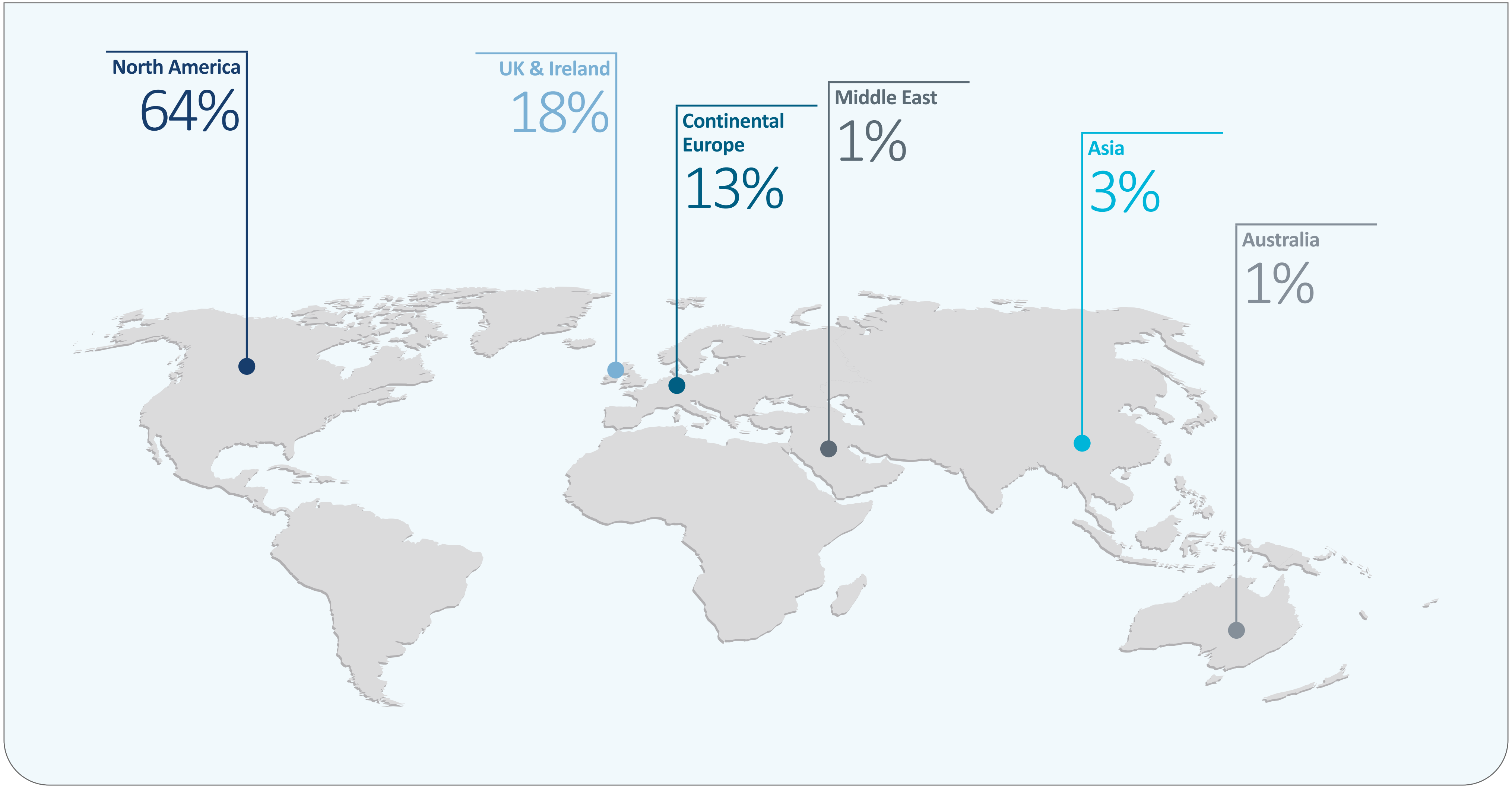
ESG integration and diversity, equity and inclusion (DEI) remain a priority for us and our clients, and more than half of the c. 70 questionnaires we completed during the year included these important topics.

INSTITUTIONAL CLIENT BASE

As of 31 December 2022 (% AUM)



Our Clients



As of 31 December 2022 (% AUM)

Investment Philosophy & Process

We believe we can best deliver excellent long-term investment performance by working as a team to make investments in quality businesses at attractive prices.

EM Investment Thesis

We believe that careful investment analysis allows us to benefit from the growth and mispricings that exist in EM. Low- and middle-income economies have the potential to grow faster than high-income economies due to:

- first, faster growth in the working age population; and
- economic convergence, particularly in countries with strong export performance.

EM stocks present attractive investment opportunities because:

- high-quality companies can take advantage of this growth, and,
- EM stocks are often more inefficiently priced than in developed markets.

EM Investment Universe

Our investment opportunity set consists of companies headquartered in countries defined as low- and middle-income economies by the World Bank as well as those in high-income economies (such as South Korea and Taiwan) included in the major EM benchmark indices. In addition, the Portfolio may also contain companies that are listed on the stock markets of high-income economies, but that generate a significant proportion of their revenues, profits or cashflow from, or whose assets or intellectual property are mostly located in, EM.

Integration of Stakeholder Analysis

Our objective is to generate excellent long-term investment performance in EM equities for institutional clients. In doing so, we will uphold our values and consider the interests of all stakeholders. We actively think about the direct and indirect consequences of our actions on our stakeholders' interests, including our clients, the companies and countries in which we invest, and the local community. We consider how these interests affect our ability to generate long-term investment returns. We aim to create a positive impact for our stakeholders, without compromising our ability to generate investment returns.

INVESTMENT PROCESS

Our investment process is structured to enable an experienced team of PMs to generate fundamental research insights and, subject to rigorous challenge from each other, express those insights in the Portfolio.

Investment Team Structure

Our stock selection and portfolio construction processes are bottom-up. Each investment in the Portfolio has a PM. For each investment, PMs receive input from fellow PMs playing two roles:

- Back-ups: Constructive challenge throughout the investment lifecycle
- Sector Specialists: Expertise in specific industries. Sector Specialists also develop the framework for assessing the relevant ESG factors in their industry

Additionally, the broader Investment Team provides feedback on an ongoing basis.

Portfolio Coordination Team

The PMs' individual investment decisions are coordinated by Portfolio Coordination Team ("PCT"), which is composed of the Managing Partner, two PMs (one rotating and one permanent member) as well as the Head of Risk who provides an unbiased perspective on the risk profile of the Portfolio, reporting separately to the Managing Director and the Risk Committee (See page 21). The role of the PCT is to:

- Ensure that PMs act in accordance with our agreed process
- Analyse and provide feedback to PMs about Portfolio risk and return
- Coordinate and initiate process improvements and investment discussions

Although any position changes in the Portfolio require PCT approval, the investment decision for each position is made by the PM.

Investment Philosophy & Process

Investment Decision-Making

We maintain a new ideas Focus List. PMs list up to ten new ideas they consider as their most likely next recommendations. The Focus List includes only ideas that are imminently actionable, i.e. have an Investment Case, including a Quality Rating and a valuation model.

PMs' investment decisions take the form of a recommendation that is circulated to the entire team for comment. PMs consider five factors in their recommended position sizing. In general, for similar upside, companies with higher Quality Ratings will have higher weightings. The Portfolio is composed of holdings in predominantly high-quality businesses (As and Bs).

INVESTMENT CASE

- Investment thesis
- Investment risks
- Quality Rating (A/B/C)
- Valuation and dispersion of returns analysis

QUALITY RATING

- Ability to generate sustainable excess returns on capital (Moat)
- US$ Intrinsic Value stability
- Management quality
- Stakeholder Analysis:
  - ➢ Material ESG Factors
  - ➢ Engagement Plan

VALUATION MODEL

- Intrinsic Value
- 5-year annualised expected return expressed in US$ (IRR)
- Range of outcomes

Investment Risk Management

Our philosophy encourages risk management: by making investments in quality businesses at attractive prices we mitigate the risk of intrinsic value erosion and the risk of over-payment. Our process also encourages risk management: we have a rigorous research process and strive to know our Portfolio companies well. Constructive challenge from Back-ups, Sector Specialists and the broader team serves to alert PMs to any risks and opportunities they may not have fully considered.

In addition, the PCT plays a key role in the oversight of Portfolio risk and provides guidance to the PMs on the Portfolio risk and return profile. Key factors include correlated risks, concentration, Quality Ratings, expected return and the Portfolio is also subject to certain quantitative risk limits. The PCT monitors these issues on a continual basis with an additional formal review held with the Investment Team during Portfolio Week reviews.

During Portfolio Week, which takes place one week every quarter, the PCT leads a formal review and discussion of all holdings in the Portfolio. This includes an assessment of the evolution of the Investment Case and intrinsic value of each holding, their weighting in the Portfolio, any engagement developments, their ESG characteristics including carbon footprint, wider Portfolio positioning, macroeconomic updates and discussion on Portfolio risks. The PCT may prompt an ad-hoc review of the Portfolio at times of unusual market moves.

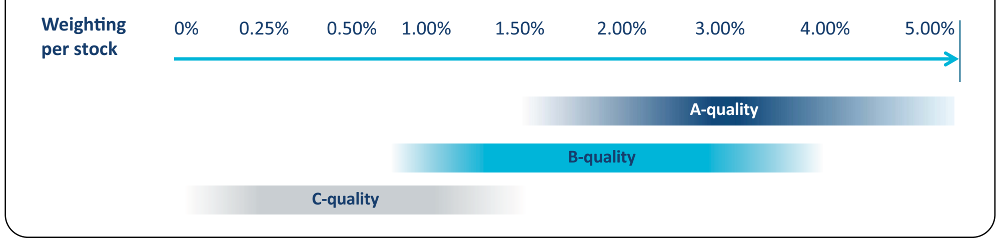
Macroeconomic Analysis

We expect to create value for our clients through our analysis and valuation of businesses rather than through macroeconomic or political forecasting. At the same time, investment judgement requires the incorporation of these risks. We utilise external experts for such analysis, and include a range of expert views in our stock decisions.

The Joined-up Thinking group, led by a PM, is responsible for providing a framework to the team to analyse correlated macroeconomic and political risks in the Portfolio. Macroeconomic risks are assessed through the lens of countries' macroeconomic vulnerabilities. For example, we use an externally provided framework to rank countries, covering a range of variables including their fiscal, external and domestic balances, and then calculate the Portfolio exposure to macro-vulnerable countries. Such macroeconomic and political risks are regularly discussed in weekly Investment Team meetings and formally considered as part of the quarterly Portfolio Week reviews.

PORTFOLIO WEIGHTING FACTORS

- Expected return
- Quality Rating
- Conviction
- Correlated holdings
- Investability



ESG Integration

As fundamental, bottom-up investors, our investment approach lends itself naturally to the integration of ESG factors at the company level.

Our PMs are responsible for integrating ESG risks and opportunities into their investment thinking – this is not the responsibility of a separate team. PMs assess ESG factors in the context of materiality.

We assess management quality and material ESG factors through an ongoing dialogue with management via regular meetings, site visits, calls, continuous research and correspondence. We engage on a variety of material issues that may affect performance. Our Sector Specialists are responsible for developing and sharing frameworks to assess the relevant global ESG considerations for each sector. In 2022, such reviews included the energy sector and life insurance. In addition, we host expert speakers and topics covered during the year included the societal impacts of gaming and the net zero landscape.

Stakeholder Analysis

A Stakeholder Analysis is included in Investment Case documents for all Portfolio holdings. In the Stakeholder Analysis, PMs identify and describe the most material ESG factors facing the company and lay out an engagement plan to press for improvement on these issues. The Stakeholder Analysis is part of a company's Quality Rating, which is one of our five sizing factors for investments. All Investment Case documents are kept in a central database and are accessible to the whole Investment Team, enabling constructive feedback.

Regular challenge and review of all holdings by the Investment Team is conducted informally on an ongoing basis (for example, in the weekly Investment Team meeting) and formally, in our quarterly Portfolio Week review. As noted above, this formal review is led by the PCT and the PMs highlight any material engagement developments at the company level. The Investment Team also review and consider the Portfolio's carbon footprint, external ESG ratings and any global norms or ESG-related controversies identified by MSCI.

Each PM is individually responsible for integrating the relevant ESG issues into their investment analysis of a company. This follows collaboration with the Sector Specialist and draws on advice from our dedicated Head of ESG, who also works closely on specific ESG issues with the PMs as an internal consultant to support their analysis. We decided that the PM who has the closest relationship with the company is best placed among us to raise an issue and also most likely to positively influence management decisions and create change.

ESG Research and Data

External ESG metrics are not used as a quantitative tool in our investment process, but we use research and data from external providers to inform our decisions. The Investment Team draws on multiple external research sources including dedicated ESG data and research from MSCI, local ESG data providers and research from many of the ESG-related groups that we support.

While we do not maintain restricted lists of countries, sectors or companies, we wish to avoid businesses that we believe are harmful on balance. Serious concerns on sustainability might include issues like selling weapons, abusing a position of power over consumers or employees, or making insufficient effort to comply with best practice in areas of weak environmental regulation. We try to avoid situations where we think an ESG issue puts the sustainability of a company at risk, whether through competition, regulation, reputational damage, or otherwise. For segregated mandates, we have the ability to apply client screens and exclusions to ensure that the client's account is consistent with their aims or mission statement.

We are committed to supporting sustainable business practices in our investments and the global financial system more broadly. We have been a signatory of the UN Principles for Responsible Investment ("UN PRI") since 2007.

In addition, we formally support a range of global and local organisations that promote good corporate governance and sustainable investing practices. We participate actively in these groups to monitor regulatory developments and best practice in the relevant markets and for investment research purposes. These groups also increasingly offer opportunities for direct and collaborative engagement with Portfolio companies, see page 15.

ESG Research and Data			
MSCI ESG – including ESG ratings and reports, carbon analytics, controversies and global norms	Brokers	NGOs (e.g. CDP, FAIRR)	Stakeholders Empowerment Services (India)

Proxy Voting Analysis and Corporate Governance Research				
ISS	ZD Proxy (China)	Institutional Investor Advisory Services (India)	Stakeholders Empowerment Services (India)	Korea Corporate Governance Service (South Korea)

Asian Corporate Governance Association
www.acga-asia.org/who-we-are.php

Association of Institutional Investors
www.api-russia.org

CDP
www.cdp.net/en/info/about-us

Farm Animal Investment Risk & Return (FAIRR) Initiative
www.fairr.org/about-fairr

International Corporate Governance Network
www.icgn.org/about

Investor Action on Antimicrobial Resistance
www. https://amrinvestoraction.org/about

UN PRI
https://www.unpri.org/

Signatory of:

ESG Profiles and Engagement Priorities – Portfolio Examples

Portfolio Example | Credicorp

CREDICORP

Country:	Peru
Sector:	Financials
Market Cap*:	US$10.8bn
Quality Rating:	C
Initiated:	August 2013

Engagement priorities include:

- **G** Board effectiveness – independence and oversight
- **S** Social opportunities – access to finance, healthcare, communications
- **S** Product responsibility and safety – including data security and privacy, financial product suitability

Credicorp is a financial services holding company with subsidiaries which offer a wide range of financial, insurance and health services and products, mainly throughout Peru and in other countries in Latin America such as Colombia, Bolivia and Chile. Credicorp is headquartered in Peru and listed on the NYSE in 1995.

Credicorp has set its sights and reputation on being the sustainable financial services leader in Latin America. In its 2020-2025 Sustainability Strategy, a key social focus is financial inclusion, and this is driving strategic priorities. According to the Financial Inclusion Indicators Report from the Superintendency of Banking and Insurance, 46% of Peru's adult population does not have a bank account**. Peru comes second from the bottom (just above Bolivia) of the Financial Inclusion Index*** (sponsored by Credicorp) which looks at access, use and knowledge of financial products across eight Latin American countries. The Index, which is publicly available, is intended to promote debate around financial exclusion amongst policy makers. The Index helps evidence that financial inclusion is highly correlated to financial education and is related to the closing of gender gaps and digitalisation.

We have closely followed and discussed with management how Credicorp, through a dedicated team at each subsidiary, incorporates some of the learnings from the Index into its business models. For example, Yape, Credicorp's main digital wallet, allows users to make payments quickly, intuitively, and securely with a mobile phone number or QR code and without a traditional bank account. Since its launch in 2017, Yape is now the largest fintech in Peru with over 8 million active users and processing an average of 162 million transaction a month. Yape's functionality has expanded to include small loans and educational initiatives such as mass media and training on personal finance. Yape aims to reach 500,000 disbursed loans by 2023. A similar wallet, Soli, has been launched by Credicorp in Bolivia.

Another subsidiary, Mibanco, one of the largest microfinance business in South America, provides microloans to individuals and SMEs including a specific product aimed at women entrepreneurs. In 2022, Mibanco added more than 72,000 unbanked individuals (55% of whom are female) and more than 2,000 SME's.

As long-term investors, we have consistently had good access to senior management and the Board, and our discussions are frank and direct. This was particularly useful in 2019, when some serious concerns emerged over previously undisclosed political donations by the then Chairman to the political campaign of a Peruvian presidential candidate. The political contributions totalling US$3.65m were made between 2010 and 2016 and, although they were legal at the time they were made, such contributions were altogether unsavoury and involved cash in a briefcase. In addition to not disclosing the contributions when the issue did come to light, the Chairman (who was also a significant shareholder) was defensive and on the slate for re-election in 2020. We had a difficult conversation at the time with the Chairman and CEO, explaining why we intended to vote against the re-election of the Chairman in 2020. Ultimately, the meeting was delayed, and the Chairman did not stand for re-election at the 2020 AGM. The company did end up paying fines to the Peruvian and US regulators.

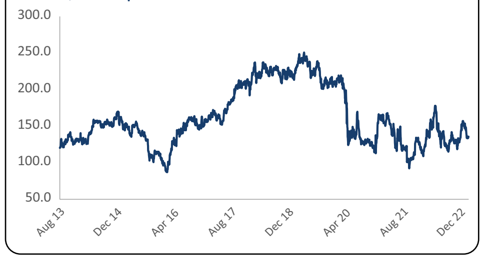
To the company's credit, corporate governance improvements were triggered including the appointment of new independent directors, restructuring of its board committees and clear anti-corruption policies including prohibitions on political contributions. Coincident with the governance enhancements, we have observed the company's determined efforts to articulate its focus on ESG concerns. One of the committee changes involved renaming the Corporate Governance Committee to Sustainability Committee. Two subsidiaries, Credicorp Capital and Pacifico Prima, signed up to UN PRI in 2020. In 2021, the company published its first Sustainability Report and Environmental Policy.

In 2022, we held three one-on-one broad ranging discussions with the company including with Chairman, CEO and CFO. Topics included governance structure and, with a new CEO appointed in 2022, and overall strategic direction. Our impression is that the new CEO has re-energised the company's focus on sustainability. We also had a dedicated call with the company's Sustainability and Risk teams to discuss internal training on ESG metrics, GHG protocol, TCFD reporting, offsets and the development of group-wide environmental taxonomy for reporting.

Current climate targets are limited to its own operations (carbon neutrality by 2032) but there is planning in place for expanding to its loan book starting with wholesale loans in Peru and Bolivia. The company has developed an environmental management plan for each subsidiary to identify and implement measures to reduce carbon emissions and we will be following developments across the group closely. We are encouraged by the company's careful planning and the significant resources it has devoted to its environmental strategy, its openness to discuss progress and hurdles, and its willingness to accept feedback from its institutional investors. We will continue to engage with the business and closely monitor progress.

SHARE PRICE

In US$, since position initiated*



* As of 31 December 2022. Source: FactSet. Historical pricing has been adjusted for corporate actions. Market cap information from Bloomberg.
** CIIF-0001-jn2022.PDF (sbs.gob.pe)
*** https://www.grupocredicorp.com/indice-inclusion-financiera/en/

ESG Profiles and Engagement Priorities – Portfolio Examples

Portfolio Example | Pidilite Industries

Country:	India
Sector:	Materials
Market Cap*:	US$15.5bn
Quality Rating:	A
Initiated:	December 1999

Engagement priorities include:

- **G** Board structure and composition – including skills, experience and diversity
- **E** Natural resources use and environmental strategy including pathway to low carbon economy
- Disclosure improvements

Pidilite Industries is the leading adhesive and specialty chemical company in India. Its most popular product, a branded adhesive called “Fevicol”, is a household name and used for both consumer and industrial applications. Pidilite dominates the adhesive market in India and has gradually extended its brands to adjacent areas in specialty chemicals, construction and maintenance, and furnishing. Pidilite operates in segments that are largely devoid of global competition and requires an understanding and consideration of unique Indian circumstances.

Among the things we like about the business are:

- management’s disciplined capital allocation i.e., entry into a new product category requires a minimum addressable market and the ability to beat its internal hurdle rate,
- its strong competitive advantage, built and sustained through a powerful brand (patiently nurtured over decades through innovative and enduring advertising campaigns that understand the regional diversity of Indian households), in-house product development and innovation, technical tie ups, tuck-in acquisitions of products, and nationwide distribution reach.

We have done extensive work to understand the unique features of this company. Like many Indian companies, Pidilite is dominated by the founding family. Pidilite was established in 1959 by the Parekh family who we have known and interacted with for 30 years. The family, into its third generation in the company, continues to own approximately 70% of the business and despite the family’s controlling shareholding, the Pidilite Board has clearly favoured culture, discipline and professionalism over nepotism. This is evidenced by the company’s entrepreneurial and meritocratic culture that enables it to attract and retain top quality talent. Students at leading Indian business schools have consistently voted Pidilite as one of the most desired Indian marketing companies to work for. The Pidilite Board, driven by the family, have ensured that this culture persists and part of that has been reducing the family’s direct involvement in company management. We were particularly pleased in 2015 when the Board hired a professional CEO over a competing family member who has, over time, taken the business to the next level.

Looking at the composition of the Board, there are currently 16 members – eight executive (or related) directors and eight non-executive directors – which is large for the size and complexity of the business. There are some question marks over the independence of several non-executive directors given their long tenure on the board. Furthermore, two of the directors represent organisations that have provided services to the company. However, many of these individuals have been trusted advisers to the company over many years.

We had open discussions with the Board and founding family about how to improve Board composition and independence. Both recognise the need for transition to a smaller board over the next 18 months and have put a plan in place which hinges on various retirements, successions and an active search for a new female independent director. The company has been candid about the challenges faced in identifying a highly qualified candidate and while we agree a token appointment is not appropriate, we are persistent and will press for results. We expect the Board to transition to a majority of independent directors in the next 2-3 years with improved diversity.

Over the years, we have experienced consistently good access to management and our discussions have been open and often reassuring, including around management turnover and skills. The company has had three CFOs in the last five years, partly impacted by Covid-related personal choices, but it has brought back its previous well-regarded Finance Director to return to the business as the new CFO. Most of the senior management team come with decades of experience at leading Indian and multinational branded consumer companies. The company has clear succession plans for all senior managers, and medium-term incentive plans including stock options that are offered to the top 35-40 managers in the organisation. One of our most recent discussions has been on the performance metrics for its variable compensation plans, particularly those being offered to the top three managers in the company. At the end of the call, the company assured us that there will be better public disclosure of performance metrics in the future.

We have had multiple engagements with Pidilite over the years regarding better disclosure and, since 2019, we have increasingly observed positive signs, starting with the appointment of KPMG to help prepare its first sustainability report. Furthermore, management has put in place a strong framework of policies on ethics/anti-bribery/anti-corruption that includes its suppliers and distributors with strong whistle-blower protection and disclosure of these policies has improved considerably in recent years.

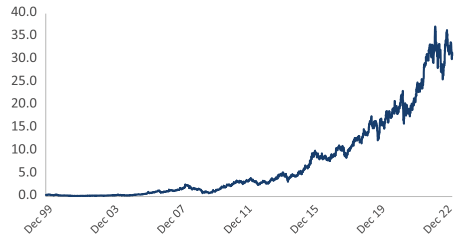
We acted as the lead investor for Pidilite in the CDP led Non-Disclosure Campaign in 2021 and 2022, urging the company to provide its climate change and water management disclosure to the CDP. To date, the company has not done so but did agree to study the CDP framework and requirements and we take the continued improvements in the scope and detail of its sustainability reports as a positive sign.

To reduce its environmental footprint, the company has set 2030 targets on plastic waste, water and energy consumption, waste disposal and GHG emissions and is reporting its progress against such goals. While more detail and ambition are needed (and we have pressed for these), we were particularly encouraged that the company has confirmed its intention to align its GHG targets with the SBTi.

Management were frank with us about the fact that Covid negatively impacted sustainability progress but they are confident that they are back on track. We understand the company is bringing back KPMG, ideally on a long-term basis, to assist on the FY2023 environmental strategy, disclosure, and SBTi commitment. We aim to substantiate this and the implementation timeframe in our review of the next Sustainability Report which is due out shortly and will follow-up in our next round of discussions.

SHARE PRICE

In US$, since position initiated*



* As of 31 December 2022. Source: FactSet. Historical pricing has been adjusted for corporate actions. Market cap information from Bloomberg.

ESG Profiles and Engagement Priorities – Portfolio Examples

Portfolio Example | Yili Industrial Group

Country:	China
Sector:	Consumer Staples
Market Cap*:	US$28.9bn
Quality Rating:	B
Initiated:	November 2021

Engagement priorities include:

- **G** Board structure and composition - including skills, experience and diversity
- **E** Natural resources use and environmental strategy including pathway to low carbon economy
- **S** Antibiotics stewardship

Founded in 1956, Yili started as the Hohhot Huimin District Cattle Raising Cooperation in Inner Mongolia. At the time, it was a state-owned enterprise (SOE) but, since going public in 1996 on the Shanghai Exchange, the government's share of its capital has reduced to 8% and Yili has grown to rank among the top five in the global dairy industry and is the number one player in Asia.**

Although Yili is a relatively new addition to the Portfolio, we have been following the company and the Chinese dairy sector for many years. Previously we had invested in Yili's primary competitor, China Mengniu Dairy, but over the course of 2022, we have transitioned the Chinese dairy market exposure to Yili taking advantage of pricing opportunities. There are a number of reasons for the switch to Yili including its more balanced liquid milk portfolio and rejuvenated infant formula business.

While conscious of the significant environmental impact of dairy companies, we remain positive about the Chinese dairy sector for several reasons.

- Although China has not been a major dairy consuming country historically, dairy consumption per capita has been rising*** due to stronger nutrition awareness and better accessibility. Milk is an affordable and convenient source for calcium and protein. Demand for liquid milk is predominantly in the form of ultra-high-temperature (UHT) milk which can be stored at room temperature given the still under-developed cold chain logistics in China.
- The dairy sector appears to be favoured by the Chinese government and was championed during Covid in a breakfast campaign from "rice congee with pickles + deep-fried stick dough" to "milk + egg" – clearly a healthier and more nutritious move in the Chinese context.
- Furthermore, foreign companies have almost completely exited the liquid milk market as they were unable to secure quality domestic suppliers.
- Like China Mengniu, Yili is a vertically-integrated duopoly owning many dairy farms which results in its significant influence over its supply chain and improved food security.

The majority of Yili's revenue (60%+) is derived from UHT liquid milk. The company also manufactures yogurt, ice cream, milk powder and cheese. Despite its SOE origins, Yili has a military-like private company culture with strong execution. Since the early 90s, Yili has been managed by its Chairman and CEO, Mr Pan Gang. While there is a key man risk and concerns over succession, Mr Gang is a dedicated and inspiring leader with great industry experience. He has prioritised a positive relationship with farmers and distributors. Furthermore, he and his business partners, including the former CFO who also joined the company when Mr Gang and he both graduated from college in the early 90s, own 8% of the shares.

Management's broad understanding of the dairy ecosystem appears to be reflected in the company's prescient approach to many environmental issues. The environmental impact of dairy is significant and difficult to abate using current farming methods. According to the UN Intergovernmental Panel on Climate Change, food production accounts for about one-third of global GHG emissions****, with livestock and crop production for animal feed being one of the main drivers. Dairy products typically involve three times more GHG emissions than plant-based milk alternatives. Yili's carbon footprint is thus particularly high, as almost all its revenues are reliant on dairy products or ingredients.

In 2010, Yili started to audit its Scope 1 and 2 carbon emissions. As a result, the company is familiar with the global and China-specific guidelines and has standardised its auditing process. In 2019, Yili extended its GHG inventory to include its supply chain (dairy farms) which make up the vast majority of the company's emissions. Scope 3 information has not yet been disclosed and we plan to raise this with management but Yili expects to cover all its dairy farms by 2030.

The company's formal sustainability committee is led by the Chairman/CEO with clear roles and responsibilities spanning four sustainability action areas: industrial chain, quality and innovation, social welfare and nutrition and health. Yili signed the UN Global Compact in 2017 and started reporting to the CDP in 2019. Most recently, the company has received B ratings from the CDP in all three disclosure categories, climate change, forests and water management.

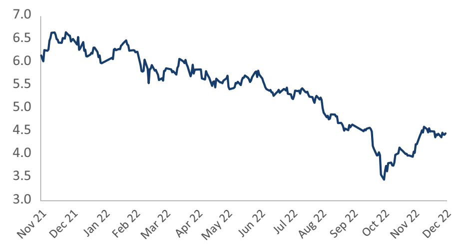
In 2022, Yili launched a series of environmental firsts including the release of its net zero plan and roadmap with carbon neutrality targets for 2030 (operations), 2040 (supply chain) and 2050 (life cycle). Significantly, Yili committed to seek validation of these targets by the SBTi initiative in the next two years. Also in 2022, the company's Yunnan facility became China's first zero-carbon food factory, and Yili released China's first zero-carbon milk using clean energy for manufacturing, employing recyclable packages, and purchasing carbon credits. The company also set 2025 goals related to sustainable packaging which is encouraging although more disclosure is needed.

In its net zero plan, Yili has emphasised the need for innovation and R&D in its supply chain and how sustainability may become a key differentiating factor in its product line.

We will be engaging with the company for more details and disclosure around these environmental plans, targets and the resources needed to meet them. We have also urged the company to share more information around its policies and its usage of antibiotics. This is an ongoing engagement and we hope to coordinate with FAIRR and Investor Action on AMR and share more information in the future.

SHARE PRICE

In US$, since position initiated*



* As of 31 December 2022. Source: FactSet. Historical pricing has been adjusted for corporate actions. Market cap information from Bloomberg.
** https://www.foodbev.com/news/global-dairy-top-20-2022-rabobank/
*** https://www.oecd-ilibrary.org/sites/160889c8-en/index.html?itemId=/content/component/160889c8-en
**** https://www.ipcc.ch/srccl/chapter/summary-for-policymakers/

Climate Change

Climate change and the transition to a low-carbon economy are complex, systemic risks that will impact Portfolio companies in different ways. As fundamental, long-term investors our PMs naturally consider such risks and opportunities in their investment decisions.

We believe the global trend to decarbonise is firmly entrenched and is driving changes in behaviour (i.e., regulatory, technological and consumer preferences) and as a result, our major ESG engagement efforts this year have been focused on climate change.

Our framework

We developed a Net Zero (NZ) framework to assess the NZ maturity of the companies in the Portfolio. There are a growing number of standards and frameworks related to NZ and we have adopted an approach which encourages the broad scrutiny of a company's climate governance, strategy, capital allocation and disclosure as this reflects our bottom-up, active management approach. Moreover, our emphasis on the environmental performance of the underlying companies in the Portfolio underscores our commitment to seeing tangible reductions in real world carbon emissions.

To help us on this project, we appointed an external climate consultant, Carbon Intelligence, to review and provide feedback on our NZ approach and target construction. This consultant also conducted bespoke climate training for our Investment Team.

Net Zero engagement

Throughout 2022, PMs engaged directly with Portfolio companies on NZ through meetings, calls and/or questionnaires. A key aim of the engagements was to understand each company's plans and timings for the transition to NZ.

Using the NZ framework and insights gained from our engagements, plus a range of sources integrated into the investment process, the PM's established a baseline NZ maturity for each Portfolio company. We are now working on interim targets for NZ progress which we expect to share with clients early next year. In doing so, PMs are incorporating country and regional considerations to account for the different climate policy commitments made across EMs (i.e., China targeting carbon neutrality before 2060, India 2070).

As an active investor, we intend to rely on engagement as our principal lever to encourage companies to decarbonise. We expect most of our NZ engagements to be direct interactions with company management but we recognise the effectiveness of collaborating with others and will increase our active involvement with groups such as the CDP.

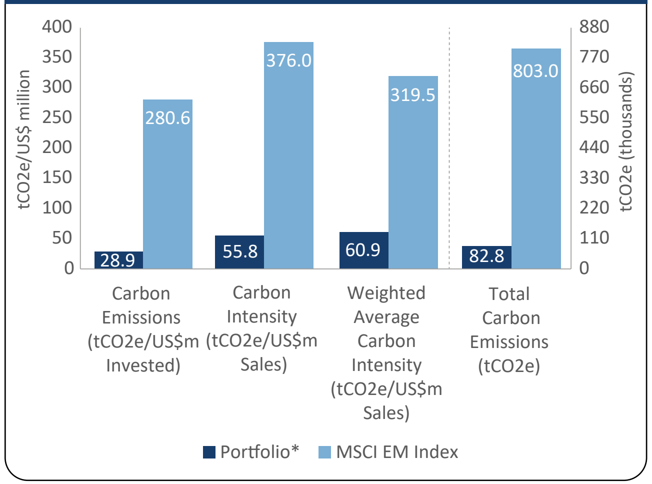
Our dedicated NZ engagements will be in addition to the broader ESG engagement plans which are set by and led by the PMs as part of the stakeholder analysis undertaken for each company in the Portfolio. We expect there will be considerable overlap and synergies in the content and learnings across these engagements. For example, discussions on NZ strategic planning should provide useful insights into the quality of management, governance and accountability.

It is worth noting that EM countries and businesses have generally lagged their developed market peers in addressing and disclosing on environmental issues. Furthermore, with an increasing number of companies announcing varying forms of climate ambitions, we need to consider the substance behind these ambitions and the extent to which companies are setting out science-based targets. There can be a degree of subjectivity in determining whether a company's emissions targets are credible and/or NZ aligned, especially for developing countries.

Carbon Footprint of the Portfolio

As part of the formal quarterly review of the companies during Portfolio Week, the team considers the carbon footprint of the Portfolio across a variety of metrics on an absolute and relative basis (vs MSCI EM Index). This is based on data from MSCI and involves Scope 1 and 2 emissions. The Portfolio's carbon footprint is substantially below that of the MSCI EM Index, regardless of the metric chosen to measure it. We will look to phase in Scope 3 emissions over time as the data becomes more available and reliable.

CARBON FOOTPRINT OF PORTFOLIO VS MSCI EM INDEX



* Based on NAV at 30 December 2022 applying holdings in The Genesis Group Trust for Employee Benefit Plans and MSCI EM Index
Carbon metrics include Scope 1 and Scope 2 emissions
Source: MSCI ESG Research LLC
Data as at 31 December 2022

Approach to Engagement

Our research process is focused on generating unique investment insights, so we engage deeply with various stakeholders when we analyse a business.

Our engagement process is led by our PMs because we believe they have the best understanding of the interests of all stakeholders and the strongest relationship with management teams. As a result, they are more likely to be able to bring about positive change. Our aim is to build long-term relationships with companies and have frank and constructive communications with them.

Our interactions with companies cover a wide range of matters that have a material impact on long-term shareholder value, including strategy, capital structure, risk, corporate governance and any environmental or societal costs that may affect returns over the longer term. Once we make an investment, we engage on an ongoing basis, for research and monitoring purposes and to influence change according to the engagement priorities set by the PMs.

We focus on management's commitment to a sustainable business model and consider their track record on sustainability issues. We look at how management have handled stakeholder issues in the past, especially regarding minority shareholders, and how responsive they were to any infringement or sanction.

Our engagements take the form of meetings, site visits, one-on-one calls, group calls and regular correspondence, although with the continued constraints on travel in 2022, some meetings that would historically have been conducted in-person or on site visits, were replaced by video calls. While there are some efficiencies in such virtual calls, our Investment Team prefer to meet with company management in person and on site where feasible.

Indeed, with the easing of pandemic restrictions, the team were able to travel considerably more in 2022 than in the prior two years. The team visited companies in numerous EMs including China, India, Brazil, Indonesia, South Korea, Thailand, Chile, Vietnam and Nigeria. Overall in 2022, our Investment Team conducted over 900 calls and meetings with EM companies and their competitors, customers, supply chain entities, former employees and regulators. Of these interactions, more than 150 involved ESG issues at Portfolio companies.

As part of the Investment Case for each holding, the PM includes an engagement plan to address ESG areas of improvement. In setting engagement priorities, the PM weighs the materiality of the issues against factors such as the probability of change, openness of the management team, the ownership structure and the size of the investment. We record engagement details on an externally-managed platform that allows information and expertise to be shared across the team and ensures effective monitoring and tracking. The use of this platform was a new enhancement in 2022 and, once fully bedded down, we expect this tool will help us to improve our engagement monitoring and also reporting to clients.

Engagement Progress

ESG engagement progress is assessed on an ongoing basis against simple milestones, as outlined below. Material developments are highlighted by the PM and discussed with the entire team.

Milestone 1	Concern raised with the company
Milestone 2	Company acknowledges the issue
Milestone 3	Company takes some action to mitigate the concern
Milestone 4	Engagement considered successfully concluded
Discontinued	

Looking at engagement progress over 2022, our PMs noted positive developments (i.e., improvements of at least one Milestone) in approximately half of the engagement plans and success (Milestone 4) in 13% of their engagement efforts. We recognise that progress and success may be subjective and are dependent on the objectives set. Furthermore, we fully accept that a change in business practice at a company is likely due to a variety of internal and external pressures and progress is often not linear. Nevertheless, it is important to track changes in company practices even if we cannot confidently attribute them to our engagement efforts.

In assessing our engagement reporting, we are not satisfied with annual milestone analysis and believe that a longer-term judgement of effectiveness would be appropriate. Going forward, with the improvements provided by our new engagement tracking platform, we expect to report on the effectiveness of our engagements over a three-year period.

By developing strong relationships with management teams, we are able to ask more difficult and insightful questions and gain greater insight into their governance. However, building such relationships takes time. Given our long-term approach and lengthy holding periods this is possible and, in many instances, our PMs have engagement consistently with the same individuals for several years.

Engagement Priorities

Across the Portfolio, improved disclosure was a common theme in 2022 and thereafter, the Top 10 engagement plans by topic were:

- Climate change - carbon emissions, electricity
- Product responsibility and safety - including data security and privacy, financial product suitability
- Board effectiveness - independence or oversight
- Environmental strategy/policy including pathway to net zero
- Board structure and composition - including skills, experience and diversity
- Capital management
- Remuneration
- Supply chain management
- Labour standards - ILO principles
- Natural resources - water, biodiversity and land use, raw material sourcing

Approach to Engagement

In our experience, engagement plans must be flexible and be able to accommodate new business developments. Although this complicates how progress is tracked and measured, the deep relationships that we build with management teams help us respond to these challenges.

As discussed above, this year PMs also engaged with Portfolio companies on the common theme of NZ alignment. The goal of the NZ engagements was to establish a baseline NZ maturity for the Portfolio and in turn, set NZ targets which we expect to share with our clients in the next few months. These NZ engagements were in addition to the ESG engagement plans for each Portfolio company.

Looking ahead, PMs will develop multi-year NZ engagement plans for Portfolio companies. We will use NZ engagements to share expectations with companies and understand their climate change management strategies and how these can be improved. While the primary focus of the NZ engagements will be to aid us in tracking and monitoring NZ alignment and progress, such interactions will also contribute to our broader understanding of management quality and company culture.

Escalation

Ordinarily, our PMs expect to address ESG-related issues through regular calls and meetings with company management. However, there may be instances where a company does not respond constructively, where our concerns have not been sufficiently addressed or where we do not feel confident that a company intends to address our concerns. In these circumstances, we may decide to escalate our engagement activity by, for example, formally writing to the board or discussing our concern with an independent director. The decision to escalate and how to do so most effectively is determined by the PM, based on the specific circumstances of that company.

Ultimately, if escalation does not move our engagement efforts forward positively, we may seek an exit. In general, a PM's decision to exit a position in response to ESG concerns tends to take place incrementally over time after observing a gradual erosion in management quality or a poor response to our concerns.

In extraordinary circumstances, for example, when we are forced sellers in the privatisation of a listed company which is conducted on abusive terms or without respect for due process, we are prepared to litigate to defend our clients' rights.

Collaborative Engagements

Most of our engagements are individual as we believe a company-specific approach to engagement led by our PMs is most effective and aligned with our core investment approach. However, subject to regulatory issues, we know that collaborative initiatives may also be effective. In deciding whether to join a collaborative engagement we are selective and look for those which are focused, well-organised, and add impact to our individual efforts at the company level. A decision to join a collaborative engagement is made by the relevant PM on a case-by-case basis and the efforts are recorded and progress monitored along with our other engagement activities.

We support several organisations which provide opportunities for collaborative engagement and, in 2022, we participated in an increased number of such joint efforts alongside other institutional investors.

ACGA

ACGA has historically focused more on engagement with policy-makers and regulators, but more recently, it has led company-focused engagements encouraging its members to join ACGA-led working groups. These have focused on corporate governance improvements at key Asian companies as identified by ACGA members. We actively participated in several of these groups, joining calls with companies including Alibaba, Tencent, Samsung Electronics and Meituan. These are multi-year engagements and, in general, the companies have been receptive to group discussions as there are clear benefits to be gained on their side.

CDP

We also expanded our work with CDP. We have supported CDP's Non-Disclosure Campaign (NDC) for several years and, and in 2022, we acted as the lead investor engaging directly with nine Portfolio companies to encourage environmental disclosure to the CDP. We also co-signed 19 additional NDC letters to companies in which we invest.

Approach to Engagement

CDP Non-Disclosure Campaign

Objective: to drive corporate transparency around climate change, water security and deforestation by encouraging companies to respond to CDP's disclosure request.

As we have done for several years, we continued to be involved in the CDP Non-Disclosure Campaign in 2022. We acted as the lead investor in efforts to encourage nine companies to provide environmental disclosure to the CDP. Further, we acted as co-signatory to engagements with 19 additional companies. Our PMs followed up directly with each of the companies for which we acted as the lead investor, to reinforce the message around environmental disclosure, strategy and performance as a priority.

Outcome: We are pleased to report that four target companies provided their initial filings of environmental information to the CDP.

We expect to be actively involved in the CDP's future Non-Disclosure Campaigns.

Initial CDP Disclosure on CLIMATE CHANGE

Lojas Quero-Quero

Lojas Quero-Quero is a Brazilian retail company providing integrated solutions to their customers, with a comprehensive portfolio of construction materials, home appliances and furniture.

Thai Beverage

Thai Beverage, better known as ThaiBev, is Thailand's largest and one of Southeast Asia's largest beverage companies, with distilleries in Thailand, UK, and China.

Liberty Latin America

Liberty Latin America is a leading telecommunications company operating in over 20 countries across Latin America and the Caribbean under the consumer brands VTR, Flow, Liberty, Más Móvil, BTC and Cabletica.

Initial CDP Disclosure on WATER and FORESTS

Gruma

Gruma is a Mexican multinational corn flour and tortilla manufacturing company headquartered in San Pedro, Mexico. It is the largest corn flour and tortilla manufacturer in the world.

We also supported CDP's Science-Based Targets Campaign and wrote directly to 17 Portfolio companies about joining the Science Based Targets initiative (SBTi) and committing to set near- and long-term science-based targets to achieve net zero emissions by 2050. Although the response rate was low, it is worth noting that a SBTi commitment is a rigorous undertaking and generally includes Scope 3 emissions and no use of carbon offsets. The majority of companies in the Portfolio are only in the early stages of GHG inventory taking.

More Collaborations

Working through the UN PRI, we joined with other investors and wrote to three companies in the Portfolio about tackling conflict-minerals in the semiconductor supply chain. This initiative is at an early stage and complicated by geo-political tensions. However, the increasing focus on supply chain resilience may prove a positive influence.

With respect to broader, policy efforts, we are a small firm and engagement with regulators and policy-makers is a challenge.

Nevertheless we joined Investor Action on Antimicrobial Resistance as a founding member in 2020 and we were pleased to see some of our activities referenced in its annual progress report.* Our efforts around antimicrobial resistance continue and we have recently engaged with one of the dairy companies in the Portfolio requesting additional information on the use of antibiotics in its herds and supply chain please refer to the Yili case study on page 12. Looking ahead, we will continue our work with FAIRR (which also supports Investor Action on Antimicrobial Resistance) to develop a strategy to approach the ESG rating providers and proxy voting agencies on how to factor in the responsible use of antibiotics in critical sectors. We hope to share more details on this initiative in future reports.

* https://amrinvestoraction.org/article/progress-report-2022

Proxy Voting

As an active investor, we consider proxy voting one of our key stewardship tools to support, influence and challenge Portfolio companies' decisions. Where our clients have delegated proxy voting responsibility to us (three-quarters of AUM), we aim to vote all their shares in all markets. Our voting decisions are based on our Corporate Governance Framework and proxy voting guidelines.

Our over-arching objective is to protect long-term shareholder value. This is in line with our mandate to generate investment returns for our clients. We are mindful of the various local market practices across EM, and recognise differing approaches to governance. We take a pragmatic approach and consider the circumstances of each vote for each company. When appropriate, we engage with companies on issues prior to voting, and follow-up as necessary to share our thinking, especially when we vote against company recommendations.

All proxy voting decisions are made by our PMs and we aim to vote in all matters. In 2022, we proxy voted in 1,184 decisions – 98.75% of votable items. We were not able to vote in two meetings; one meeting due to restrictions which limit voting rights to local beneficial holders of the shares and the other meeting, due to a short time-frame.

For more contentious and/or long-term issues, we typically engage with the companies in and outside of the voting cycle. We believe our views are often considered, which strengthens our relationships with companies and supports our stewardship philosophy of trying to improve the long-term investment outcome.

Where we voted against management, most cases concerned board appointments, but we also voted against other items including related party transactions and stock options awarded to management that lacked the appropriate disclosures or that infringed on the rights of minority shareholders.

Looking across all voting items in 2022, all votes involved governance issues with the exception of four resolutions around social issues. These involved requests for shareholder approval for charitable and political contributions*. There were no voting items related to environmental concerns.

	Total	Governance	Social	Environmental
Total Items Voted**	1,184	1,180	4	0
Shareholder Resolution	*8*	*8*	*0*	*0*

Shareholder resolutions

We note the increased publicity around use of shareholder resolutions to encourage corporate responsibility and disclosure, even if non-binding. Such resolutions can be an important stewardship tool however, shareholder resolutions of any sort are rare in EMs. This is a reflection of the regulatory and administrative hurdles that stand in the way of them in many EM countries.

In 2022, shareholder resolutions represented less than 1% of the votes we cast and all of the shareholder resolutions involved governance issues.

Where we do have the opportunity to vote on shareholder resolutions, the PMs consider them on a case-by-case basis.

Shareholder resolutions at Richemont *– An activist shareholder, with 0.2% of shares, made various proposals including (i) to elect its ex-Chairman as a director, (ii) to increase the number of directors on the board and (iii) to designate that the directors equally represent Class A shareholders (which represent 90% of the equity capital) and Class B shareholders (unlisted and family controlled).*

After careful consideration of the long-term impact of the proposals, we voted ***Against*** *the election of the shareholder's nominee to the Board as we were not convinced his election would improve long-term shareholder outcomes. We voted* ***For*** *the other shareholder proposals as such safeguards could protect minority interests.*

* Source: ISS records
** Representative Portfolio: The Genesis Group Trust for Employee Benefit Plans. Data as at 31 December 2022

Proxy Voting

We provide detailed proxy voting records in our quarterly reporting to clients. These include a summary of the rationale behind votes cast against management, which we consider to be most significant votes for the purposes of the Shareholder Rights Directive II. The Most Significant Votes Report and our proxy voting record for our pooled vehicles are also available on our website.

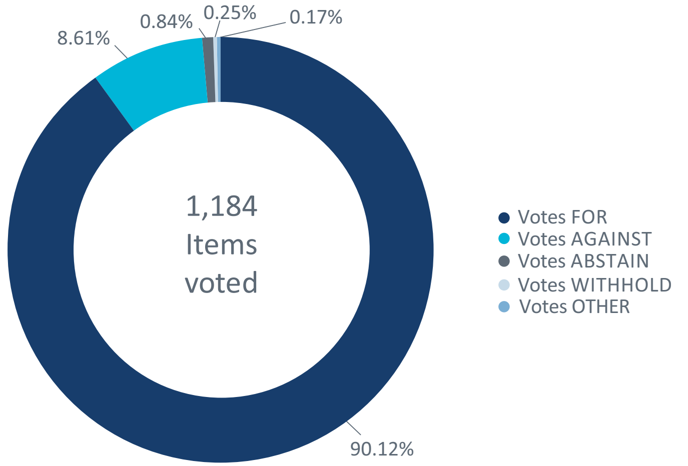
We have appointed Institutional Shareholder Services, Inc. ("ISS"), to provide voting recommendations, execute votes and keep various records necessary for proxy voting reporting. We also receive voting recommendations from local corporate governance specialists in China, India and South Korea (See page 9). These voting recommendations are there to inform only and the PMs consider such inputs along with their deep knowledge of the companies and years of experience as investment analysts. PMs do not necessarily vote in line with external recommendations and in 2022, 7.4% of our votes were contrary to the recommendations of ISS.

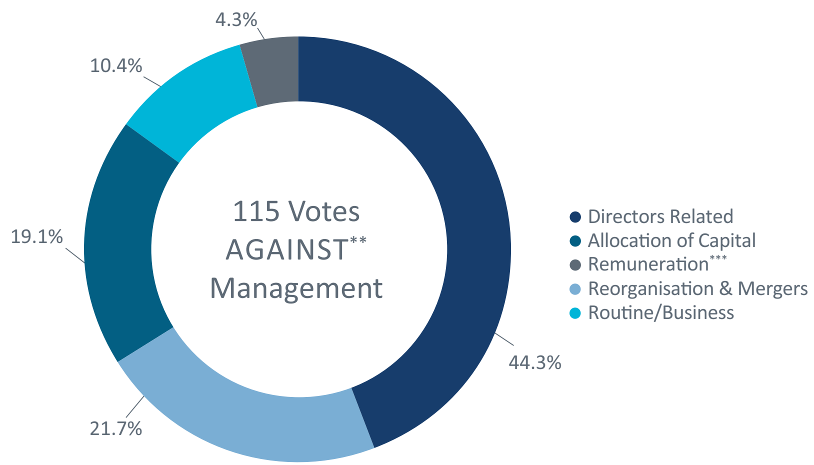
Securities Lending

With respect to securities lending in the client accounts in which Genesis has voting authority, securities lending was undertaken with the client's consent in one pooled fund. Strict safeguards are in place including limits on the percentage of the fund which may be used for lending purposes at any one time. Furthermore, the PMs have full discretion to restrict any securities from the programme.

The proceeds from securities lending are used to compensate the administrator of the programme (which is a custodial bank with no ties to Genesis) and the balance is invested back into the fund. Where securities are on loan ahead of a shareholder meeting or corporate action, it is our policy to request that all such securities are recalled to enable us to vote the shares. With one exception, we had no issues with respect to recalling securities in time for a vote in 2022. In Q1 2022, we were unable to recall the securities of one Russian company due to the impact of international sanctions.

HOW WE VOTED IN 2022*





* Representative Portfolio: The Genesis Group Trust for Employee Benefit Plans. Data as at 31 December 2022
** Including Votes ABSTAIN and Votes WITHHOLD
*** Adjusted

More About Us – Social Factors

We are guided by our values in everything we do including how we manage our business.

Our Partners' collaborative approach to managing the business rests on our culture of excellence, teamwork, openness & humility. Equally, we seek to take care of our people and support the communities we invest in.

Diversity and Inclusion

We regard our people as our most valuable asset, and we believe our business and investment decisions are enriched by diversity. Our wide variety of backgrounds and experiences enable us think more broadly and generate more informed and higher quality decisions. Additionally, we recognise the importance of having a workforce that is representative of all sections of society, and for each employee and partner to feel respected, included, and able to give their best. As such, we are committed to supporting diversity and inclusion, as detailed in our Diversity, Equity and Inclusion ("DEI") Policy. This policy is reviewed, developed and promoted by our internal DEI Group which was established in 2022 and includes the Managing Director, an Investment Partner, a member of HR and a Senior Client Relationship Manager. The group reports to our Operating Board on all diversity and inclusion matters.

As a boutique asset manager, our organisation has 47 employees and eight Partners. 49% of our team are female and 51% male (currently no one identifies in another category).

Women have been in leadership positions at Genesis for over 30 years and two of our 12 Partners and Associate Partners are female, including the Chair of our Operating Board.

We collect and monitor information on ethnicity, nationality and languages spoken and as at 1 January 2023, the Investment Team of 10 includes eight nationalities and four ethnicities*, and speaks eight languages. The whole organisation of 55 includes 15 nationalities, six ethnicities and speaks 13 languages.

Diversity and inclusion remained a key focus for clients in 2022 and was regularly discussed in our client meetings as well as within the firm. Gender diversity is a challenge across the asset management industry, and we view it as one of our responsibilities to hire, develop and encourage women in their careers at Genesis. We have established partnerships with select recruitment agencies and executive search firms that support the value of diversity and deliver creative and diverse candidate shortlists.

Genesis ethnic group breakdown*	Female	Male	Total
White			
English, Welsh, Scottish, Northern Irish, or British	25.5%	27.3%	52.7%
Any other White background	10.9%	16.4%	27.3%
Asian or Asian British			
Indian	1.8%	1.8%	3.6%
Chinese	3.6%	5.5%	9.1%
Black, Black British, Caribbean or African			
Caribbean	3.6%	–	3.6%
Any other Black, Black British, or Caribbean background	1.8%	–	1.8%
Other			
Not Consented/Prefer not to say	1.8%	–	1.8%
TOTAL	**49.1%**	**50.9%**	**100%**

* The list of ethnic groups follows the UK Government guidance on ethnic categorisation, which can be found at: https://www.ethnicity-facts-figures.service.gov.uk/style-guide/ethnic-groups#list-of-ethnic-groups

More About Us – Social Factors

All Genesis employees and Partners complete Diversity, Equity & Inclusion training as part of our annual training programme. In 2022, Partners, Associate Partners and managers also attended in-person training on topics surrounding diversity, inclusion, harassment, bullying and discrimination.

We enable flexible working across all areas of the business. Prior to the Covid pandemic, 27% of our employees had an approved flexible working arrangement, of which 73% were female. As a direct outcome of the pandemic, we have now implemented a Hybrid Working Policy which enables employees to split their time between attending the office and working remotely. We are committed to supporting a positive work life balance and adapting to the changing environment.

We have enhanced family leave policies which provide an equal and consistent approach for anyone becoming a parent or taking on parental responsibility. In 2021, we increased our maternity and adoption pay entitlement to 26 weeks and paternity leave to 13 weeks. We are also pleased to note that over the past five years, all employees returned to work following their maternity leave, aided by flexible arrangements.

We support Teach First, a UK-based charity that aims to address educational disadvantage in England and Wales. Through this group, in July 2022, we hosted work experience for students from less privileged backgrounds to give them exposure to a professional environment, encouraging female candidates in the application and selection process to promote more representation in asset management.

We also partner with GAIN, Girls Are INvestors, a UK-based organisation which aims to improve gender diversity in the investment management community from the ground up. We participate in their events at UK universities and schools and are also involved in their mentoring programme.

Teach First

GAIN Girls Are INvestors

Training

We are committed to professional excellence by providing training, coaching and career development opportunities. All employees are encouraged to obtain the experience and training necessary to develop professionally and personally.

We also encourage and support professional and academic qualifications relevant to our teams' roles and responsibilities. In 2022, these included the following: CFA Level 1, CESGA Diploma, ACCA and IOC Qualifications.

All employees participate in an annual performance management process providing an opportunity for employees and managers to regularly review and set goals, and identify areas of personal and professional development.

Employee Wellbeing

Employee health and wellbeing remains a focal point as we continue to adapt to the changing environment with hybrid and remote working. We offer weekly yoga, core and postural exercise sessions, both in-person and online, and subsidised gym memberships. In 2022, we offered health screenings with a medical professional to help identify individual health concerns and improve understanding of health and lifestyle. Our employee wellbeing is also supported by private medical and dental insurance, access to a virtual GP service and occupational health. All employees have 24/7 access to a confidential advice and support line, through an employee assistance programme. Our wellbeing initiatives are continuously reviewed, and HR seek employee feedback on additional areas we could offer support.

Governance

We are committed to maintaining a high standard of corporate governance which serves the needs of our business and our stakeholders.

Our governance structure and our policies are designed to provide greater accountability and improve information flows and coordination across the investment process, client servicing and operations.

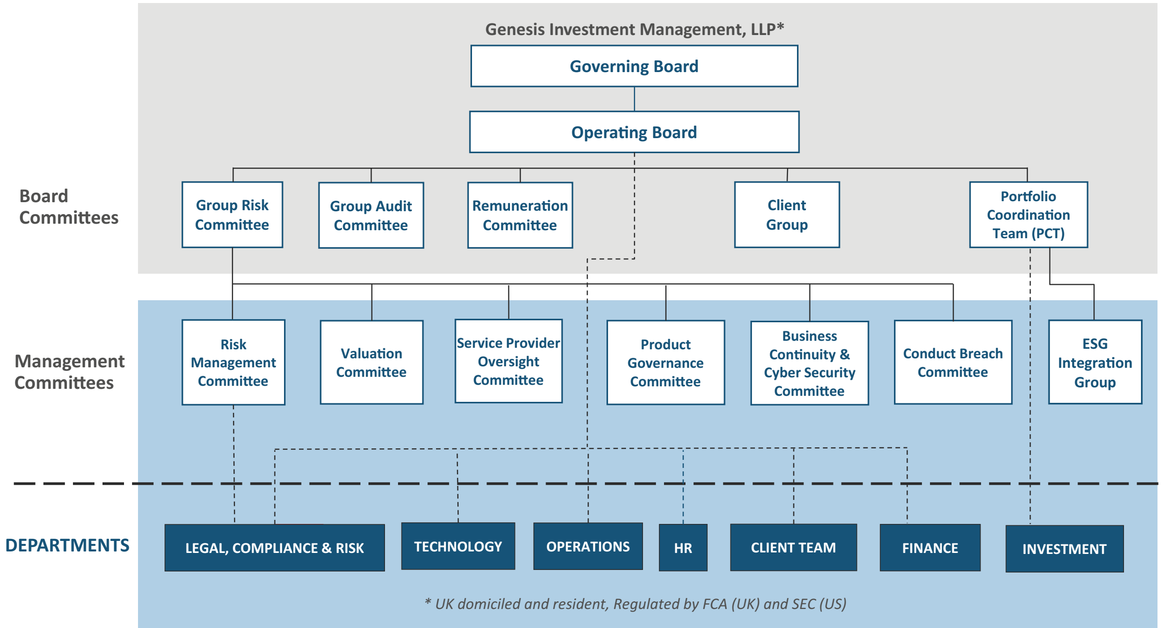
Genesis was founded in 1989 as a private company, and in 2004 we became a partnership forming Genesis Investment Management, LLP ("GIM"). At this point Affiliated Managers Group, Inc. ("AMG") purchased a majority stake, which facilitated the first generational transfer of equity. The remaining interest in Genesis is owned by the individual Partners and an internally managed Trust that enables the recycling of equity on retirement and equity awards to new Partners. The Partners, as owners and managers of the business, all have equal voting rights, but their economic ownership varies according to their career stage as buying their full equity stake takes a number of years. When Partners retire, their equity is sold back to the Partnership.

While AMG owns a majority of the equity of Genesis, our Governing Board, comprising three AMG nominees and one Genesis representative, handles major corporate matters only, including the admission and retirement of Partners. AMG delegates authority on all other matters to our Operating Board, which is also responsible for overseeing the business and day-to-day operations of the firm. This structure ensures that Genesis retains autonomy on all investment, client-related, operating and routine corporate matters, and that Genesis' culture and investment philosophy are preserved.

In 2022, the Operating Board was composed of an Executive Chair, (one of our Partners), the Managing Partner, the Managing Director, and two non-executive members. The Board meets quarterly and receives formal reports on investment, finance, operations, legal, compliance and risk matters. The GIM Operating Board delegates certain matters to a number of formal committees.

In line with our long-term investment approach, investment professionals are rewarded with reference to their contribution over five years. Furthermore, a significant portion of their remuneration is deferred over three years with half held in units of one of our funds with a six-month retention post-award vesting. Details about the long-term focus and risk management of our remuneration structure are set forth in our MIFIDPRU 8 Disclosure.

As described on page 7, the PCT (which is composed of the Managing Partner, two PMs and the Head of Risk) ensures that the investment process, including the integration of ESG factors, is followed. This aligns with our view that ESG integration and more broadly, stewardship, should not be viewed as a separate silo from our investment decisions. The PCT also reviews the investment process for areas for improvement and considers items recommended by the ESG Integration Group (see below).



Governance

Stewardship impacts multiple teams across Genesis and this is coordinated by the ESG Integration Group

In 2022, we enhanced the internal governance structure around stewardship as we believe stewardship impacts multiple teams at the Firm including the Investment Team, Client Team and operations. We formalised the ESG Integration Group as a management committee and broadened its remit. This Group reports to the PCT, is chaired by the Head of ESG and meets quarterly. Members include the Managing Partner, Chair of the PCT, Managing Director and Chief Risk and Compliance Officer, Senior Relationship Manager and Compliance Manager.

The ESG Integration Group is responsible for reviewing our ESG-related policies, processes and reporting to ensure that we are following best practices as well as accurately describing our activities.

In addition, this Group also monitors stewardship and ESG-related regulations and codes as well as making recommendations on stewardship, ESG, voting and climate change process enhancements, surveying clients for their ESG commitments and expectations, reviewing external data and research providers and initiatives and organising ESG and climate-related training.

Examples of projects overseen by the ESG Integration Group during the year include:

- Development of NZ alignment framework
- Analysis undertaken with external climate consultant on NZ alignment of Portfolio companies and interim targets (to be shared with clients in Q1 2023).
- Identification and launch of new engagement tracking platform
- Continued analysis and monitoring of the European Union's Sustainable Finance Disclosure Regulation ("SFDR") with input from external consultant

For our non-EU audience, the SFDR is the EU's regulatory measure to drive investment towards sustainable development. It supports the European Green Deal, the Paris Climate Agreement, and the EU's goal of being carbon neutral by 2050. The first phase of the SFDR came into effect in March 2021 and requires, among other things, managers to document that a fund falls into one of three main categories: Article 9, funds that rank sustainability as a top priority, Article 8, funds that promote sustainable goals and Article 6, funds that neither aim to achieve or promote environmental or social objectives.

Our Luxembourg fund is classified as an Article 6 fund. With input from a specialist consultant, we have taken a conservative approach to the fund classification and are closely following developments in the regulations and market practice. We continue to evaluate a move to Article 8 which we believe may better reflect our ESG integration approach and we have shared our views on the changing regulatory environment with many of our EU clients. We believe that our current conservative approach is in line with their expectations and requirements around SFDR.

Review and Assurance

We have not sought external review of our stewardship and ESG integration activities. We believe stewardship and ESG integration are more effectively reviewed and improved from within and this is done as part of the work of the ESG Integration Group, the formal quarterly reviews by the Investment Team and also semi-annual Partner meetings.

Our internal control framework, including our proxy voting activities, is subject to annual audit and assessment by the external independent auditor, through their formal inspection of the control framework and issuance of the 'Report on Internal Controls (ISAE 3402 and AAF 01/20)' to certify Genesis' internal controls. The most recent AAF report is for the period 1 October 2021 – 30 September 2022. External auditors also review Genesis' investment performance reporting to ensure it is compliant with Global Investment Performance Standards ("GIPS").

With significant input from the Investment Team and other departments including the Client Team and Legal, Compliance and Risk Team, the ESG Integration Group also coordinated the production of this Stewardship Report which has been approved by the PCT and our Operating Board.

Research and service providers

As a bottom-up investor, we require a deep and thorough understanding of each company held in the Portfolio. The primary responsibility of all members of the Investment Team is research (including ESG research) and analysis, and we use external research to inform and challenge our analysis and conclusions.

We utilise research from a wide variety of providers including global and local brokers, independent research providers, expert networks and data platforms. We monitor the quality of external research on a regular basis. The Investment Team assess external research providers quarterly to determine which provide the most value to them through a systematic and transparent process managed by the Head of ESG and our Portfolio Analysis Team. If research providers do not deliver good quality research, contracts will be amended or cancelled. This ensures that the Investment Team receive the best value for money from our external research providers. All research costs are covered directly by Genesis.

Governance

In the past few years, we have observed a significant increase in the breadth and coverage of ESG data and research. We currently use MSCI ESG data and research (including carbon analysis, global norms and controversies) and we have been expanding the number of ESG research providers including local firms in China, India and South Korea (see page 9). However, we have concerns around the standardisation, transparency and methodological differences across the providers. We find value in the qualitative information and raw data but limited use in the ESG ratings (of MSCI or other providers). This is for a variety of reasons including lack of disclosure, data quality, data lag and the use of formulaic approaches. We are also aware of the low correlation between ESG ratings from different providers. However, ESG ratings may be a useful prompt for further research and engagements with specific companies. MSCI ESG ratings of the companies in the Portfolio are monitored quarterly.

With respect to proxy advisers, as noted above we use ISS. For the administrative task of collating information across global custodians, coordinating voting instructions and execution and record keeping, ISS provides a valuable service. We accept that the choice of providers of proxy plumbing is limited and ISS is by far the dominant player. Nevertheless, its services are reviewed on an ongoing basis and at the contract renewal point.

ISS also provides proxy voting recommendations to the Investment Team and in 2022, we expanded our use of its recommendations to include proxy recommendations from its Climate Advisory Services. Climate coverage of the Portfolio companies is limited at this time and we will continue to monitor the utility of this additional input.

We are aware of and consider the potential conflicts of interest in ISS' proxy recommendations and its other lines of business but this is one input. We also consider research and recommendations of specialist proxy advisers in China, India and South Korea. In our experience, these specialist firms provide useful context around local market practices. As noted above, all proxy voting decisions are made by our PMs. The quality of proxy recommendations and research from all proxy advisers is assessed by the PMs at least annually and typically at the contract renewal point.

For other service providers, we have a formal procurement process. For all material suppliers, we conduct a review of their procedures and controls including around environmental practices, anti-slavery, anti-tax evasion and data privacy. Depending on the nature of the service, a formal RFP and/or full due diligence review may be conducted. This process and the general assessment of service providers is overseen by our Service Provider Oversight Committee.

Governance

Given our EM focus and operational independence, potential conflicts of interest are minimised.

Conflicts of Interest

Genesis' sole business is to provide investment management and advisory services to institutional clients invested in EM equities. Our EM public equity strategy is available to all of our clients on a fair and equitable basis regardless of fee structure. This also applies to IPOs and limited offerings. The Performance Team perform monthly cross-comparisons of client portfolios, the results are reviewed by a separate team and allocations are tested internally on a semi-annual basis as part of trade execution monitoring. The frequency of this testing is reviewed at least annually, with any material findings reported to the Risk Management Committee and Group Risk Committee.

Genesis acts independently of its parent, AMG and all of the other affiliates of AMG. Genesis does not invest as a principal nor does it make markets or underwrite. Genesis does not hold client money or assets nor provide investment research to third parties. All material operating decisions are determined by committees and we maintain both a strict segregation of duties between operating areas, and a robust control environment.

We pay for all research services directly, do not trade on a bundled basis and we are not directly affiliated with any broker-dealer.

Genesis adheres to a Conflicts of Interest Policy to manage any actual, potential or perceived conflicts and safeguard client interests. The Conflicts of Interest Policy (i) provides a written record of actual, potential or perceived conflicts of interest involving a material risk of damage to clients and (ii) outlines how conflicts are monitored, the controls in place to mitigate conflicts and the steps we take to resolve potential conflicts.

All Genesis personnel are responsible for identifying and reporting conflicts of interests. To support this, firmwide conflicts of interest training is undertaken annually and all members attest to understanding and adhering to the Compliance Manual (which provides further details on conflicts of interest) on an annual basis. In addition to this, the Compliance Department undertake regular monitoring of all personal trading, gifts and entertainments (given and received), outside activities, political contributions, research, operational errors and proxy voting. Supplementing this suite of monitoring is an externally provided electronic communications surveillance tool. These tasks assist the Compliance Department to identify any unrecognised or potentially undisclosed instances of actual, potential or perceived conflicts of interests. All monitoring results are reported to the Head of Compliance and/or the CCO, with findings escalated to the Risk Management Committee and Group Risk Committee.

Should a conflict of interest arise, Genesis will act in the first instance to prevent or mitigate the conflict. The Compliance Department will work with the relevant business area or parties to find ways to remove or neutralise the conflict, or (if not possible) to implement controls that enable Genesis to reduce the impact or likelihood of the conflict becoming an issue. In the event a conflict is unavoidable despite the aforementioned efforts, Genesis will strive to resolve the conflict of interest by disclosing the necessary details. During this process, the interests of Genesis' clients will always take precedence over those of the Firm.

We need to ensure that our EM public equity strategy is available to all of our clients on a fair and equitable basis regardless of fee structure. Controls include:

- Our portfolio and dealing procedures are designed to ensure that all eligible client portfolios (segregated accounts and pooled vehicles) have equal opportunity to participate in any investment opportunity at the same time.
- Monthly cross-comparison of client portfolios by the Performance Team
- Portfolio Analysis Team reviews the cross-comparisons with material findings reported to the PCT
- Allocations are tested internally on a quarterly basis as a part of trade execution monitoring

We record potential and actual conflicts in a register. During the reporting period, there have been no instances of actual, potential, or perceived conflicts of interests relating to stewardship or otherwise.

Code of Ethics

We also operate in accordance with our Code of Ethics. The Code of Ethics covers a range of issues including:

- Personal account dealing – Genesis restricts personal trading in companies which are held in or being considered for client accounts
- External appointments – All external appointments must be approved in advance by the Chief Compliance Officer
- Insider information – Generally, we are not willing to become insiders as we want to retain the ability to trade- however, in certain circumstances (for example, to become a cornerstone investor or to aid in our discussions with management or the board) and typically for a limited period of time, we may allow ourselves to become insiders- appropriate procedures are in place to manage such situations

All Partners and employees receive training on and are expected to adhere to the Conflicts of Interest Policy and Code of Ethics. Both the Conflicts of Interest Policy and Conflicts of Interest Register are updated on an ongoing basis and reviewed and approved every year by the Risk Management Committee. We do not anticipate any material changes to the Conflicts of Interest Policy or Code of Ethics in 2023.

Environmental Footprint

We carefully assess our carbon emissions and aim to reduce our environmental footprint.

Our single office in London is powered by zero carbon electricity from Smartest Energy, an energy company that sources its electricity from certified renewable sources such as solar, wind, hydro and bio-generation. In 2018, we partnered with Climate Impact Partners (previously Natural Capital Partners), and through them the RSK Group, to calculate and offset the GHG emissions associated with the operation of our business. We have been CarbonNeutral® certified[1] for the past six consecutive years.

Our office location is part of the BREEAM system, the world's leading method for assessing, rating and certifying the sustainability of buildings. As part of our lease, we are required to comply with strict criteria on the life performance of our plant equipment and our social and environmental impact.

We relocated to a smaller and more energy efficient workspace in the summer of 2021, and in December 2022, we took the decision to reduce our floor space from two floors to one floor. This decision was prompted by the success of our hybrid working model put in place during Covid and now adopted throughout the company with strong staff support. In addition to helping us reduce the direct carbon footprint of our office, this new smaller space will reduce employees' commuting impact to an average of three days a week for the majority of our staff.

In 2023, we will conduct a new environmental audit to measure our footprint in these changed conditions and use the results to develop a corporate Net Zero plan. We recognise that the single operational practice which causes the greatest environmental impact is our global air travel and we are working with our travel management company to explore ways to limit the carbon impact of our business trips. We intend to share details of this in our next Stewardship Report.

We track and audit our carbon emissions[2] in accordance with The CarbonNeutral Protocol developed by Climate Impact Partners across all three scopes[3].

SCOPE	EMISSION SOURCE CATEGORY		TOTAL EMISSIONS (tCO2e)				
			2018	2019	2020	2021	2022
1	Direct emissions from owned, leased or directly controlled stationery sources that use fossil fuels or emit fugitive emissions		154.7	46.5	28.6	29.8	37.6
2	Emissions from the generation of purchased electricity, heat, steam or cooling	Electricity (Location-based)	100.5	43.8	43.4	73.0	21.2
		Electricity (Market-based)	–	–	–	–	–
3	Purchased goods & services	Water Supplied	0.3	0.3	0.1	<0.1	<0.1
	Fuel & energy related activities	Upstream emissions of purchased electricity	16.2	12.7	6.5	25.8	5.5
		Transmission and distribution losses	8.6	3.7	3.7	6.5	1.9
	Waste generated in operations	Wastewater	0.6	0.7	0.1	0.2	0.1
		Other waste	1.2	1.0	1.0	0.6	0.4
	Business travel	Transport by air, public transport & leased vehicles	1,229.5	1,052.6	139.4	81.1	316.5
		Emissions from hotel accommodation	37.3	27.7	4.3	7.4	3.8
	Employee commuting		41.1	39.2	9.1	4.7	9.0
	Home working				18.3	17.4	9.4
Overall Compliance: Location-based approach			**1,589.8**	**1,228.2**	**254.6**	**246.9**	**405.5**
Overall Compliance Market: Market-based approach			**1,489.3**	**1,184.4**	**211.2**	**173.9**	**384.3**
Total for Offset: Location-based approach			**1,589.8**	**1,228.2**	**254.6**	**246.9**	**405.5**

1. Carbon footprint assessments are generally carried out in accordance with one of two internationally recognised standards for accounting and reporting corporate greenhouse gas emissions. The best known is the "Greenhouse Gas Protocol- Corporate Accounting and Reporting Standard" (GHG Protocol) developed in a partnership of the World Business Counsel for Sustainable Development (WBCSD) and the World Resource Institute (WRI). The CarbonNeutral Protocol developed by Climate Impact Partners has an additional quality layer on top of the above-mentioned standards and describes the requirements for calculating and achieving emissions reductions to achieve CarbonNeutral® certification.
2. Calculation and reporting of our GHG emissions is on a one year lag, however we compensate by paying forward on estimated emissions.
3. **Scope 1:** Accounts for direct emissions released from Genesis owned or controlled sources (e.g. corporate car fleets, power generation facilities, fuel combustion for heating and power, and refrigerant gas losses). **Scope 2:** Accounts for indirect emissions associated with the generation of purchased electricity, heat and steam generated off-site. This scope is reported under the location- based and market-based method. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs, while a market-based method reflects emissions from electricity that companies have purposefully chosen (i.e. Renewable Obligation Certificates).

   Scope 3: Includes other emissions sources not accounted within Scope 1 and 2 (e.g. business travel, staff commuting, water consumption, waste disposal). Emissions from outsourced activities such as deliveries have not been included this year as there were questions over the quality of the data. We expect to include emissions from outsourced activities in the future.

Offsetting Carbon Emissions

Since 2018, we have offset all verifiable carbon emissions through investment in two EM-based carbon reduction projects. Both projects are checked, verified and accredited by the Gold Standard, an award-winning, internationally-recognised certification standard for carbon mitigation.

Danjiang River Solar Cookers

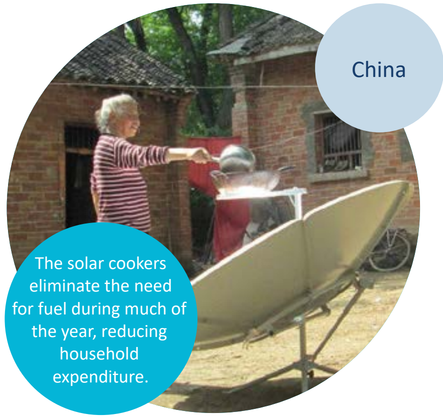
Project type: Health and Livelihoods, Clean Cooking
Region: Asia **Standard:** Gold Standard

BACKGROUND

The Danjiang River Solar Cookers are designed to improve the indoor air quality and living conditions of 100,000 rural households in one of the poorest regions in China.

The cookers consist of a 1.7m² parabolic dish, which concentrates solar energy onto a central cooking pot and provides sufficient heat for cooking the local staple food of rice.

Its design is ideal for the local diet and climate conditions throughout the year. The cooker displaces traditional inefficient coal-fired cooking stoves, significantly reducing fuel consumption and indoor air pollution.



SUSTAINABLE DEVELOPMENT GOALS

In addition to delivering emissions reductions to combat climate change (SDG 13), the project delivers a number of other benefits including:

- **Affordable and Clean Energy:** The solar cookers displace older, inefficient fossil fuel-fired stoves through the use of renewable energy. Heating and cooking costs are reduced by ~RMB 300 (US$50) per year per household, which is more than 10% of the annual income of the poorest families.
- **No Poverty:** Distribution of the solar cookers is targeted towards the poorest households, allowing them to save a significant portion of their annual expenditure.
- **Good Health and Well-being:** Indoor air pollution is reduced, providing significant health benefits, particularly for women and children, who are most frequently exposed.
- **Responsible Consumption and Production:** This project enables the rural households to avoid GHG emissions that would be generated by fossil fuel consumption.

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

Household Agricultural Biogas

Project type: Health and Livelihoods, Clean Cooking
Region: Asia **Standard:** Gold Standard

BACKGROUND

This Ashden project installs small-scale biogas plants in households and small livestock operations across 50+ provinces in Vietnam.

Small fixed-dome biogas plants, also known as anaerobic digesters, provides a clean, affordable, and convenient form of energy to some of the two million rural families with pig farms that create huge odour and waste problems.

In addition, jobs are created for local populations, improved sanitation and reduced air pollution enhances health, and the replacement of synthetic fertilisers greatly reduces the environmental impact on surface and groundwater. The project reduces emissions by preventing the release of methane and by replacing the use of unsustainable fuels like firewood, charcoal and kerosene, and unsustainable chemical fertilisers.

SUSTAINABLE DEVELOPMENT GOALS

In addition to delivering emissions reductions to combat climate change (SDG 13), the project delivers a number of other benefits including:

- **Affordable and Clean Energy:** Households now have free, renewable fuel, and the bio-slurry by-product can be used as an organic fertiliser, which can be sold to other farmers. Combined, these factors can save households roughly US$182/year.
- **Decent Work and Economic Growth:** The project is driving a new industry with long-term employment opportunities for local masons and technicians.
- **Life on Land:** The biogas systems reduce the degradation of surface waters by preventing runoff of untreated manure. As households would previously source fuelwood from nearby forests, the project helps reduce pressure on these habitats.

3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 15 LIFE ON LAND

The Genesis Charitable Trust

In 2022, the Genesis Charitable Trust ("the Trust") marked ten years since it was founded by the Partners of Genesis. The Trust awards funding to charities and social enterprises that provide sustainable, long-term income generation for marginalised communities currently beyond the reach of traditional government or market-based solutions.

The Trust seeks to end poverty and promote decent work, reflecting SDGs 1 and 8, by supporting:

- enterprise development, including help to smallholders
- vocational opportunities and skills training
- more effective and sustainable management of markets in natural capital

As of the end of 2022, through its lifetime, the Trust has received over US$17m in donations from the Partners and awarded funding to over 70 organisations in 30 countries, involving over 100,000 participating households.

Trust Projects

In 2022, the Trust provided follow-on funding to two projects below, focused on skills and training.

FEDUT

FEDUT trains teens from Colombia's toughest *barrios* for careers in accounting. Since 2016, when the Trust began funding the Accounting with IT course with the Dan Eley Foundation, Fedut has trained over 400 young people. This is a rigorous course, offering qualifications and supported work placements to all course finishers. Around half of the participants graduate, of which 88% are young women who benefit from a long-term employment rate of 96%. In the next phase the Trust is funding three further courses as well as FEDUT's certification on SENA, the government's official apprenticeship programme, to encourage scaling with more and larger companies throughout Colombia.

Pragya

Pragya provides agronomic support to smallholders diversifying into medicinal and spice crops. Despite devastating weather events in Bihar and Rajasthan, which compounded Covid lockdowns, the Trust's first project from 2018-2021 helped subsistence farmers significantly increase farm-level profits after receiving technical assistance, including soil testing, weather alerts and stronger links to bigger buyers. The next stage of the project will train a further 4,000 low-income and remote farmers to grow higher value medicinal, aromatic and pharmaceutical plants, and spices.

The Genesis Charitable Trust

The Trust currently has 20 live, mainly grant-funded, projects across 15 countries and continues its search for new livelihoods projects in countries aligned with Genesis' EM investment focus. We have highlighted three nature-based projects, where improving livelihoods works hand in hand with recovery of sensitive habitats.

Blue Finance

Established in 2020, the Verde Island Passage Marine Protected Area (MPA) is a UNESCO Biosphere Reserve covering 5,200 hectares, containing mangrove and coral reef and reported to have the highest concentration of marine species in the world. Some 12,000 fisher households depend on sustainable fisheries for their livelihood and hundreds of aquaculture farmers rely on mangroves to defend their production of milkfish and shrimp. Local mayors intend to develop tourism on a planned and sustainable basis.

Blue Finance, operating the MPA with local stakeholders through the Blue Alliance, aims to create sustainable economic opportunities by investing in ecotourism and responsible diving at coral sites, local rangers to protect fisheries and mangrove, and blue carbon sequestration. In 2022, the Trust funded a repayable grant to a new enterprise commercialising mangrove crab production, creating around 50 jobs and opportunities for 350 smallholders. The Trust's award will rehabilitate aquaculture assets including a hatchery, train farmers and set up a trading company to access export markets.

Green Enterprises trading as Aluan

Situated west of Aceh Sumatra in western Indonesia, Simeulue has a population of 93,000 people and is an important island habitat for several critically endangered species, notably leatherback turtles and endemic songbirds. Since the devastating tsunami of 2004, Aluan's managers have sought ways to improve improve livelihoods on the island and halt the encroachment of industrial palm oil plantations. Integrating enterprise with landscape conservation, Aluan sources organic certified coconuts from local growers, supported with technical assistance, and produces premium coconut products for export.

In 2022, the Trust structured a revenue-based loan to increase virgin coconut oil processing capacity and provide working capital for Aluan's marketing. At the point of investment, Aluan sourced coconuts from 478 smallholders, at a 16% market premium, and has plans to buy from 600. It will provide employment for 56 workers, adding local female managers. This social investment follows a feasibility study co-funded by the Trust and cosmetics firm Lush, examining local processing options and financing for sustainable replanting, which included replanting 70 hectares of coconut orchard with 6,000 wild seedlings.

Karen Hilltribes Trust

Among the remote Karen communities, average annual household income falls far short of typical levels elsewhere in Thailand. Traditional timber-based systems of irrigating rice paddies puts the Karen people's incomes and self-sufficiency in staple crops in conflict with government authorities and conservation goals.

The Trust agreed to fund two further villages to construct highly durable timber-free flood resistant irrigation. Prior Trust-funded research showed the installation of the new system (a partnership between the NGO and community volunteers) contributed to a doubling of household earnings, by increasing land under cultivation, crop diversification and surplus for sale.

UK Stewardship Code – 12 Principles

We believe that our approach to stewardship and practices as set forth in this report are substantially aligned with the Principles of the UK Stewardship Code 2020, as referenced below:

PRINCIPLES			PAGE LINKS
1	PURPOSE, STRATEGY AND CULTURE	Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.	p.3 p.4 p.7 p.8
2	GOVERNANCE, RESOURCES AND INCENTIVES	Signatories' governance, resources and incentives support stewardship.	p.9 p.21 p.22 p.23
3	CONFLICTS OF INTEREST	Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.	p.24
4	PROMOTING WELL-FUNCTIONING MARKETS	Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.	p.8 p.13
5	REVIEW AND ASSURANCE	Signatories review their policies, assure their processes and assess the effectiveness of their activities.	p.22 p.23
6	CLIENT AND BENEFICIARY NEEDS	Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.	p.5 p.6 p.18 p.22
7	STEWARDSHIP, INVESTMENT AND ESG INTEGRATION	Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.	p.7 p.8 p.9 p.10 p.11 p.12 p.13 p.17 p.18
8	MONITORING MANAGERS AND SERVICE PROVIDERS	Signatories monitor and hold to account managers and/or service providers.	p.22 p.23
9	ENGAGEMENT	Signatories engage with issuers to maintain or enhance the value of assets.	p.14 p.15 p.16
10	COLLABORATION	Signatories, where necessary, participate in collaborative engagement to influence issuers.	p.15 p.16
11	ESCALATION	Signatories, where necessary, escalate stewardship activities to influence issuers.	p.15
12	EXERCISING RIGHTS AND RESPONSIBILITIES	Signatories actively exercise their rights and responsibilities.	p.17 p.18

Regulatory Disclosures

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Whilst Genesis supports the objectives of the EU Sustainable Finance Disclosure Regulation 2019/2088 with respect to reporting against relevant quantitative metrics in respect of portfolio investments, we have chosen not to consider such impacts at this time. This is predominantly due to the current lack of high quality and consistent data necessary to meet these regulatory obligations. We are open to changing this in the future and will continue to monitor data quality and availability.

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Cover image: Li River and Karst mountains, Guangxi Province, China.