

## **Remarks by the Chairperson of the GIPF Board of Trustees, Ms Nilian Mulemi at the Launch of the Responsible Investment and Active Ownership Policy as well as the Launch of the Fund's ESG MS.**

- Directors of Proceedings
- Mr Penda Ithindi, Chairperson of the GIPF Investment Committee and all Trustees present
- Mr David Nuyoma, GIPF CEO and Principal Officer
- Our Investment Consultants, Lane Clarke and Peacock (LCP) who are joining us on-line this morning
- Bfinance, our manager selection specialist, also joining virtually
- Invited Fund Managers and Stakeholders of the GIPF
- I also wish to acknowledge the numerous presenters lined up this morning on topics of great importance to the Fund
- Management and Staff of the GIPF
- Members of the Media
- Ladies and Gentlemen:

Good morning and thank you for accepting our invitation to this very important engagement where we will be unpacking GIPF's ESG approach, through our Responsible Investment and Active Ownership Policy. I'm awe-struck with the GIPF team for putting together a full and informative agenda for today. Today would also not be possible without the great line-up of the presenters, thank you for sparing your time to share your knowledge and being part of building a very informative agenda.

And of course, to the online and physically present guests, welcome to you all.

### **Why are we here?**

We live in interesting, exciting, yet thought-provoking times. An era with so much uncertainty, so many unknowns, small and large corporates are exposed to so many risks and disclosure requirements, but one thing is certain; we know the global environment which we want to live in, in this room; we are aware of the influence which we have on developmental, Environmental, Socio-economic and Corporate Governance issues and the impact opportunities in our country and the world at large.

There is a growing consensus around the importance of private investment to scale up sustainable development, for example, build new sustainable green buildings or transform existing buildings to net zero. While private markets offer compelling opportunities in terms of risk and return, they also enable strong influence over the stewardship of capital from a project standpoint.

It is therefore not a surprise that the GIPF has taken this bold step, as a responsible investor, to ensure that we bring our partners along on this journey. Our journey is not only to encourage but to systemically enhance value creation through the assets under our management (AuM).

### **What:**

Today I want to talk about how ESG has become a lens for value creation and how the GIPF vision and how we have already created value with the assistance of our investment consultants, and through our investment policies and the decisions that we make.

The GIPF investments are guided by the investment policy anchored on liability driven and asset matching with return expectations of 5% above inflation. We have a responsible, long-term and sustainable approach to investment, and this is reflected through our values, culture and investment mandate adopted.

Our Development Investment policy speaks to Impact investing, developmental opportunities, and distribution of wealth to those who are unbanked.

- 1. Impact investing:** Positive social and environmental impact alongside a financial return.
- 2. Developmental Investment:** The GIPF has committed 5% of its AuM towards developmental investments (N\$7.45 Billion).
- 3. Financial Inclusion:** Targeting the unbanked to have access to financial services and funding.

The Developmental Investment Policy, which governs sectors of investment opportunities within Logistics Infrastructure, Renewable Energy and Energy Frontier Technologies, Agriculture and Food Processing, Education and Skills Development, Health and Healthcare Service, Housing, Small and Medium Enterprises (SMEs) and/or Information and Communication Technology (ICT) correlates to our Responsible Investment and Active Ownership Policy, where we have adopted the Principles for Responsible Investment (PRI) and developed ESG material issues to further include into our Manager Selection, Monitoring and Drawdown due diligence processes.

Environmental (**E**) material issues, such as, Carbon Emissions, environmental protection and rehabilitation are key to us to ensure that we are aware of our carbon footprint.

Social (**S**) material issues, such as, Labour & Human rights, curbing modern slavery and creating employment are areas that we out to directly impact and positively influence will create better communities in which we operate in.

Governance (**G**) material issues, such as, having an oversight of good corporate governance and Risk Management will enhance business operations.

Having a closer and systemic eye on ESG issues will in turn enhance financial value, positively contribute to National and Global Agendas. As leaders, we ought to drive cultural shifts and promote the ESG and responsible investing narrative through active leadership. This could include organisational changes, such as strategy and providing training to investment teams and other critical functions, such as IR, Marketing, IT and Legal. Not only will this demonstrate

accountability, but it will also bolster the perception of ESG as being comparable to financial reporting, rather than a marketing exercise.

On that note, I want to leave you with the words of Leonard I. Sweet "*The future is not something we enter. The future is something we create.*"—Leonard I. Sweet

I thank you for your kind attention.