

## Smoothed Bonus Portfolios: Merging stable, predictable returns with sustainable practices

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The 2<sup>nd</sup> edition of the Sanlam Corporate Smooth Bonus Responsible Investment Report has just been released.

The report highlights how Sanlam integrates responsible investing into our investment processes ensuring that we live our values.



At Sanlam, our philosophy of 'investing for good in people and the planet through responsible investing practices' reflects a deep-rooted commitment to fostering sustainable growth and long-term value creation for our clients and the communities that they live in. This approach is underpinned by our dedication to responsible investment, which is integral to our strategic objectives and operational ethos.

Our smoothed bonus portfolios are designed to provide stable, predictable returns, protecting investors from short-term market volatility while offering valuable guarantees on benefit payments like retrenchment, death, disability, and retirement. While our smoothed bonus portfolios are designed to protect members in a variety of market conditions, responsible investing ensures that these portfolios are also financially sound, as well as socially and environmentally responsible.

We take an active role in engaging with the companies we invest in, ensuring they meet high environmental, social and governance (ESG) standards. In this year's report we provide case studies of how Sanlam engages with companies, like Impala Platinum and Absa Group, on issues such as health and safety, governance, and climate-related risks. The engagements, to date, have led to meaningful improvements in corporate practices, from boosting board diversity to enhancing environmental policies.

As active stewards of capital, we leverage proxy voting and direct engagement to influence corporate behavior. Our asset managers ensure that all portfolio companies adhere to strong governance standards and take ESG factors seriously. This stewardship promotes long-term, sustainable value creation for both investors and society.

We focus on impact investing through funds like the Sanlam Property Impact Fund, to address critical social issues such as affordable housing, education, and healthcare in underserved areas. The Sanlam Property Impact Fund will be seeded by some of the properties already invested in by our range of smoothed bonus portfolios. These investments currently deliver solid financial returns while supporting local economies and create positive societal change.

Sanlam's smoothed bonus portfolios exemplify how responsible investing can deliver stable financial returns while making a meaningful impact on society and the environment. At Sanlam, we are proud to lead the way in the integration of sustainability and investment practices, empowering generations towards a financially secure and sustainable future.

The responsible investment report, as well as a short video summary, can be found on our [website](#).

The responsible investment report should be read in conjunction with our annual disclosure and governance report that provides information on the product features, bonus philosophy, investment management and governance of our smoothed bonus portfolios.

