




LEA 02	Monetary	Reason for Interaction
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To encourage corporate transition for clients in the need to reallocate capital <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in internal staff	
Collaborative engagements	<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To encourage corporate transition for clients in the need to reallocate capital <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in collaborative engagements	
Service provider engagements	<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To encourage corporate transition for clients in the need to reallocate capital <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in service providers	

RI TRANSPARENCY REPORT

2014/15

Element Investment Managers

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. 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 a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

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.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Element Investment Managers

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	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

South Africa

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

18

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 04.1 Indicate the year end date for your reporting year.

31/03/2015

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		1	500	000	000
Currency	ZAR				
Assets in USD			139	699	567

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income – corporate	<10%	0
Fixed income – government	<10%	0
Fixed income – other	<10%	0
Private debt	0	0
Private equity	0	0
Property	<10%	0
Infrastructure	0	0
Commodities	<10%	0
Hedge funds	0	0

Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
-------	---	---------	---------

OO 08.1	Indicate the breakdown of your organisation's AUM by market.
---------	--

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
---------	---

Our long-term investment focus drives our involvement in research and disclosure initiatives that enhance our understanding of the risks and opportunities (ESG issues) facing companies in which we invest on our clients' behalf. Our policies and investment process require all investment analysts and portfolio managers to consider ESG issues and to integrate the material factors into their investment analysis and decision making. In addition, we engage and make use of proxy voting to add value and reduce risk (stewardship or active ownership).

We also run a number of Shari'ah funds where we apply a screen as required by their specific mandates.

Element Investment Managers (Element) has a track record of voting, engaging and integrating ESG factors since we launched our Earth Equity fund in 2001. We were the first investment manager in South Africa to sign the PRI in May 2006.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Property
- Commodities
- Cash
- None of the above

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

Direct - Other asset classes with dedicated modules

- Property

Closing module

- Closing module

Element Investment Managers

Reported Information

Public version

Overarching Approach

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.

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 01.1 Indicate if you have a responsible investment policy.

- Yes
- No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

All portfolio managers and investment analysts are required to take into account ESG issues and integrate the material ESG factors into their investment analysis, decision making and portfolios. Where material ESG factors are not integrated into future earnings for our fundamental valuation of a company (the impact on earnings cannot be estimated), the discount rate is adjusted affecting our estimate of intrinsic value.

Active ownership (engagement and proxy voting) is made use of by the investment team to reduce investment risk, improve investee information and add fund value.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

OA 02.1 Indicate if your responsible investment policy is publicly available.

- Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<http://www.elementim.co.za/responsible-investment/overview/>

- No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
 - Yes, all
 - Yes, some

OA 02.4

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
General	http://www.elementim.co.za/responsible-investment/overview/
Engagement	http://www.elementim.co.za/responsible-investment/approach-to-engagement/
Proxy Voting	http://www.elementim.co.za/responsible-investment/voting-record/
Conflict of Interest	http://staging.elementim.co.za/files/media/pdf/Conflicts%20of%20Interest%20Management%20Policy.pdf
CRISA	http://www.elementim.co.za/responsible-investment/overview/
Stewardship Code	http://www.elementim.co.za/responsible-investment/overview/

No

OA 02.5

Additional information. [Optional]

A policy on our commitment to the Principles for Responsible Investment (PRI) is also available at the following URL:

<http://www.elementim.co.za/responsible-investment/unpri/>

OA 03

Mandatory

Core Assessed

PRI 1,2

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input checked="" type="checkbox"/> Other, specify Code for Responsible Investing (CRISA) <input checked="" type="checkbox"/> Other, specify Stewardship Code (UK)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
----------------	---

We do not have any exceptions.

We also run Shari'ah Funds where we screen in accordance with the fund mandates.

OA 04	Mandatory	Core Assessed	General
--------------	------------------	----------------------	----------------

OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	---

Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
----------------	--

Element has established a management policy for conflicts of interest enabling it to prevent potential conflicts of interest, manage actual conflicts of interest and communicate them effectively to clients. This policy is based on a system of prevention, detection, management, communication and recording conflicts of interest.

The detailed policy is set out at:

<http://staging.elementim.co.za/files/media/pdf/Conflicts%20of%20Interest%20Management%20Policy.pdf>

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
--------------	------------------	------------------------------	----------------

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

OA 06	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

Add responsible investment objective 1

Objective 1	Vote all resolutions for all investee companies. Disclose votes publically. If a vote against or an abstention is registered provide the reason for the vote.
Key performance indicators	1. 100% of resolutions voted. 2. 100% disclosure 3. 100% disclosure of reasons for voting against or abstaining.
Describe the progress achieved	We achieved all our performance indicators.

Add responsible investment objective 2

Objective 2	Integration of ESG issues into all Investment Committee valuation and decision making reports.
Key performance indicators	Inclusive Integrated ESG Framework used to guide the integration and valuation process embedded in the Investment Committee report.
Describe the progress achieved	We are improving the documentation of the integration process and ensuring all new team members understand the process

Add responsible investment objective 3

Objective 3	Work through the PRI South Africa Network and CRISA to influence the Pension Regulator to ensure compliance with Regulation 28 to the Pension funds Act.
Key performance indicators	Contact is made with the Regulator through the PRI South Africa Network and practical guidance is provided to the Regulator to improve industry RI implementation.
Describe the progress achieved	Influenced the contact with the Regulator through the PRI Network and through an academic but action from the Regulator has been disappointing

OA 06.2

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Vote all resolutions for all investee companies. Disclose votes publically. If a vote against or an abstention is registered provide the reason for the vote
Key performance indicators	1. 100% of resolutions voted. 2. 100% disclosure 3. 100% disclosure of reasons for voting against or abstaining.

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Integration of ESG issues into all Investment Committee valuation and decision making reports.
Key performance indicators	Inclusive Integrated ESG Framework used to guide the integration and valuation process embedded in all Investment Committee reports.

Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Continue to seek practical actions that can lead to the mainstreaming of RI in South Africa.
Key performance indicators	Identify practical actions through the PRI Network, ASISA RI Committee and CRISA Committee.

Governance and human resources

OA 07	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
---------	---

Element has a Board of Directors to govern the organisation. In addition, an independent Advisory Board with diverse sustainability skills assists to embed the responsible investment policy and provides more detailed guidance for complex engagement and proxy voting issues. The Advisory Board formally meets with the investment portfolio managers, including the Chief Investment Officer, and on a quarterly basis receives detailed responsible investment reports. The report follows the Principles for Responsible Investment format (Reporting against all Principles). Element has only one investment team (no separate ESG or sustainability team). This structure has positioned Element to fully integrate responsible investment into our investment process.

Members of our Advisory Board are set out at:

<http://www.elementim.co.za/responsible-investment/independent-advisory-board/>

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
---------	---

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Other role, specify
 - Advisory Board: <http://www.elementim.co.za/responsible-investment/independent-advisory-board/>
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify

OA 08.2 Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

6

OA 09

Voluntary

Additional Assessed

General

OA 09.1

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

- Responsible investment included in personal development and/or training plan

OA 09.2

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

Internal presentations and reporting. External presentations and meetings with sustainability experts

- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Other role

Advisory Board: <http://www.elementim.co.za/responsible-investment/independent-advisory-board/>

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Apart from integration and active ownership on behalf of our clients, while encouraging better sustainability (ESG) disclosure, Element has collaborated with other investors and promoted acceptance and implementation of the Principles through our work on the CRISA and ASISA RI committees and the PRI South Africa Network.

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Using the CDP report to encourage company participation and better disclosure.

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Using the report to encourage companies to participate, improve water risk management and improve disclosure.

CFA Institute Centre for Financial Market Integrity

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Council of Institutional Investors (CII)
 Eumedion
 Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Worked with South African companies and a large South African Pension Fund to encourage the South African government to sign the EITI. Our goal has not yet been realised.

Global Investors Governance Network (GIGN)
 Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our work in South Africa was directly responsible for the Government Employees Pension Fund (GEPF) committing to the initiative. GEPF is the largest pension fund in South Africa and therefore it will influence other funds to join.

- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 - Moderate
 - Advanced
- Interfaith Center on Corporate Responsibility (ICCR)
 - International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

During 2014 David Couldridge was elected to the Board of the ICGN at their AGM. He has since participated in all their board meetings (2 in person meetings in London and Madrid) and participated in a panel discussion on Stewardship at the Madrid conference. In addition, he is the Board liaison for the ICGN Corporate Risk Oversight Committee and serves on an ICGN Education Committee for the Board.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
CRISA

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

A founding member of the forum contributing to the Code, practice notes and other initiatives. The Committee's work led to the Code for Responsible Investing in South Africa and the ongoing work has resulted in disclosure guidance and other initiatives.

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 - Moderate
 - Advanced
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 - Moderate
 - Advanced
- Other collaborative organisation/initiative, specify
The Institute of Directors in South Africa (IoDSA)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

A member of their Remuneration Committee Forum. Worked on Remuneration Guidance papers and participated in a number of presentations and discussions to build awareness of the guidance. Also presented on Responsible Investment to the Western Cape Chapter of the IoDSA.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
ASISA Responsible Investment Committee

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The work encourages the uptake of Responsible Investment in South Africa. Element is an active member of the committee and participated in the working committee that developed the Responsible Investment inclusion in Regulation 28 of the Pension Fund Act.

Other collaborative organisation/initiative, specify

PRI South Africa Network

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Element serves on the steering committee and the the PRI South Africa Engagement Working Group.

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, 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
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

Promoting Responsible Investment through our work on the CRISA and ASISA committees and the ICGN Board.

No

OA 11.3

Additional information. [Optional]

Events and conferences promoting Responsible Investment included:
Investor Panel discussion of the final Integrated Reporting Framework.
121 Mining Investment Panel

IRBA Panel on Integrated Reporting and Assurance
 Presentation at ESG for Africa event
 ICGN ESG Integration Programme.
 ICGN conference panel
 PRI South Africa Network Meeting presentation on RI and Collaboration.
 IoDSA launch of a Remuneration Committee guide.
 IoDSA event covering Responsible Investment

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
--------------	------------------	----------------------------	------------------

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
----------------	---

- Yes
 - Yes, individually
 - Yes, in collaboration with others

OA 12.2	Select the methods you have used.
----------------	-----------------------------------

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

- Yes, publicly available

	provide URL
--	-------------

http://c.ycdn.com/sites/www.iodsa.co.za/resource/collection/58CA7BC8-8C67-4CF7-A644-0EDB06165C8B/2013.05.14_PRI_Collaborative_Engagement_Guidance.pdf

- No
- No

OA 12.4	Additional information.
----------------	-------------------------

Element worked with a number of South African corporations and a large pension fund to persuade the South African government to sign the Extractive Industry Transparency Initiative (EITI). Our work has not yet achieved this goal.

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
----------------	--

- Yes
 - Allocation between asset classes
 - Determining fixed income duration
 - Allocation of assets between geographic markets
 - Other, specify

OA 13.2	Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
----------------	---

The Investment Committee and Advisory Board ensure appropriate ESG integration in the investment and decision making process. A separate Asset Allocation Committee has the responsibility to consider this for the asset classes and strategic asset allocation.

No

OA 14	Voluntary	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

- Yes
- No

OA 14.4	Additional information.
----------------	-------------------------

We integrate ESG and undertake active ownership or stewardship across all our funds. We do not allocate assets separately to themed areas or impact funds.

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - corporate	Our fixed income approach is based primarily on the governance issues relating to the issuing entity. If the entity is listed and our analysts have completed an Investment Committee report, we will take note of the material ESG factors integrated into the analysis to assess the anticipated risk/return.
Fixed income - government	Sovereign risk relates to South Africa. Our analysts regularly review policy and local developments that could impact the anticipated risk/return.
Property	

Innovation

OA 18	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

OA 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Our approach to Responsible Investment has developed over time. We do not have a 'one size fits all' approach. We take into account relevance and materiality for ESG integration. An analyst who knows the sector well initially takes the decisions and completes the analysis and the Investment Committee report . What we think is rare, is that we have one investment team that is responsible for the analysis. We do not have a separate sustainability team that attempts to persuade the analysts and portfolio managers that an ESG factor is material.

No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

OA 19.1 Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

Yes

OA 19.2

Indicate who has reviewed, validated and/or assured your reported information.

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

Ernst & Young

OA 19.3

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

Please note that we do not specifically contract E&Y to assure our RI processes. E&Y is our external auditor and selects processes for audit on a risk based approach.

No

Element Investment Managers

Reported Information

Public version

Direct - Listed Equity Incorporation

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.

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
--------	---	-----------------	-------

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

- Passive
- Active – quantitative (quant)
- Active – fundamental and other active strategies

	% of internally managed listed equities
<input type="radio"/>	<10%
<input type="radio"/>	10-50%
<input checked="" type="radio"/>	>50%

LEI 02	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 02.1

Provide a brief overview of how you incorporate ESG issues into listed equity investments.

The analysts understanding of the overall system of governance, including the management of environmental and social risks, may lead to an adjustment of the valuation discount rate. Where the E, S or G financial impact is known, or can reasonably be estimated, the analyst will include this in the earnings for the valuation of the company. If the analyst cannot estimate the financial impact or the timing of material E, S or G issues, an adjustment can be made to the discount rate to be applied to future earnings to cover for this uncertainty. Our fundamental, bottom up analysis positions Element to understand and identify the ESG factors that can improve valuation through effective engagement.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div style="display: flex; align-items: center;"> <div style="width: 100px; height: 20px; background-color: #0070C0; margin-right: 5px;"></div> % </div> <p style="margin-top: 5px;">100</p>
--	---

- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.

Integration requires detailed bottom up analysis. This analysis positions Element to identify material ESG issues that are material to the valuation of the investment, and at the same time, to identify those that can benefit the valuation of the investment through effective engagement.

LEI 04	Voluntary	Additional Assessed	PRI 1
---------------	------------------	----------------------------	--------------

LEI 04.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings
- Screened stock list
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 04.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	---

Publicly available information from company information, filings, statutory information.
 Bloomberg.
 Sell Side analysis (ESG is a factor taken into account in our sell side selection).
 CDP.
 CDP Water.
 Bespoke research from sector specialists (eg. Mining sector specialist).
 JSE SRI Index.
 In House Investment analysts
 ESG information generated from active ownership

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

- Yes

LEI 04.4	Describe how you incentivise brokers.
-----------------	---------------------------------------

ESG is a specific factor that we build into our Broker selection process

No

LEI 05	Voluntary	Additional Assessed	PRI 1
---------------	------------------	----------------------------	--------------

LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
-----------------	---

Engagement

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

(Proxy) voting

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

LEI 05.2	Additional information. [Optional]
-----------------	------------------------------------

Investment analysts responsible for a specific company fundamental analysis have responsibility for the proxy voting and are included in any engagement activity that is focused on the company they are responsible for. The analysts fundamental analysis and valuation is presented to the Investment Committee for investment decision-making.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.
-----------------	---

Please refer to LEI 02 for our integration of ESG issues into the valuation of underlying investments.

The analyst responsible completes the valuation of a company and presents the report to the Investment Committee. The Investment Committee meeting is designed to ensure completeness (including ESG issues) and accuracy of the valuation process. Our value investment philosophy allows investment if there is an adequate margin of safety between the valuation (inclusive of material ESG factors) and the market price of the investment. The investment committee's vote will determine if the investment is acquired on behalf of our clients.

LEI 11	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
-----------------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2 Additional information. [Optional]

Material E, S and G factors are identified by the analyst responsible and integrated into the investment committee report (the report includes the intrinsic value of the company). The integration may take the form of an adjustment to anticipated future earnings or the discount rate where quantification or the timing is difficult to estimate. The Investment Committee helps ensure the completeness of the integration process and the reasonableness of the intrinsic value.

LEI 12

Voluntary

Additional Assessed

PRI 1

LEI 12.1

Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 12.2 Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

LEI 13

Mandatory to Report Voluntary to Disclose

Core Assessed

PRI 1

LEI 13.1 Indicate into which aspects of investment analysis you integrate ESG information.

- (Macro) economic analysis
 - Systematically
 - Occasionally
- Industry analysis
 - Systematically
 - Occasionally
- Analysis of company strategy and quality of management
 - Systematically
 - Occasionally
- Idea generation
 - Systematically
 - Occasionally
- Portfolio construction
 - Systematically
 - Occasionally
- Fair value/fundamental analysis
 - Systematically
 - Occasionally

LEI 13.2

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to income forecasts (sales, earnings, cash flows)
- Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- Other adjustments to fair value projections, specify
- Other, specify

Outputs and outcomes

LEI 15

Voluntary

Descriptive

PRI 1

LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
-----------------	---

- Integration of ESG issues

Select which of these effects followed your ESG integration:
--

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above

LEI 16	Voluntary	Additional Assessed	PRI 1
---------------	------------------	----------------------------	--------------

LEI 16.1	Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.
-----------------	---

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' risk or volatility

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input checked="" type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input type="radio"/> No impact	<input checked="" type="checkbox"/> Integration

- We measure whether our approach to ESG issues impacts funds' ESG performance
- None of the above

LEI 16.2	Describe how you are able to determine these outcomes.
-----------------	--

We integrate material ESG issues and make use of active ownership across our portfolios. We have consistently demonstrated lower volatility in the funds we manage for clients on a relative basis.

LEI 17	Voluntary	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 17.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
-----------------	---

- ESG issue 1

ESG issue and explanation
Poor systems of governance, particularly the risk management element, create performance and valuation uncertainty.
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
A higher discount rate is required to be applied to the projected earnings of the enterprise. In addition, active ownership is important to improve the material governance issue.

ESG issue 2

ESG issue and explanation
The mining industry and community issues
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
Companies that did not manage the relationship effectively with their workers and community stakeholders were subject to strikes that had a material impact on production and earnings. Performance was affected, particularly in the platinum industry.

ESG issue 3

ESG issue and explanation
Poor governance at various state owned entities in South Africa leading to poor service delivery, strikes and material impact on the supply of energy.
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
The energy and other disruptions require adjustment to projected future earnings of companies and therefore negatively impact valuations.

ESG issue 4

ESG issue and explanation
Uncertainty whether mining company social and labour plans have been accepted by government.
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
There is risk that government will add additional requirements or companies could misinterpret the requirements. This risk must be incorporated through adjustments to one or more of the following: Discount rates, earnings or capital expenditure. This has a negative impact on valuations.

ESG issue 5

ESG issue and explanation
Water is a serious risk in the water scare regions of South Africa.
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
Essential to establish if the risk management system incorporates water as a material risk and that appropriate risk management strategies are in place. If water availability is not secured then it may be necessary to integrate lower earnings, additional capital requirements or both.

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 18.6

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries

Element Investment Managers

Reported Information

Public version

Direct - Listed Equity Active Ownership

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.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
----------	---

Purpose is to improve ESG practices and disclosure thereby reducing investment risk, improving valuation and benefiting society. Our fundamental, bottom up valuation process positions Element to identify engagement opportunities that can reduce risk and improve valuation.

An engagement plan with engagement goals is identified. The engagement will include the analyst responsible for the company/sector and the senior analyst with overall responsibility for Responsible Investment and a portfolio manager. Where appropriate, the engagement will include other portfolio managers and the Chief Investment Officer. In order to achieve our goals we may undertake one or more of the following activities:

1. Write letters.
2. Dialogue with board members or executives.
3. Present to the board
4. Attend AGMs and ask questions or make statements.
5. Vote proxies according to engagement goals.
6. Call an extraordinary general meeting.
7. Collaborate with other investors or stakeholders that can help achieve the engagement goals.
8. Brief the press where necessary.

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify Benefit society <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify Benefit society <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03

Mandatory

Core Assessed

PRI 2

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2

Describe how you identify and prioritise engagements.

Our fundamental, bottom up valuation process, which includes the integration of material ESG issues, allows effortless identification of material ESG issues for engagement.

No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 04.3 Describe how you monitor and evaluate the progress of your engagement activities.

Engagement activity is documented and reported on quarterly to the Investment Committee.

- No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- Yes

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

When we identify engagement goals and build an engagement plan, we identify the material shareholders and stakeholders of the company. If we are of the opinion that the collaboration will help shorten the engagement or improve the results of the engagement, we will approach the appropriate shareholder/ stakeholder (we take care not to trigger negative acting in concert issues).

We also follow the PRI Clearinghouse collaborative engagements to assess if there are engagements that will help improve Responsible Investment implementation in South Africa or improve investor access to sustainability or integrated information.

- No

LEA 06

Mandatory

Core Assessed

PRI 2

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
 - Yes, for all collaborative engagement activities
 - Yes, for the majority of collaborative engagement activities
 - Yes, for a minority of collaborative engagement activities
- No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Document the engagement and the results in relation to the goals of the engagement.

- No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
---------------	------------------	----------------------------	----------------

LEA 09.1 Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
---------------	------------------	------------------------------	--------------

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2
--------	---	---------------	-------

LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.
-----------------	--

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	12
Collaborative engagements	6

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
-----------------	---

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3 Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 12 Voluntary Additional Assessed PRI 2

LEA 12.1 Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2 Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

17

% Social only

25

% Corporate Governance only

58

100%

Collaborative engagements

% Overlapping ESG issues

100

100%

LEA 13	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 13.1 Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

Yes

LEA 13.2 Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.

	Number of company changes or commitments to change
Individual / Internal staff engagements	6
Collaborative engagements	

No

LEA 14	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 14.1 Provide examples of the engagements that your organisation carried out during the reporting year.

Add Example 1

Topic or ESG issue	Water (E. S & G)
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	Improve risk management and disclosure
Scope and Process	Letters, conference calls, dialogue with executives and joined a collaborative engagement.
Outcomes	Disclosure and allocation of board responsibility improving but engagement is ongoing

Add Example 2

Topic or ESG issue	Balance of Board (G)
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Improve diversity, skills and independence
Scope and Process	Letter to Chairman, dialogue with the Vice President Governance, proxy voting with transparency for the vote.
Outcomes	Long standing director resigned, new director with required skills has joined the board.

Add Example 3

Topic or ESG issue	Stakeholder relations (G & S)
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Improve the companies awareness of the importance of managing worker and community stakeholder risks and the effectiveness of doing so.
Scope and Process	Letter to the Chairman, dialogue with Company Secretary, meeting with Chairman, follow up meeting with the new Chairman who was appointed shortly after our first meeting, follow up communication.
Outcomes	Better understanding and awareness of the importance of mitigating the risk, specific performance criteria on this matter built into the variable remuneration, clear documentation by the company of the goals and progress to better stakeholder risk mitigation.

Add Example 4

Topic or ESG issue	Extractive Industry Transparency Initiative (EITI)
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	Persuade the South African government to sign the EITI
Scope and Process	Identify companies in the extractive industry, meet with the companies and persuade them to support the objective, meet with a large pension fund and ask for the funds support, identify executives from the companies to influence the government to sign.
Outcomes	Meetings conducted, support obtained from the companies and the pension fund. Engagement continues.

Add Example 5

Add Example 6

Add Example 7

Add Example 8

Add Example 9

Add Example 10

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEA 15.5 Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 15.6 Indicate how frequently you typically report engagements information

- Disclosed continuously (prior and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 16.1 Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

We vote all resolutions (100%) and disclose the reasons for voting against or abstaining on any resolution on our website. Our voting is directed by our proxy voting policy (disclosed). We do not file shareholder resolutions as minority shareholder interests are well protected in South Africa (Rights to attend AGMs and call Extraordinary General Meetings and, in addition, reasonable access to directors and executives).

Process

LEA 17	Mandatory	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

	Approach
--	-----------------

We use our own research or voting team and make our own voting decisions without the use of service providers.

	Based primarily on
--	---------------------------

- our own voting policy
- our clients requests or policy
- other, explain

We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

We hire service provider(s) which make voting decisions on our behalf.

LEA 19	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
-----------------	---

Obtain confirmation that votes have been received by the company:

- for a majority of votes
- for a minority of votes

Participate in projects to improve the voting trail and/or to obtain vote confirmation

None of the above

LEA 20	Voluntary	Additional Assessed	PRI 2
---------------	------------------	----------------------------	--------------

LEA 20.1	Indicate if your organisation has a securities lending programme.
-----------------	---

Yes

No

LEA 21	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
-----------------	------------------------------------

We disclose the reason for all votes against or abstentions publically, in addition, if the vote is material or we wish to link our vote with supporting engagement activity, we will make direct contact with the company secretary or the appropriate executive.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

100

	Specify the basis on which this percentage is calculated
--	--



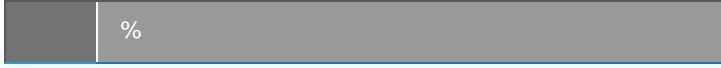
- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
-----------------	--

- Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
-----------------	---

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 73
Against (opposing) management recommendations	 25
Abstentions	 2

100%

LEA 23.3 For the reporting year, describe your approach towards voting on shareholder resolutions.

Shareholder resolutions are unusual in South Africa but if put forward they would be dealt with in the same way as our proxy voting is dealt with:

We have one investment team with responsibility for research, decision making and active ownership, including proxy voting. The analyst responsible for the specific holding will review the resolution and recommend a vote. The recommendation will then be reviewed by either the Senior Investment Analyst, Portfolio Manager or CIO. If contentious or material, all will discuss prior to the decision being finalised.

No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 24.1 Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

- Yes
 No

LEA 24.6 Additional information.

Minority shareholders are well protected in South Africa. We have access to executives and directors, either through private meetings, AGMs or if necessary, an extraordinary GM.

LEA 25	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 25.1 Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

Topic or ESG issue	Disclosure of performance criteria (G)
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Ensure the performance criteria are appropriately linked to the actual remuneration
Scope and Process	Full process as set out previously
Outcomes	Vote against and the reason for the vote disclosed on our website

Add Example 2

Topic or ESG issue	Audit Committee directors (G)
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Audit committee directors to have the appropriate skills
Scope and Process	Full process followed as previously set out.
Outcomes	Vote against directors where the audit committee does not have the skills to undertake the role and disclose the reason on our website for the vote.

Add Example 3

Topic or ESG issue	Political donations (G & S)
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Discourage companies making political donations as they are not in the long-term interests of all company stakeholders.
Scope and Process	Full process followed as previously set out.
Outcomes	Vote against political donations resolutions and set out the reason on our website for the votes.

Add Example 4

Topic or ESG issue	Chairman (G, S & E)
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Vote against a Chairman of a commodities company whose performance during a material environmental incident at a previous company was poor and unacceptable.
Scope and Process	Full process as previously described
Outcomes	Voted against Chairman and explained the reason on our website

- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<http://staging.elementim.co.za/responsible-investment/voting-record/archive/>

provide URL

<http://www.elementim.co.za/responsible-investment/voting-record/>

LEA 26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries