



Valdon Theron  
Head of Institutional Business

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# Prudential's Stewardship Report for H2 2019

We are pleased to bring you our [Stewardship Report for the second half of 2019](#), in which we cover a number of important environmental, social and governance (ESG) issues we dealt with during the period. We purposefully delayed its release in order to include information on how we have approached the Coronavirus pandemic and its wide-reaching impact on our society and corporate operations, both our own and those of the companies in which we invest.

This is our third Stewardship Report, and we continue to consistently work to improve on it at every iteration. To our knowledge, we remain the only investment manager to produce such a report bi-annually. It was compiled by Anthony Walker, a long-standing staff member and admitted attorney who became a full-time ESG Specialist in 2019. He had already been involved in

ESG for a number of years on the reporting and engagement side, and has qualifications including a B.Comm and a postgraduate LLB.

Our approach of having our ESG Specialist in the Governance, Risk and Compliance team is perhaps unique, but we believe this enables better coordination and support of the risk and legal aspects of ESG, particularly on the governance side, bringing stronger support to the investment analysts. This also allows risk reporting into the Investment Risk oversight Committee from a source independent of the investment team.

We would also like to remind our clients that, in terms of our investment process, ESG integration remains, as it always has, fully the domain of the investment team, and the ultimate responsibility of the analysts. For Prudential, ESG has never been a “bolt on process”; a fore- or afterthought separate from investment research, portfolio management or monitoring. It is part-and-parcel of our overall investment methodology. What we have developed is a better framework for reporting on the work we are doing, and we are now better resourced for engaging proactively across different themes in many sectors. Our latest Report illustrates our approach to these “thematic” engagements and provides a number of case studies illustrative of our engagements.

While engagements to facilitate change typically result in slow and incremental change, occasionally they can have swift and positive results. On this note we are quite pleased to report that we were able, through direct engagement with the JSE, to get clarification guidelines issued to listed companies regarding the disclosure of executive and non-executive director remuneration. This is covered briefly on page 16 of the Stewardship Report. While largely going unnoticed, we believe this has been a big win for shareholder activism that will have a positive impact on shareholder value.

For more information on the integration of ESG in our investment process, you can refer to our recently amended [Responsible Investing policy](#), and the [H1 2019 Stewardship Report](#). Along with our proxy voting reports, these are made publicly available on our website.

To find out more, please speak to your Prudential consultant or contact our Client Services Team on **0860 105 775** or [query@prudential.co.za](mailto:query@prudential.co.za).