



Active Ownership: Conflict of Interest Policy



Our Policy

Conflicts of interest may arise when executing active ownership activities, which consists primarily of engagement and voting activity. In these events of potential conflict, Sanlam Investments has developed a protocol to identify and manage these events. In conjunction with the Code of Ethical Conduct, this policy aims to promote transparency and fairness in the interest of clients, employees, providers and Sanlam Investments.

Below we have listed examples of conflict, and the relevant policy and procedure that will need to be followed.

Examples of conflict (or perceived conflict) include (but are not necessarily limited to) the following:

- Engaging with or voting in respect of a company related to one of Sanlam Investments' current or prospective clients.
- Engaging with or voting in respect of a company related to Sanlam Investments' parent company or related subsidiaries.
- Engaging with or voting in respect of a company where a senior representative of Sanlam Investments' parent company is a board member or executive.

Where there is a conflict (or perceived conflict) related to an **engagement activity**:

- If there is a desired engagement activity that has been identified via the engagement team or initiated by the company concerned, Sanlam Investments' compliance department will be consulted to ensure compliance with our overarching sustainable investment policy and proxy voting guidelines.
- Should Sanlam Investments' compliance department determine that Sanlam Investments is compliant with its policies and guidelines, the engagement may be pursued. Relevant stakeholders (including the Sanlam Investments executive committee and key clients) will be informed. Relevant Sanlam Investments executives will, however, not participate in the engagement or consequent discussions. If the compliance department determines that the engagement activity deviates from its policies, the engagement activity will not be pursued (i.e. the matter at hand falls within the guidelines or our current policies).
- If an engagement activity has already commenced by one of Sanlam Investments' service providers on its behalf, stakeholders (including the Sanlam Investments executive committee) will need to be informed in line with the appropriate service provider stewardship policy, and rationale for the engagement.

Where there is a conflict (or perceived conflict) in relation to **voting activity**:

- Sanlam Investments' proxy voting guideline will govern the manner in which Sanlam Investments will vote. Service providers may be used to codify and execute the respective guidelines and voting process.
- Where there is a conflict of interest (actual or perceived), Sanlam Investments' compliance department will be consulted to ensure compliance with our overarching sustainable investment policy and proxy voting guidelines.
- Should Sanlam Investments' compliance department determine that Sanlam Investments is compliant with its policies and guidelines voting activities are to be pursued and relevant stakeholders (including the Sanlam Investments executive committee and key clients) will be informed.
- Clients will, however, be able to override the recommended vote, in relation to the assets managed on their behalf.

Policy Implementation

To enable an effective implementation of this policy, all areas of conflict will be mapped out by the relevant proxy voting analyst, and be sent to the Sanlam Investment Group (SIG) Company Secretary and SIG Governance Specialist, who will provide oversight on the implementation of this policy. This report will be sent on a regular basis to identify areas of conflict, track input from compliance and confirm the communication of stewardship activity to key stakeholders.



Voting activity and mandate is managed by the lead proxy voting analyst, who, along with the chair of the Corporate Governance Unit (CGU), and in consultation with the Sanlam Investment Group Corporate Governance Specialist, has the mandate to vote on matters in line with our proxy voting guidelines.

Engagement activities are led by Sanlam Investments' engagement ESG analyst and other members of the CGU. Service providers may be tasked with the responsibility to engage on behalf of Sanlam Investments.

call us

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