

Code for Responsible  
Investing in South Africa  
(CRISA)

- **Incorporate sustainability considerations, including ESG, into investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.**

At Camissa Asset Management, we have set up a policy within our investment team that ensures that all investment decisions are taken with cognisance of sustainability considerations, including ESG issues.

This includes models that have been set up to incorporate ESG factors to assist with the analysis and research of stocks. In addition, a policy has been developed where analysts are rated against their involvement in implementing RI/ESG issues when engaging with management of companies in which we envisage investments.

Our analysts are trained on the various BBBEE and transformation charters per sector, including being educated on carbon disclosure, climate change and greenhouse gas emission effects, among other ESG issues. Continued education will be leveraged off industry updates and support of ESG conferences.

Internal report backs to a designated CRISA champion within the company ensure that analysts comply with our CRISA Policy.

- **Demonstrate acceptance of ownership responsibilities in investment arrangements and investment activities.**

All investment mandates, monitoring procedures and performance indicators, as well as incentive structures are aligned to facilitate and promote RI/ESG issue integration. In addition, we ensure that all investment management processes reflect long-term horizons, where appropriate.

We have established a voting policy, which includes ESG issues when exercising voting rights on behalf of our clients. Each of the factors related to RI/ESG have been taken into consideration by directing action on each area within environmental, social and corporate governance.

Shareholder engagement capability has been developed, addressing environmental, social and corporate governance factors. We strictly adhere to objectives on engagements with portfolio companies to systematically bring RI/ESG issues related to engagement opportunities to clients.

- **Consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other applicable codes and standards.**

We undertake to network, lobby, and engage in dialogue to support regulatory or policy developments that enable implementation of CRISA.

To effectively implement the CRISA principles, we endeavour to share tools and pool resources to support and participate in networks and information platforms. This support includes participating in collaborative activities that have been posted to the Clearinghouse, where possible. We encourage development and support of collaborative initiatives.

- **Recognise the circumstances and relationships that hold a potential for conflicts of interest and proactively manage these when they occur.**

We have a Conflicts of Interest Policy, which addresses potential conflicts of interest that arise through the giving and receiving of gifts, allocation of trades to client portfolios, insider trading, etc. This policy addresses the avoidance of these potential conflicts. Where conflicts cannot be avoided, the policy ensures that there are sufficient processes in place to mitigate these potential conflicts.

- **Be transparent about the content of policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.**

To ensure that ESG issues are advanced, we require these issues to be integrated within annual reports on a standardised basis. We ensure that shareholder resolutions promoting ESG disclosure are supported.

Through our incorporated investment policy, we seek information from companies regarding their adoption of and adherence to standards, norms, codes of practice and international initiatives related to ESG issues.

Our voting policy is made public through internal circulars to staff, as well as to clients, upon request. All client specific voting requirements are strictly adhered to and tracked. All resolutions voted on are co-filed in accordance with good governance practices consistent with ESG considerations and voting reports are requested on a regular basis. All proxy votes are disclosed to clients.

We disclose how ESG issues are integrated into our investment processes. Further, we disclose annual voting records with analysis of key votes, including active ownership activities such as voting, engagement and policy dialogue.

All reporting is used to create awareness among stakeholders.

## Sample of scorecard

Our key ratios that form the core of our analytical framework

	Quantitative indicators	Formula	Weight	Company score
<b>Environmental</b>				
	Data	No of employees		
	Data	Carbon emissions (R'm)		
	Data	Electricity costs (R'm)		
	Data	Total Revenue (R'm)		
	Environmental awareness	Environmental training costs & donations/revenue	5%	
	Environmental awareness	Carbon emission/employee	5%	
	Environmental awareness	Electricity costs/revenue	5%	
	Environmental reporting	Number of years of reporting environmental issues	5%	
		<b>20%</b>		
<b>Social</b>				
	Social reporting	Number of years or reporting on social investment	2%	
	Social investment	Social investment/revenue	10%	
	Employee compensation	Payroll costs/average number of employees	2%	
	Gender diversity	Female board members/total board members	2%	
	Gender diversity	Female managers/Total managers	2%	
	BBBEE or BEE shareholding	BBBEE or BEE shares/total shares	5%	

	PDI involvement	PDI managers/total managers	5%	
	PDI involvement	Employees with disabilities/workforce	2%	
	Employee training	Training costs/total costs	10%	
			<b>40%</b>	

<b>Governance</b>				
	Board independence	Independent directors/total number of directors	5%	
	Board independence	Non-executive directors/total number of directors	5%	
	Board independence	Independence between CEO and Chairman	10%	
	Audit committee independence	Independent directors/Total Audit Committee members	5%	
	Compensation committee independence	Independent directors/Compensation committee members	5%	
	Executive compensation	Executive compensation/revenue	5%	
	Employee compensation	Share-based compensation/total revenue	5%	
			<b>40%</b>	
			<b>100%</b>	

Source: Camissa Asset Management