

FOR PROFESSIONAL INVESTORS ONLY



## Engagement Policy

05 2021 v1.1

## **Sanlam Engagement Policy**

At Sanlam, we recognise that promoting sound corporate governance in the companies that we invest forms an integral part of our fiduciary responsibilities to our clients. The purpose of this Policy is to set out the arrangements employed by Sanlam Investments UK Ltd and Sanlam Private Investments (UK) Ltd (collectively “Sanlam Investments”).

This policy document describes how Sanlam conducts engagement with companies throughout the course of its investment activities. It is reviewed regularly by Sanlam UK’s Executive Committee (ExCo) and updated to reflect any changes in our approach.

It should be noted that the exact approach to monitoring and engagement may vary from team to team owing to the diversity of investment strategies offered.

### **Monitoring companies**

Initial investment is preceded by detailed due-diligence and the creation of a regularly updated investment thesis which reviews, amongst other factors, strategy, financial and non-financial performance and risk, and capital structure.

The monitoring process for environmental, social and corporate governance (ESG) is supplemented by further detailed reports produced by our ESG partner, Sustainalytics<sup>1</sup>. ESG risk analysis is fully embedded within our investment process across the business. Full details on our approach to managing ESG risks across our portfolios can be found in our ESG policy document on our website.

All investments are reviewed on a regular, periodic basis by the investment teams to ensure that the initial investment case remains intact.

The Performance and Risk committee provides an independent review of fund performance, providing a challenge on individual companies where performance has not met expectations or is making a significant contribution to the risk profile of the fund.

### **Engagement**

We generally initiate dialogue with investee companies in instances where we have identified issues that may have an impact on the sustainability of returns over the medium to long term. This covers a wide range of potential risks including those coming under the Environmental, Social and Governance headings. That said, we are pragmatic about our influence on companies where our active positions are small but, in line with our fiduciary responsibilities, we will aim to bring about engagement and positive change where possible.

### **Collective engagement**

In general, we raise concerns with companies on an individual basis but may look to collaborate with other shareholders where appropriate. More broadly, we actively engage with other shareholders and policy makers through our membership of The Investment Association, and New City Initiative.

### **Voting**

Sanlam’s Voting Policy is designed to ensure that our proxy voting activities are consistent with the objective of maximising long-term shareholder value on behalf of its clients. For Collective Investment Schemes (CIS) we use a proxy voting service to ensure we participate in all shareholder votes. Each investment team is notified of upcoming votes and can elect to alter the proxy to vote in accordance with the best interests of the holders of that CIS.

For discretionary mandate clients, Sanlam does not generally offer proxy voting services.

### **Reporting**

We can offer flexibility around the tailored content of client reporting which could extend to include voting decisions and action taken relating to corporate governance.

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<sup>1</sup> Sustainalytics is a global provider of ESG, corporate governance research and ratings

On an annual basis we will publish a summary of how our engagement policy has been implemented. This will include;

- a description of our voting behaviour;
- an explanation of the most significant votes;
- the use of the services of proxy advisors; and
- a description of how Sanlam has cast votes in the general meetings of companies in which it holds shares on behalf of its clients.

### **Conflicts of interest**

We have a group conflicts of interest policy that provides key information designed to help understand conflicts and the measures in place to safeguard a client's interest from any conflicts of interest which arises or may arise in the course of providing investment services.

An integral part of this process is our conflicts of interest register, which is reviewed and updated on a regular basis.

### **Important information**

Issued and approved by Sanlam Investments. Sanlam Investments is the trading name for our two Financial Conduct Authority (FCA) regulated entities: Sanlam Investments UK Limited (FRN 459237), having its registered office at 24 Monument Street, London, EC3R 8AJ and Sanlam Private Investments (UK) Ltd (FRN 122588) having its registered office at 24 Monument Street, London, EC3R 8AJ.