



Responsible Investment FAQs  
(based on the UN Principles) | 2018

Investments



## FREQUENTLY ASKED QUESTIONS (FAQs)

1. Are you a signatory to the UN PRI?

Yes, SIM signed up in 2009. Sanlam is also a signatory.

2. Are ESG metrics contained in your written investment policy?

We have policies for E, S and G, as well as for Responsible equity and debt investment. Should you require a copy of our Policies and Procedures document, we will provide one on request, or you will find one on our website: [SIM Responsible Investment Website](#)

3. **Principle 1. We will incorporate ESG issues into investment analysis and decision- making processes.**

- 3.1 Have you ever undertaken ESG research and analysis and, whenever relevant, fed the outcome of this research into valuation methodologies, sector allocation and portfolio construction? Please provide examples of such instances.

We have the capability to assess the materiality of environmental externalities, compile environmental 'footprints' of portfolios, and gauge the extent of environmental risk to company and portfolio valuations. Environmental footprints may be used by asset owners to make informed changes to their mandates or portfolios.

- 3.2 Have you engaged companies with the aim to discuss and improve their ESG practices? Please provide examples of such instances.

We have engaged with companies over 50 times regarding governance matters. We have also consulted with some companies on their Environmental and Social practices.

4. **Principle 2. We will be active owners and incorporate ESG issues into our ownership policies and practices.**

- 4.1 Have you got a voting policy that covers Corporate Governance, Environmental and Social issues?

SIM's voting policy covers G only. We have not yet been required to vote on resolutions addressing S and E.



- 4.2 On how many of the counters in the portfolio did you vote and what percentage does that constitute of the total holdings?

We aim to vote at all shareholder meetings where clients have holdings. In total we vote close to 100% of holdings. We do not abstain.

- 4.3 Do you use proxy voting as an engagement tool? Please provide examples of such instances.

Voting against a resolution may well lead to consultation or engagement. For example, if we vote against a new incentive scheme, it is likely that a company will consult. If we vote against remuneration policy or implementation, it could lead to engagement, should the meeting vote likewise.

We are guided by our Escalations Policy.

**5. Principle 3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.**

- 5.1 Do you collect your own information from companies on ESG matters or do you rely on outside consultants?

We purchased environmental data from outside consultants until 2017. (The advantage was that the service provider is able to verify data across their international universe of companies, and also model data where there are gaps).

We store Board scores received from a stockbroker for use in portfolio construction. We plan to purchase structured ESG data from a vendor.

Other data that we use is obtained from integrated reports.

- 5.2 Did you ask companies for data on ESG performance, impacts, risks and opportunities? Please provide examples of such instances.

We have asked a chemicals producer and a global miner to provide context to the debate on climate change, as well as for details of aspects of their approaches to the environment.



**6. Principle 4. We will promote acceptance and implementation of the Principles within the investment industry.**

How do you spread responsible investing throughout the investment chain? Please provide examples of such instances.

We have given client asset owners copies of our Responsible Investment Policies and Procedures, and requested that they respond with their own in due course.

We attend meetings of the SA PRI network.

SIM participates in policy formulation through its membership of ASISA.

**7. Principle 5. We will work together to enhance our effectiveness in implementing the Principles.**

Did you work together with other investors to increase the influence that investors bring to bear on investee entities? Please provide examples of such instances.

Our preference is not to collaborate directly with other investors, but we do sometimes join collaborative lobbying initiatives. For example, by signing the Global investor Statement on Climate Change, we joined other investors in calling on policymakers to provide policy certainty to encourage low-carbon investment.

As the complexity of engagement topics has increased, we have started to join forces with other investors. Examples are, we joined other SA investors in Steinhoff to choose which class action to join. We also wrote to the four Boards of the Resilient family of companies together with 9 other SA investors, to request a holistic investigation of malpractice allegations.

**8. Principle 6. We will report on our activities and progress towards implementing the principles.**

What way, e.g. annual report etc., do you use to disclose your IR policies and activities?

We maintain a responsible investment section on the Sanlam website, which includes our Policies and Procedures, charts of our voting and engagement activity, public disclosure of our voting activity, and copies of our Annual Responsible



Investment reports (since 2012).

We also disclose details of resolutions declined to clients in their quarterly reporting documentation, and email the reasons to companies when we decline resolutions at their shareholder meetings.



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A detailed microscopic image of plant tissue, showing a cluster of cells with thick, dark cell walls and lighter, textured interiors. The cells are roughly hexagonal and arranged in a honeycomb-like pattern. The lighting is dramatic, highlighting the intricate structure of the cell walls against a dark background.

**call us** 

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