



Southeastern / Asset Management

2020 ESG Report

- Introduction to Southeastern's approach to Environmental, Social and Governance (ESG) factors
- How we incorporate ESG in our investment approach and our company
- Southeastern's ESG and diversity and inclusion progress
- Proxy voting, engagement and ESG case studies
- Our ESG focus areas for 2021

WELCOME

2020 was a difficult year, marked by the challenges of a global pandemic and social injustice. We focused on the safety of our employees and communities first and foremost, while adapting to the new way of working from home. Our strong company culture helped us keep going, and we feel better than ever about our future today.

From a research perspective, the events of the last year highlighted the importance of engaging with our companies to drive positive change. Our global network, built over the last 45+ years, was a distinct competitive advantage in 2020, as travel and in-person meetings quickly ceased last March. We have well-established dialogues with both our existing investee management teams and new potential investment opportunities that we reviewed in the year. Past investees, competitors to our portfolio holdings and current clients have also helped our research in many ways. Our collaborative engagement on Environmental, Social and Governance (ESG) issues is a key factor in how we help accelerate positive change within our portfolio holdings and how we ultimately create value for our client partners.

The last year also saw a heightened focus on the lack of diversity within the investment industry. Building relationships and taking action are the only paths to healing the deep-seated inequalities across the United States and globally. Southeastern's employees have been working for change within our local communities for decades, and we are taking new steps to promote growth within our industry, as we will detail later in this report.

Southeastern Asset Management was founded on our guiding principles that ensure we are aligned with our long-term, likeminded clients. While our investment approach is 100% bottom up, our culture is driven from the top down by Founder/Chairman Mason Hawkins and Vice-Chairman Staley Cates, who structured the business to ensure that we strive to do the right thing for the right reasons - for our clients, our employees and our community. Therefore, ESG considerations have long been engrained in the ethos of our firm. As we look more critically at our approach to ESG, we have worked hard to formalize how we incorporate it in our investment approach and our company.

We are excited to share our first annual ESG Report and hope it will start conversations with each of you on our approach to ESG and the steps we are taking to continue to improve. We are grateful for your partnership and welcome the opportunity to learn from the important work each of you are doing in this area.



A handwritten signature in black ink, appearing to read 'R. Glotzbach'.

Ross Glotzbach, CFA
CEO and Head of Research



CONTENTS

- INTRODUCTION 5
- PROGRESS IN 2020 8
- DIVERSITY, EQUITY AND INCLUSION 10
- PROXY VOTING 12
- ENGAGEMENT 12
- ENVIRONMENTAL CASE STUDY: GENERAL ELECTRIC 15
- SOCIAL CASE STUDY: DOMINO'S PIZZA GROUP (UK) 16
- GOVERNANCE CASE STUDY: MILLICOM 17
- EXCITING NEW INITIATIVES FOR 2021 18
- 2021 OUTLOOK 20



As long-term business owners, we approach ESG considerations from a fundamental, bottom-up research perspective and *engage* with managements on the most important issues to *promote positive change*, rather than passively exclude broad sectors of the market.



OUR “BUSINESS, PEOPLE, PRICE” CRITERIA SERVE AS THE KEY PILLARS FOR OUR LONG-TERM, CONCENTRATED, ENGAGED VALUE INVESTMENT APPROACH THAT WE HAVE CONSISTENTLY PURSUED FOR OVER FOUR DECADES.

Since 1975, Southeastern Asset Management's (Southeastern) primary goal has been to protect against permanent capital loss, while seeking to deliver superior long-term absolute returns by owning high-quality businesses, run by capable and honorable people, temporarily selling at a discounted price. These “Business, People, Price” criteria serve as the key pillars for our long-term, concentrated, engaged value investment approach that we have consistently pursued for over four decades.

We believe that Environmental, Social and Governance (ESG) best practices are critical to the intrinsic value of any investment. Southeastern incorporates ESG considerations into our analysis of companies, vetting of management teams and disciplined valuation process. As long-term business owners, we approach ESG considerations from a fundamental, bottom-up research perspective and engage with managements on the most important issues to promote positive change, rather than passively exclude broad sectors of the market.

We are a signatory to the United Nations-supported Principles for Responsible Investment (UNPRI), a leading global network for investors who are committed to integrating ESG considerations into their investment practices and ownership policies. We are also a signatory to Climate Action 100+, an investor-led initiative that is supported by PRI and focused on actively engaging with management teams that are in a position to help drive change. We support both organizations' commitment to improving governance, strengthening transparency and disclosure and advancing positive long-term change.

How We Approach ESG in Our Company

ESG considerations extend beyond how we invest and shape the way we run our own business. Founded in 1975, Southeastern benefits from three generations of active leaders, who have structured the business for long-term sustainability. We are independent and 100% employee-owned. Southeastern employees are committed to partnering with our clients, investee partners, fellow employees and the communities in which we work. Alignment of interests with our clients is a critical element of our ethos and code of ethics, which requires all employees to limit their investments in publicly-traded equities to funds advised by Southeastern, unless granted a prior exception. We invest in the same securities and pay the same fees as our clients. Southeastern's employees and related entities are the largest investors across the funds that Southeastern manages, creating unique and best in class alignment with our clients. Every decision we make is driven by where we would like to invest our own capital.

An equal passion for how we invest and for giving back to the community is the most important common thread across our employees. We generally prefer to work behind the scenes and try to avoid the spotlight for our philanthropic efforts, similar to how we approach engagement with our investee companies. However, we seek to inspire and encourage others to take action wherever we can. The strong support of our clients over the last four+ decades has allowed us to contribute to Memphis, where we are headquartered, being named the most charitable city in the US¹, with studies showing that average household giving in Memphis is almost double the national average².

Southeastern employees have founded and/or directly supported well over 500 different non-profits in Memphis and elsewhere, with a focus on improving education and providing mentorship for those in need, training and recruiting talent for high impact jobs, revitalizing neighborhoods, developing sustainable food sources and supporting the arts community. Partnering with these non-profits, Southeastern employees and their families also volunteer their time and leadership to multiple organizations within the community. We host an annual Martin Luther King Day of Service as an opportunity to remember the legacy of Dr. King and give back to our community. The company provides a financial match to each employee's charitable donations, and we encourage community involvement from all our employees with an explicit policy that allows for the use of workdays for philanthropic pursuits.

1 <https://www.commercialappeal.com/story/money/2017/11/21/memphis-leads-usa-charitable-giving-new-study-says/885063001/> and <https://wearememphis.com/culture/memphis-facts/memphis-most-generous-city-us/>

2 <https://philanthropynewsdigest.org/news/giving-in-memphis-almost-double-the-national-average-study-finds>

S/ Giving Back To Our Community

As the scale of the societal impact from COVID-19 became clear in spring 2020, our executive committee recognized the great position that Southeastern and its employees were in to help mitigate the reality on the ground within our local communities. We increased our corporate match program to \$5,000 per employee for any donations made to charities aimed at providing pandemic relief. We collectively donated over \$1.3 million to COVID relief efforts in 2020. The largest portion of funds went to the [Community Fund of Greater Memphis](#), which provided emergency funding to several initiatives within the Memphis community and globally. We additionally sponsored over ten mobile food distributions through several Memphis-based charities that were on the front lines of quickly deploying food and other help to those most in need.

Some of the Charitable Organizations Our People Supported in 2020



Memphis Music Initiative invests in youth development through transformative music engagement, creating equitable opportunities for black and brown youth in Memphis.



Whole Child Strategies works to ensure that Memphis students living in communities disproportionately affected by poverty graduate from high school on time and are ready to succeed in college and careers.



The Works is dedicated to the holistic renaissance of South Memphis and the Greater Memphis area through the provision of services in areas of housing, economic development, education, and advocacy.



RedZone Ministries is an evangelical outreach ministry that targets 9 to 18 year-olds living in one of Memphis' most under-served communities.



Hospitality Hub provides relief from homelessness while working with families to ensure housing and financial stability.



OUTMemphis empowers, connects, educates, and advocates for the LGBTQ+ community of the Mid-South.



Mid-South Food Bank provides food to local agencies and food distribution sites to help eliminate hunger in the Mid-South.



KnowledgeQuest supports the poverty-stricken areas of South Memphis.



Las Americas is a youth development center that supports Latino children and their families with their education and assimilation into America.



Red Cross India Appeal provides vital services and disaster relief to support the COVID-19 crisis in India.

Recent Progress in 2020

While ESG factors have always been important to us, we took several steps in the last year to formalize our approach to incorporating ESG into our investment process.

ESG Committee

We established a formal ESG Committee, chaired by our Head of Client Relations and Communications and with senior representation from our Research, Client Relations, Client Services, Legal and Finance/Human Resources teams. While each research analyst is ultimately responsible for assessing ESG factors for each company under coverage, the ESG Committee is involved in ongoing oversight of the incorporation of ESG matters into our investment process and client reporting, as well as our day-to-day business operations. The Committee meets at least quarterly, with much more frequent direct communication informally as needed. The Committee Chair reports directly to our CEO and Head of Research, Ross Glotzbach, on progress on a weekly basis.

ESG Analysis in Research Reports

We formally incorporated a dedicated section on ESG analysis into our research reports. This analysis details how each company rates on ESG factors, including how the reality compares to the market's perception of these issues, as well as areas where we might seek to engage with management to improve ESG causes.

MSCI ESG Rating

We recently signed on MSCI ESG Rating as a third party data provider to help quantify ESG-specific metrics. While we will never outsource research on a topic this important, we have found this to be a useful supplement to our in-house, bottom-up analysis that draws upon our extensive global resources and network to gain a more comprehensive picture. These ratings have proven to be a helpful starting point for deeper engagement with some of our companies on their ESG reporting and how they can improve their relevant practices, as highlighted in the case studies below.

UNPRI and CA100

As mentioned earlier, we became signatories to the United Nations-supported Principles for Responsible Investing (UNPRI), as well as to Climate Action 100+ (CA100), an investor-led initiative that is supported by PRI and focused on actively engaging with management teams to help drive long-term, global progress in the fight against climate change. Over the course of the year, we have engaged with more companies across our portfolios on "E" and "S" issues, in addition to governance matters, which have been integral to our investment approach for over four decades. While our engagement at each company is unique, some common areas of focus have been adoption of industry-standard environmental reporting, long-term plans for committing to carbon neutrality, diversity, equity and inclusion, specifically at the board of directors and executive level, and responsible supply chain sourcing.

We are signatories to the United Nations-supported *Principles for Responsible Investing (PRI)*, as well as to *Climate Action 100+ (CA100)*



Principles for Responsible Investing

A UN-supported network of investors, to promote sustainable investment through the incorporation of Environmental, Social and Governance issues to investment practices.



Climate Action 100+

An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

We are supporters of:



Task Force on Climate-Related Financial Disclosures (TCFD)

An initiative created by the Financial Stability Board to improve and increase reporting of climate-related financial information.

Diversity, Equity and Inclusion

Southeastern is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion (DEI). We recognize that our people are our most important asset and believe that a diverse and inclusive culture is key to achieving our mission. Incorporating diverse perspectives and insights help us make better, more informed investment decisions and achieve better outcomes for our clients, business and community.

At an investment level, diversity considerations come into play in our assessment of “People” – both senior management and board composition – at every business. Studies show that a diversity of thought, experience and opinions helps drive better long-term results, with diversity and inclusion serving as a key source of competitive advantage and an important enabler of future growth.¹

A key part of our “People” engagement is often to help companies re-evaluate the composition of their boards to ensure that people with relevant experience and expertise that are not yet represented on the board or at the company are added. Today, **22%** of the companies that we own across our portfolios have a woman in at least one of the top three management positions (Chair, CEO, CFO), while **86%** have at least one female board member. On average, **21%** of board members at our companies are women. ***We believe there is significant room for improvement in these statistics and are engaged with our companies on this important topic.*** Diversity across ethnicity, sexual orientation, disability and other measures is frequently unavailable, and the numbers are much lower. We are an advocate for greater transparency, as well as much-needed progress on these broader diversity measures.

At the Firm level, enhancing diversity is a key initiative, as we continually seek to deepen our global view with new and varied perspectives. Given the small, lean nature of the firm, we do not frequently hire new team members. However, as a firm, we are committed to taking active steps to improve diversity and inclusion wherever possible. We have implemented diversity training for employees involved in the recruiting efforts and utilize at least four recruiters and web based platforms in each search. The recruiters utilized are a mixture of local and minority-owned recruiters in Memphis and London, a non-profit organization focused on catalyzing change in the Memphis community by promoting more diverse leadership and regional and national size recruitment firms, all given specific instructions to focus on bringing talented and diverse candidates to us for consideration. Our long-term goal is to increase

¹ https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx

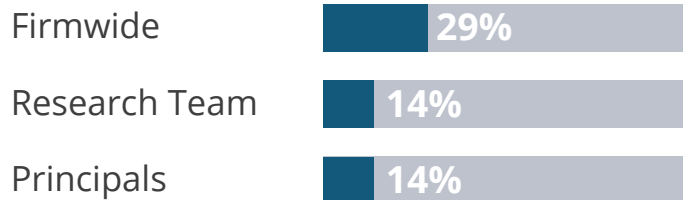
our diverse employee representation over time. We established an internship program in 2020 with a female intern in our client relations team, who we hired as a full-time employee in 2021. Additionally, we are partnering with Girls Who Invest to establish a more formal investment team internship program.

Over the last decade, we have made good progress in diversifying the research team from a geographic background, ethnicity, age and gender perspective. Today, seven of our 14 research team members are from a minority ethnic background and/or women. Additionally, seven out of 14 hold passports from five different countries. This evolution of the team has yielded greater local expertise, deeper networks and a richer firm-wide global perspective.

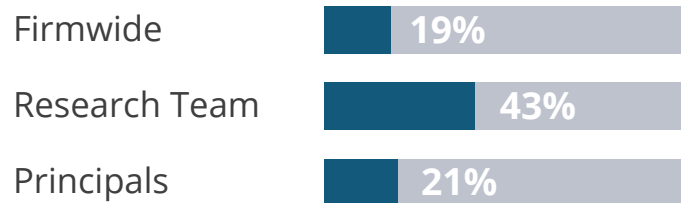
Additionally, we have three generations of active firm leadership in place, with each bringing a different perspective to management and business decisions. Today, one out of seven members of the Executive Committee and one out of four corporate officers are women, and five out of 18 Principals are women and/or from a minority ethnic background. This diversity of backgrounds, experiences and ways of thinking add better perspective to the communications, operations and management discussions that directly impact the business.

Southeastern's Workplace Diversity

% of Women



% of Minorities



5 out of **18**

PRINCIPALS

Are Women and/or a Minority Ethnic Background

7 out of **14**

RESEARCH TEAM

Are Women and/or a Minority Ethnic Background

1 out of **4**

CORPORATE OFFICERS

Are Women

New Hire Diversity

71% **Women New Hires**
Over Last 3 Years

29% **Minority New Hires**
Over Last 3 Years

Proxy Voting

We have a formal proxy voting policy that is designed to ensure that Southeastern votes all securities in the best long-term interest of clients. We vote proxies where we are given client discretion to do so. We do not rely upon management guidance and/or a proxy service consultant to determine how we will vote. Rather, we review each individual proxy on a case-by-case basis and make our own determination.

The primary analyst for each company is ultimately responsible for each proxy vote, but our global team is available to support and vet difficult decisions or complex voting topics as needed. We will sometimes engage with proxy service consultants to encourage them to propose that shareholders vote in what we believe to be the most productive manner for the long-term shareholder value and sustainability of the business. We vote our proxies in support of strong and shareholder-friendly corporate governance agenda items that we believe will help each company create and realize long-term sustainable value for shareholders.

2020 Proxy Stats

In 2020, we voted on 1,115 agenda items. **We supported:**

43%

SHAREHOLDER PROPOSALS

95%

MANAGEMENT PROPOSALS

Engagement

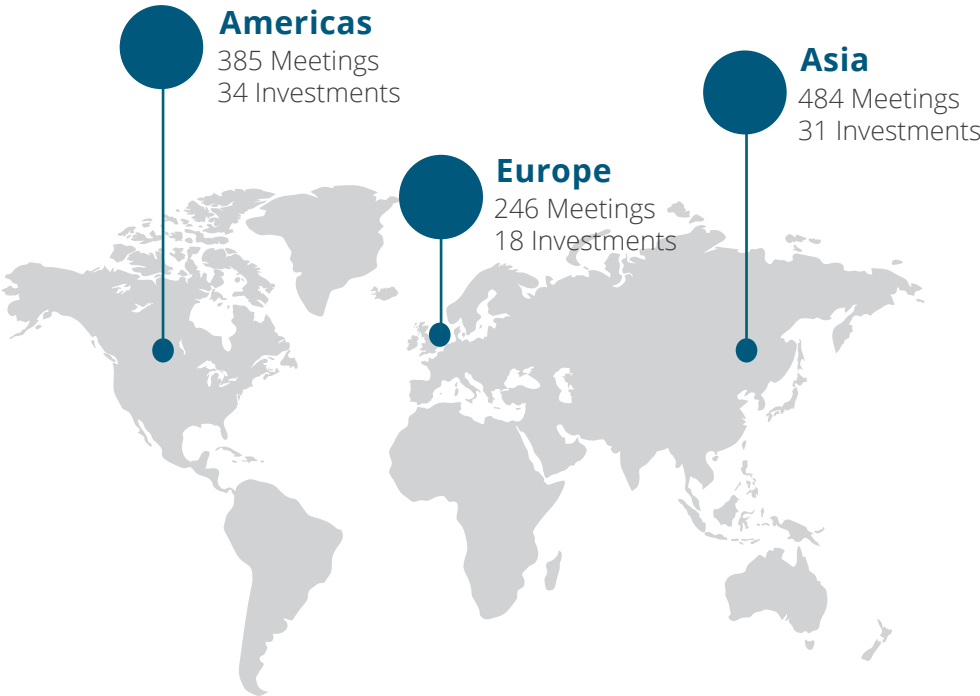
Southeastern approaches every investment with a business-owner mindset, and we believe it is our fiduciary duty to encourage responsible corporate governance by always keeping an engaged dialogue with our management teams and boards of directors. We constructively engage with our management partners to help drive successful, long-term outcomes, using our global network, size, reputation and expertise. In rare cases when our management teams are not acting on behalf of shareholders or the long-term sustainability of the business, we may publicly push for change. However, our preferred method is behind the scenes and out of the headlines.

Our experience and reputation of being a large, long-term, collaborative shareholder give us access to management and the credibility to share ideas and help achieve positive outcomes. Our extensive global network, built over four decades, is a unique competitive advantage that allows us to evaluate businesses and management from multiple perspectives. We tailor our engagement based on our on-the-ground experience and understanding of what factors are most important to each business and what approach is most effective in each region.

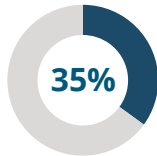
Engagement efforts on ESG issues span a broad range of topics, including: adopting standardized climate-related reporting, committing to long-term carbon neutrality and setting near-term goals along the way, curbing and/or offsetting emissions, sourcing sustainable and ethical raw materials, encouraging ethical industry pricing standards, creating ESG bonds, improving management and board diversity, vetting supply chain for ethical and/or modern day slavery concerns, taking actionable steps to foster an inclusive culture, aligning management properly through compensation, encouraging value-additive capital allocation, addressing dual-share structures that disadvantage minority shareholders and many more.

2020 Engagement Stats

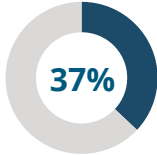
In 2020, we invested in **83** companies and had **over 1,100 meetings** with our partners and prospective partners.



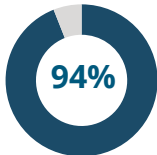
Engagement Breakdown by Topic



Environmental



Social



Governance



Ever since 1934 we have argued in our writings for a more energetic attitude by stockholders toward their managements.”



Benjamin Graham
The Intelligent Investor

ENVIRONMENTAL CASE STUDY

GENERAL ELECTRIC



- 10 meetings with company in 2020
- Three key environmental topics:
 - Adopting TCFD reporting
 - Committing to net zero emissions
 - Understanding waste reduction in LEAN manufacturing

Our engagement with General Electric (GE) has spanned multiple calls with the company's investor relations, CFO, CEO, board members and other shareholders, including Ceres and the Climate Action 100+ (CA100) GE working group, which we joined in May 2020. We saw good progress in late 2020 with **GE's public commitment to carbon neutrality by 2030** and will continue to encourage the company to adopt the Task Force on Climate-related Financial Disclosures (TCFD) and/or Sustainability Accounting Standards Board (SASB) reporting frameworks. We support the CA100-backed shareholder resolution for GE to commit to more transparency and establish goals for reducing scope 3 emissions and were pleased to see the company recommended a "FOR" vote in support of the resolution in April 2021, citing science-backed evidence from the Paris Agreement and supportive engagement from shareholders.

In 2020, we had multiple direct engagements with GE and also participated in group discussions through CA100. The CA100-led initiatives have been focused on increased transparency, adopting TCFD and SASB reporting, committing to net zero carbon emissions over the long-term, setting short- and medium-term measurable reduction targets and committing to a reduction in scope 3 emissions.

Lowry Howell, Senior Analyst, and Ross Glotzbach, CEO and Head of Research, have led ongoing discussions on three key environmental topics of adopting TCFD reporting, committing to net zero carbon emissions and the waste reduction benefits of integrating LEAN manufacturing. Our discussions on TCFD covered the nuances of firm-level, aggregate reporting versus transparency across each individual business line. We have also had supportive discussions on various governance and social topics, including executive compensation, capital allocation, cost cutting, cultural implications of LEAN integration and giving back to support the global fight against COVID through producing PPE for healthcare workers and supporting employees through enhanced safety plans. Southeastern Vice-Chairman Staley Cates and GE CEO Larry Culp discussed some of these important topics in December 2020 on the Price-to-Value Podcast.

We recognize that a majority of shareholders recently voted against CEO Larry Culp's revised pay package in May 2021. We voted for the pay package, but we continue to engage with the company on the important topic of management alignment with shareholders this year. We believe that Culp has been instrumental in turning around GE and expect that he will continue to create substantial value for shareholders, while maintaining a keen focus on getting that value recognized through the company's share price.

The P/V Podcast

Episode 16 / January 2021

GE: Larry Culp on Lean Manufacturing, Culture and COVID

Listen now →

Keep up-to-date with
our latest podcasts

Subscribe now

DOMINO'S PIZZA GROUP (UK)



- 11 meetings with company in 2020
- Focus has been on:
 - Improving governance and board diversity
 - Repairing franchisee relationships

We have been heavily engaged with UK-based Domino's Pizza Group (DPG) since we first purchased the company in 2019. Since then, we have seen dramatic improvement in management quality and governance effectiveness as three new directors joined the board in 2019-2020. In September 2020, DPG announced the appointment of two female board members, further ***improving governance and oversight and adding some much-needed diversity to the board.***

Over the last two+ years, we have engaged with DPG on a number of key issues, with the heaviest lifting in the first year focused on improving governance. After multiple meetings with the company, the board, then-executive management, other shareholders and franchisees, sharing our views and pushing for change, we saw dramatic improvement in management quality and governance effectiveness as three new directors joined the board in 2019-2020, who took control of the governance and management succession process, appointing a top-notch Chairman in Matt Shattock, CEO in Dominic Paul and CFO in Neil Smith.

While these moves represented significant improvements achieved in a relatively short period, it was clear that the company needed to diversify its board to ensure the best in class thinking and well-documented benefits that come from a more diverse group of leaders. In September 2020, DPG announced the appointment of Natalia Barsegiyan and Lynn Fordham to its board, further improving governance and oversight and adding some much-needed diversity to the board.

We remain engaged with the company on this important social and governance topic, in addition to environmental initiatives like improving the recyclability of its pizza boxes and governance issues of addressing its international business and improving the all-important relationship with franchisees.

GOVERNANCE CASE STUDY

MILlicom



MILlicom
THE DIGITAL LIFESTYLE

- 11 meetings with company in 2020
- Focus has been on:
 - Board composition
 - Management compensation and alignment through ownership
 - Capital allocation
 - COVID relief efforts

We have been collaboratively engaged with Millicom in governance discussions since we first invested in 2017. In 2019 Millicom appointed former Southeastern principal Jim Thompson as a board member, and in 2020, our Vice-Chairman Staley Cates joined the Nomination Committee, which is responsible for nominating board members, proposing director compensation and directing the election and compensation of the statutory auditor. This year we have engaged with the company on board composition, executive compensation and executive share ownership, capital allocation, simplifying the business structure and navigating the business through COVID while supporting local communities. ***We have seen great progress with three new board members appointed in May 2021, including a top pick from our former investee network, Bruce Churchill. The new board members add diversity, LatAm and US expertise and extensive industry and management experience. We also applaud Millicom's efforts to keep customers in hard-hit South American communities connected throughout the COVID crisis.***

In the first half of the year, we engaged on management compensation plan and pushed for increased share ownership to ensure better alignment with shareholders. In September, Staley joined Millicom's Nomination Committee, which allows us to engage in a more meaningful way with the company on important issues but does not involve the same time or resource commitment of taking a seat on the Board of Directors. In this role, Staley helped direct the search for three new board members with the goals of adding LatAm expertise, relevant industry experience, better gender diversity, CEO strategic thinking and knowledge of US capital markets. In May 2021, Millicom appointed Sonia Dulá, a woman who brings vast Latin American expertise and experience running a business, Lars-Johan Jarnheimer, who has strong experience in mobile as former President and CEO of Tele2 AB and chairs the IKEA board, and Bruce Churchill, who we know well and were able to share good insight from our prior successful investment in DIRECTV, where he was the head of Latin America and was "right hand man" to Chase Carey, one of our all-time best management partners.

As the impact of COVID on the business and local markets became clearer, we engaged with management on plans to navigate the business operations through the crisis. We applaud the company's efforts to support their local, hard-hit LatAm communities, like Panama, Bolivia, Colombia and Paraguay. While some competitors were rolling off promotions and increasing prices during the second COVID wave, Millicom supported local government initiatives to keep end users that could not afford to pay connected. The company offered a lifeline product that enabled hundreds of thousands of customers to access government sites for important COVID guidance at no charge. We encouraged and supported these initiatives. A contact through our charitable network who leads a Honduran ministry confirmed that TIGO hotspots "saved education" by keeping programs connected on the ground in local markets. This is the kind of personal integrity and community focus that we love to see from our investee partners.

We remain engaged on compensation and capital allocation and continue to encourage management to simplify the business structure to focus on the US and Latin America.

Exciting New Initiatives in 2021



In January 2021, we partnered with the Notre Dame Institute for Global Investing via their ***Investment Management Access Program (IMAP)***. This program, focused on improving diversity within the asset management industry, supports partner programs including: AnBryce Scholars, Association of Latino Professionals for America (ALPFA), Black Business association of Notre Dame (BBAND), BlackND Capital (BNDC), First Gen Careers Initiative, Smart Woman Securities (SWS), and Undergraduate Women in Business (UWIB). IMAP was a rewarding undertaking for our research team, and we decided to seek out additional partnerships where we can help develop diverse talent within the industry going forward.



We will be partnering with ***Girls Who Invest (GWI)***, an organization that is helping transform the asset management industry by bringing more women into portfolio management and leadership through an inclusive program that provides education, mentoring, internships and a supportive community. We will work with GWI to establish a structured internship program, with our first intern to join us in summer 2022.

Greenwood Pine Partners

In March 2021, we received approval for an exciting new initiative to form **Greenwood Pine Partners**, a mission-driven, minority-owned investment management firm with initial funding from the Shelby County Retirement System, our neighbors in Southeastern's hometown of Memphis, TN. Expected to launch in 3Q21 with \$20 million in assets, Greenwood Pine will be 51% owned by Southeastern Senior Analyst and Principal Brandon Arrindell, who is African American and from Memphis. Brandon will serve as both majority owner and portfolio manager for a US-focused, all-cap strategy employing Southeastern's long-term, concentrated, engaged approach. The goal of Greenwood Pine and the partnership with Shelby County is to compound capital at an attractive rate, **while also working to address the issue of minority underrepresentation in the asset management industry**. Where possible, Greenwood Pine will seek to partner with minority-owned, local service providers. Southeastern will be pledging the full proceeds derived from its 49% stake in Greenwood Pine to organizations that uplift and provide services to underserved communities.



Brandon Arrindell, CFA

Senior Analyst, Principal

Mr. Arrindell has been with Southeastern since 2010. Prior to joining the company, he worked as an Investment Banking Analyst for Morgan Stanley in New York. Mr. Arrindell received a bachelor's degree in Economics from Harvard College.

Experience

13 years

Joined

2010

Location

Memphis

Education

BA (Economics)

Harvard College

2021 Outlook

We are pleased with the progress we made in 2020 and are working hard to build on this positive momentum in our ESG and DEI efforts in 2021 and beyond. ESG considerations have always been a part of our DNA at Southeastern, but we are excited to take a more formalized and critical approach to our efforts.

To that end, we are also committed to reporting the carbon footprint of our portfolios by the end of 2021. We have taken feedback from our clients on what they would like to see from us and believe this is an important factor to monitor and disclose. For portfolio companies that do not report their carbon emissions, we are committed to engaging with management teams to encourage them to adopt TCFD or SASB reporting as an initial step.

Thank you for taking the time to review our first annual ESG report. We look forward to reporting more on our progress in our 2021 annual report and in our regular updates with clients over the next year. We are grateful for your partnership and eager to hear any additional feedback you may have on our ESG efforts.



A handwritten signature in black ink, appearing to read 'Gwin'.

Gwin G. Myerberg

**Global Head of Client Relations and Communications
Chair of Southeastern's ESG Committee**

Download Additional Information

- [Environmental, Social Governance Position Paper](#)
- [UK Stewardship Code Compliance Statement](#)
- [Modern Slavery Act Transparency Statement](#)

ESG is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, by Southeastern Asset Management will reflect the beliefs or values of any particular investor. Information regarding responsible practices may be obtained through voluntary or third-party reporting, which may not be accurate or complete, and Southeastern Asset Management may be dependent on such information to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. Past performance is not a guarantee or reliable indicator of future results. This material contains the current opinions of Southeastern Asset Management and such opinions are subject to change without notice. This material is distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product.