

## Sanlam Investment's CRISA Statement

### Our philosophy on being a responsible investor

Sanlam Investments is committed to playing a strategic role in securing a sustainable future for South Africa and all those who live in it, as well as those beyond our borders. We believe that safeguarding economic, environmental and social assets is the foundation for a healthy economy that generates sustainable returns for the future. Accordingly, we promote the incorporation of environmental, social and governance factors (ESG) into investment decisions to better understand the risks and opportunities inherent in our investments.

To guide this process, we subscribe to the global Principles of Responsible Investment (PRI) and have adopted the CRISA 2 Code principles. We also acknowledge the need for and importance of the UN Sustainable Development Goals and our country's National Development Plan. As part of our commitment to this agenda, we will report on progress annually through the PRI reporting framework and our annual Responsible Investment and Stewardship Report.

### Principle 1: Integration of Environmental, Social and Governance (ESG) factors

Sanlam Investments incorporates all financially material factors in the investment process which includes ESG issues. Accordingly, we embed sustainability into our core investment processes across our asset classes, to better understand both ESG risks and opportunities. This is done through the formal adoption of integration strategies in the form of either financial integration, screening, impact themes or a combination of these.

### Principle 2: Diligent stewardship

Stewardship programme forms a key component of our ESG framework, and it encompasses two important areas:

- Engaging with companies on material ESG issues; and
- Exercising our right to vote.

We consider shareholder engagement a core driver of change, where investors seek to improve investee companies' practices with a specific end objective in mind. When engaging with companies, our purpose is to either seek additional understanding or, where necessary, seek change that will protect and enhance the value of the investments for which we are responsible. We systematically track and record the progress of engagement and take both an active approach to engagement and respond to key issues relating to sustainability and governance matters that have a material impact on long-term financial performance.

Detail regarding our engagement and proxy voting activity may be found in our annual Responsible Investment and Stewardship report, on our governance website.

### Principle 3: Capacity building and collaboration

Principle 3 of the CRISA 2 Code recommends a collaborative approach to promote acceptance and implementation of the principles of CRISA 2 Code, and other codes and standards applicable to institutional investors.

Where collusion, leading to the making of a mandatory offer, is not an issue, we will collaborate with other shareholder representatives in expressing our viewpoint to Boards. We prefer to do this 'after the fact', e.g., after voting proxies, to reduce the risk of being perceived as acting in concert.

We may also participate in consultations regarding regulations and laws which will affect corporate governance. The appropriate forum to do this is via ASISA: The association for Savings and Investment South Africa.

### Principle 4: Sound governance

Principle 4 of the CRISA 2 Code states that an institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should have sound governance structures in place to proactively manage these when they occur. While the policy outlined below addresses conflicts of interest primarily at the level of retail clients, the approach is of interest to institutional clients as well.

Where investment managers are owned by asset-owning companies, their third-party institutional clients will be particularly alert to ensure that their interests are not subordinated to those of the parent company. Their main protection in this regard is the fiduciary obligations of their investment manager. Another is that responsible investment policy forms part of their investment mandate. We will indeed be proactive in managing conflicts when they are likely to occur.

Sanlam Investments formed a committee, The Corporate Governance Unit (CGU), in 2006 to drive the implementation of our responsible investment initiatives on behalf of clients. The CGU is made up of senior investment professionals, company secretarial and front office staff. The committee has dual responsibility of ensuring the ESG agenda is embedded in the investment process across our capabilities and acting as a collective when engaging with company boards on ESG matters.

### Principle 5: Transparency

Sanlam Investments is committed to disclosure and transparency. In addition to our annual CRISA 2 Code disclosure, Sanlam Investments further discloses progress of its responsible investment practices through our annual PRI Transparency Report on Progress. Other reports which are publicly available on our governance website include the following:

- Annual Responsible Investment and Stewardship Report
- Engagement activity reports
- Quarterly proxy voting reports
- Annual PRI Report on Progress
- Responsible Investment related policies and guidelines

Please see the CRISA 2 Code [website](#) for frequently asked questions.

# call us

## Investments

55 Willie van Schoor Ave, Bellville 7530 | Private Bag x8,  
Tygervalley 7536, South Africa

**T** +27 (0) 21 950 2500 **F** +27 (0) 21 950 2555

