

ALLAN GRAY

LONG-TERM INVESTING

# Within ESG, isn't G the most important?

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# Agenda

Framework

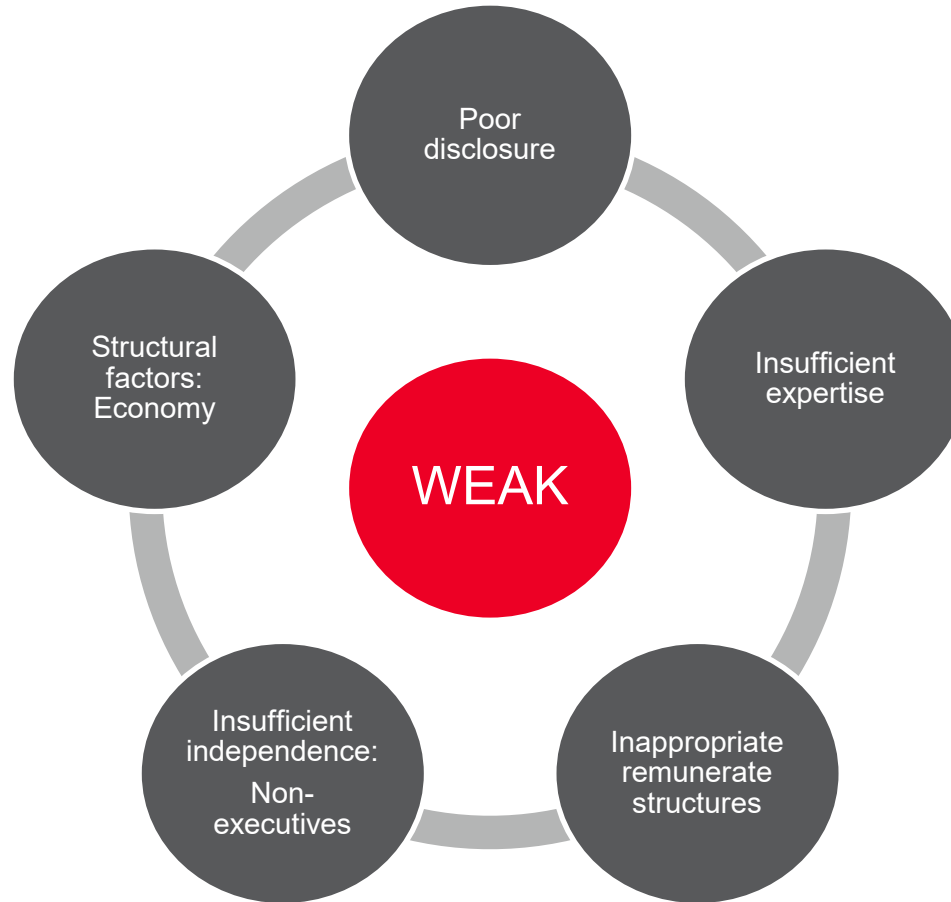
Governance environment

Case study



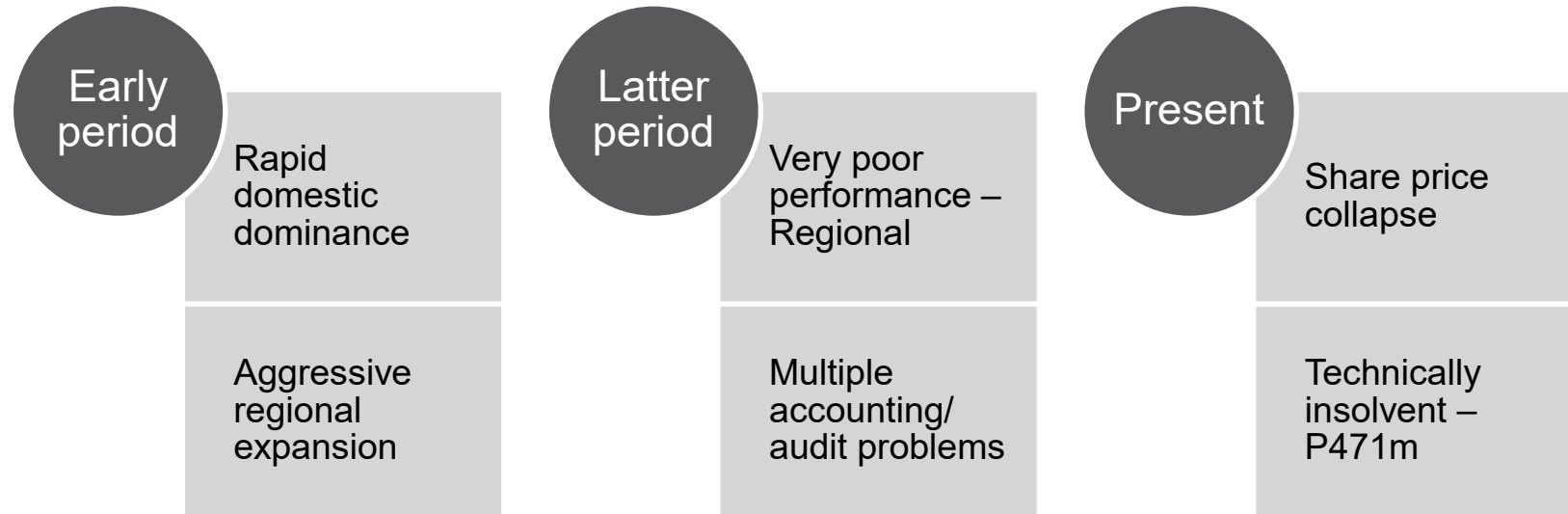
- ESG – **E**nvironmental, **S**ocial, **G**overnance
- Companies can have excellent environmental and social practices and still be poorly governed
- Impossible for a well governed company to have poor environmental and social practices
  - **Governance definition:**  
The system by which an entity is controlled and operates
- Governance is hence by far the most important factor within ESG, yet gets the least direct attention

## Governance environment – Botswana





## Case study – Choppies



## Urgent reforms required

- Material increase in mandated minority shareholder protections
- Higher minimum disclosure standards
- Binding shareholder vote on executive director/officer remuneration
- Increased activism by minority shareholders

**Thank you**





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