



RI TRANSPARENCY REPORT

2020

Sukha & Associates

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 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:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
🔍	The signatory has flagged this indicator for internal review

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

Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	🔒	n/a
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

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

Investment Consultancy

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

Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	-	n/a
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

Sukha & Associates

Reported Information

Public version

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.

28/02/2020

Signatory category and services

OO 03

Mandatory

Public

Gateway

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

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Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

We are an independent, owner-managed and level 1-rated B-BBEE 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 raise awareness of social and environmental risks that retirement fund members will face in the future and suggest mitigation strategies to our clients. Our company seeks to be Responsible Investing ("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 2008 paper called "Whose money is it anyway?". 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 is 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 must 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 of our 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 to mitigate ESG risks. 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. For example, our clients, with our help, have used their influence to encourage and create jobs and opportunities for black graduates. Our efforts were recognised by Trustees and Principal Officers who awarded us with the Batseta Imbasa 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 and have representation at their Investment Committee.

Our investment process considers three main factors now, namely risk, return and impact. Investment opportunities / asset manager products that score highly in all three factors are prioritised and receive preference in terms of our recommendations and client capital allocation decisions. We have actually implemented this process in practice as our clients are invested in at least 3 South African blended finance funds.

Our business seeks to highlight climate change risks and mitigate its impact through awareness at asset owner level, encouraging asset managers to incorporate environmental factors within their processes and by encouraging clients to invest in sectors such as renewable energy. Since coal is one of South Africa's top 5 exports, we have raised the concept of a just transition with clients, as we believe that this will be the best way to tackle our social and environmental risks. We have already recommended products that are primarily focused on creating jobs alongside renewable energy investments in order to ensure a just transition for South Africa.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

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

Public availability

- URL
- Attachment
- Not publicly available

- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors

Public availability

- URL
- Attachment
- Not publicly available

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

Founding Principles of the Business

Public availability

- URL
- Attachment
- Not publicly available

Other, specify (2)

Code of Ethics

Public availability

- URL
- Attachment
- Not publicly available

None of the above

SG 01.4

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

SG 02**Mandatory****Public****Descriptive****SG 02.1**

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

SG 03**Mandatory****Public****Descriptive****SG 03.1**

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.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conflict of interest management policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stockbroker allocation policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Securities lending policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

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, global best practice and practical examples. Based on the engagement, we then tailor the next steps to each client.

Our starting point is to determine whether a separate RI policy is required for the client based on their feedback. For larger clients, we advocate a separate RI policy in addition to RI wording in their Investment Policy Statement. 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 and links to UN SDGs and National Development Plan
- 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". Time has been formally allocated to cover ESG risks at every Investment Committee meeting. 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.

At the moment, our clients do not have a separate proxy voting policy but are considering it. Larger clients have a separate stockbroker policy and securities lending policy, both of which consider ESG risks.

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

SG 04	Mandatory	Public	Descriptive
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SG 04.1	Briefly describe how you include ESG/RI factors as part of your business offerings.
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Business area

Investment Consultancy

How you include ESG/RI factors

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 create a positive ESG impact. We have therefore incorporated risk, return and impact in our investment process.

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
- SDGs, National Development Plan and CRISA
- 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.

SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input type="checkbox"/>	<input type="checkbox"/>
Directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input type="checkbox"/>	<input type="checkbox"/>
Dedicated ESG/RI staff	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Senior Analyst
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

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 founding 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**Mandatory****Public****Descriptive**

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 for intermediate or advanced training on ESG issues. We tend to focus on basic and 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.

We have recently started to include training on the United Nations SDGs, the South African National Development Plan and a Just Transition.

Industry experts are also invited to present to clients at training sessions.

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 our overall asset consulting 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 good RI practices.

SG 07

Mandatory

Public

Descriptive

SG 07.1 Describe how your organisation applies, advances and promotes the PRI Principles.

Principle 1:

We have included ESG factors in our advisory and investment process and explicitly consider ESG issues at various stages of our process including when reviewing our clients' investment strategy. ESG factors

are also incorporated into our manager selection and risk management process. We assist our clients 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 support the move to "stakeholder capitalism". We regularly highlight the role that an active owner can play in creating a more inclusive, stable, relevant and diverse financial services industry that takes climate change seriously and creates products to help meet the UN SDGs. On climate change specifically, in the past year, we have recommended that our clients instruct their asset managers to vote in favour of key climate change resolutions proposed at a large bank in South Africa.

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. We have increased our 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 92%). We have spoken publicly and promoted ESG and RI issues at many local conferences. For example, we have participated as a panelist at conferences such as the ABSIP Asset Owners Summit and the Just Share Social Inclusion conference.

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 independent stakeholders across the value chain together ("a coalition of the willing") to share information 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 and the PRI 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 08	Mandatory	Public	
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SG 08.1

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 09**Mandatory****Public****Descriptive****SG 09.1**

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

- Changing demographics

SG 09.2

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 are not appropriately skilled and can't find employment. Youth unemployment is high in South Africa and 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. One of our clients has set "Job creation" as their key social initiative in their Responsible Investing Policy, which is in line with the South African National Development Plan and at least one of the UN SDGs. We have already helped our client implement this initiative in practice.

We have recommended seeding a blended finance credit fund that explicitly targets job creation and seeks commercial returns. The fund has created "decent" work opportunities for at least 10,000 people since inception of the fund. We have also invested in the second credit fund that was launched with the same objectives.

- Climate change

SG 09.2

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

We have publicly mentioned at conferences that climate change is an existential crisis and will serve to amplify South Africa's social risks. Therefore, both climate change and our triple threats of poverty, inequality and unemployment must be addressed at the same time.

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 invest more capital in the renewable energy sector if uncertainty around the renewable energy sector was removed. The Government revised the IRP and restored certainty to the sector by allowing projects to reach financial close and increasing the allocation to

renewable energy. 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, the same client set a "Just Transition" as a key initiative that they will support in their Responsible Investing Policy. As a result, the client has made significant investments in two blended finance funds that target job creation explicitly. As the client's renewable energy exposure increases so will its exposure to funds that target job creation.

- 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 retired in an unstable political and macro-economic environment and an unequal society.

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 every year to see 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

Frequency

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

Roughly every 6 weeks

Investment committee meetings

Frequency

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

Roughly every 6 weeks

Trustee training workshops

Frequency

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

Formal regular meetings outside of committee meetings

	Frequency
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- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify
- Informal meetings or calls

	Frequency
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- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- No, we do not

SG 10.3	Additional information. [OPTIONAL]
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Our "dual-consulting" clients typically have quarterly Investment Committee and Management Committee meetings and informal interactions takes place on a monthly basis.

SG 11	Mandatory	Public	Descriptive
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SG 11.1	Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.
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Describe

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 policies 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 blended finance and impact funds, 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. One of our clients subscribes to this view and have amended processes accordingly.

This is not relevant for my organisation

SG 11.2	Additional information. [OPTIONAL]
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We request the Transparency and Assessment reports of asset managers who are PRI signatories during our due diligence process.

SG 12	Mandatory	Public	Descriptive
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SG 12.1	Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.
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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 them of their time horizon and discuss various risks over the short-term, medium-term and long-term, which must be considered.

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

SG 13.2	Describe how you use this feedback in your RI/ESG services and product offerings.
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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 but to improve our offering when we receive constructive criticism.

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 and allows the client to access the respective strengths of each firm.

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 employ staff who fit in with our culture, values and ethics. 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

IC 01

Mandatory

Public

Gateway

IC 01.1

Indicate whether your services include any of the following.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Manager selection and monitoring
- Other, specify (1)
- Other, specify (2)

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 general services on our website.

IC 03

Mandatory

Public

IC 03.1

Indicate whether you provide fiduciary management services.

- Yes, we do
- No, we do not

Investment policy development

IC 06

Mandatory

Public

Descriptive

IC 06.1

Indicate whether you incorporate ESG into your investment policy development services.

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

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

Describe how you incorporate ESG

We have done high-level research on private debt - Africa fixed income in particular - and the impact that deeper and more liquid African bond markets would have on economic growth.

- Portfolio level research

Describe how you incorporate ESG

We seek to identify impact / blended finance 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 / RI 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 done research into transformation within the stockbroking industry in South Africa, which assisted us in setting a progressive stockbroking policy for a client. We annually conduct a survey of staff demographics at asset managers.

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

IC 11	Mandatory	Public	Descriptive
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IC 11.1 Describe how you measure, track or otherwise demonstrate your value on investment research activities.

After presenting our research to clients, we assess their level of interest in discussing it further and whether they are keen to adopt some of the recommendations. We monitor the outcomes of the research and whether it has had the desired effect. If our research results in actionable steps and implementation, then we view this as a successful outcome for the research team.

Manager selection and monitoring

IC 12

Mandatory

Public

Gateway

IC 12.1

Indicate whether you incorporate ESG factors into your manager selection and monitoring services.

Manager selection service

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

Manager monitoring service

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

SELECTION

IC 13

Mandatory

Public

IC 13.1

Indicate what activities you undertake during the process of selecting a manager.

Research and screening

- Conducting ESG due diligence
- Developing guidelines and/or RI priorities for the selection process
- Conducting internal database screening that includes ESG factors
- Conducting external database screening that includes ESG factors
- Qualitative research that includes ESG factors
- Conducting ESG risk analysis
- Other (1), specify
- None of the above

Strategy

- Assessing the time horizon of the manager's offering vs. your client's requirements
- Assessing the quality of the manager's investment policy and its reference to ESG
- Assessing the investment approach of the manager and how ESG factors are incorporated
- Reviewing active ownership capabilities and track record of potential shortlisted managers
- Other, specify (1)
- None of the above

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

IC 13.2

Indicate whether you use any of the following scores or targets in your manager selection process.

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

IC 14	Mandatory	Public	Descriptive
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IC 14.1 Describe how you incorporate asset owners' investment principles into the manager selection process.

As we limit our clients in order to offer a dedicated and high quality service, we can afford to tailor our service to our clients more effectively. We also have more time to better understand our client's objectives, needs and risk tolerance. Our manager selection process is therefore tailored to each of our clients taking into account their specific fund structure, investment beliefs and principles, existing policies and existing constraints. For example, we have set an investment strategy framework that incorporates ESG and other factors in the decision making process. We have determined the factors that are the most important to the client when selecting managers and asked them to rank the factors in order of importance. If "Positive Social Impact" is rated more highly than "Expected Return" for example, our manager selection process will be tailored accordingly.

IC 16	Mandatory	Public	Descriptive
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IC 16.1 Indicate whether you set any of the following to measure compliance/progress, or use the following information to review and evaluate the investment manager.

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. Asset managers are generally requested to report back on our clients'

Responsible Investing Policy on a "comply or explain" basis. This allows us to raise concerns and engage further with the asset manager.

IC 17	Mandatory	Public	Descriptive
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IC 17.1	Indicate whether you report back to asset owners on your manager selection and/or monitoring activities.
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- 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.
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We meet or discuss our monitoring activities with the Principal Officer on a regular basis. Material issues are usually reported at the Investment Committee meetings and/or before a manager report back session. On request, we share our detailed due diligence work with clients. We occasionally send out the manager's response to our RI due diligence questionnaire to clients.

IC 18	Mandatory	Public	Descriptive
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IC 18.1	Describe how you measure, track or otherwise demonstrate your value on manager selection and monitoring services.
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For clients to whom we provide reporting services, we generally provide monthly performance reports and fact sheets and present a performance update at every Investment Committee and/or Board of Trustees meeting. We measure the fund's overall performance relative to their objectives and measure individual mandates relative to their benchmarks and peer groups where applicable and relevant. We also keep a record of when we recommended selection or deselection of a manager and whether this added value or not.

Sukha & Associates

Reported Information

Public version

Confidence building measures

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