

# Responsible investment

## Our Crisa statement

We are in a privileged position to be a fiduciary for our clients and stakeholders. Responsible investment (RI) practices resonate with our outcome-based investing philosophy to align with our clients' long-term goals of positively influencing the world they will live in. We believe companies and investment managers are aware of their broader effect to deliver superior investment outcomes over the long term.

Through our involvement in the RI committee of The Association for Savings and Investment South Africa (Asisa), being a supporter of the Code for Responsible Investing in South Africa (Crisa), being a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI) and being a member of the International Corporate Governance Network (ICGN), we strive to encourage other investment managers, service providers, asset consultants and investment owners to do the same.

We ensure environmental, social and governance (ESG) integration through various governance structures. The RI committee sets policy and provides oversight of our efforts in RI, with member representation from across the business. A member of the RI committee will always be present at the various sub-investment committees to ensure ESG considerations are taken into account, and will provide relevant quarterly feedback to the RI committee.

Our different portfolio and business offerings result in various different levels of engagement:

- For direct investments and where we have investment management agreements in place with underlying investments managers, we are able to direct strict compliance with the principles.
- Where we outsource to external investment managers, their approach to ESG is a core consideration in our assessment of their capabilities.
- Clients have access to execution and advisory services, which allow them to select their own investment managers. In some instances, these investment managers may not comply to the extent we believe they should, but it does meet our minimum requirements.

The five principles of the CRISA are as follows:

***Principle 1: An institutional investor should incorporate sustainability considerations, including ESG, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.***

- Our portfolio managers have an integrated approach to incorporate ESG principles in investment decisions.
- We appoint investment managers that apply RI practices and, through our due-diligence processes, we assess how ESG integration is done.
- The RI committee serves as oversight committee to ensure ESG integration across our investment team.
- We also construct and invest in RI-themed portfolios.

**Principle 2:** *An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.*

- Our portfolio managers are held accountable for adopting the RI policy.
- We expect our appointed investment managers to adopt the company's RI policy
- We vote according to our policy on proxy voting, where we have legal rights.
- We vote on all shareholder resolutions, where we have legal rights.
- We engage with investment managers and companies (the register is available on request).

**Principle 3:** *Where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other codes and standards applicable to institutional investors.*

- We support various bodies and soft laws that promote RI, such as Crisa, the UN PRI and is a member of the ICGN.
- We encourage other companies to be more transparent, through engagement.
- We serve on the RI committee of Asisa to promote RI practices.

**Principle 4:** *An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should pro-actively manage these when they occur.*

Our investment team complies with our conflict of interest policy, available on <https://retail.momentum.co.za//documents/invest-and-save/conflict-of-interest-management-policy.pdf>.

**Principle 5:** *Institutional investors should be transparent about the content of their policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.*

The following information is available on <https://www.momentum.co.za/momentum/invest-and-save/responsible-investing>:

- Responsible investment policy
- Proxy voting and engagement policy
- Proxy voting history

Please also visit the UN PRI website, to view the transparency report that reflects the company's detailed report on RI practices at [www.unpri.org](http://www.unpri.org)

