About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2019 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the PRI website.

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an Index which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an ‘at a glance’ summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅</td>
<td>The signatory has completed all mandatory parts of this indicator</td>
</tr>
<tr>
<td>✅️</td>
<td>The signatory has completed some parts of this indicator</td>
</tr>
<tr>
<td>🚫</td>
<td>This indicator was not relevant for this signatory</td>
</tr>
<tr>
<td>-</td>
<td>The signatory did not complete any part of this indicator.</td>
</tr>
<tr>
<td>⚠️</td>
<td>The signatory has flagged this indicator for internal review</td>
</tr>
</tbody>
</table>

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.
## Organisational Overview

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO 01</td>
<td>Basic information</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>OO 02</td>
<td>Reporting year</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>OO 03</td>
<td>Signatory category and services</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>OO 04</td>
<td>Other offerings/business activities</td>
<td>☐</td>
<td>n/a</td>
</tr>
<tr>
<td>OO 05</td>
<td>Breakdown of ESG coverage</td>
<td>✓</td>
<td>Asset mix disclosed in OO 06</td>
</tr>
<tr>
<td>OO End</td>
<td></td>
<td>✓</td>
<td>-</td>
</tr>
</tbody>
</table>

## Strategy and Governance

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG 01</td>
<td>Responsible investment policy</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 02</td>
<td>Norms used to develop policies</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 03</td>
<td>Policy offerings to clients</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 04</td>
<td>ESG/RI in business offerings</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 05</td>
<td>Outsourcing of services</td>
<td>✓</td>
<td>Private</td>
</tr>
<tr>
<td>SG 06</td>
<td>Providing training/education</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 07</td>
<td>Applying, advancing and promoting the PRI principles</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 08</td>
<td>Actions taken to promote responsible investment</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 09</td>
<td>Long term trends</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 10</td>
<td>Interaction with asset owners</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 11</td>
<td>Aligning approach with investor goals</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 12</td>
<td>ESG recommendations not aligned with investor goals</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 13</td>
<td>Seeking feedback from clients</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 14</td>
<td>Managing conflicts of interest</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG End</td>
<td></td>
<td>✓</td>
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</table>
## Investment Consultancy

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC 01</td>
<td>Advisory and consultancy services</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>IC 02</td>
<td>Assets under advisement</td>
<td>✓</td>
<td>Private</td>
</tr>
<tr>
<td>IC 03</td>
<td>Fiduciary manager services</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>IC 04</td>
<td>ESG in contracts with clients</td>
<td>✓</td>
<td>Private</td>
</tr>
<tr>
<td>IC 05</td>
<td>Custodian services</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>IC 06</td>
<td>RI and ESG in clients’ investment policy development</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>IC 07</td>
<td>ESG incorporation into strategic asset allocation</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>IC 08</td>
<td>Scenario analysis and/or modelling</td>
<td>✓</td>
<td>Private</td>
</tr>
<tr>
<td>IC 09</td>
<td>Demonstrating value on asset allocation</td>
<td>✓</td>
<td>n/a</td>
</tr>
<tr>
<td>IC 10</td>
<td>Investment research activities</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>IC 11</td>
<td>Demonstrating value on investment research</td>
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<td>n/a</td>
</tr>
<tr>
<td>IC 12</td>
<td>ESG in manager selection, appointment and monitoring</td>
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<td>Public</td>
</tr>
<tr>
<td>IC 13</td>
<td>Manager selection activities</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>IC 14</td>
<td>Incorporating asset owners’ investment principles in selection of manager</td>
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</tr>
<tr>
<td>IC 15</td>
<td>ESG in selection due diligence</td>
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<tr>
<td>IC 16</td>
<td>Monitoring investment managers on ESG</td>
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</tr>
<tr>
<td>IC 17</td>
<td>Reporting back to asset owners</td>
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<td>Public</td>
</tr>
<tr>
<td>IC 18</td>
<td>Demonstrating value on manager selection, appointment and monitoring</td>
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<td>Public</td>
</tr>
<tr>
<td>IC 19</td>
<td>ESG in manager selection, appointment and monitoring</td>
<td>✗</td>
<td>n/a</td>
</tr>
<tr>
<td>IC End</td>
<td></td>
<td>✓</td>
<td>-</td>
</tr>
</tbody>
</table>
Organisational Overview

PRI disclaimer
This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.
Basic Information

OO 01 | Mandatory | Public | Descriptive
--- | --- | --- | ---

**OO 01.1** Select the location of your organisation's headquarters.
South Africa

**OO 01.2** Indicate the number of countries in which you have offices (including your headquarters).
- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

**OO 01.3** Indicate the regions where you have offices.
- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

**OO 01.4** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

5

Reporting Year

OO 02 | Mandatory | Public | Descriptive
--- | --- | --- | ---

**OO 02.1** Indicate the year end date for your reporting year.
28/02/2019
<table>
<thead>
<tr>
<th>Signatory category and services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OO 03</strong></td>
</tr>
</tbody>
</table>

**OO 03.1** Indicate which of the following categories reflect your core offering or main business activity:

- ☐ Reporting
- ☐ Active Ownership Services
- ☑ Investment consultancy
- ☐ Research and Data Provision
- ☐ Other, specify (1)
- ☐ Other, specify (2)

**OO 03.2** Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- ☐ Reporting
- ☐ Active Ownership Services
- ☐ Research and Data provision
- ☐ Other, specify (3)
- ☐ Other, specify (4)
- ☑ None of the above
Sukha & Associates

Reported Information

Public version

Strategy and Governance

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We are an independent, 100% black-owned asset consulting firm that provides a high quality and dedicated investment advisory service to retirement funds. We seek to provide our clients with top quartile risk-adjusted returns but at the same time have a positive impact on the environment and society. We manage risk holistically - we do not only focus on the members' financial risks like most of our competitors. We also seek to mitigate social and environmental risks for members of retirement funds. Our company seeks to be RI leaders within our own industry but to also help our clients be RI leaders in their own industries as well.

Our firm was founded to address shortcomings and improve governance levels within the asset consulting industry and have therefore structured ourselves to avoid such shortcomings. These shortcomings were outlined by Actuary Rob Rusconi in a paper published in 2008. Our firm is truly independent and offer no subsidiary services to avoid conflicts of interest. We are not incentivised to support nor linked to any affiliates that seek to generate additional revenue from our clients. We have suggested industry solutions to the shortcomings in the asset consulting industry. For example, we have publicly written about "dual consulting" as one possible solution.

Our company is based on four founding principles: Independence, Integrity, Innovation and Insight. One of the categories against which staff are regularly measured are how well they have implemented these principles within their daily work or actively promoted these principles within the business or in the industry. Therefore, good governance is a strong feature of our business not only in terms of structure but also in terms of culture. Our founding principles and Code of Ethics states that "client interests always rank ahead of our business interests" and practical examples are provided to employees to demonstrate how this can be applied in practice. Employees have to comply with the Code of Ethics.

We were the first black-owned asset consulting firm in South Africa to sign up to PRI; 50% of our clients have signed up to PRI (100% target) and all clients have set Responsible Investing Policies. We actively promote Responsible Investing to our clients and seek to increase awareness of ESG issues and encourage clients to take action. Our company, in conjunction with our clients, have developed a strong track record in supporting renewable energy, job creation, impact investments, good governance and diversity. Our efforts were recognised by Trustees and Principal Officers who awarded us with the Batseta Imbas Yegolide award for the “2018 Responsible Investment Consultant of the Year.”

Given the history of the country, our company seeks diversity in terms of its staff compliment and to provide opportunities to previously disadvantaged individuals in South Africa. All current full-time employees are previously disadvantaged employees. We volunteer our time to professional bodies such as the Actuarial Society of South Africa. Our clients have used their influence to encourage and create jobs and opportunities for black graduates.

Our business seeks to highlight climate change issues and mitigate its impact through awareness at asset owner level, encouraging managers to incorporate environmental factors within their processes and by encouraging clients to invest in sectors such as renewable energy. We have done ad-hoc work with the WWF South Africa and raised client awareness of the WWF Living Planet fund. Since coal is one of South Africa’s top 5 exports, we seek to ensure a just transition. We have recommended funds that are primarily focused on creating jobs alongside renewable energy investments in order to ensure a just transition for South Africa.
Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

**Policy components/types**
- [ ] Policy setting out your overall ESG/RI approach
- [ ] Formalised guidelines on environmental factors
- [ ] Formalised guidelines on social factors
- [x] Formalised guidelines on corporate governance factors

<table>
<thead>
<tr>
<th>Public availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] URL</td>
</tr>
<tr>
<td>[ ] Attachment</td>
</tr>
<tr>
<td>[x] Not publicly available</td>
</tr>
</tbody>
</table>

- [ ] Formalised guidelines on engagement approach
- [ ] Formalised guidelines on (proxy) voting approach
- [x] Other, specify (1)

**Founding Principles**

<table>
<thead>
<tr>
<th>Public availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] URL</td>
</tr>
<tr>
<td>[ ] Attachment</td>
</tr>
<tr>
<td>[x] Not publicly available</td>
</tr>
<tr>
<td>[x] Other, specify (2)</td>
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</tbody>
</table>

**Code of Ethics**

<table>
<thead>
<tr>
<th>Public availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] URL</td>
</tr>
<tr>
<td>[ ] Attachment</td>
</tr>
<tr>
<td>[x] Not publicly available</td>
</tr>
<tr>
<td>[ ] None of the above</td>
</tr>
</tbody>
</table>
Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
- Regular RI/ESG policy awareness building for employees
- Establishment of policy review committee/team
- Remuneration linked to achieving ESG objectives
- Annual performance incentives
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

No

Indicate what frameworks and guidelines you have used to develop your organisation’s policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
  - CRISA
- Other, specify (2)
- Other, specify (3)
- None of the above

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.
<table>
<thead>
<tr>
<th>Policy</th>
<th>Off the shelf</th>
<th>Tailored</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset class-specific RI guidelines</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Sector-specific RI guidelines</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Screening/exclusions policy</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Engagement policy</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>(Proxy) voting policy</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>RI guidelines set out within the Investment Policy Statement (IPS)</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>RI guidelines set out in a freestanding RI policy</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Multi-year RI implementation project plan</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Conflict of interest management policy</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Stockbroker allocation policy</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Securities lending policy</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Other, please specify (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other, please specify (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other, please specify (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SG 03.2** Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

We typically start by providing high level training on RI and ESG issues. This includes the importance of RI, disclosure of regulatory requirements, trends and global best practice and practical examples. Based on the engagement, we then tailor the next steps to each client.

Our starting point is to set a separate RI policy for the client based on their feedback. The RI Policy will typically be quite basic initially but enhanced every year as the client becomes more familiar, engaged and empowered with ESG issues. The RI policy will typically include the following:

- Vision and Mission
- Importance of RI and ESG
- The Client’s RI approach in general terms
- Which asset classes are covered and the RI approach to each asset class
- RI strategy regarding manager selection, engagement, proxy-voting and conflicts of interest
- B-BBEE / Transformation strategy
- Collaboration strategy
- Specific projects / initiatives (e.g. research or engagement dealing with either Governance, Environmental and/or Social issues)
- Reporting and Disclosure
- Roles and Responsibilities for implementation
- Frequency of review.

We raise and debate general ESG risks and issues at Investment Committee meetings to ensure that the RI policy remains relevant and "top of mind". Asset managers are required to report back on their ESG approach at every meeting with the client and specific issues are also discussed e.g. stance on particular ESG issues or how proxy votes were cast.

Implementation of the RI policy is monitored at least once a year and changes made where necessary.

<table>
<thead>
<tr>
<th>SG 04</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG 04.1</td>
<td>Briefly describe how you include ESG/RI factors as part of your business offerings.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Business area**

<table>
<thead>
<tr>
<th>Investment Consultancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>How you include ESG/RI factors</td>
</tr>
</tbody>
</table>

Our firm provides independent asset consulting services, which includes advice on ESG and RI issues. We feel that RI is an essential part of any successful investment strategy as it either helps to enhance return, reduce risk and/or reduce negative externalities.

We make clients aware of their fiduciary duty to consider ESG and RI issues but also help them comply with such duties based on global best practice.

We assist clients who have no experience of ESG and RI issues but also those clients with intermediate knowledge of such matters.

We provide independent ESG advice based on our own research and third-party research e.g. from the PRI.

Our advice would include for example:
- Importance of ESG and RI
- High level training (or utilise specialists if necessary)
- How to set an RI policy
- How to implement an RI policy
- Proxy voting and engagement
- Impact investing
- ESG risks and how it affects investments
- ESG incorporation within decision-making
- Specific ESG projects that are important to the client.
<table>
<thead>
<tr>
<th>Roles present in your organisation</th>
<th>Oversight/accountability for ESG/RI</th>
<th>Implementation of ESG/RI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Directors</td>
<td>☑</td>
<td>□</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO), Chief Financial Officer (CFO)</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Chief Operating Officer (COO), Chief Information Officer (CIO)</td>
<td>□</td>
<td>☑</td>
</tr>
<tr>
<td>Other chief-level staff</td>
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</tr>
<tr>
<td>Other heads of department</td>
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<td>□</td>
</tr>
<tr>
<td>Dedicated ESG/RI staff</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other role, specify (1)</td>
<td>□</td>
<td>☑</td>
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<tr>
<td>Other role, specify (2)</td>
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</tr>
<tr>
<td>Other role, specify (3)</td>
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<td>□</td>
</tr>
<tr>
<td>None of the above</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

**Please specify**

Analyst assists with implementation

Junior Analyst assists with implementation
**SG 04.3**

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- ☒ Staff training on ESG/RI incorporation
- ☐ Including ESG/RI knowledge factors in personal development goals
- ☒ Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- ☒ Including ESG in selection requirements when hiring new employees
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)
- ☐ Other, specify (4)

**SG 04.4**

Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- ☀ Yes

**SG 04.5**

Describe the ESG/RI linked incentives.

The incentives are largely governance-related at this stage.

Our Founding Principles and Code of Ethics sets out our key principles, which includes Independence and Integrity.

Our other founding principles are Innovation and Insight, which encourages a culture of research and sharing and discussing of new ideas in all work areas including ESG and RI.

Staff are expected to demonstrate application of these principles in practice. This is discussed in regular key performance appraisal sessions with staff and remuneration set accordingly. Non-compliance with our Founding Principles and Code of Ethics could result in debarment and/or dismissal.

We are considering other incentives linked to ESG to strengthen our existing culture and to promote our values. This would also help to strengthen our relative competitive advantage in this area.

- ☐ No

- ☐ Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.
**SG 06.1** Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- ☐ Board/trustee training
- ☐ Investment manager training
- ☐ Regulatory bodies/authorities or public policy makers
- ☐ Corporate executive training
- ☐ ESG analyst training
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)
- ☐ Other, specify (4)
- ☐ None of the above

**SG 06.2** Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.

We generally advocate using professional bodies / industry associations for training, especially specialised training in specific fields / areas.

We tend to focus on high-level training and assist our clients in understanding RI and the importance of it. We try to make this practical to enhance the effectiveness of the training.

The training would include the following:
- Importance of ESG and RI
- Fiduciary duty and Regulatory requirements
- Social and environmental risks and how it can affect members’ financial risks
- How to set an RI policy
- How to implement an RI policy
- Proxy voting and engagement
- Impact investing
- ESG risks and how it affects investments
- ESG incorporation within decision-making
- Specific ESG projects that are important to the client.

**SG 06.3** Describe whether these training/educational services include any commercial elements.

Our service level agreements with clients include setting and reviewing the client's Investment Policy Statement and / or RI Policy. In order to do this in a meaningful way, training on ESG and RI issues is required. There is no additional cost or charge for high-level ESG Training - we see this as part of the service. We feel that providing training helps to make our client's policies more meaningful to them and better suited to their needs. It also helps to encourage adoption of RI practices. We generally outsource specialised training to professional bodies / industry associations.

**SG 07**

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<tr>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
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<tbody>
<tr>
<td><strong>SG 07.1</strong></td>
<td>Describe how your organisation applies, advances and promotes the PRI Principles.</td>
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</table>

**Principle 1:**

We have included ESG factors in our advisory process and explicitly consider ESG issues at various stages of our process including when reviewing our clients’ investment policy statement and their
investment strategy. ESG factors are also incorporated into our manager selection and risk management process. We have assisted a client to incorporate ESG into their decision-making process.

Principle 2:
We have encouraged our clients to incorporate ESG issues into their ownership practices and the importance of being an active owner. We have stepped up our efforts in this regard particularly in light of issues of state capture for example and the role an active owner could play in mitigating such issues for the general benefit of all stakeholders. For example, we have encouraged our clients to request their asset managers to consider board refreshment and diversity when casting proxy votes on Board composition.

Principle 3:
We have a separate ESG due diligence template, which all asset managers must complete before they are formally ranked or included in our shortlist. Governance documents must be provided as part of the due diligence process. Transparency and Assessment reports are requested if the manager is a PRI signatory. Generally, asset managers have to report back on ESG issues at every meeting with the client. RI policies of clients generally set out the level of disclosure required from asset managers on ESG issues.

Principle 4:
We have sought to collaborate with others in the industry on ESG issues (particularly when issues of state capture were starting to emerge) and have written / contributed to articles on ESG and RI issues. We have increased our clients and potential clients’ awareness of the PRI principles. Our aim is to have 100% of our clients as PRI signatories. We seek to have our clients invested with asset managers who are all PRI signatories (currently around 90%). We have participated as a panelist at a conference organised by an NGO called “Investment for Inclusion” and set out how we have applied some of the PRI principles for our clients.

Principle 5:
We continuously seek to increase our ESG knowledge and our resources that support our RI approach. As a small business enterprise, we are looking to collaborate with other firms and work with them for mutual benefit. At a recent conference, we suggested getting various stakeholders together to share information and collaborate in order to have a greater impact in addressing climate change and income inequality. This has been set up informally but we will look to strengthen this going forward.

Principle 6:
We welcome the decision by the PRI to have mandatory reporting for service providers. Annual reporting allows us to focus our activities and to make sure that we improve our RI approach on a continuous basis. We report on our activities to our clients but will seek to improve such disclosure over time and make some of this information publicly available if they give us permission to do so. We have published our RI articles on our website.
SG 8.1 Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

SG 9.1 Indicate which of the following long-term trends are addressed in your product outputs.

- Changing demographics

SG 9.2 Explain how this long-term trend affects your product outputs.

A growing working age population is a positive for South Africa but not if our youth can't find employment. Youth unemployment is growing rapidly and as we have seen how in other regions it can be a source of political and other instability (in addition to it being a moral issue).

We have encouraged our clients to be mindful of this risk and to assist with job creation efforts where possible. We have recommended seeding an innovative fund that explicitly targets job creation (without sacrificing financial return to investors). The fund has created “decent” work opportunities for 10,000 people since seeding the fund.

We have already indicated our interest in the second fund that will be launched with the same objectives.

We have also requested one of our client's asset managers (who lacked a B-BBEE certificate) to set up a black graduate development programme to provide work experience to young and previously disadvantaged individuals. This was one of the conditions for investing with the manager. The manager gladly obliged and has made it a permanent programme and trained at least 6 black graduates and retained at least one on a permanent basis over the past two years.

- Climate change

SG 9.2 Explain how this long-term trend affects your product outputs.

We have recommended that our clients invest in the country's renewable energy programme to help minimise the country's dependence on coal.

We have encouraged our client to respond to a call for public comments on the Department of Energy's Integrated Resources Plan. The Plan at the time favoured nuclear energy over renewable energy. Our client highlighted the many benefits of the Government's renewable energy programme.

Our client provided a commitment to the Department of Energy to invest more capital in the renewable energy sector if uncertainty around the renewable energy sector was removed and the Integrated Resources Plan revised to include a higher proportion to renewable energy.

The Government revised the IRP and dropped nuclear energy from the future energy mix and restored...
certainty to the sector by allowing projects to reach financial close. Our client promptly deployed their
remaining commitment amounts to the sector, making it a significant investor in renewable energy in
South Africa.

Having realised that coal is one of South Africa's top 3 exports, we encouraged our clients to focus
on job creation as an explicit RI initiative and priority to mitigate the potential loss of jobs in the coal
industry. Refer to the above comment for further information.

☐ Resource scarcity
☐ Technology developments
☐ Other, specify (1)

B-BBEE and Transformation

SG 09.2 Explain how this long-term trend affects your product outputs.

The fund credits of members of pension funds would be meaningless in the long-term if those
members retire in an unstable political and macro-economic environment and an unequal society,
which has not reversed the negative consequences of apartheid.

Specific client strategies have been set to support B-BBEE and transformation objectives as
reported above. In addition, we assisted our clients to set a stockbroker policy that seeks to increase
the amount allocated to black-owned stockbrokers and to request greater disclosure from asset
managers on the cost of trading and with whom they are trading. We engaged with asset managers
and industry associations in setting the policy.

Racial and gender diversity are also monitored at asset managers to monitor how this changes over
time and to engage with asset managers where necessary. This was formalised into an annual
survey that is submitted to the Board of Trustees.

☐ Other, specify (2)
☐ None of the above

SG 10 Mandatory Public

SG 10.1 Indicate whether you interact with asset owner clients.

☐ Yes, we do

SG 10.2 Indicate the typical frequency and type of interactions with your asset owner clients.

Type of interaction

☒ Board of trustee meetings

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Frequency

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify

- Roughly every 6 weeks

Investment committee meetings

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify

Trustee training workshops

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify

Formal regular meetings outside of committee meetings
Informal meetings or calls

Our other clients typically have quarterly Investment Committee and Management Committee meetings and informal interactions takes place on a monthly basis.

Describe how you typically align your organisation’s philosophy and approach to ESG/RI with your investor clients’ goals.

Our clients generally aim for superior risk-adjusted returns over the long-term. Our firm believes that a strong and effective ESG process could enhance return and/or reduce risk for clients over the long-term.

We help our clients set responsible investing polices to assist in meeting this goal. The RI policy is reviewed regularly to ensure that progress is being made in meeting the client’s goal.

Some large clients also believe that their investments should seek to have a positive impact on society and the environment. Our firm believes the same especially in light of the country’s history. As a firm, we have recommended high impact investments, which have thus far met and exceeded...
our client’s expectations. We have recommended increased allocations every year since 2015 with significant progress being made.

We have moved beyond just risk and return when assessing an investment. We now also consider the impact the investment could have on society and the environment. Asset managers are viewed in a similar vein - those managers with a strong ESG process and active ESG approach are ranked higher in our scoring models.

☐ This is not relevant for my organisation

We request the Transparency and Assessment reports of asset managers who are PRI signatories during our due diligence process. Recently, a manager who ranked highly in the Assessment reports won a mandate from our client who saw value in the manager’s ESG process.

SG 12.1 Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients’ goals.

☐ Describe

We do highlight the advantages and disadvantages of a particular recommendation to clients with an alternative option being provided. However, we do emphasize the fine balance between risk, return and impact and the trade-offs required.

We also remind the investor of regulatory requirements to consider ESG in the decision-making process. Therefore, ESG issues must be considered even if this conflicts with other goals.

We do offer to provide further information and suggest delaying the decision until the client feels that they have sufficient information to make an informed decision. We also encourage a second opinion if necessary or suggest inviting experts to provide a different perspective.

☐ This is not relevant for my organisation

SG 13.1 Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

☐ Yes

SG 13.2 Describe how you use this feedback in your RI/ESG services and product offerings.

In line with Treating Customers Fairly principles, we try to obtain feedback from clients to ensure that our service offering is in line with client expectations.

We use client feedback as an indication of where we should be improving or focusing more of our efforts. It is also helpful to get positive reinforcement and keep our team motivated when the feedback is positive.

☐ No
SG 14.1 Indicate whether your organisation has a policy for managing potential conflicts of interest.

☐ Yes

SG 14.2 Describe how you manage potential conflicts of interest.

We have a conflicts of interest policy in place and reference this in our annual client disclosure letters.

Our business was set up to specifically address some of the shortcomings in the asset consulting industry, which includes conflicts of interest. We do not spend time managing conflicts of interest - we avoid them.

Integrity is one of our founding principles and we formally measure staff on how they embrace and promote our founding principles.

In addition to our conflicts of interest policy, we have a Code of Ethics and Founding Principles document, which seeks to reiterate to staff that client interests always rank ahead of business interests. This naturally serves to lower the incidence of conflicts of interest.

Where a potential conflict of interest does arise, we promptly disclose such conflict to clients and offer to recuse ourselves from the decision. We also go as far as suggesting that the client obtains a second opinion before making a final decision.

As an aside, we promote what we call “dual consulting” in our industry, which is the appointment of two independent asset consultants to service large retirement funds. We have found that this model can be effective in limiting the impact of bias and conflicts of interest on the final client decision. It also helps to address information inequity.

In the local industry, there are probably only 2 firms left that are truly independent and do not offer any services that structurally creates conflicts of interest. We are one of those firms.

SG 14.3 Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

Integrity is a founding principle and we try to find staff who fit in with our culture, values and ethical beliefs. Staff must adhere to our Code of Ethics and Founding Principles and are formally assessed on how they embrace and promote our founding principles.

The firm has policies on the protection of client and business information and staff sign-off on these policies. Staff could face debarment and dismissal for breaching client confidentiality and using information for personal gain. Staff must sign at least 2 separate declarations on client confidentiality prior to joining the business.

☐ No
Sukha & Associates

Reported Information

Public version

Investment Consultancy

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.
### Investment Consultancy

<table>
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<th>IC 01</th>
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</thead>
<tbody>
<tr>
<td><strong>IC 01.1</strong></td>
<td>Indicate whether your services include any of the following.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Custodial services</td>
<td>☒ Investment policy development</td>
<td>☒ Strategic asset allocation</td>
<td>☒ Investment research</td>
</tr>
</tbody>
</table>

| IC 01.2 | Describe how you ensure that your clients understand your service offerings and fee structure. | | |
| A service level agreement has been signed with clients. We seek to obtain feedback from our clients about our services, value-add and fees on a regular basis to ensure that our service level agreements are appropriate. We have also set out our services on our website. |

<table>
<thead>
<tr>
<th>IC 03</th>
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<tbody>
<tr>
<td><strong>IC 03.1</strong></td>
<td>Indicate whether you provide fiduciary management services.</td>
<td></td>
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<tr>
<td>☑ Yes, we do</td>
<td>☐ No, we do not</td>
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</table>

### Investment policy development

<table>
<thead>
<tr>
<th>IC 06</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
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</thead>
<tbody>
<tr>
<td><strong>IC 06.1</strong></td>
<td>Indicate whether you incorporate ESG into your investment policy development services.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Yes, we systematically do</td>
<td>☐ Yes, we occasionally do</td>
<td>☐ No, we do not. Plans exist to start incorporating ESG into our investment policy development services in the next reporting year</td>
<td>☐ No, we do not</td>
</tr>
</tbody>
</table>
IC 06.2 Describe how you incorporate ESG factors and RI-considerations when advising clients on investment policy development.

☑ Reviewing clients’ existing beliefs, investment strategy and policy in relation to ESG
☑ Aligning the investment policy with the client’s overall ESG strategy and beliefs
☑ Helping clients define ESG investment objectives and incorporating them into policies
☐ Considering short-, mid- and long term time horizon of overall ESG objectives outlined in the investment policy
☑ Aligning the policy with the relevant ESG/RI regulations and public policies
☐ Determining the client’s ESG risk-profile and materiality to inform the investment policy
☑ Providing education/training and case studies if the client has not publicly committed to an ESG strategy or beliefs, and seek to incorporate ESG in the client’s investment policy
☑ Researching ESG trends, terminology and current debate to help create an up-to-date investment policy
☐ Comparing ESG investment policies of peers in the market
☑ Engaging the client organisations’ executives, Board and any other stakeholders in the ESG investment policy development
☐ Outlining the internal governance structure responsible for overseeing and implementing the investment policy
☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)

Strategic asset allocation

IC 07 Mandatory Public Descriptive

IC 07.1 Indicate whether you incorporate ESG into your strategic asset allocation process.

○ Yes, we systematically do
☑ Yes, we occasionally do
○ No, we do not. Plans exist to start incorporating ESG into our strategic asset allocation services in the next reporting year
○ No, we do not
IC 07.2 | Indicate how you incorporate ESG into your strategic asset allocation services.

- Incorporating climate change-specific factors into analysis of expected returns and risk levels across asset classes
- Incorporating other environmental considerations into analysis of long-term expected returns and risk levels across asset classes e.g. biodiversity, water usage, waste and hazardous materials
- Incorporating social considerations into analysis of long-term expected returns and risk levels across asset classes
- Incorporating governance considerations into analysis of long-term expected returns and risk levels across asset classes
- Incorporating ESG when advising on target percentages for allocation in asset classes
- Aligning the strategic asset allocation with the client’s ESG investment policy, ESG investment objectives and ESG risk profile
- Other, specify(1)
- Other, specify(2)
- Other, specify(3)

Investment research

IC 10 | Mandatory | Public

IC 10.1 | Indicate whether you incorporate ESG into your investment research services.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our investment research services in the next reporting year
- No, we do not

IC 10.2 | Indicate whether the following activities are part of your investment research process. Describe for each activity how you incorporate ESG.

Investment research activities

- Asset level research
- Portfolio level research

Describe how you incorporate ESG

We seek to identify high impact funds within each asset class and compare their attractiveness (using various factors that are important to the client) relative to traditional funds. If such funds are identified, we tend to disinvest from the client’s traditional fund in favour of the high impact fund within the same asset class.

- Performance monitoring

Describe how you incorporate ESG

We have started to include ESG versions of the major indices in our performance report to make clients aware of them and to possibly consider utilising them as benchmarks.
☐ Mandate design

Describe how you incorporate ESG

We recommend incorporation of ESG clauses, which are consistent with the principles set out in Regulation 28, in mandates with asset managers.

☐ Benchmark selection

Describe how you incorporate ESG

We usually recommend consideration of an equivalent ESG version of a benchmark where its available prior to the client selecting a benchmark for their investments. We are researching an alternative benchmark for local equities for a client that would have an ESG overlay similar to their offshore benchmarks.

☐ Equity research

Describe how you incorporate ESG

We seek to obtain an ESG rating / score of the client's portfolio and use the results to engage with asset managers. Due to the cost of obtaining such analysis, we have done this on an ad-hoc basis but would prefer to conduct such an exercise more frequently.

☐ Credit research
☐ Quant research
☐ Sector research
☐ Thematic research

Describe how you incorporate ESG

We have conducted research into the benefits of diversity at company boards in light of the Steinhoff event. We have done research into transformation within the stockbroking industry in South Africa, which assisted us in setting a progressive stockbroking policy for a client. We have done research into "state capture" and encouraged clients to take action to mitigate its effects and formalise our collective stance on particular issues.

☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)
☐ None of the above

Manager selection and monitoring

<table>
<thead>
<tr>
<th>IC 12</th>
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<tbody>
<tr>
<td>IC 12.1</td>
<td>Indicate whether you incorporate ESG factors into your manager selection and monitoring services.</td>
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<tr>
<td>Manager selection service</td>
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<td></td>
</tr>
<tr>
<td>☐ Yes, we systematically do</td>
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<tr>
<td>○ Yes, we occasionally do</td>
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<tr>
<td>○ No, we do not. Plans exist to start incorporating ESG into our manager selection services in the next reporting year</td>
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<tr>
<td>○ No, we do not</td>
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<table>
<thead>
<tr>
<th>Manager monitoring service</th>
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<tbody>
<tr>
<td>☐ Yes, we systematically do</td>
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<tr>
<td>○ Yes, we occasionally do</td>
</tr>
<tr>
<td>○ No, we do not. Plans exist to start incorporating ESG into our manager monitoring services in the next reporting year</td>
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<tr>
<td>○ No, we do not</td>
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**SELECTION**

**IC 13**

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<th>IC 13</th>
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**IC 13.1** Indicate what activities you undertake during the process of selecting a manager.

<table>
<thead>
<tr>
<th>Research and screening</th>
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<tbody>
<tr>
<td>☐ Conducting ESG due diligence</td>
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<tr>
<td>☒ Developing guidelines and/or RI priorities for the selection process</td>
</tr>
<tr>
<td>☐ Conducting internal database screening that includes ESG factors</td>
</tr>
<tr>
<td>☐ Conducting external database screening that includes ESG factors</td>
</tr>
<tr>
<td>☐ Qualitative research that includes ESG factors</td>
</tr>
<tr>
<td>☐ Conducting ESG risk analysis</td>
</tr>
<tr>
<td>☐ Other (1), specify</td>
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<tr>
<td>☐ None of the above</td>
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<table>
<thead>
<tr>
<th>Strategy</th>
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<tbody>
<tr>
<td>☒ Assessing the time horizon of the manager’s offering vs. your client’s requirements</td>
</tr>
<tr>
<td>☐ Assessing the quality of the manager’s investment policy and its reference to ESG</td>
</tr>
<tr>
<td>☒ Assessing the investment approach of the manager and how ESG factors are incorporated</td>
</tr>
<tr>
<td>☐ Reviewing active ownership capabilities and track record of potential shortlisted managers</td>
</tr>
<tr>
<td>☐ Other, specify (1)</td>
</tr>
<tr>
<td>☐ None of the above</td>
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</tbody>
</table>
### ESG people/oversight
- ✔ Assessing the ESG expertise of investment teams
- □ Reviewing the oversight and responsibilities of ESG implementation
- □ Other, specify (1)
- □ None of the above

### Process/portfolio construction
- ✔ Reviewing how ESG materiality is evaluated by managers
- ✔ Reviewing the manager’s use of ESG information in the investment decision-making process
- □ Review the impact of ESG analysis on investment decisions by the manager
- □ Review the manager’s ESG risk framework
- □ Other, specify (1)
- □ None of the above

### Selection process and reviewing documentation
- ✔ Reviewing ESG/RI responses to request for proposals
- ✔ Reviewing PRI Transparency Reports of the potential manager
- ✔ Request and discuss PRI Assessment Reports of the potential manager
- □ Reviewing potential manager’s assurance process on ESG/RI data and processes
- □ Meetings/calls with potential shortlisted investment managers covering ESG/RI themes
- ✔ Site visits to potential managers’ offices
- □ Other, specify (1)
- □ None of the above

<table>
<thead>
<tr>
<th>IC 13.2</th>
<th>Indicate whether you use any of the following scores or targets in your manager selection process.</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ ESG score&lt;br/&gt; ✔ ESG weight&lt;br/&gt; ✔ Real economy targets&lt;br/&gt; □ Other RI considerations&lt;br/&gt; □ None of the above</td>
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<th>IC 16</th>
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<tbody>
<tr>
<td>IC 16.1</td>
<td>Indicate whether you set any of the following to measure compliance/progress, or use the following information to review and evaluate the investment manager.</td>
<td></td>
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</tbody>
</table>
Setting measures for the investment manager as part of the monitoring process

- ESG score
- ESG weight
- Real economy targets
- Other RI considerations
- None of the above

Reviewing and evaluating information from the investment manager as part of the monitoring process

- ESG objectives linked to investment strategy
- Investment restrictions and any controversial investment decisions
- ESG incorporation objectives
- ESG portfolio characteristics
- How ESG materiality has been evaluated by the manager in the monitored period
- Information on any ESG incidents
- Metrics on the real economy influence of the investments
- PRI Transparency Reports
- PRI Assessment Reports
- Other general RI considerations in investment management agreements, specify
- None of the above

IC 16.2 Describe how you raise and manage concerns when monitoring investment managers on ESG factors.

We will engage with the manager usually in writing to ask further questions and raise concerns, especially if the issue is significant and in breach of the client's investment principles. We will conduct an on-site visit if necessary and invite the manager for a report back presentation to the client. On certain proxy voting issues, we have instructed the manager on behalf of clients to vote in a manner that is consistent with the client's ESG principles or RI policy.

IC 17 Mandatory Public Descriptive

IC 17.1 Indicate whether you report back to asset owners on your manager selection and/or monitoring activities.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not

IC 17.2 If yes, describe how you report back and the frequency.

We meet or discuss our monitoring activities with the Principal Officer on a regular basis (at least every second week). Material issues are usually reported at the Investment Committee. On request and in some cases, we share our detailed due diligence work with clients and/or provide a formal report to the client.

We occasionally send out the manager’s response to our RI due diligence questionnaire to clients. We have started to differentiate between managers based on the quality of their ESG integration and ESG initiatives. For example, a manager who rates highly in their PRI assessment report is given a higher score in our scoring model.

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We provide monthly performance reports to our clients and present a performance update at every Investment Committee and Board of Trustee meeting. We measure the fund's overall performance relative to their objectives and measure individual mandates relative to their benchmarks and peer groups. We also keep a record of when we recommended selection or deselection of a manager and whether this added value or not.