

AGM Round-up

Old Mutual Group Limited
Sanlam Limited



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1. Introduction

Old Mutual Group

Date of AGM: 31 May 2024

Chair of the Board: Trevor Manuel

Type of AGM: Online AGM
(conducted by Lumi)

Useful links:

- [Notice of AGM](#)
- [Results of 2024 AGM](#)

Sanlam

Date of AGM: 4 June 2024

Chair of the Board: Temba Mvusi

Type of AGM: Online AGM
(conducted by Lumi)

Useful links:

- [Notice of AGM](#)
- [Results of 2024 AGM](#)

2. Key takeaways:

- *Old Mutual and Sanlam both opted for electronic-only AGMs. Old Mutual held a hybrid AGM in 2023, while Sanlam's 2023 AGM was also electronic-only. The electronic-only format compromises the ability of shareholders to engage meaningfully with the board and executives. Old Mutual's rationale for the electronic-only AGM was the South African national election, which had taken place two days earlier; Sanlam cited improving operational sustainability by reducing travel-related emissions.*
- *Both Old Mutual and Sanlam have disclosed that remuneration for their lowest-paid workers is set at R180,000 per annum. However, neither company specified the job titles of the employees to whom this salary applies.*
- *Sanlam has no plans to disclose the company's employment equity plan in its annual reports, and it failed to provide a coherent response regarding how the company plans to improve its poor female representation at the executive committee level.*
- *Old Mutual acknowledges the importance of holding investee companies such as Sasol accountable for their climate commitments but did not clarify what escalation measures it will adopt to do so.*
- *Sanlam neither discloses its financed emissions nor does it have a clear timeline for measuring and disclosing this information. CEO Paul Hanratty committed to Sanlam being in a position to disclose data on its financed emissions in the next year or two.*

3. AGM governance

Old Mutual and Sanlam both held electronic-only rather than hybrid AGMs this year. Old Mutual held a hybrid AGM in 2023, while Sanlam's 2023 AGM was electronic-only. Old Mutual noted the South African national elections as motivating its choice of meeting format, while Sanlam cited improving operational sustainability by reducing its travel-related emissions.

The board chairpersons welcomed shareholders and explained how and when the Q&A sessions would be conducted and when shareholders would vote on the resolutions.



While the online meeting platform allowed for verbal questions, there remains a stark difference between electronic-only and in-person AGMs. Online AGMs make it difficult to engage meaningfully with the board and executives, not least because they are able to cut off the feed from questioners as it suits them, which Just Share experienced at both AGMs, making it impossible to respond to answers. The “queuing” system for questions is also generally poorly managed, meaning that there is no flow in the Q&A session, which is reduced to a sterile question-and-response exercise. Just Share will continue to advocate for hybrid-AGMs.

4. Q&A sessions

Noting the limitations of electronic-only AGMs, shareholders were given the opportunity to submit written questions or ask questions verbally. Written questions were read out clearly and in full.

5. Just Share’s questions

5.1. Minimum annual pay

In its submissions on the Companies Amendment Bill, Old Mutual proposed that, when reporting the pay of the lowest-paid worker, companies should disclose the job grade, using a well-recognised job grading system like Paterson, and the job title of the employees to whom the minimum wage applies. However it did not provide this information in its own recent wage-related disclosures.

Both Old Mutual and Sanlam disclosed that the remuneration for their lowest-paid workers is set at R180,000 per annum. However, Old Mutual reported that this remuneration applies to the company's “non-sales permanent South Africa-based employees”, while Sanlam mentioned it applies to its “permanent non-commission earners”. Just Share sought clarity on the meaning of these categories.

Neither company answered the question of job titles applicable to these minimum paid workers, nor would either commit to doing so. Celiwe Ross, Director of Human Capital at Old Mutual, said that the R180,000 per annum applies to the company's "office-based" employees. Sanlam CEO Paul Hanratty said that “I think we’ve already spelled out exactly which category that applies to ... applies to all South African-based, non-commissioned staff”.

5.1.1. Pay Review

Just Share inquired whether there have been any adjustments to Old Mutual’s minimum annual total guaranteed pay, considering it was set at R180,000 per year, effective from 1 April 2023.

Ross responded “Yes, it is something that we'll continue to monitor. We are a unionized company, and we have a bargaining unit that we obviously deal with. Anything to do with remuneration across all of our staff cohorts is governed and dealt with in those sorts of forums, Chair, and as soon as we're ready to share public information on that, we will disclose it in the remuneration report”.

5.2. Women representation in senior leadership positions

Female representation on Sanlam's executive committee is currently only 17%. Just Share inquired about the specific measures being taken to ensure more equitable representation of suitably qualified women at the highest levels of leadership. Additionally, Just Share asked whether the company



would disclose its Employment Equity (EE) report, which it last published in 2016, in its future annual reports.

The CEO Hanratty did not directly respond to this question but instead pointed out that Shirley Zinn, the Chairman of the Human Resources and Remuneration Committee, had previously addressed a question related to gender imbalances across the organisation. He said that the EE plan is detailed and shared with the group Human Resources Committee quarterly, and that there are no plans to include it in the annual reports.

5.3. Stewardship engagement

Old Mutual's and Sanlam's role as institutional investors in the South African market is crucial to South Africa achieving a just transition. Both Old Mutual and Sanlam voted against Sasol's "say on climate" resolution this year, which supports their commitment to climate action. However, this was a non-binding vote. Sasol has indicated its intentions to increase its emissions again this year and continues to fail to provide sufficient detail and clarity on how it will achieve its 2030 emission reduction target. Just Share asked Old Mutual and Sanlam how they will hold Sasol accountable for delivering on its climate targets and what each of their escalation strategies will be when engagement fails to achieve the targeted outcome.

Just Share also asked Sanlam how its commitment to science-based metrics and targets would inform its engagement with Thungela Resources. Thungela has failed to set science-aligned targets, has no scope 3 targets, and continues to refuse to commit to setting these targets.

Khaya Gobodo, CEO of Old Mutual Investment Group, affirmed Old Mutual's commitment to decarbonisation and 'holding Sasol to the fire'. However, he did not respond regarding what OMIG's escalation strategy for addressing Sasol's emissions is.

Sanlam did not answer any of the stewardship-related questions posed by Just Share. CEO Hanratty cited the independence of the Sanlam asset management business and noted that the Board "does not interfere" in the decision-making of fund managers. It is unclear how this relates to Just Share's question. Sanlam's engagement with the highest emitters in its portfolio is a crucial issue with which the board and senior executives should be familiar.

Hanratty said that rather than "cracking down on where we invest in people, who, for example, are carbon emitters", Sanlam is looking to invest in new technologies to "reverse some of the impacts". He also stated, rather bizarrely, that working on areas such as biodiversity is "probably more important than the issues that you are focused on".

5.4. Low-carbon listed equity benchmark and financed emissions

Just Share asked Old Mutual for a status update on the low-carbon listed equity benchmark it committed to in its 2022 and 2023 climate reports. Khaya Gobodo noted that engagements with industry peers were ongoing but did not commit to a delivery date for the benchmark.



Despite its emphasis on “holding investee companies accountable” and “advocating for their operations to align with the best interests of stakeholders”, Sanlam neither discloses its own financed emissions, nor does it have a timeline for measuring and disclosing this information. Just Share asked whether Sanlam has an internal timeline for beginning the process of disclosing financed emissions. Paul Hanratty said that Sanlam would begin setting financed emissions targets in the next year or two.

5.5. Board climate competence

Just Share analysed the biographies of several directors identified by Old Mutual as having “recognised industry expertise” in “responsible business,” including climate risk expertise. At the AGM we noted that it is unclear why Old Mutual attributes climate risk expertise to these directors and sought clarity on what qualifies a director as having climate risk expertise.

The board chairman, Trevor Manuel, did not respond directly to the question. He merely said that the board's mandate is to govern the company, including overseeing climate issues as part of its responsibilities. He asserted that Old Mutual is not a “climate monitoring organisation”, but primarily a life insurance company. He emphasised the importance of diverse skill sets among directors.

James Mwangi, a non-executive director, highlighted his climate-related exposure and relevant experience, but acknowledged that his background and experience only cover a fraction of the vast areas of action required in climate issues. He also mentioned that his fellow board members, both on the responsible business committee and the board, “have applied themselves to gaining the requisite level of understanding and skill in this area”.

6. Questions from other shareholders

Sanlam’s board and executive management team faced several questions from other shareholders attending the AGM electronically:

- A shareholder asked what steps Sanlam is taking to address gender imbalance and promote gender equality at all levels of the company. In response, the chair of the human resources and remuneration committee mentioned that Sanlam has multiple initiatives to promote gender equality. These include recruitment, development of women, succession planning, remuneration, and a comprehensive diversity, equity, and inclusion framework aimed at creating an inclusive culture and advancing women at all levels of the workplace. She highlighted the implementation of flexible work practices and expressed confidence in the company's progress, citing improvements in employment equity reports and B-BBEE progress. None of the responses adequately dealt with Sanlam’s low female representation of 17% at executive committee level and 35% in senior management.
- A shareholder inquired why the Sanlam Nominations Committee had not taken the opportunity to retire long-tenured directors to streamline the board and strengthen gender and racial diversity. Sanlam's board was criticised for being too large when compared to peers and for having a significant number of older, long-tenured directors. The shareholder



expressed concerns that Mathukana Mokoka sat on too many boards and was potentially overextended. The independence of Kobus Möller was also questioned, given his previous executive roles in the organisation. In response, the Chairman simply said that the company recruits directors from diverse backgrounds to bring fresh perspectives while balancing experienced members.

- A shareholder expressed concern that while Sanlam is active in sustainability, the lack of specific and measurable ESG targets in its remuneration policy makes it difficult for shareholders to hold executives accountable. In response, the Chair of HR and REMCO stated that Sanlam is committed to ESG and will provide more clarity in the following year through score summaries or a hyperlink to the sustainability report detailing how executives are held accountable for ESG. The CEO added that it is the remuneration committee's responsibility, not the shareholders', to hold management accountable. He said that there are detailed and granular targets and measures set for different areas of the business.

7. Relevant resources

7.1. Climate Resources

- **Report:** [South African Asset Manager, climate risk survey, \(November 2021\)](#)
- **2024 AGM Roundup:** [Thungela Limited, \(June 2024\)](#)
- **2024 AGM Roundup 1:** [Includes summary of Sasol AGM, \(March 2024\)](#)

7.2. Inequality resources

- **Briefing:** [Women in leadership: Assessing gender equality in the JSE Top 40 \(September 2023\)](#)
- **Briefing:** [Vertical pay gaps at JSE-listed companies \(June 2023\)](#)

7.3. Governance resources

- **Op-Ed:** [AGMs should also be free and fair \(June 2024\)](#)
- **2023 AGM Roundup 1:** [includes a summary of Just Share's 2023 Old Mutual AGM attendance](#)
- **Guide:** [Best practices for South African virtual annual general meetings \(May 2020\).](#)

End