

# AIKYA

## Sustainability Statement

The name Aikya means oneness in Sanskrit which reflects our core belief that true stewards align their businesses with the interests of all stakeholders.

Environmental, Social and Governance (ESG) considerations are integral to every investment decision we make; we believe that business groups who effectively address ESG issues will be long-term winners. Such groups take a proactive approach to identifying material externalities, even if it means some short-term financial pain. They understand that sustainability challenges should be seen not as a headwind but a tailwind to drive business performance and long-term financial returns.

Our mission is to find companies that contribute positively to the development of emerging economies and stay away from businesses with limited or negative social utility. Whilst we do not run a negative exclusion list of companies, we find it very difficult to invest in businesses that demonstrate the following characteristics:

1. Limited or negative social utility (Coal, Tobacco, Defence, Casinos)
2. History of human rights abuse
3. Poor capital discipline: high leverage, history of aggressive M&A
4. Misaligned management teams
5. Poor governance, evidence of abuse of minority rights
6. Major shareholder with political connections or evidence of 'Original Sin'
7. Fashionable or faddish franchises
8. Opaque and aggressive accounts
9. Complex ownership structures
10. Legally fragile listing structures

Each portfolio company is subjected to detailed ESG analysis, which results in an engagement agenda which we pursue with company management. We engage because we believe that the purchase of a share in a business comes with both rights and responsibilities. As part-owners of a business, we have a responsibility to engage with company leadership and promote better behaviour. Our approach towards engagement is described in a separate Engagement and Proxy Voting statement.

Aikya is a signatory of the Principles for Responsible Investment (UNPRI).