

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Sanlam Group was established in 1918 as a life insurance company in South Africa but has, over the past 104 years, transformed into a diversified financial services group with the largest non-banking financial services footprint on the African continent. The group derives revenue from insurance activities and investments. Insurance activities include commercial and personal insurance and alternative risk cover.

Despite a challenging operating environment in 2022, marked by significant investment market volatility, the far-reaching impacts of the Russia-Ukraine conflict, surging inflation and energy prices, supply chain disruptions, catastrophic flooding in KwaZulu-Natal, South Africa, and hardships for consumers, Sanlam reported excellent results for the year ended on December 31, 2022. The Group achieved a remarkable 8% growth in its key earnings metric.

Sanlam's core operations lie in the life and long-term insurance sector, personal finance and asset management sector. While the Sanlam Group is responsible for centralised functions, Sanlam's financial products are provided through four clusters (i.e., Sanlam Life and Savings (SLS), Sanlam Emerging Markets (SEM), Sanlam Investment Group (SIG) and Santam (SNT)); each containing a set of entrepreneurial business units. Each cluster has its own board of directors. Through its subsidiary, Santam, Sanlam is also in the short-term insurance sector.

Sanlam's reach extends across South Africa, 31 Pan-African countries, and selected international markets such as India, Malaysia, the Philippines, and the UK/Ireland. With its headquarters located in Bellville, Cape Town, Sanlam is deeply rooted in the South African financial landscape while embracing a global outlook. Sanlam limited is listed on the Johannesburg Stock Exchange, has a secondary listing on the Namibian Stock exchange and is also on A2X.

Sanlam's carbon footprint incorporates the 11 facilities located in 9 operationally controlled facilities in South Africa. These facilities are:

- Sanlam (7 Offices): Head Office Campus, Houghton/Sky, Sanlam Investments (SIM), Sanlynn, Alice Lane, Glacier Place, West End D and
- Santam (4 Offices): Head Office/Admin, Auckland Park, Alice Lane3, Glacier Place

Santam, a leading general insurer in South Africa, operates as a subsidiary of Sanlam. With a market share exceeding 22%, Santam provides a comprehensive range of general insurance products and services. Serving individuals, commercial entities, specialist businesses, and institutions, Santam leverages its extensive network of intermediaries and direct channels to deliver tailored insurance solutions. Santam operates through six distinct business units, each serving a specific market segment. These units are Santam Commercial and Personal, Santam Specialist, MiWay, Santam Re, Alternative Risk Transfer, and Sanlam Emerging Markets (SEM) Partner businesses. The SEM partner businesses represent Santam's investments and strategic partnerships within the SEM, including Sanlam Pan-Africa. This collaborative partnership enables Santam to establish economic participation in countries. By leveraging these partnerships, Santam expands its reach and strengthens its presence in diverse international markets.

In conclusion, Sanlam Group stands as a dynamic and forward-thinking financial services organization, with a focus on life insurance, personal finance, and asset management. Through its various clusters and subsidiary, Santam, Sanlam offers comprehensive financial solutions to a diverse clientele. With a commitment to sustainability and a global presence, Sanlam continues to be a trusted partner in enabling its clients to live with confidence.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

No

Select the number of past reporting years you will be providing Scope 1 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for

<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Côte d'Ivoire
Eswatini
Gabon
Ghana
India
Kenya
Madagascar
Malawi
Malaysia
Mali
Mauritius
Morocco
Mozambique
Namibia
Niger
Nigeria
Rwanda
Senegal
South Africa
Togo
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
Zambia
Zimbabwe

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	No	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset owner)	Yes	<Not Applicable>	Exposed to all broad market sectors
Insurance underwriting (Insurance company)	Yes	General (non-life) Life and/or Health	Exposed to all broad market sectors

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	ZAE000070660
Yes, a Ticker symbol	SLM

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	<p>Sanlam acknowledges the potential impact of climate-related issues on human society, including the financial resilience of its clients and the communities it serves. Therefore, the organization recognizes its responsibility to integrate responsible environmental principles into its solutions, support structures, and business practices.</p> <p>To ensure effective climate change management, Sanlam accordingly ensures that climate-related issues are address at the highest level of the organization by assigning ownership and oversight decisions to the Social, Ethics and Sustainability (SES) Committee, a Board sub-committee consisting mostly of independent non-executive directors. Chaired by the Chairman of the SES Committee, this committee is responsible for recommending, monitoring, and advising on social, ethics, and sustainability matters, including climate change, that significantly affect the Group and its key stakeholders. Additionally, the committee conducts annual reviews of Sanlam's social, ethics, and sustainability strategies. Regular progress updates are provided to the Board through quarterly feedback sessions, and stakeholders are informed through Sanlam's Annual Reporting Suite. The Chairman of the SES committee also attends Sanlam's annual general meeting.</p> <p>Examples of climate-related decisions that the committee made or contributed to: In FY2022, the SES committee endorsed proposed amendments to the climate-change resilience report and recommended them to the Board for approval. The committee's responsibilities encompass overseeing environmental, social, and governance (ESG) matters, including implementing the Group's approved sustainability strategy, reviewing and approving Sanlam's TCFD (Task Force on Climate-related Financial Disclosures) report, identifying and assessing the Group's exposure to climate-related risks, and publishing Sanlam's FY2022 carbon footprint report.</p>
Board-level committee	<p>The Risk and Compliance committee, a Board sub-committee, plays a crucial role in providing guidance and support to the Board of Sanlam in overseeing risk governance. Its primary objective is to establish the direction for risk management and address various aspects, including the identification, mitigation, and management of climate-related risks faced by the Group. The committee convenes quarterly and provides regular feedback during Board meetings.</p> <p>As of December 31, 2022, the Risk and Compliance committee consisted of six independent non-executive directors and one ex officio executive director, the Group Finance Director. The committee operates under a clearly defined charter, which undergoes annual review and approval by the Board. Its primary mandate is to advise and assist the Board in fulfilling its responsibilities regarding the design and implementation of Sanlam Group's risk assurance framework and associated obligations. The committee supports the Board in evaluating and considering risks related to the environment.</p> <p>Depending on the nature of climate-related matters presented to either the Risk and Compliance committee or the SES committee, appropriate actions are taken, including noting the matter, providing approval, monitoring progress, or offering advice on related issues that may impact the Group and its significant stakeholders. Whenever necessary, the committee elevates climate-related matters to the Board for consideration and/or approval.</p> <p>Both the Risk and Compliance committee and the Board receive regular compliance reports through the Group compliance officer, a skilled and experienced professional. The compliance officer reports directly to Sanlam's Group Chief Actuary and Chief Risk Officer.</p> <p>Examples of climate-related decisions that the committee made or contributed to: In FY2022, the Risk and Compliance committee incorporated ESG (Environmental, Social, and Governance) principles, with a specific focus on climate change considerations, into its approach to risk management and responsible investing. This strategic decision allows Sanlam to integrate ESG principles, including climate change considerations, into the overall framework for risk management and responsible investment practices.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Overseeing and guiding employee incentives Reviewing and guiding strategy Monitoring progress towards corporate targets Reviewing and guiding the risk management process	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities The impact of our own operations on the climate The impact of our banking activities on the climate The impact of our investing activities on the climate The impact of our insurance underwriting activities on the climate	Sustainability, including climate-related issues, forms part of board agendas and it is mandatory for all business units and subsidiaries to include social, ethics and sustainability issues onto the board agendas. The engagement and oversight at Board level facilitates the integration of multiple functions involved in climate risk, across the business. In FY2022, the use of the listed governance mechanisms contributed to the Board's overall oversight of climate related issues. The Social, Ethics and Sustainability (SES) Committee briefed the Board on the following items during the reporting year: • Environmental performance against corporate targets; • Sustainability reporting Endorsing proposed amendments to the climate-change resilience report and recommended them to the Board for approval. • Overseeing environmental, social, and governance (ESG) matters. • Reviewing and approving Sanlam's TCFD (Task Force on Climate-related Financial Disclosures) report. • Identifying and assessing the Group's exposure to climate-related risks, and publishing Sanlam's FY2022 carbon footprint report. In addition, the Risk and Compliance Committee briefed the Board on the decision to integrate ESG principles, including climate change considerations, into the Group's risk management approach and responsible investing strategies. The SES and Risk and Compliance Committees also brief the Board on the consideration of the risks and opportunities associated with the committee's mandate and key deliverables, including reviewing emerging climate risks on an ongoing basis. At Santam Executive Management reports on a quarterly basis to the Board on the progress of the implementation of Building a FutureFit Santam strategy which includes climate change considerations. The SES committee has expanded its role to include oversight of ESG matters and climate risks and opportunities. The Risk committee also assists the Board in their respective responsibilities for responsible investment and climate risk assessment. Sustainability, including climate-related issues, forms part of board agendas and it is mandatory for all business units and subsidiaries to include social, ethics and sustainability issues onto the board agendas. The engagement and oversight at Board level facilitates the integration of multiple functions involved in climate risk, across the business.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Sanlam's Board of Directors is the group's highest governing body and has an appropriate balance of relevant diversity in gender, culture, age, fields of knowledge, skills and experience in areas appropriate to Sanlam's business. ESG matters, notably climate change and sustainability, are considered material matters for the group. During FY2022, the board was given training via a webinar on Climate Change matters. Such training will become more regular in the future.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Implementing a climate transition plan
Integrating climate-related issues into the strategy
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our own operations

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Rationale: The Group Chief Executive Officer CEO is the highest management position responsible for climate-related matters at Sanlam. Although the board remains accountable, certain responsibilities are delegated to the group CEO, the CFO and, where applicable, the group executive committee (Group Exco).

The group chief executive officer is an ex officio member of the board of directors of Santam. Due to the capacity in which he operates, he also serves as the chair of the Group executive committee. In addition, the group CEO has been appointed as a member of the risk and investment committees in 2022 and the SES committee with effect from 1 January 2023.

The group CEO is accountable to the board for the successful execution of the group's strategy and the overall management of Sanlam's subsidiary Santam performance. Processes by which the CEO is informed of and monitors climate-related issues: Is by quarterly meetings that includes board members and reports received by the different

Sanlam groups and subsidiaries. The CEO is informed by the CRO on risks and opportunities as well as implementation of climate strategy and programmes in order to adequately make decisions on climate related matters.

The Group CEO also receives feedback and is reported directly to by the strategy unit team on reporting of ESG matters, monitoring of performance against ESG goals and targets including climate change. The CEO is also informed by Social, Ethics and Sustainability (SES) committee, The SES committee is responsible for overseeing the group's response to ESG matters and climate-related risks and opportunities.

Position or committee

Chief Risks Officer (CRO)

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our own operations

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Rationale: The Chief Risk Officer (CRO) has one of the highest management position responsible for climate-related matters at Sanlam. This is because the CRO is responsible for managing risk, including the identification, evaluation, reporting, and oversight of both external and internal risks within the Group. Processes by which the CRO is informed of and monitors climate-related issues: As part of the recent Sanlam strategy refresh, organizational and structural changes were implemented at the Group Exco level. One notable change was the establishment of a deputy CRO position, reporting to the CRO. This decision was made to ensure that the CRO has adequate resources to manage his or her responsibilities, as well as to enhance resources and capacity at the group level and to facilitate succession planning within the Group Exco.

Chief Executive of Group Market Development & Sustainability is in the same line as the chief risk officer and provides inputs in climate related matters. The Group Sustainability Management team forms part of Group Market development & Sustainability (MDS) function led by a member of Exco and co-ordinates all ESG matters across the Group, including Climate related risks and opportunities.

The CRO is informed of and monitors climate-related issues through various mechanisms, including the Risk and Compliance Committee, which advises and assists the Board in overseeing risk governance by setting the direction for how risk management should be approached and addressed at Sanlam. This includes (among others) the identification, mitigation and management of climate-related risks that the Group might be exposed to. The committee meets quarterly and provides feedback at every Board meeting.

When it comes to strategic climate change risks, a top-down approach is adopted for consideration. On the other hand, operational climate change risks, which pertain to Sanlam's day-to-day operations, are assessed using a bottom-up approach. Each cluster's finance and risk committee/forum maintain risk registers and provides regular reports. Quarterly Business Review cluster forums offer comprehensive feedback on financial, strategic, risk, and operational matters to the Sanlam Life and Limited Boards. These forums also address sustainability-related concerns, including climate issues. Significant and emerging climate change risks are thereby escalated to the Group level through both of these structures. Sustainability risks are filtered into this process and prioritized based on materiality and impact on the business.

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Conducting climate-related scenario analysis
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our own operations

Reporting line

Other, please specify (Chief Executive of Group Market Development & Sustainability)

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The appointment of a Chief Sustainability Officer is to drive Group-wide ESG co-ordination initiatives. Responsible for consolidating and reporting on sustainability aspects relevant to the Sanlam Group and communicating and overseeing the Group's Sustainability Management Framework that includes monitoring progress against targets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	<p>In 2022, a decision was made to enhance the alignment of the Group Executive Committee's (Group Exco) performance contracts with Environmental, Social, and Governance (ESG) metrics. Starting from 2023, 10% of the key performance metrics for their annual contracts: 5% linked to ESG factors and 5% based on metrics related to people, culture, transformation, and people development.</p> <p>The Group Human Resources and Remuneration committee will continue to play a crucial role in reviewing the value drivers within the Group. This ensures that incentives provided are directly aligned with strategic objectives and appropriately address the integration of acquired businesses. In making forward-looking policy decisions, the committee prioritizes principles of simplification and transparency to ensure clarity and effectiveness.</p>

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The CEO and the corporate executive team at Sanlam are rewarded monetarily based on their progress towards achieving the emission reduction targets set for the period of 2021 to 2025. These targets are closely monitored on an annual basis.

To ensure accountability and responsibility towards environmental sustainability, key performance indicators related to greenhouse gas emissions, energy consumption, water usage, waste management, and paper reduction are included in the performance scorecards.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The successful achievement of these targets directly influences the bonuses or discretionary pay of the individuals, creating a strong incentive for them to actively work towards meeting the emission reduction goals. This approach reinforces the organization's commitment to environmental stewardship and incentivizes sustainable practices throughout the company.

Entitled to incentive

Chief Sustainability Officer (CSO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Key performance indicators for achieving greenhouse gas, energy, water, waste and paper reduction targets are included in performance scorecards.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The achievement of the targets positively impacts bonuses or discretionary pay; hence there exists a strong incentive to reach the emission reduction targets.

Entitled to incentive

Environment/Sustainability manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Key performance indicators for achieving greenhouse gas, energy, water, waste and paper reduction targets are included in performance scorecards.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The achievement of the targets positively impacts bonuses or discretionary pay; hence there exists a strong incentive to reach the emission reduction targets.

Entitled to incentive

Facilities manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Key performance indicators for achieving greenhouse gas, energy, water, waste and paper reduction targets are included in performance scorecards

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The achievement of the targets positively impacts bonuses or discretionary pay; hence there exists a strong incentive to reach the emission reduction targets.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as the default investment option for all plans offered	<p>At Sanlam Investments, all equity and debt investments are guided by a Responsible Investment Policy. This policy ensures that investment processes integrate environmental, social, and governance (ESG) principles, including considerations related to climate change.</p> <p>Specifically, the Responsible Investment Policy applies to the management of retirement funds by Sanlam Investment Group (SIG), which includes employment-based retirement schemes. This means that ESG factors, including climate change risks and opportunities, are taken into account when making investment decisions for these funds. By incorporating ESG principles, Sanlam Investments demonstrates its commitment to responsible investing and aligning investment strategies with sustainable and long-term value creation. All equity and debt investments at Sanlam Investments are governed by a Responsible Investment Policy. As a result, investment processes incorporate ESG principles, including climate change, for retirement funds managed by SIG, including employment-based retirement schemes.</p>	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	2	<p>This is aligned with business plans, which focus on short term changes and actions.</p> <p>This also aligns with annual reduction targets and budgeting for CAPEX to implement projects.</p>
Medium-term	2	10	This horizon is used in forward-looking business plans, which include a longer-term view of operations, reduction targets and project identification, design and approval.
Long-term	10	30	This aligns with more visionary strategic view of climate-related risks and opportunities.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The Group's ERM Framework clearly outlines the process in which Sanlam takes to determine the significance (impact) of a risk by considering quantitative and qualitative factors. The quantitative impact is defined as the potential loss, financial or otherwise, to the business should the risk materialise. The two primary metrics used by the Group are expected impact on the Group's reported annual normalised headline earnings and/or Group Equity Value.

In terms of the Group's risk escalation policy risks where the potential financial impact on Earnings is higher than R45m or impact on Group GEV higher than R490m would be seen as significant from a group perspective which will be escalated and require Senior Management and Group Exco intervention.

Qualitative factors to consider during the impact assessment include the following criteria:

- Any material breach or potential material breach of risk appetite at business unit / entity level.
- Adverse publicity in the financial and/or general press (e.g., leading to a drop in the Sanlam share price on the JSE)
- Regulatory censure involving a publicised fine, and/or the removal of a "trading/operating" license and/or an unfavourable regulatory report where there is a potential for a further regulatory inspection and or sanction.
- Customer defections/ Customer complaints and other stakeholder complaints measured by increased lapses / surrenders.
- Reduction in assets under management.
- A decline in staff morale measured by staff turnover.
- Fraud
- Transgressions of legislation
- Any publicity in the media or social media which negatively impacts on the Sanlam Group or Brand.
- Legal claims against any part of the Sanlam group.
- Loss of control over critical information – e.g., loss of data quality (i.e., integrity, availability, accuracy, timeliness, extent to which it is up-to-date, completeness, uniqueness of the data, etc).
- Cyber related incidents such as ransomware, hacking, data breaches, denial of service attacks, etc. should not only be considered from a quantifiable loss or fine / penalty perspective, but also from a qualitative perspective in terms of potential reputational damage to the group through the media or involvement from regulators. As such any cyber-event that has the possibility to cause reputational damage to the group or brand regardless of the quantum involved, should be escalated to the Group CRO with immediate effect.
- Occupational Health and Safety risks to staff - the potential exposure to injury, disability or death, the resultant amount of intervention required (e.g., medical treatment, counselling, rehabilitation) should the risk materialise. This will also include kidnap and ransom risk events.

For all risks where quantitative analysis is difficult, appointed cluster/business CROs must apply their judgement and consider, amongst other things, the qualitative criteria outlined above.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Sanlam's established risk management and governance structure offer a comprehensive perspective on strategic and operational risks, including ESG factors. Our proactive risk management process shapes future outcomes and identifies opportunities arising from risks.

Risk management is a core principle defined by the Sanlam Business Philosophy, with specific structures, roles, and responsibilities allocated to clusters, centrally controlled.

The Insurance Act of 2017 and related Prudential Standards require Sanlam to conduct a forward-looking, risk-based Own Risk and Solvency Assessment (ORSA). The Group's ORSA combines results from various processes as part of the Group Enterprise Risk Management (ERM) framework. It evaluates strategic and operational risks, risk profile, risk appetite, stress testing, and projections, presented at quarterly meetings of the Sanlam Risk and Compliance committee and the Board.

Sanlam's Group-wide ERM process includes identifying and managing climate change risks at different levels. Strategic climate change risks are considered top-down, and operational risks are addressed bottom-up. Each cluster's finance and risk committee maintains risk registers and reports, escalating significant climate change risks to the Group level. Emerging risks receive significant attention in the top-down strategic risk assessment process. Quarterly internal and external scans identify emerging risks, with a specific focus on climate change-related risks, which often carry an element of uncertainty.

Sustainability risks are integrated into the risk assessment process, prioritized based on materiality and impact. Sanlam's risk appetite statement defines implications, with the Board setting limits for identified risk categories. All sustainability risks and opportunities are managed through Sanlam's Group-wide ERM process. The Group Sustainability Management team coordinates ESG matters, including climate-related risks and opportunities, submitting quarterly reports to the SES committee.

The enterprise-wide risk governance framework, including risk culture, risk appetite, and corresponding capital needs, manages climate-related risks and opportunities, supported by internal control functions. At cluster level, the ERM team conducts analyses of top inherent risks, utilizing various techniques like research, interviews, and workshops. A similar exercise is conducted by the Risk Management team at Sanlam Investments Group. Similarly, at Santam, the organisations Enterprise Risk Management (ERM) team is responsible for evaluating the implications of climate-related risks for business performance. Beyond climate-risk identification, in order to gain insight into the potential impact weather-related events can have on Santam; the ERM team further assesses the impact of an increase in weather-related events on Santam's modelled underwriting result and solvency capital requirement. Thus, in the 2022 ORSA report, it was identified that from an earnings and solvency perspective; the accumulation of small floods and hail events will have the most material impact. To mitigate the earnings risk associated with climate change, current pricing models are actively reviewed to include weather-related peril rating.

To improve internal performance, Sanlam developed an online course for employees to understand climate-related risks and opportunities. In 2022, 86% of employees completed the course, the first of many intended to enhance climate change literacy within the organization.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Sanlam faces emerging regulatory requirements to integrate climate-related risks into their risk management frameworks, as investors increasingly consider environmental, social, and governance (ESG) factors in their investment decisions.</p> <p>For instance, in South Africa, upcoming regulations, including the second phase of the Carbon Tax and the Climate Change Bill, scheduled for implementation in 2026, are being closely monitored by Sanlam. Additionally, proposed amendments to the Electricity Regulation Act aim to facilitate expanded self-generation of electricity. Sanlam is actively assessing the potential impact of these regulations on aspects like pass-through of the Carbon Tax in electricity prices and alignment with the provisions of the Climate Change Bill, such as carbon budgets. These considerations are integrated into their risk assessment processes.</p> <p>The Sanlam Group Sustainability Management Office diligently monitors emerging regulations and commits to adhere proactively to any requirements mandated by the government or relevant reporting bodies.</p> <p>Regulators worldwide and in South Africa are emphasizing the inclusion of climate-related risks in the Financial Services sector's risk management practices. Locally, there is an increasing focus on the role of boards and senior management in considering and managing climate-related risks in governance, strategy, and risk management. Sanlam and Santam Boards have been actively engaging with the Prudential Authority to address their understanding of exposure to climate-related risk. Consequently, both investment and insurance operations are required to incorporate emerging climate-related regulation risks into their risk management frameworks. Investments now consider ESG factors, such as emerging climate change regulations, to mitigate potentially stranded assets.</p> <p>Sanlam Investment Group's equity capability incorporates ESG considerations into their investment processes, gaining a deeper understanding of industry-specific and company-related issues, including climate risks and opportunities. This approach integrates significant and measurable factors into their valuation process. They use specialized research to identify relevant ESG issues at a sectoral level and employ a proprietary score to assess ESG risk, complemented by an active ownership program.</p>

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	<p>Emerging regulations require Sanlam to integrate climate-related risks into risk management frameworks due to increasing investor focus on environmental, social, and governance (ESG) considerations. For instance, upcoming regulations in South Africa, such as the second phase of the Carbon Tax and the Climate Change Bill, are being closely monitored for potential impacts on Sanlam's operations.</p> <p>The Sanlam Group Sustainability Management Office diligently tracks and assesses emerging regulations, committing to comply with government mandates and reporting bodies' requirements. They will take proactive measures to address any necessary changes.</p> <p>Regulators globally, including in South Africa, are emphasizing the inclusion of climate-related risks in the Financial Services sector's risk management. Locally, this is seen in the regulators increasing expectation and interest in the role played by the boards and senior management of financial institutions in considering climate-related risks, and managing these risks in terms of governance, strategy, and risk management considerations. In the past two years, therefore, both Sanlam and Santam Boards have been actively interacting with and addressing the Prudential Authority with respect to the organisations' understanding of our exposure to climate-related risk. As a result, Sanlam's investment activities are now considering ESG factors, including emerging climate change regulations, to inform their decisions and mitigate potential stranded assets.</p> <p>Sanlam Investment Group incorporates ESG considerations into its investment processes, gaining insights into industry-specific and company-related issues, including climate risks and opportunities. This integration involves specialized research to identify relevant sectoral issues and employs a proprietary score to assess ESG risk. The framework ensures significant factors are considered in the valuation process, and an active ownership program is maintained.</p> <p>Overall, Sanlam is committed to adapting its risk management strategies to align with emerging climate-related regulations and investor expectations, enhancing its sustainability efforts while navigating potential impacts on its investments and operations.</p>
Technology	Relevant, always included	<p>New technologies are assessed and sometimes piloted in operations to determine feasibility.</p> <p>Sanlam is on a journey to become a more data and insights-driven organisation in order to increase its value offering to clients and improve efficiencies. Technology developments are considered key in addressing climate change risks and opportunities.</p> <p>For example, during FY2022, Sanlam and Santam joined the 'Every Action Counts' initiative that connects nature conservation and climate change experts with leading digital platforms, financial institutions and consumer goods firms. This has the potential to scale green action through innovation and by leveraging technology. Furthermore, Sanlam Life and Savings has a WhatsApp service capability that enables customers to conclude transactions digitally, including servicing and concluding a funeral claim.</p>
Legal	Relevant, always included	<p>Climate change poses direct risks, including potential litigation claims associated with investments in carbon-intensive assets or industries. Additionally, there is a risk of increased claims related to climate-related litigation faced by our insurance clients. For example, climate change affects our business through liability claims, impacts on certain investment portfolios and changing market dynamics.</p> <p>Within our own operations, climate-related litigation claims could arise from non-compliance with proposed regulations such as the Carbon Tax, National Greenhouse Gas Emissions Reporting Regulations, and the draft Climate Change Bill. Such claims may result in monetary fines and/or imprisonment for individuals responsible for oversight at Sanlam.</p> <p>Compliance risks are identified and evaluated as part of our compliance management processes. Specifically, sustainability matters (non-financial and ESG) are considered from a risk, governance, compliance and opportunity perspective and are channelled into Sanlam's enterprise risk management process.</p> <p>Sanlam has a dedicated Group Office function comprising individuals from various business functions. The Group Compliance office actively engages with regulatory bodies, shareholders, government entities, and business partners to address key issues impacting our business, including climate-related matters. The objective is to effectively manage and mitigate potential litigation claims.</p>
Market	Relevant, always included	<p>Market preferences indicate a shift towards goods and services that contribute to global decarbonisation goals. As such, insured emissions from carbon-intensive companies pose a significant transition risk to the group. The likelihood of insured carbon-intense assets becoming stranded increases as the world shifts towards low carbon economies where these assets devalue each year. The impacts have direct implications on Sanlam's annual financial statements and balance sheet.</p> <p>Climate change also affects our business through liability claims, impacts on certain investment portfolios and changing market dynamics. Non-compliance with climate change related disclosures can lead to shareholder disinvestment and reputational damage. There is also a significant potential financial impact on the general insurance sector in terms of severe weather risks.</p> <p>Sanlam has a responsible investment policy where sustainability is embedded into core investment processes with broadened and extended investment horizons.</p> <p>The Sanlam Investment Group (SIG), through its Socially Responsible Investment (SRI) funds, provides retail and institutional clients in South Africa, the United Kingdom and elsewhere in Europe access to a comprehensive range of specialised investment management and risk management expertise. SIG therefore assesses the risk of climate change, water shortages, land degradation, pollution and other environmental, social and governance (ESG) issues as part of its decision-making process to better understand the potential for companies to deliver their cash flows into the future.</p> <p>In terms of active ownership, SIG further addresses systemic issues in terms of climate for both active and passive investments through engagement and proxy voting. This ultimately improves the quality of returns and the sustainability of the market SIG invests in. SIG is looking to deploy R35 billion over the next 10 years via climate change projects, water initiatives and the Investors' Legacy impact range.</p> <p>Furthermore, expansion into credit assets means that Sanlam is investing more in longer-term infrastructure projects, such as renewable energy, which is driven in part by market demand.</p>
Reputation	Relevant, always included	<p>Sanlam recognises the significant impact that climate change matters can have on reputation. The impact of climate change on consumer behaviour and their preference for service providers is evident, as individuals prioritise organizations that demonstrate a commitment to climate responsibility. Failure to comply with climate change-related disclosures can result in shareholder disinvestment and harm to reputation. Reputational considerations have the potential to influence the value of financial assets and give rise to transition risks. Moreover, stakeholders increasingly demand detailed information from companies regarding their efforts to address the growing risks associated with weather events. Hence, reputational risks are an important factor that businesses must take into account.</p>
Acute physical	Relevant, always included	<p>Sanlam acknowledges the increasing severity and frequency of extreme weather events, posing significant risks to society and the global economy. Acute physical risks are particularly relevant to Sanlam's insurance divisions, notably Santam.</p> <p>The combination of climate change and inadequate infrastructure maintenance heightens risks for the general insurance segment, and these risks are projected to escalate further. Water scarcity emerges as a major threat to the global economy, particularly in South Africa, struggling with an ongoing drought exacerbated by erratic rainfall. Severe weather events like floods can lead to higher insurance claims due to property damage and business closures. As a result, the general insurance sector faces substantial financial implications, including increased liability claims and exposure to severe weather risks.</p> <p>For instance, in FY2022, catastrophic floods in KwaZulu-Natal devastated homes, critical infrastructure, and livelihoods.</p> <p>In society, the insurance sector serves three roles: risk manager, investor, and risk carrier. The short-term insurance sector, in particular, aims to pool risk and ensure that consumers and businesses are financially protected in the event of insurance claims.</p> <p>Sanlam's subsidiary, Santam, takes a leading role in sustainability through its membership in the UNEP FI Principles for Sustainable Insurance (PSI). Santam adheres to the following sustainable insurance principles:</p> <p>Principle 1: Incorporate relevant ESG issues into insurance business decision-making. Principle 2: Collaborate with clients and business partners to raise awareness of ESG issues, manage risk, and develop solutions. Principle 3: Engage with governments, regulators, and other stakeholders to promote widespread action on ESG issues. Principle 4: Demonstrate accountability and transparency by regularly disclosing progress in implementing the Principles.</p> <p>Santam actively participates in the Partnership for Risk and Resilience (P4RR), collaborating with municipalities to mitigate fire, flood, and drought risks for vulnerable South Africans. These partnerships aim to strengthen local municipalities' capacity for proactive risk reduction, contributing to climate adaptation efforts and mitigating the impact of climate change on vulnerable communities.</p>

	Relevance & inclusion	Please explain
Chronic physical	Relevant, always included	<p>Sanlam acknowledges that water scarcity is one of the greatest risks to the global economy. As one of the 30 most water-stressed countries in the world, this is particularly relevant in South Africa. In FY2021, the drought in the Eastern Cape province of South Africa persisted with severe water restrictions and water shortages. Furthermore, South Africa is expected to experience increased climate change impacts, such as droughts and water scarcity, as the country re-enters the El Nino cycle.</p> <p>Sanlam's partnership with WWF-SA, the world's largest and most experienced independent conservation organisation, has been helping to safeguard the resilience of freshwater sources. With additional contributions from the Sanlam Foundation, the partnership has been able to promote water stewardship and empower local governments to integrate freshwater protection into their policies and plans. This enables everyone to participate with confidence in a thriving, sustainable ecosystem.</p> <p>WWF-SA created multiple funded water source partnerships to co-develop a model for 10 strategic water source areas (SWSAs). Sanlam's funding provides a critical foundation that supports WWF in achieving the 2025 freshwater-focused outcome of "freshwater quantity and quality improved in SWSAs for ecological systems and communities" as well as helping to pursue the intersection of finance and sustainability.</p>

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>
Insurance underwriting (Insurance company)	Yes	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative only	Short-term Medium-term Long-term	Internal tools/methods External consultants	<p>Sanlam's well-established risk management and governance structure offers a comprehensive and interconnected perspective on strategic and operational risks, including those related to ESG factors. Our robust risk management process enables proactive measures to shape future outcomes, rather than merely reacting to them. This approach also helps us identify potential opportunities arising from our risks. The assessment of portfolio exposure to climate-related risks and opportunities is integrated into multi-disciplinary company-wide risk management process.</p> <p>Sanlam Investments uses all public information to assess ESG risk for all investments. Portfolio assessment of climate related risks can be done on request. However, this process does not include a quantitative analysis of carbon emissions at this stage. In the latter part of FY2020, Sanlam Investments forged a strategic collaboration with Robeco, a global asset manager renowned for its comprehensive array of active investment options encompassing equities, bonds, and sustainable investing. Robeco introduced its inaugural sustainable investing product back in 1995 and has remained at the forefront of this field ever since. By partnering with Robeco, Sanlam Investments can now provide clients with an expanded selection of sustainability solutions, encompassing ESG integration, robust data and technology, effective stewardship and governance, all powered by cutting-edge research and valuable insights.</p> <p>In 2022, Sanlam continued to partnership with Robeco and the proposed partnership (subject to regulatory approval) with Allianz, which is a sustainability leader. Such partnerships enhance the alignment of SIG (Sanlam Investment Group) with global best practices. Through this collaboration, SIG gains valuable access to Robeco's platform, research, and expertise. Evaluating ESG factors assists Sanlam's asset management division better understand the climate risks and opportunities in their investments. This facilitates the rapid development of SIG's workforce and the integration of sustainable investing practices into its investment processes.</p> <p>Sanlam recognises the importance of climate scenario analyses and is currently undertaking comprehensive scenario analyses. The outcomes of these analyses will be reported on in due course.</p>
Investing (Asset owner)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative only	Short-term Medium-term Long-term	Internal tools/methods External consultants	<p>Sanlam's well-established risk management and governance structure offer a comprehensive and interconnected perspective on strategic and operational risks, including those related to ESG factors. Our robust risk management process enables proactive measures to shape future outcomes, rather than merely reacting to them. This approach also helps us identify potential opportunities arising from our risks. The assessment of portfolio exposure to climate-related risks and opportunities is integrated into multi-disciplinary company-wide risk management process.</p> <p>Sanlam Corporate has embedded ESG risk assessment through our investment policy statement. Where multi-managed portfolios are concerned, the buying of securities is outsourced to external service providers who may or may not incorporate climate-related issues in their policy framework. Sanlam Corporate assesses their process and ESG integration, which feeds into our risk assessment in our manager selection process. Sanlam Corporate assesses and manage climate-related risks and opportunities through Active Ownership, which is a qualitative assessment, as a key component of our ESG framework. It encompasses two important areas:</p> <ul style="list-style-type: none"> • Engaging with companies on material ESG issues • Exercising the right to vote on behalf of clients. <p>We consider shareholder engagement as a core driver of change where investors seek to improve investee companies' practices with a specific objective in mind. When engaging with companies, the purpose is to either seek additional understanding or, where necessary, to seek change that will protect and enhance the value of investments for which we are responsible. Along with engagement activity, we consider voting to be a crucial aspect of being an active shareholder. It is an important element of the ESG framework and an opportunity to influence the company. Our voting and engagement activities are closely aligned as we regularly engage with companies before and after the vote. Our voting process is governed by our internal proxy voting guidelines which provide our preferences on governance matters and expectations for companies on sustainability themes.</p> <p>In addition, Sanlam is currently obtaining a better understanding of how much underlying carbon is in the investment portfolio, using data from Sanlam Investment Group on high greenhouse gas-associated industries.</p> <p>Furthermore, Sanlam recognises the importance of climate scenario analyses and is currently undertaking comprehensive scenario analyses. The outcomes of these analyses will be reported on in due course.</p>
Insurance underwriting (Insurance company)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative only	Short-term Medium-term Long-term	Internal tools/methods External consultants	<p>Our subsidiary Santam, has a well-established and robust risk management and governance structure which offer a comprehensive and interconnected perspective on strategic and operational risks, including those related to ESG factors. From a governance perspective, the board of Santam Ltd has delegated oversight of and reporting on sustainability, climate and ESG matters to the Social, Ethics and Sustainability Committee (SESCO). In addition to the SESCO, the board is assisted by additional subcommittees in discharging its duties of overseeing ESG performance including climate-related risks and opportunities. These include the Group investment and risk committees. The investment committee assists the Boards oversight of the Group's responsible investment practices promoting good governance and creating value. The Risk committee assists the Board in fulfilling its governance duties from a risk and control perspective and as such, is responsible for identifying, evaluating, and effectively managing all significant risks (including enterprise risk – which incorporates climate risk). The committee ensures that ERM analyses the Group's top inherent risks which include climate-related extreme weather events. This approach also helps us identify potential opportunities arising from our risks. The assessment of portfolio exposure to climate-related risks and opportunities is integrated into a multi-disciplinary company-wide risk management process. Some of the additional internal initiatives that have been embarked on in the past financial year to assess and improve our understanding of our exposure to climate-related risks include conducting flood risk assessments which have been implemented with the intention of investigating current flood exposure. Geocoding our insurance book with the aim of better understanding and managing this exposure through underwriting and pricing actions has been an important and ongoing initiative. The outcomes of the process will assist in managing the accumulation of risk in exposed geographies. The third priority area feeding into the assessment of our portfolio's exposure to climate-related risk and opportunities is the process that is currently underway to conduct comprehensive climate risk assessment (climate scenarios) in line with the recommendation of the Task Force on Climate-related Financial Disclosures. The outcomes will of this process will guide our climate change response more holistically. This work is currently ongoing and will be reported on in due course.</p> <p>Santam is a signatory of the UN Environment's Finance Initiative's Principles for Sustainable Insurance and ClimateWise and follows their guiding principles in all underwriting. To reduce the risk for the Group and clients, Santam engages and collaborated with government, municipalities, universities and other stakeholders to initiate projects to better understand and manage climate-related risks. This is achieved through the Group's Partnership for Risk and Resilience Programme (P4RR) which provides proactive risk management to municipalities and communities to build resilience through collaboration and co-creation of sustainable and impactful programmes that are based on national and international good practices. As an underwriter, Santam is exposed to catastrophic events such as floods and fire. Thus, the objective of the P4RR is to strengthen the institutional and participatory development capacity of local municipalities to proactively reduce the impact of fire and flood disaster events.</p>

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>
Insurance underwriting (Insurance company)	Yes	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio

Investing (Asset manager)

Type of climate-related information considered

Emissions data
Energy usage data
Emissions reduction targets

Process through which information is obtained

Data provider

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services

State how this climate-related information influences your decision-making

To gain a comprehensive understanding of company- and industry-specific issues, we employ the financial integration approach. This enables us to incorporate significant and measurable factors into our valuation process. Our investment framework ensures that ESG considerations are embedded throughout the investment process. We achieve this by incorporating specialised ESG research that identifies relevant issues specific to sectors. Additionally, we utilise a proprietary score to assess the practice of ESG risk. Furthermore, our approach involves an active ownership program and client reporting solutions.

Idea generation:

Our focus as a value investor with a long-term perspective is to identify investment opportunities that align with our investment philosophy.

Research process:

We apply the concept of materiality to determine relevant and measurable factors, evaluating them based on their likelihood and potential impact. We leverage both third-party ESG data providers and an internal assessment to inform our Sanlam proprietary ESG scorecard. We integrate material factors into our valuation drivers and proactively address any areas of concern through stewardship efforts.

Risk management:

As responsible stewards, we engage with companies in a proactive manner, addressing controversies, as well as in a responsive manner, focusing on thematic issues. We exercise our voting rights and provide regular feedback to clients regarding our proxy voting and engagement activities. In severe cases, such as significant escalations, we may vote against boards or reduce or divest holdings as deemed appropriate.

Portfolio construction:

We do not impose exclusions unless specifically mandated by clients. Our portfolio construction approach is flexible, allowing for a broad range of investment opportunities.

Sanlam's sustainable investment policy framework is constantly evolving and details asset class-specific strategies. The ESG integration techniques adopted in this framework includes financial integration into public equity, fixed income, private equity and private debt.

Portfolio

Investing (Asset owner)

Type of climate-related information considered

Emissions data
Energy usage data
Emissions reduction targets

Process through which information is obtained

Data provider

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services

State how this climate-related information influences your decision-making

At Sanlam Investments, we have implemented a Responsible Investment Policy that governs all our equity and debt investments. As part of our commitment to ESG principles, we actively incorporate climate change considerations into our investment processes. We recognize the importance of assessing climate-related risks in order to make informed investment decisions.

To evaluate climate-related risks, we subscribe to ESG research conducted by an external ratings provider. This research utilizes public information and provides valuable insights that are integrated into our investment process. We also offer the option to conduct specific assessments focused on climate-related risks upon request.

An example includes Glencore’s case study as follows: Our equity team analysed Glencore, a company facing governance issues and carbon-intensive assets, to assess its investment potential.

Key findings includes:

- Glencore has the capability to supply "sustainable commodities of the future" such as copper, cobalt, nickel, zinc, and vanadium, which are essential for achieving net-zero emissions.
- Despite its challenges, Glencore aims to responsibly manage its coal assets and reinvest cash flows into the production of transition metals.
- Cash flows from coal operations will be scrutinized by ESG-conscious investors to ensure accountability and responsible allocation.
- Glencore's commodity mix positions it well to benefit from the transition to cleaner energy.

Glencore presents an interesting investment case due to its potential to supply vital transition metals and its commitment to responsible coal asset management. ESG-conscious investors can play a role in holding the company accountable while capitalizing on its commodity mix aligned with cleaner energy trends.

Portfolio

Insurance underwriting (Insurance company)

Type of climate-related information considered

- Emissions data
- Energy usage data
- Emissions reduction targets

Process through which information is obtained

Data provider

Industry sector(s) covered by due diligence and/or risk assessment process

- Energy
- Materials
- Capital Goods
- Commercial & Professional Services
- Transportation
- Automobiles & Components
- Consumer Durables & Apparel
- Consumer Services

State how this climate-related information influences your decision-making

Santam had recognized the importance of climate-related information in assessing risks and conducting due diligence. The company has been proactive in considering climate-related factors and integrating them into its risk management processes.

Example of a relevant climate-related decision made by Santam within the last two years, related to how climate risks are considered in due diligence processes: Santam has acknowledged the potential impact of climate change on insurance risks and has highlighted the need to incorporate climate-related data and analysis into their risk assessment procedures. By incorporating climate-related information, Santam aims to improve its understanding of potential risks and to develop appropriate strategies for managing them.

We recognise the importance of climate risk in our industry and its impact on society. We are guided by the ESG-related standards included in the FTSE/JSE Responsible Investment Index, the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance We partner with South African local government and municipalities to reduce and mitigate risks in vulnerable communities through our flagship programme, partnerships for risk and resilience (P4RR), which educates and equips communities to reduce the risk of fire, flood and drought. We have assisted in protecting 82 vulnerable communities, impacting 12.5 million people in South Africa.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Insurance underwriting portfolio

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Increased severity and frequency of extreme weather events such as cyclones and floods)
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Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Systemic risk

Company-specific description

Devastating storms and floods pose severe financial risks to individuals, families, and insurers, threatening Sanlam's business. Even smaller events like hailstorms damage agriculture, infrastructure, housing, and production facilities, leading to increased insurance claims.

While risk mitigation measures help, complete elimination is impossible. The insurance sector assumes this risk by providing coverage against such events. In society, insurance serves as a risk manager, investor, and carrier. General insurance protects consumers and businesses financially after incidents.

Africa, especially the developing world, faces catastrophic climate change impacts. Water shortages hinder future development. Extreme weather events affect Sanlam's general insurance, leading to earnings declines, driven by adverse weather, rising claims, costs, and lower investment returns.

Traditional approaches fail to meet customer needs. A significant protection gap exists between economic and insured losses. Accordingly, the risk of increased severity and frequency of extreme weather means that Sanlam's risks relate to increased liabilities on insurance claims which largely lie within Santam.

Insurance lays the foundation for a sustainable society, encouraging sustainable practices. The UNEP FI's Principles for Sustainable Insurance (PSI) aim to bridge the gap and support a sustainable economy.

Sanlam and Santam, as founding members, follow four sustainable insurance principles:

1. Embed relevant ESG issues in decision-making.
2. Collaborate with clients to raise awareness, manage risk, and find solutions.
3. Engage with governments and stakeholders to promote action on ESG issues.
4. Demonstrate transparency by publicly disclosing progress in implementing the Principles.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4400000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The largest singly financial impact of extreme weather events on Sanlam's business in 2022 was R4.4 billion in claims. This was a result of the 2022 floods in the KwaZulu-Natal province, which became the largest natural catastrophe-insured loss in the country's history.

Sustainable insurance entails adopting a strategic approach that encompasses all aspects of the insurance value chain. This approach involves engaging responsibly and proactively with stakeholders while identifying, evaluating, managing, and monitoring risks and opportunities associated with environmental, social, and governance (ESG) issues.

According to the Swiss Re Institute, natural catastrophes like Hurricane Ian (2022), winter storms in Europe, floods in Australia and South Africa, and hailstorms in France and the US have led to approximately USD 115 billion in insured losses this year. This marks the second consecutive year where insured losses have exceeded USD 100 billion, continuing the trend of an average annual increase of 5-7% over the past decade.

Reinsurance premium rates have increased since 2017, following high volumes of catastrophe events and commercial fires. Santam has subsequently improved its risk survey and underwriting capacity, and tightened the focus on risk selection. The aim was to contain and manage exposures better and improve risk management practices.

Cost of response to risk

0

Description of response and explanation of cost calculation

Traditionally, the mitigation measures put in place to manage these risks forms part of the underwriting and (re)pricing, reinsurance and reserving and capital processes for the insurance businesses. The terms over which these mitigation strategies are applied depends on the nature of the product and the risk appetite. For example – it is easier to reprice short term insurance products, versus long term insurance products. The mitigation actions fall under the usual business continuity plans and are tested regularly and is a factor when entering into an outsourced arrangement / procurement process. COVID-19 has been an effective means of testing the robustness of business interruption for the industry. For catastrophic event such as the flood mentioned above, to mitigate against such risk, Sanlam either excludes the areas with high flood risks or increases the premium associated with individuals in such areas. Our underwriters do extensive data analysis and risk modelling to identify location-based risk factors. This is supported by geographic information systems to understand risk at a particular location, known as geocoding. By understanding which areas are high-risk (across multiple risk factors) we can price our premiums more accurately, make efforts to de-risk areas, and understand risk trends such as which areas might become uninsurable in the future. In addition to the above, to reduce the risk for the Group and clients, Santam engages with government, municipalities, universities and other stakeholders to initiate projects to better understand and manage these risks. In November 2022, Santam signed an agreement with the eThekweni municipality to bolster the metro's ability to handle future catastrophes such as floods, fires and droughts. This three-year partnership will see Santam providing risk management support, capacity building and advisory services to the municipality. This is part of Santam's Partnership for Risk and Resilience programme (P4RR), which already provides risk management support to 82 municipalities. The objective of the P4RR is to strengthen the institutional and participatory development capacity of local municipalities to proactively reduce the impact of fire and flood disaster events.

The costs of this response are borne in-house and is therefore reported as 0.

Comment

N/A

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Water scarcity
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

Systemic risk

Company-specific description

Water scarcity is a major risk to the global economy, especially in South Africa. The country is preparing to re-enter the El Nino cycle, which is expected to result in droughts and unpredictable rainfall patterns. If we continue using water at the current rate, demand will exceed supply by 2025, putting unsustainable pressure on freshwater ecosystems.

In particular, the Western Cape went through the worst drought ever recorded in 2017. Dam levels were at an all-time low, and Cape Town was at risk of running out of water completely. This situation, known as Day Zero, would have had a devastating impact on businesses, including Sanlam and Santam, as both companies have their head offices in Cape Town. Furthermore, more recently, there is a severe water crisis in Gqeberha which is counting down to day zero as a result of recurring drought.

Sanlam appreciates that its business activities have broad social and environmental consequences that affect a wide range of stakeholders, not just policyholders and shareholders. Although a non-water-intensive business, it recognizes its responsibility to preserve water and reduce consumption in light of the systematic risks associated with water crises and the resultant impact on the economies in which it functions.

The water shortage within operating regions will impact Sanlam as it may result in decrease revenues due to reduced production capacity. Offices may be temporarily closed as the drought will impact the operations, employees and customers of Sanlam.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

178241096

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Temporary office closure due to water shortages or Day Zero will impact on continued operations, employees and customers resulting in loss of income. Other costs relate to the repair of damaged equipment. A one week shut down of country wide operations could result in loss of profits of approximately R178.2 million based on current normalized headline earnings.

Cost of response to risk

746000

Description of response and explanation of cost calculation

The cost of response to this risk includes the provision of capital or operational expenses to climate proof the Sanlam offices. In the reporting year, at Sanlam's Head Office, expansion of the rainwater harvest system occurred, together with the extended water use licence of the borehole. Such activities cost Sanlam a total of R746 000 in the reporting year.

This expense forms part of an ongoing programme. Due to the risk of drought and water shortages in the future, Sanlam implemented an energy and water management programme towards the end of 2021. The programme is managed through the Group-wide Energy Forum monthly. The role of the Energy Forum is to ensure that Sanlam-owned buildings are energy and water efficient by managing consumption and investigating opportunities to integrate renewable energy sources through the direct installation of green energy or power-wheeling agreements. Throughout 2022 the team developed an impressive pipeline of projects, with one focusing on energy and water efficiency.

Sanlam's water reduction target remained the same for this year (10% reduction against a 2019 baseline to be achieved by 2025). In 2023 Sanlam will be announcing water intensity targets and expanding the scope to include other jurisdictions outside South Africa. Our partnership with WWF has gone a long way towards assisting us in mitigating our day-to-day water impacts and risks. We work to reduce our water consumption on a number of levels at our head office in Cape Town as well as our offices in Johannesburg. These efforts include retrofitting water systems with more water efficient fittings, continued harvesting of rainwater for irrigation, as well as recycling our unused drinking water. We also have grey water systems to reduce potable water usage.

Comment

In the reporting year, Sanlam did consider the installation of a grey water system at Head Office. However, such activity was not feasible as local government has not been able to connect water since 2021. Under investigation is the implementation of motion sensor taps. Such initiative has not been implemented but is under investigation. It is identified that such initiatives will have the potential to save 30%-50% of water.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Market	Inability to attract co-financiers and/or investors due to uncertain risks related to the climate
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Primary potential financial impact

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification

Market risk

Company-specific description

Sanlam is responsible for managing a substantial amount of investments on behalf of policyholders, shareholders, and third-party clients. We recognise that some assets are exposed to climate change risks which may be either physical or transitional in nature. Transitional risks are becoming increasingly prevalent as the world transitions towards a low-carbon economy. As an asset manager, Sanlam may face challenges related to shifts in regulations, carbon pricing, changes in consumer preferences, advancements in clean technologies, and evolving market dynamics. These transition risks can impact the value and performance of investments, particularly in carbon-intensive industries. Ultimately, the driver of such risks includes the inability to attract co-financiers and /or investors due to uncertain risks related to climate change.

The impacts of these risks encompass the possibility of holding stranded assets, which may result in unexpected write-downs, devaluations, or liabilities due to climate change, resource depletion, climate regulations, shifts in consumer behavior, and litigation. Climate-related factors can introduce additional volatility into financial markets. Changes in regulations, public sentiment, or physical impacts of climate change can lead to sudden shifts in market dynamics, asset prices, and investor behavior. This volatility can impact the overall performance of investment portfolios and increase market uncertainty. Sanlam recognizes that failure to incorporate climate-related factors in investment strategies may result in the loss of clients, reduced demand for products, or missed investment opportunities.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Sanlam is in the process of investigating and quantifying the climate risks associated with the assets under management in the business. We will be able to report a potential financial impact figure, or range, once these investigations are finalised.

Cost of response to risk

0

Description of response and explanation of cost calculation

Sanlam is responding to these market risks related to our assets under management by increasing our focus on sustainable investing. We believe it will be a key driver of structural change in the countries, companies and the markets in which we operate. Accordingly, Sanlam Investments established an oversight and governance committee, the Sustainable Investments Committee, to drive our sustainable investment initiatives and monitor and evaluate the implementation and progress of the agreed priorities. This committee is made up of some of the most senior individuals within our business and reports into the executive committee and, ultimately, the board of directors.

Sanlam is a founding member of the UNEP FI's Principles for Sustainable Insurance, and accordingly follow four sustainable insurance principles:

1. Embed relevant ESG issues in decision-making.
2. Collaborate with clients to raise awareness, manage risk, and find solutions. Sanlam is a proponent of active ownership, which entails the use of the rights and position of ownership to influence the activities or behaviour of investee entities. Active ownership can be applied differently in each asset class. For example, for listed equities it would include engagement and voting activities.
3. Engage with governments and stakeholders to promote action on ESG issues.
4. Demonstrate transparency by publicly disclosing progress in implementing the Principles.

Our sustainable investment strategy also includes negative screening, which excludes entire sectors or industries from the investable universe. In addition, we engage in impact investing, where funds target positive measurable social and/or environmental outcomes as well as financial returns. The costs of this response are borne internally and therefore not reported as standalone costs.

Comment

N/A

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Investing (Asset owner) portfolio

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences
------------	--------------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

Sanlam incorporates ESG risk assessment into our investment policy statement. In cases of multi-managed portfolios, external service providers are responsible for purchasing securities, and their policy frameworks may or may not include climate-related considerations. Hence, it is crucial for Sanlam to evaluate providers and their ESG impact. The approach of asset owners to climate change can shape our relationships with stakeholders, including investors, clients, and communities. Stakeholders increasingly expect Sanlam, as an asset owner, to tackle climate-related risks, demonstrate sustainable practices, and provide relevant disclosures. Failure to meet these expectations can lead to reputational harm and loss of trust. As a listed company on the Johannesburg Stock Exchange, a signatory to the UN Global Compact, Sanlam is obligated to effectively address the challenges posed by climate change. Insufficient response to this challenge would significantly impact our reputation and brand. Difficulties in meeting customer preferences could result in a decline in revenues due to reduced demand for products and services.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Sanlam is in the process of investigating and quantifying the climate risks associated with the assets under management in the business. We will be able to report a potential financial impact figure, or range, once these investigations are finalised.

Cost of response to risk

0

Description of response and explanation of cost calculation

Sanlam is responding to these market risks related to our owned assets by increasing our focus on sustainable investing. We believe it will be a key driver of structural change in the countries, companies and the markets in which we operate. Accordingly, Sanlam Investments established an oversight and governance committee, the Sustainable Investments Committee, to drive our sustainable investment initiatives and monitor and evaluate the implementation and progress of the agreed priorities. This committee is made up of some of the most senior individuals within our business and reports into the executive committee and, ultimately, the board of directors.

Sanlam is a founding member of the UNEP FI's Principles for Sustainable Insurance, and accordingly follow four sustainable insurance principles:

5. Embed relevant ESG issues in decision-making.
6. Collaborate with clients to raise awareness, manage risk, and find solutions. Sanlam is a proponent of active ownership, which entails the use of the rights and position of ownership to influence the activities or behaviour of investee entities. Active ownership can be applied differently in each asset class. For example, for listed equities it would include engagement and voting activities.
7. Engage with governments and stakeholders to promote action on ESG issues.
8. Demonstrate transparency by publicly disclosing progress in implementing the Principles.

Our sustainable investment strategy also includes negative screening, which excludes entire sectors or industries from the investable universe. In addition, we engage in impact investing, where funds target positive measurable social and/or environmental outcomes as well as financial returns.

The costs of this response are borne internally and therefore not reported as standalone costs.

Comment

N/A

C2.4**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Investing (Asset manager) portfolio

Opportunity type

Markets

Primary climate-related opportunity driver

Increased demand for funds that invest in companies that have positive environmental credentials

Primary potential financial impact

Increased access to capital

Company-specific description

Sanlam recognizes the significant global risk posed by climate change, which has the potential to impact society and its clients. However, Sanlam also sees opportunities within this changing landscape.

One notable opportunity for lies in financing a just transition, where ESG investments actively reduce carbon emissions and improve social outcomes. As an asset manager, Sanlam believes that proactive investment can drive transformative change. The provision of funds that invest in companies that have positive environmental and climate credentials is therefore a substantive climate-related opportunity for Sanlam. The primary financial impact of these funds is increased access to capital, for the development of largescale climate mitigation and adaptation infrastructure projects.

Sanlam continues to support the allocation of capital to combat climate change in emerging markets. Notable examples include the successful joint venture with Dutch Development Bank, FMO, which developed the blended finance Climate Investor One and Two funds, as well as the Sanlam Sustainable Infrastructure Fund.

The Climate Investor One fund was the first such initiative by Climate Fund Managers, Sanlam's joint venture with the Dutch Development Bank, FMO. With the support of broad public and private sector commitment, the funds raised by Climate Investor One have been allocated to renewable energy infrastructure projects, for example, a river-run-off hydro project in Uganda, an offshore wind project in India and a near-shore wind project in Vietnam. Sanlam's opportunity relates to the profits made by the fund, which is aimed at the new and emerging markets arising from efforts to decarbonise the global economy.

Climate Investor Two Fund delivers water, sanitation, and oceans infrastructure projects in emerging markets. Initially, the project will oversee a significant expansion of the 133 000 km² Galapagos Marine Reserve, protecting one of the most undisturbed and scientifically significant natural ecosystems on the planet.

The Sanlam Sustainable Infrastructure Fund's purpose is to finance projects and companies across the broad spectrum of essential infrastructure sectors. The priority sectors include renewable energy (wind, solar, hydro) and water, among others.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

33300000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact of was calculated as the sum of the capital that has been mobilised and is expected to be mobilised by Sanlam's Climate Investor Funds: R33.3 billion.

Climate Investor One mobilised R15.3 billion (US\$850 million) of commercial funds on its close in 2019. Climate Investor Two is targeting a final close of R18 billion (USD 1 billion). At its second close in December 2022, the fund reached R15.39 billion (USD 855 million) in commitments.

The figure excludes the Sanlam Sustainable Infrastructure Fund, which currently has nearly R1 billion in new capital to deploy and which is separate to the further R6 billion that the Sanlam balance sheet expects to deploy to new assets in the next two to three years. These financial impacts were excluded as the Sanlam Sustainable Infrastructure Fund also funds non-climate related infrastructure.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Sanlam's strategy to realise the opportunities associated with increasing capital to develop large-scale climate-related infrastructure projects involves the employment of a sustainable investment approach. Sanlam's investment activities are largely done through the internal Sanlam Specialised Finance and Sanlam Investments Group, through the course of daily business operations. These are internal costs and the costs to realise these opportunities are reported as 0.

ESG is integrated into the decision-making processes to ensure that Sanlam creates positive impact alongside mandated financial returns. To further integrate ESG additionality into its investment decision-making, Sanlam has partnered with Business Day and Intellidex to launch the Sanlam ESG Barometer research project.

In traditional investment decisions, ESG ratings based on external views of countries and companies play a significant role. Investors utilize these ratings in a passive screening process to direct capital towards strong performers and avoid those engaged in activities with adverse ESG impacts. These activities may include countries with high inequality, dependence on coal, a history of corruption, or companies involved in fracking and known for labour abuses, making it difficult for them to access ESG-linked investment.

However, relying solely on historical data from rating agencies limits insights into entities' efforts to improve their ESG performance. This means that investors may miss opportunities to actively drive transformative and measurable ESG change. This concept is known as ESG additionality, which refers to achieving positive environmental or social outcomes that would not be possible without specific investments.

By embracing ESG considerations and seeking opportunities to support sustainable practices, Sanlam aims to navigate the challenges posed by climate change while actively contributing to a more sustainable future.

Comment

N/A

Identifier

Opp2

Where in the value chain does the opportunity occur?

Investing (Asset owner) portfolio

Opportunity type

Markets

Primary climate-related opportunity driver

Increased demand for funds that invest in companies that have positive environmental credentials

Primary potential financial impact

Increased access to capital

Company-specific description

Sanlam recognizes the significant global risk posed by climate change, which has the potential to impact society and its clients. However, Sanlam also sees opportunities within this changing landscape.

One notable opportunity for lies in financing a just transition, where ESG investments actively reduce carbon emissions and improve social outcomes. As an asset owner, Sanlam believes that proactive investment can drive transformative change. The provision of funds that invest in companies that have positive environmental and climate credentials is therefore a substantive climate-related opportunity for Sanlam. The primary financial impact of these funds is increased access to capital, for the development of largescale climate mitigation and adaptation infrastructure projects.

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The Climate Investor One fund was the first such initiative by Climate Fund Managers, Sanlam's joint venture with the Dutch Development Bank, FMO. With the support of broad public and private sector commitment, the funds raised by Climate Investor One have been allocated to renewable energy infrastructure projects, for example, a river-run-off hydro project in Uganda, an offshore wind project in India and a near-shore wind project in Vietnam. Sanlam's opportunity relates to the profits made by the fund, which is aimed at the new and emerging markets arising from efforts to decarbonise the global economy.

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The Sanlam Sustainable Infrastructure Fund's purpose is to finance projects and companies across the broad spectrum of essential infrastructure sectors. The priority sectors include renewable energy (wind, solar, hydro) and water, among others.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

33300000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact of was calculated as the sum of the capital that has been mobilised and is expected to be mobilised by Sanlam's Climate Investor Funds: R33.3 billion.

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Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Sanlam's strategy to realise the opportunities associated with increasing capital to develop large-scale climate-related infrastructure projects involves the employment of a sustainable investment approach. Sanlam's investment activities are largely done through the internal Sanlam Specialised Finance and Sanlam Investments Group, through the course of daily business operations. These are internal costs and the costs to realise these opportunities are reported as 0.

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linked investment.

However, relying solely on historical data from rating agencies limits insights into entities' efforts to improve their ESG performance. This means that investors may miss opportunities to actively drive transformative and measurable ESG change. This concept is known as ESG additionality, which refers to achieving positive environmental or social outcomes that would not be possible without specific investments.

By embracing ESG considerations and seeking opportunities to support sustainable practices, Sanlam aims to navigate the challenges posed by climate change while actively contributing to a more sustainable future.

Comment

N/A

Identifier

Opp3

Where in the value chain does the opportunity occur?

Insurance underwriting portfolio

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Sanlam and Santam generate revenue through our insurance activities and investments, serving clients in South Africa and selected emerging markets. In particular, Santam's comprehensive range of policies includes coverage for crop losses and catastrophe events. Our primary objective is to mitigate risk and safeguard our clients' financial well-being, ensuring that insured losses are covered by investment premiums.

Santam Agriculture is the leading crop insurer in South Africa, specializing in named peril insurance and multi-peril crop insurance. Over the years, the demand for crop insurance has grown significantly, driven by factors such as increased commodity prices. However, increasingly, the agricultural sector is facing adverse impacts, including reduced crop yields and feedstocks, due to water scarcity caused by climate change. This could lead to financial hardships for farmers and agribusinesses, creating a greater need for crop insurance coverage. We are committed to supporting our customers in navigating these challenges and providing them with the necessary protection for their crops and livelihoods.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The agriculture sector plays a significant role in South Africa's economy, contributing 2.5% to the country's GDP. However, this sector is highly susceptible to the adverse effects of climate change, including droughts, floods, and other extreme weather events that can cause substantial damage to crops and livestock. A survey conducted by AgriSA in 2018, following a severe drought, revealed that the sector incurred approximately R7 billion in losses.

Santam, recognizing the vulnerability of the agriculture sector, offers crop insurance and recorded R1.566 billion in gross written premiums for crop insurance in FY22. Given the potential increase in droughts due to the El Niño Southern Oscillation (ENSO) signal, there is an anticipated rise in crop insurance demand.

By actively pursuing these opportunities and adapting to the changing climate conditions, Santam aims to provide comprehensive coverage and support to the agricultural community in mitigating the financial risks associated with climate-related challenges.

The quantification of this opportunity has not yet been finalised.

Cost to realize opportunity

239000000

Strategy to realize opportunity and explanation of cost calculation

Santam Agriculture, in collaboration with the South African Insurance Association (SAIA) and relevant government departments, has successfully conducted a pilot project for Soil Moisture Index insurance. The primary goal of this initiative is to expand the market reach of Santam Agriculture by offering the product to small, medium, and micro enterprises (SMMEs) as well as smallholder farmers. Furthermore, Santam Agriculture aims to customize solutions for markets outside of South Africa. It's important to note that index insurance, such as the Soil Moisture Index product, is not currently regulated under the Insurance Act. The research and development cost of R239 million was considered for the cost to realize this opportunity.

Index insurance operates by setting predetermined levels for specific parameters like rainfall or soil moisture. When these measures fall below or exceed the set level, the policy pays out without the need for manual assessment, providing immediate support to the insured. While index insurance products are not legislated in South Africa, Santam has conducted a pilot project in collaboration with various stakeholders, including government departments and regulatory authorities. A decision regarding the inclusion of this product is currently pending. However, similar index insurance products are available in other African countries, albeit dependent on government support and subsidies.

If permitted in South Africa, index insurance could have a significant impact on the long-term economic performance of farms. Insurance provides stability to farm income through indemnity payments, enabling farmers to secure financial loans and make necessary investments for farm growth. Additionally, insurance allows farmers to adjust their production strategies and improve economic performance in situations where on-farm risk reduction measures may be insufficient or ineffective.

Comment

N/A

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Sanlam is in the process of considering a transition plan that aligns with a 1.5°C world. We have drafted a Group climate change position statement that is under review. The statement outlines the Group's understanding of climate change and how it will approach the just transition.

Sanlam's approach to climate change action is rooted in the principles of a "Just Transition," ensuring a fair and inclusive shift towards a greener economy. The concept, defined by the International Labour Organisation (ILO), focuses on creating decent work opportunities, leaving no one behind, and greening the economy.

Sanlam's position aligns with the climate change stance of the Group of 77 (G77), a coalition representing developing countries. The G77 acknowledge the seriousness of the climate crisis for developing nations and emphasize the principle of "common but differentiated responsibilities." Sanlam's approach seeks to strike a balance between climate change action and positive social impact, encompassing, water security, and environmental stewardship. Sanlam aims to generate meaningful social impact while ensuring financial sustainability for our investors, enabling business growth and diversification.

Sanlam implements its "Just Transition" strategy globally through partnerships with the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), the Dutch development bank, and the Climate Fund Managers (CFM), as well as locally in South Africa through the Sanlam Sustainable Infrastructure Fund and the Sanlam Foundation. We work with CFM to structure and deploy innovative investment vehicles that prioritize climate change mitigation and adaptation. These investments support projects in developing markets worldwide, facilitating the transition to a net-zero future and enhancing economic and social resilience.

Sanlam's approach goes beyond actions against high carbon-intensive sectors. Instead, we emphasize collaboration and investment in transitional projects, fostering a constructive path towards a sustainable future.

By integrating climate change considerations into our investment practices and social impact initiatives, we strive to deliver practical and tangible outcomes that empower individuals and communities to navigate the changing landscape with financial confidence. Through our collective efforts, we aim to drive positive change, leaving a lasting impact on both the environment and society.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify (A priority going forward)	<p>We are actively performing climate scenarios aligned with TCFD recommendations, with the outcomes to be made public once they are done. In 2022, Sanlam published the Sanlam Climate Change Resilience Report, including our climate disclosure in line with the TCFD framework, within the sustainability report.</p> <p>These efforts demonstrate our commitment to understanding and addressing climate-related challenges. By conducting climate scenarios, we gain valuable insights into potential impacts on our business. Sharing the outcomes enhances transparency and informs decision-making.</p> <p>The climate scenarios will shed light on different future climate scenarios and their implications. This proactive approach prepares us for risks and opportunities. We aim to build resilience and capitalize on emerging prospects, aligning with our responsible and sustainable practices.</p> <p>Through transparent reporting and TCFD adherence, we foster trust and accountability. Our climate disclosure in the 2022 sustainability report provides a comprehensive overview of our climate-related actions and commitment to addressing climate change.</p> <p>Sanlam's dedication to climate scenarios and disclosure reinforces our proactive management of climate risks and opportunities. Embracing the TCFD framework supports our long-term resilience and contributes to a sustainable future.</p>

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Sanlam has integrated climate-related issues into its business strategy through the implementation of responsible investment guidelines across short, medium, and long-term objectives. The following are notable examples of how our strategy has been influenced:</p> <ul style="list-style-type: none"> • Since 2013, Sanlam's Credit Risk Framework incorporated ESG principles, alongside a responsible lending policy for hedge funds. • In 2015, the Sanlam Investments management fixed interest team received approval from the Sanlam Central Credit committee to include ESG factors in the credit approval process. These policies ensure that lending decisions take into account ESG principles. • Sanlam Investments recognizes the financial attractiveness of renewable energy projects and is committed to actively developing managed funds that drive social, environmental, and economic change through engagement in South Africa. <p>In 2020, Sanlam Investments entered into a strategic partnership with Robeco, a leading international asset manager renowned for its comprehensive range of active investments, including sustainable investing. Through this partnership, Sanlam Investments offers clients an expanded range of sustainability solutions, integrating ESG considerations, leveraging robust data and technology, and emphasizing stewardship and governance. The collaboration also enables the scaling of sustainability engagements and the enhancement of capabilities to address material issues for both domestic and international exposures through value-enhanced engagements.</p> <ul style="list-style-type: none"> • In 2022, SIG finalised its policy position on climate change and fossil fuel investment to decarbonise its investment portfolio. • In short-term insurance, our subsidiary Santam is the founding member of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) and subscribe to the four sustainable insurance principles. These principles lay the foundation for supporting a sustainable society and incentivizing the adoption of sustainable practices. <p>Through these initiatives and partnerships, Sanlam demonstrates its commitment to embedding climate considerations, ESG integration, and sustainable practices into its business operations, contributing to a more sustainable and resilient future.</p>
Supply chain and/or value chain	Yes	<p>Natural catastrophes, failing infrastructure, and supply chain disruptions necessitate a deliberate adjustment in general insurance underwriting actions and investments. The increasing frequency and severity of weather-related events worldwide, particularly in coastal regions, demand a closer look at the entire supply and value chain. Globally insured, natural catastrophe losses amounted to over US\$115 billion in 2022, 5-7% above the 10-year rolling average. In South Africa, the KwaZulu-Natal floods became the largest natural catastrophe-insured loss in the country's history.</p> <p>Accordingly, Sanlam and Santam are committed to actively mitigating risks throughout the supply and value chain. Sanlam implements responsible investment guidelines over the short, medium, and long term, incorporating ESG principles into its credit risk framework since 2013. They ensure that ESG factors are considered when making lending decisions and recognize renewable energy projects as financially attractive opportunities for social, environmental, and economic change.</p> <p>Example of a substantial strategic decision that has been influenced by the climate-related risks and opportunities: Santam, in its pursuit of sustainable insurance, has expanded its disaster risk management tactics to a more holistic shared risk management method aligned with Sustainable Insurance principles. Through initiatives like the Partnerships for Risk and Resilience Programme (P4RR), Santam helps municipalities develop disaster resilience through practical preventive measures. By identifying and reducing systemic risks at the municipal level, they protect vulnerable communities and mitigate potential losses. Santam also actively engages with stakeholders along the supply and value chain, including insurers, policyholders, local authorities, and intermediaries, to proactively address climate-related risks.</p> <p>Both Sanlam and Santam understand the importance of assessing, managing, and reporting climate-related risks throughout the value chain. By incorporating sustainability considerations and fostering collaboration, they strive to build a more resilient and sustainable future for all stakeholders involved.</p>
Investment in R&D	Yes	<p>Sanlam has consistently recognized severe weather and climate change as one of our top 10 strategic Group risks over the past four years. We accordingly recognize the importance of research and development (R&D) in addressing climate-related risks and opportunities.</p> <p>For example, in 2019, the Council for Scientific and Industrial Research (CSIR) introduced the Green Book at the Risk Protection Gap Lab hosted by Santam. The Green Book serves as a crucial resource, aiding municipalities in understanding risk exposure and addressing various risk profiles, including climate risks. It has been identified as instrumental in bridging the Risk Protection Gap in South Africa. Santam has integrated the Green Book Climate Risk Profiling and Adaptation Tool into its Building a FutureFit Strategy and successfully piloted it in two municipalities in 2020. Our goal is to expand its implementation across the country in the near future.</p> <p>The Green Book is an open-access online planning support tool that provides scientific evidence to assist South African local governments in planning and designing climate-resilient and hazards-resistant settlements. It offers a wealth of information to better understand risks and vulnerabilities associated with population growth, climate change, exposure to natural hazards, and the vulnerability of critical resources. Moreover, the Green Book provides projections up to the year 2050 and suggests appropriate adaptation measures for cities and towns, enabling South African settlements to mitigate the impact of climate hazards on communities and infrastructure while contributing to developmental goals.</p> <p>Through our partnership with the Council for Scientific and Industrial Research (CSIR) in the Green Book Initiative, the Partnership for Risk and Resilience (P4RR) program continues to collaborate with selected municipalities, supporting them in climate change adaptation planning. In 2022 alone, P4RR made significant strides by providing assistance to nine (9) Districts and one (1) Metro, ensuring that they are equipped to navigate the current and future impacts of climate change. This collaborative effort exemplifies our commitment to building resilience and promoting effective climate adaptation strategies within South African communities.</p>
Operations	Yes	<p>Sanlam recognizes its climate impact through its operations and has accordingly set a 10% reduction target in Scope 1 and 2 greenhouse gas (GHG) emissions for our South African operations. This commitment reflects our determination to minimize our environmental impact. Looking ahead to 2023, we plan to conduct a bottom-up analysis to expand the scope of emissions reduction efforts and include other jurisdictions where we operate.</p> <p>To address the broader scope of emissions, we will also conduct a feasibility study focused on Scope 3 GHG emissions, with a particular emphasis on our investments. Our business strategy is influenced by climate change, and we are dedicated to meeting environmental targets as outlined in question C4 of this CDP response.</p> <p>When it comes to assessing operational climate change risks related to our day-to-day operations, we take a bottom-up approach. This ensures that we thoroughly understand and manage the potential risks associated with climate change.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Assets Liabilities Provisions or general reserves Claims reserves	<p>Climate-related risks and opportunities have influenced our financial planning at Sanlam in various ways. As a company, we are committed to supporting and spearheading the just energy transition in Africa. With our extensive historical data and understanding of the social and economic complexities involved, we are well-equipped to drive sustainable change.</p> <p>One of the ways we have incorporated climate-related risks into our financial planning is through strategic partnerships and investments that have the potential to increase sustainable revenues. For instance, we have collaborated with the Dutch Development Bank, FMO, to establish the Climate Investor One and Two funds. These funds focus on financing renewable energy projects in emerging markets and water, sanitation, and ocean infrastructure projects. By investing in these initiatives, we not only contribute to addressing climate change but also create opportunities for sustainable development.</p> <p>The Climate Investor One fund has successfully raised \$850 million to foster clean-energy projects in Africa and Asia. It has mobilized commercial funds beyond the initial target, reaching \$950 million by engaging public and private sector commitments. This fund has enabled the development of several projects, including the Cleantech Solar, a 116MW pan-Asia Corporate and Industrial rooftop solar platform, and Africa Hydro Holdings, a 42MW run-of-river hydro platform in Uganda. These projects not only generate clean energy but also contribute to job creation and the preservation of valuable ecosystems.</p> <p>Additionally, the Climate Investor Two fund, launched in January 2020, focuses on water, oceans, sanitation, and coastal ecosystems across emerging markets. It has reached its first close with commitments of \$675 million and aims to achieve a final close of \$1 billion. This fund aims to have a tangible, real-world impact by improving access to clean water, sanitation facilities, and protecting coastal ecosystems.</p> <p>Through initiatives like the Climate Investor One and Two funds, as well as our Sustainable Infrastructure Fund, we are actively working to mitigate the impacts of climate change and contribute to building a more sustainable environment through investing in sustainable assets. We understand that addressing climate-related risks and seizing opportunities aligns with our core values and serves the best interests of our stakeholders and the communities we serve.</p> <p>In addition, at Sanlam, we recognize the importance of taking an inclusive approach to protect jobs and secure livelihoods during the transition to a greener economy. We believe that environmental sustainability and economic prosperity can coexist and even reinforce each other. Therefore, our financial planning takes into account the need to balance environmental considerations with social and economic factors. Accordingly, in 2022, Sanlam Investment Group finalised its policy position on climate change and fossil fuel investment to decarbonise its investment portfolio. This is an example of how climate issues have impacted our financial planning with regards to assets and liabilities.</p> <p>In our own operations, we have implemented measures to reduce our carbon footprint. This includes investing in energy-efficient lighting systems and adopting solar PV systems for disaster recovery, as well as installing smart meters that provide real-time data on energy consumption per building. These initiatives not only reduce our environmental impact but also demonstrate our commitment to sustainable practices.</p> <p>With regard to claims, the insurance sector plays three roles in society, namely risk manager, investor and risk carrier. The short-term insurance sector's role, in particular, is to pool risk and ensure consumers and businesses are left in the same financial position they were in before the incident that resulted in an insurance claim occurred.</p> <p>Sanlam's subsidiary Santam is a founding member of the UNEP FI Principles for Sustainable Insurance (PSI) subscribing to the four sustainable insurance principles:</p> <ul style="list-style-type: none"> – Principle 1: Embed in decision-making ESG issues relevant to insurance business. – Principle 2: Work together with clients and business partners to raise awareness of ESG issues, manage risk and develop solutions. – Principle 3: Work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues. – Principle 4: Demonstrate accountability and transparency by regularly disclosing publicly progress in implementing the Principles. <p>Accordingly, through the Partnership for Risk and Resilience (P4RR), Santam is actively partnering with municipalities to reduce fire, flood and drought risks of vulnerable South Africans. In summary, climate-related risks and opportunities have influenced our financial planning by driving strategic partnerships, investments in renewable energy and sustainable infrastructure, and implementing environmentally conscious practices within our own operations.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks	<Not Applicable>

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio

Investing (Asset manager)

Type of exclusion policy

Other, please specify (Material ESG matters)

Year of exclusion implementation

2021

Timeframe for complete phase-out

Other, please explain (we are currently in the process of evaluating our portfolios for carbon emissions. Once we have completed the assessment and set a target for phasing out carbon, we will update you accordingly.)

Application

New business/investment for new projects

Country/Area/Region the exclusion policy applies to

India

Africa

Other, please specify (United Kingdom of Great Britain and Northern Ireland)

Description

Sanlam Investment Group (SIG) acknowledges the importance of addressing climate-related requirements. In 2021, Sanlam Investments established an oversight committee, the Sustainable Investment Steering Committee (SISC), to drive our sustainable investment initiatives and monitor and evaluate the implementation progress of the agreed priorities. Our approach to sustainable investing involves incorporating climate considerations into our valuations and analyses, ensuring that climate risks are thoroughly assessed and factored into our decision-making processes.

Rather than applying exclusions, Sanlam Investments employs a financial integration strategy that systematically includes and analyzes Environmental, Social, and Governance (ESG) criteria as part of our investment process. This enables us to identify and support companies and sectors that prioritize sustainable practices and align with global climate goals.

Furthermore, our stewardship activities play a fundamental role in our ESG incorporation approach. We engage with investee entities on material ESG matters and actively participate in proxy voting at Annual General Meetings (AGMs) of companies we invest in. We believe that active ownership is essential in addressing systemic challenges and protecting the value of our investments.

By utilizing research, analysis, and engagement with experts, Sanlam Investments ensures that our approach aligns with current best practices in sustainable investing and ESG matters. Through our stewardship capabilities, including proxy voting and engagement practices, we address specific risks and work towards creating a positive impact in the investment landscape.

C-FS3.6c

(C-FS3.6c) Why does the policy framework for your portfolio activities not include climate-related requirements for clients/investees, and/or exclusion policies?

Sanlam Investment Group (SIG) acknowledges the importance of addressing climate-related requirements. While our current exclusion strategy, known as negative screening, does not encompass climate considerations for our clients/investees, we are actively exploring ways to integrate climate-related criteria into our investment practices.

Negative screening involves the adoption of criteria that can result in the exclusion of specific sectors, companies, or countries from the investment universe of a portfolio. Examples of common exclusion criteria include tobacco, weapons, alcohol and gambling, and other ethical considerations. However, recognizing the significance of climate change, we are committed to enhancing our strategies to incorporate climate-related risks and opportunities.

Through research, analysis, and engagement with experts, we are developing climate-focused investment criteria. This will enable us to identify and support companies and sectors that prioritize sustainable practices and align with global climate goals. In 2022, SIG has begun engaging with investee entities to either seek additional understanding or, where necessary, seek change that will protect and enhance the value of the investments for which it is responsible. Sanlam Investments systematically tracks and records the progress of engagements and takes both an active approach to engagement and responds to key issues

relating to sustainability and governance matters that have a material impact on long-term financial performance. Sanlam Investments' engagement approach involves a combination of proactive and responsive engagements by creating a constructive dialogue with boards and management of investee entities. This may be conducted either directly or in collaboration with other investors. Through our partnership with Robeco, Sanlam Investments is able to scale engagement efforts and focus on strategic themes to seek change and improve practices through their engagement programs.

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.

Coverage

Minority of assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection

Review investment manager's climate-related policies

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy

In the case of multi-managed portfolios, the responsibility for purchasing securities is delegated to external service providers who may or may not include climate-related issues in their policy framework. Sanlam Corporate evaluates their process and integration of environmental, social, and governance (ESG) factors, which informs our risk assessment during the selection of managers. For Sanlam-managed portfolios, climate-related issues are taken into account as part of the risk management process.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

No, but we anticipate setting one in the next two years

Target ambition

<Not Applicable>

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

2391

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2391

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

10

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

2821.21

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

100

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]**Target status in reporting year**

Underway

Please explain target coverage and identify any exclusions

This target covers Sanlam's Scope 1 emissions which includes Santam's Scope 1 emissions.

Plan for achieving target, and progress made to the end of the reporting year

The Scope 1 emissions in the boundary of this target include diesel and petrol used in company-owned cars, diesel used in back-up generators, LPG and aircon gases. These emissions result from the activities of employees required for ongoing operations.

In 2022, a hybrid working environment was implemented, where employees may work from home. Such implementation has influenced the group's Scope 1 emissions.

Over the course of 2022, the team successfully built an impressive collection of projects, which can be categorised as follows:

1. Compliance, measurement and reporting – projects required to satisfy regulatory compliance or to facilitate better tracking measure and verification
2. Cost optimisation – projects relating to utility cost savings as a result of effective check metering, bill verification and tariff optimisation
3. Renewable – projects focused on conversion to renewable energy, i.e., embedded solar PV
4. Resource efficiency – project focused on energy and water efficiency

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Is this a science-based target?

No, but we anticipate setting one in the next two years

Target ambition

<Not Applicable>

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

41353

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

41353

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

10

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

33605.31

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

33605.31

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

This target covers Sanlam's Scope 2 emissions of Sanlam which includes Santam's Scope 2 emissions.

Plan for achieving target, and progress made to the end of the reporting year

The Scope 2 emissions in the boundary of this target include electricity purchased at facilities and the landlords back-up generators.

In 2022, a hybrid working environment was implemented, where employees may work from home. Such implementation has influenced the group's Scope 2 emissions as less energy was being consumed. Over the course of 2022, the team successfully built an impressive collection of projects which will help achieve the target. These are such as:

1. Renewable – projects focused on conversion to renewable energy, i.e., embedded solar PV
2. Resource efficiency – project focused on energy and water efficiency

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	kWh
----------------------------------	-----

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

39760000

Target year

2025

Figure or percentage in target year

35784000

Figure or percentage in reporting year

32270000

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target part of an emissions target?

This target feeds into the Abs 2 target in question C4.1a.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

This target covers total electricity usage in kWh for Sanlam and Santam.

Plan for achieving target, and progress made to the end of the reporting year

The functionality of our facilities includes the thorough monitoring of data pertaining to the consumption patterns and fluctuations of our buildings. We gather data on various aspects such as electricity, water, diesel, petrol, liquefied petroleum gas, air conditioning gas, and waste (including landfill waste, recycled materials, food waste, and confidential shredding).

Our commitment to reduce energy consumption and minimise the impact on the environment is embedded in the Group Environmental Policy. Towards the end of 2021, we implemented an energy and water management programme, which is managed through the Group-wide Energy Forum monthly. Such Energy Forum is to ensure that Sanlam-owned buildings are water and energy efficient by managing consumption and investigating opportunities to integrate renewable energy sources through the direct installation or power-wheeling agreements. Examples of metrics actively tracked were:

- Energy intensity per square meter; and
- Baseload energy and performance in terms of SANS 10400 XA regulations.

Furthermore, on 8th December 2020 it became mandatory for accounting officers and buildings owners to display and submit an Energy Performance Certificate (EPC) for their buildings, with an effective date of December 2022. EPCs for buildings serve as indicators of the energy usage required to operate a specific building. The evaluation of a building's energy performance is determined by analysing its actual energy consumption and comparing it to the maximum energy consumption allowed according to the guidelines outlined in SANS 10400 XA:2021.

In 2022, a hybrid working environment was implemented, where employees may work from home. Such implementation has influenced the group's energy consumption in buildings. Over the course of 2022, the team successfully built an impressive collection of projects which will help achieve the target. These are such as:

1. Renewable – projects focused on conversion to renewable energy, i.e., embedded solar PV
2. Resource efficiency – project focused on energy and water efficiency

List the actions which contributed most to achieving this target

<Not Applicable>

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	27	
To be implemented*	9	4872.61
Implementation commenced*	2	6899.5
Implemented*	2	2089.82
Not to be implemented	1	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

2080

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

3500000

Investment required (unit currency – as specified in C0.4)

45000000

Payback period

4-10 years

Estimated lifetime of the initiative

21-30 years

Comment

Upgrading the HVAC system. Such implementation is creating a reduction of 200 000 kWh per month

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

9.82

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

28600

Investment required (unit currency – as specified in C0.4)

100000

Payback period

4-10 years

Estimated lifetime of the initiative

21-30 years

Comment

Replacing storeroom lighting with LED lighting at the Houghton office.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Projects are considered against feasibility and ROI measures that in the first instance need to make financial and business sense. However, Sanlam's resource consumption and efficiency is managed primarily by Facilities Management who report to the Finance unit, but have a co-operative relationship with the Sustainability unit. This co-operation identified the need for a dedicated budget for energy efficiency to reduce energy consumption and associated carbon emissions.
Partnering with governments on technology development	Sanlam and Santam make use of the Government's Section 12I tax allowance incentive as well as the Eskom Demand Side Management (DSM) subsidies and rebates where available to help defray the capital costs of equipment.
Employee engagement	Sanlam and Santam continually encourage staff to reduce their footprint and consider the environment.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Investing	Infrastructure
-----------	----------------

Taxonomy or methodology used to classify product

Internally classified

Description of product

On 1 September 2021, Sanlam Investments launched a Sustainable Infrastructure Fund. The purpose of this fund is to finance projects and companies across broad spectrum of essential infrastructure sectors. The priority sectors include renewable energy, conventional energy, natural transport and logistics, ICT, water and waste. The fund currently has nearly R1 billion in new capital deploy, with a further R6 billion that Sanlam is expected to deploy in the next two to three years.

While such taxonomy is not used internally at the moment, in 2022, Sanlam was invited to participate in the beta-test for a national Green Finance Taxonomy initiative led by National Treasury with support from IFC, part of the World Bank Group, and undertaken by National Business Initiative (NBI) and Carbon Trust. Sanlam is invited to participate in phase 2 of the testing which will help Sanlam with building internal capacity and technical support in climate transitions.

As for the insurance line of business, Santam is a short-term insurer who offers insurance solutions and products to businesses, providing them with protection from climate-related impacts and helping them build resilience. Our key products include underwriting renewable energy projects and crop insurance through SantamAgri. These offerings enable our clients in various sectors to mitigate and adapt to the adverse effects of climate change.

Product enables clients to mitigate and/or adapt to climate change

Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)

1000000000

% of total portfolio value

80.8

Type of activity financed/insured or provided

Low-emission transport
Renewable energy
Sustainable agriculture

Product type/Asset class/Line of business

Insurance	Agribusiness
-----------	--------------

Taxonomy or methodology used to classify product

Internally classified

Description of product

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Product enables clients to mitigate and/or adapt to climate change

Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)

1000000000

% of total portfolio value

80.8

Type of activity financed/insured or provided

Low-emission transport
Renewable energy
Sustainable agriculture

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

2390.52

Comment

These emissions account for the activities that Sanlam has direct control over

Scope 2 (location-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

41352.9

Comment

No contractual instruments purchased during the base year, FY2019. Furthermore, since Sanlam purchases all their electricity from the national electricity grid, the location-based and market-based approach for Sanlam's Scope 2 emission are the same.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

652.84

Comment

These emissions relate to the consumption of office and policy paper.

Emission factors are derived from: Mondi Rotatrim Paper Profile and Sappi Typek Paper Profile - released August 2019 and May 2019 respectively indicating electricity usage and CO2 emissions per tonne of paper.

Tonnes of paper purchased provided by the service providers were used to calculate emissions according to the GHG Protocol, using the provided emission factors.

Scope 3 category 2: Capital goods

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

4011.23

Comment

These emissions relate to electricity transmission and distribution losses and the emissions related to the well-to-tank emission of fuels consumed by Sanlam in the reporting year.

To determine emissions in accordance with the GHG Protocol, the calculation relied on kilowatt-hours obtained from Eskom's Transmission & Distribution losses. These losses were assessed using Eskom's emission factors from 2019 specifically tailored for Transmission and Distribution activities.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

816.3

Comment

These emissions relate to courier services. The tonne.kilometres provided by courier service providers were used to calculate emissions according to the GHG Protocol, using Defra's 2019 freighting goods emission factors.

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

509.2

Comment

These emissions relate to waste disposed of to landfill, recycled & composted.

Tonnes of waste to landfill and tonnes of food and municipal waste recycled and composted were used to calculate emissions according to the GHG Protocol, using Defra's 2019 emission factors for municipal waste. The emission factor for waste was sourced from Friedrich and Trois (2013). The specific factor used is for "landfill sites without gas collection" and includes carbon storage – 100 years.

Scope 3 category 6: Business travel

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

11332.12

Comment

These emissions relate to different elements of business travel.

The calculation of emissions according to the GHG Protocol involved various aspects of business travel, including rental cars, commercial airlines, hotel accommodation, travel claims, and transportation by shuttle, chauffeur, and bus.

For car rental, information such as kilometres travelled, car engine size, and type of fuel used were provided by the service provider. Defra's 2019 emission factors for business travel on land were used in these calculations.

Air travel emissions were determined using flight details provided by the service provider, including class of travel, departure dates, and destination for each leg. Carbon

Calculated was utilised to establish the distances travelled. Defra's 2019 emission factors for business travel by air were applied in these calculations.

Hotel accommodation emissions were based on the number of bed nights provided by the service provider, using Defra's 2019 emission factors for hotel stays.

For travel claims involving kilometres travelled in an unknown vehicle, Defra's 2019 emission factors for business travel on land were employed.

Similarly, for travel by shuttle, chauffeur, and bus in unknown vehicles, Defra's 2019 emission factors for business travel on land were used.

The data for business travel was extrapolated to represent 69% of full-time equivalents (FTEs). The emissions were then calculated in accordance with the guidelines outlined in the GHG Protocol.

Scope 3 category 7: Employee commuting

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

16949.31

Comment

An employee commuting survey carried out by Sanlam and Santam in 2018 revealed an average 1.82550 and 2.02179 tCO2e per employee for annual commuting respectively. This is multiplied by number of employees covered in the report – 9 010. Kilometres travelled according to the mode of transport was used to calculate emissions according to the GHG Protocol using Defra's 2019 emission factors. 12 public holidays were included in the calculation.

Scope 3 category 8: Upstream leased assets

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 9: Downstream transportation and distribution

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 10: Processing of sold products

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 11: Use of sold products

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 12: End of life treatment of sold products

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 13: Downstream leased assets

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

809.55

Comment

Electricity consumption of tenants that occupy a portion of the Sanlam Head Office Kilowatt-hours purchased from Eskom were used to calculate emissions according to Eskom's 2019 emissions factor.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

2821.21

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Sanlam's scope 1 emissions are determined in accordance with the operational control consolidation approach.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

Sanlam operates in countries where regulated central electricity utilities operate and control the market. Since Sanlam gets all their purchased electricity from the national electricity grid, Sanlam's Scope 2 emission are location-based.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

33605.31

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Sanlam operates in countries where regulated central electricity utilities operate and control the market. Since Sanlam purchases all their electricity from the national electricity grid, Sanlam's Scope 2 emission are location-based.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions

Facilities falling outside the Group Sustainability Management Framework. Such framework includes 4 Santam South African facilities and 7 Sanlam South African facilities.

In addition, facilities outside of the borders of South Africa are excluded.

Scope(s) or Scope 3 category(ies)

Scope 1

Scope 2 (location-based)

Scope 3: Purchased goods and services

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Upstream transportation and distribution

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Downstream transportation and distribution

Scope 3: Downstream leased assets

Scope 3: Other (upstream)

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source

<Not Applicable>

Relevance of Scope 3 emissions from this source

Emissions are relevant but not yet calculated

Date of completion of acquisition or merger

<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents

23

Estimated percentage of total Scope 3 emissions this excluded source represents

39

Explain why this source is excluded

The reporting boundary for Sanlam covers the Group Sustainability Management Framework which includes 4 Santam South African facilities and 7 Sanlam South African facilities. The Group also operates numerous smaller offices around and outside of South Africa, but due to data availability and the significant reporting burden relative to their GHG contribution, these sites were excluded from the reporting boundary. Sanlam is looking to extend the GHG reporting/target boundary to include all facilities/operations.

Explain how you estimated the percentage of emissions this excluded source represents

Estimated percentage of total Scope 1+2 emissions this excluded source represents: Based on number of FTE employees, the reported facilities constitute for approximately 77% of the Group's operations in South Africa. Therefore, using the FTE metric as an estimation for emissions, the estimated percentage of total Scope 1 and 2 emissions this excluded source represents is 23% i.e., 100-77.

Estimated percentage of total Scope 3 emissions: According to FY2022 footprint, Scope 3 emissions make up 39% of the total carbon footprint. Therefore, we can assume that the excluded facilities will also have an estimated 39% of emissions allocated to scope 3.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

296

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Purchased goods and services covers purchased paper products and water purchased by Sanlam in this reporting year.

Boundary: the calculation covered all upstream emissions from these purchased goods and services (cradle to gate).

The hybrid method was used to calculate the emissions associated with these goods. If supplier specific information was not available, then the mass of the purchased goods was multiplied by the average emission factor sourced from DEFRA.

The emission factors for paper were sourced from the paper supplier Mondi in their Integrated Annual Report 2022. Water was sourced from Rand Water Annual Report 2017. Emissions were calculated according to the GHG Protocol using the respective emissions factors.

Capital goods

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Currently, data sets related to this specific category are not evaluated or analysed. However, there are plans to extend the reporting boundary in the near future to incorporate this particular Scope 3 category. This means that the data pertaining to this category will be considered and included in the assessment process in future.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

4671

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This Scope 3 category covers Well-to-Tank emissions of diesel, petrol and LPG and transmission and distribution losses. The average data method was used to calculate the emissions related to fuel and energy activities. The emissions were calculated by multiplying the fuel consumption by the industry average emission factors sourced from DEFRA.

Boundary: the cradle-to-gate emissions of purchased fuels were included in the calculation. The T&D losses emissions were calculated on a cradle-to-gate basis.

There may be some inaccuracy in the emission factors relating to fuel production as the DEFRA emission factors are specific to the UK. Emission factors were sourced from DEFRA (UK Department of Environment Food and Rural Affairs) 2022 and Eskom Integrated Report 2022.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

211

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The emissions in this category relate to the upstream transportation of goods by Sanlam in the reporting year. The goods reported covers the following transportation modes: heavy goods vehicle couriers, international freight airline couriers, domestic freight airline couriers and short haul freight airline couriers. The distance-based method was used to calculate emissions. The emissions were calculated by multiplying the total mass and distance travelled by the emission factor from DEFRA, with the freight airline emission factors consisting of radiative forcing.

Boundary: The scope 1 emissions of transportation were included in the calculation.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

142

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The emissions in this category relate to the disposal of waste, such as municipal waste, recycled municipal waste, recycled paper and food compost. The average data method was used to calculate the emissions related to waste disposal activities. Emission factors are sourced from DEFRA 2022 and Friedrich, E. and Trois, C., 2010. Greenhouse gases accounting and reporting for waste management– A South African perspective.

Boundary: The Scope 1 and 2 emissions of the waste service providers were included.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7451

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The emissions in this category are related to business car hire, air travel and accommodation.

The distance-based method was used to calculate the emissions related to car hire, air travel. The distance travelled was multiplied by emission factor associated with the mode of transport sourced from DEFRA 2022. As for accommodation, the total number of accommodation nights was multiplied by the DEFRA emission factor.

Boundary: The Scope 1 and 2 emissions from the use of vehicles were included.

Emissions are reported on a Tank to Wheel basis.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

8723

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

25

Please explain

The distance-based method was used to calculate both car hire and air travel emissions. The distance travelled was multiplied by emission factor associated with the mode of transport from DEFRA.

Boundary: The Scope 1 and 2 emissions from the use of vehicles were included.

Emissions are reported on a Tank to Wheel basis

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not applicable at this moment as no leased assets were reported in this boundary of Sanlam and Santam's GHG emissions. However, data for this activity has already been collected and will be provided in the future.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Sanlam and Santam are financial services and insurance providers and hence, do not produce any goods requiring transportation and distribution. Courier services are accounted for under upstream transportation and distribution.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not applicable as Sanlam and Santam's operations are related to the provision of insurance services and finance.

Use of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Sanlam and Santam are financial services and insurance providers and its sold products do not consume energy when used to generate GHG emissions.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Sanlam and Santam are financial services and insurance providers and hence, do not produce sold products that need to be treated at end of life.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not applicable at this moment as no leased assets were reported in this boundary of Sanlam and Santam's GHG emissions. However, this could be considered in the future.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not applicable as Sanlam does not utilise a franchise model

Other (upstream)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1489

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

25

Please explain

This Scope 3 category covers employees working from home emissions. Such emissions are associated with the estimated electricity a full time employee will use when working from home. For instance, the amount of electricity it requires to use a laptop, lamp, kettle, screen monitor and printer. Emission factor used was the grid emission factor, which is sourced from Eskom's integrated annual report 2022

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Sanlam does not have any other downstream emissions.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000039

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

36426.52

Metric denominator

unit total revenue

Metric denominator: Unit total

929400000

Scope 2 figure used

Location-based

% change from previous year

5

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Other emissions reduction activities

Please explain

In FY2022, Scope 1 emissions are 2 821.21 tCO2e and Scope 2 emissions are 33 605.31 tCO2e (total Scope 1 and 2 emissions are 36 426.52 tCO2e) compared to Scope 1 emissions of 1 684.08 tCO2e and Scope 2 emissions of 35 460.09 tCO2e (total Scope 1 and 2 emissions are 37 144.17 tCO2e) in FY2021. Revenue for FY2022 increased from R9 041 million in FY2021 to R9 294 million in FY2022. Therefore, the overall intensity metric decreased as the Scope 1 and 2 emissions decreased, whilst the revenue increased. The decrease in emissions can be primarily attributed to South Africa's grid emission factor which reduced in FY2022 as well as reduced electricity consumption. kWh consumption reduced due to different factors – 1) Sanlam has implemented a hybrid working where environment, where employees may work from home. 2) The energy efficiency projects that have been implemented in 2021 allowed for more electricity to be saved.

Intensity figure

0.2

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

36426.52

Metric denominator

square meter

Metric denominator: Unit total

179778

Scope 2 figure used

Location-based

% change from previous year

5

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Other emissions reduction activities

Other, please specify (Increase of square meterage)

Please explain

In FY2022, Scope 1 emissions are 2 821.21 tCO2e and Scope 2 emissions are 33 605.31 tCO2e (total Scope 1 and 2 emissions are 36 426.52 tCO2e) compared to Scope 1 emissions of 1 684.08 tCO2e and Scope 2 emissions of 35 460.09 tCO2e (total Scope 1 and 2 emissions are 37 144.17 tCO2e) in FY2021. Square meterage increased slightly between FY2022 (179 778 m2) and FY2021 (178 667 m2), whilst the Scope 1 and Scope 2 emissions decreased. Therefore, the overall intensity metric decreased. The decrease in emissions can be primarily attributed to reduced South Africa's grid emission factors and reduced electricity consumption. kWh consumption reduced due to different factors – 1) Sanlam has implemented a hybrid working where environment, where employees may work from home. 2) The energy efficiency projects that have been implemented in 2021 allowed for more electricity to be saved.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name

Santam

Primary activity

Other financial

Select the unique identifier(s) you are able to provide for this subsidiary

Ticker symbol

ISIN code – bond

<Not Applicable>

ISIN code – equity

<Not Applicable>

CUSIP number

<Not Applicable>

Ticker symbol

SNT

SEDOL code

<Not Applicable>

LEI number

<Not Applicable>

Other unique identifier

<Not Applicable>

Scope 1 emissions (metric tons CO2e)

1783

Scope 2, location-based emissions (metric tons CO2e)

5563

Scope 2, market-based emissions (metric tons CO2e)

Comment

Our emissions performance calculations are based on a location-based Scope 1 and Scope 2 emissions figure. The facilities included within the calculation are:

1. Santam Head Office
2. Santam Auckland Park
3. Santam Alice Lane
4. Santam Glacier

Furthermore, Santam GHG emissions are included within Sanlam's GHG inventory provided for within the 2022 sustainability report.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Sanlam Head office installed a small solar PV system on its roof for the purpose of disaster recovery - to charge batteries and other equipment in the event of a power outage. It is not available to the building to use as an alternative to grid power. Furthermore, the Solar PV facility that is being commissioned on Sanlam Investments' building is still in progress and not yet commissioned.
Other emissions reduction activities	9.82	Decreased	0.03	Replacement lighting at Houghton's storeroom with LED lighting. Such replacement will save a total of 9.439 MWh. This will save a total of 9.82 tCO2e. We arrived at this answer by multiplying such saving to the RSA grid emissions factor of 1.04 tCO2/MWh (9.439MWh*1.04 tCO2e/MWh = 9.82 tCO2e). Total Scope 1 and 2 emissions for 2022 were 36,426 tCO2e. We therefore arrived at 0.03% through (9.82/36,426) * 100 = 0.03%.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions	1854.78	Decreased	4.993	In 2021, Scope 1 and 2 emissions increased mainly as employees returned to the office in a flexible working schedule which resulted in increased energy and electricity consumption. However, in 2022, emissions decreased as a result of reduced overall electricity usage and a lower emission factor for the South African grid, ultimately leading to a decline in Scope 2 emissions. The total combined Scope 1 and 2 emissions for 2021 amounted to 37,144.17 tCO2e. Furthermore, there was a decrease of 1,854.78 in electricity usage during 2022. By applying the calculation (1,854.78/37,144.17) * 100, we derived a percentage of approximately 4.993%.
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	9079.14	9079.14
Consumption of purchased or acquired electricity	<Not Applicable>	0	32265.4	32265.4
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	41344.54	41344.54

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

South Africa

Consumption of purchased electricity (MWh)

32265.4

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify (Annual water consumption across the reporting boundary)

Metric value

0.67

Metric numerator

Total kilolitre consumption

Metric denominator (intensity metric only)

Square metres

% change from previous year

37

Direction of change

Increased

Please explain

This metric increased as a result of the increase change in square meters and the increase in water consumption that occurred in FY2022 in comparison to FY2021.

Description

Energy usage

Metric value

179.47

Metric numerator

Total electricity usage

Metric denominator (intensity metric only)

Square metres

% change from previous year

4

Direction of change

Decreased

Please explain

The metric decreased because less electricity was consumed in comparison to FY2021. This is because of numerous factors – 1) Sanlam has implemented a hybrid working where environment, where employees may work from home. 2) The energy efficiency projects that have been implemented in 2021 allowed for more electricity to be saved. Such decrease created an overall decrease in the metric.

Description

Other, please specify (Annual paper consumption per full time employee)

Metric value

8.53

Metric numerator

Total kg consumption

Metric denominator (intensity metric only)

Full time employees

% change from previous year

3

Direction of change

Increased

Please explain

This metric increased as a result of the increase in FTE in 2022 in comparison to 2021, which also resulted in an increase in paper consumption.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Sanlams Verification Opinion for 2022 GHG Footprint.pdf

Page/ section reference

Pages 1-3

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Sanlams Verification Opinion for 2022 GHG Footprint.pdf

Page/ section reference

Page 1-3

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

- Scope 3: Purchased goods and services
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Sanlams Verification Opinion for 2022 GHG Footprint.pdf

Page/section reference

Page 1-3

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C7. Emissions breakdown	Year on year change in emissions (Scope 1)	ISO 14064-3	Change in year-on-year change Scope 1 emissions in tCO ₂ e between FY2021 (1 January 2021-31 December 2021) and FY2022 (1 January 2022-31 December 2022) for the following buildings: Sanlam: Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier, West End D, and Santam: Head Office/Admin, Auckland Park, Alice Lane, Glacier. 100% of data is verified annually.
C7. Emissions breakdown	Year on year change in emissions (Scope 2)	ISO 14064-3	Change in year-on-year change Scope 2 emissions in tCO ₂ e between FY2021 (1 January 2021-31 December 2021) and FY2022 (1 January 2022-31 December 2022) for the following buildings: Sanlam: Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier, West End D, and Santam: Head Office/Admin, Auckland Park, Alice Lane, Glacier. 100% of data is verified annually.
C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	ISO 14064-3	Change in year-on-year change Scope 1 and Scope 2 emissions in tCO ₂ e between FY2021 (1 January 2021-31 December 2021) and FY2022 (1 January 2022-31 December 2022) for the following buildings: Sanlam: Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier, West End D, and Santam: Head Office/Admin, Auckland Park, Alice Lane, Glacier. 100% of data is verified annually.
C7. Emissions breakdown	Year on year change in emissions (Scope 3)	ISO 14064-3	Change in year-on-year change Scope 3 emissions in tCO ₂ e between FY2021 (1 January 2021-31 December 2021) and FY2022 (1 January 2022-31 December 2022) for the following buildings: Sanlam: Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier, West End D, and Santam: Head Office/Admin, Auckland Park, Alice Lane, Glacier. 100% of data is verified annually.
C8. Energy	Energy consumption	ISO 14064-3	Total energy consumed (fuels and purchased/ acquired electricity) in MWh during the period 1 January 2022 to 31 December 2022 in the following buildings: Sanlam: Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier, West End D, and Santam: Head Office/Admin, Auckland Park, Alice Lane, Glacier. 100% of data is verified annually.
C9. Additional metrics	Energy consumption	ISO 14064-3	Total electricity usage, paper consumption in kg and 2ater consumption in kl during the period 1 January 2022 to 31 December 2022 in the following buildings: Sanlam: Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier, West End D, and Santam: Head Office/Admin, Auckland Park, Alice Lane, Glacier. 100% of data is verified annually.
C7. Emissions breakdown	Year on year emissions intensity figure	ISO 14064-3	Year-on-year emission intensity figures for FY2020/2021 and FY20201/2022 in the following buildings: Sanlam: Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier, West End D, and Santam: Head Office/Admin, Auckland Park, Alice Lane, Glacier. 100% of data is verified annually.

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

% of suppliers by number

1

% total procurement spend (direct and indirect)

1

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

In Sanlam's Procurement Policy, we integrate an environmental analysis of our suppliers. This includes requesting suppliers to provide evidence of their own environmental policies, quantified environmental impact, and initiatives aimed at reducing their environmental footprint, including efforts to lower greenhouse gas emissions. We prioritize the environmental awareness of the goods we purchase.

As part of our commitment to environmental sustainability, Sanlam has undertaken to record and monitor a minimum of 80% of our Scope 3 emissions. Additionally, we have set targets related to electricity consumption, water usage, travel, waste management, and investments to further enhance our environmental sustainability efforts.

Impact of engagement, including measures of success

Measures to reduce emissions from office and policy paper consumption by introducing secure and authenticated electronic document signing (E-sign). This eliminates the need for intermediaries to visit clients for signatures, offering convenience, speeding up processes, and reducing paper usage.

Our success is measured by the percentage of engaged suppliers, the conversion of paper-based processes to digital ones, and the efficiency of processing digitally reported claims. These initiatives contribute to our sustainability goals and demonstrate our commitment to reducing environmental impact.

Comment

Our suppliers benefit from our sizeable procurement of goods and services and SME support initiatives. In 2022, our supplier procurement spend reached R11,3 billion and R4,5 billion for small, medium and micro enterprises (SMMEs). We offer loans to some of our suppliers to support the growth of their businesses.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS12.2a

(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

Method used to exercise your voting rights as a shareholder

Exercise voting rights through an external service provider

How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?

Other, please specify (Alignment with Sanlam Investment Management Responsible Stewardship Guidelines)

Percentage of voting disclosed across portfolio

<Not Applicable>

Climate-related issues supported in shareholder resolutions

<Not Applicable>

Do you publicly disclose the rationale behind your voting on climate-related issues?

<Not Applicable>

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Sanlam Climate Change Position Statement.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Sanlam manages the multiple engagement activities around climate change across business divisions and geographies to ensure that the group has a common approach that is also consistent with our strategy on climate change.

The Sanlam Board is ultimately responsible for the governing and monitoring of the quality of stakeholder relationships and the effectiveness of our stakeholder engagements in the Group – in line with King IVTM Report on Corporate Governance. In addition, each business entity is given relative autonomy in their positioning and responses but must adhere to the principles outlined in the Group stakeholder management policy.

For example, the Sanlam Sustainability Management Office has direct responsibility for Sanlam's partnership with WWF, which includes regular meetings and updates on all project aspects, including advocacy. If there are any differences in strategy, these would be shared with the Social, Ethics, and Sustainability Committee of the Sanlam Board for discussion and decision-making.

In a similar vein, Sanlam Investments monitors the strategy direction of the Association for Savings and Investments (ASISA) and the South African Insurance Association (SAIA). If there are any divergences, they will be escalated to the Sanlam Investment Group Board level and subsequently reviewed by the Social, Ethics, and Sustainability Committee of the Sanlam Board.

The Social Ethics and Sustainability Committee comprises individuals representing various business functions, many of which fall under the Group Office. The Group Compliance office engages with regulatory bodies, advocating for Sanlam's position on policy-related debates and forums. Key representatives from different business units, including the Company Secretariat, maintain regular engagement with regulators, shareholders, government entities, and business partners on significant policy issues affecting the company, including climate change where relevant.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

South Africa's Climate Change Bill

Category of policy, law, or regulation that may impact the climate

Climate change adaptation

Focus area of policy, law, or regulation that may impact the climate

Planning

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

South Africa

Your organization's position on the policy, law, or regulation

Neutral

Description of engagement with policy makers

The Climate Change Bill was introduced in Parliament in February 2022. The Bill acknowledges the urgent threat that climate change presents and emphasizes the need for an effective, progressive, and incremental response. The Bill aims to provide for a coordinated and integrated response to climate change, provide for the effective management of climate change impacts, make a fair contribution to the global effort to stabilize greenhouse gas concentrations, ensure a just transition towards a low carbon economy and society, give effect to South Africa's international commitments and obligations in relation to climate change, and protect and preserve the planet for the benefit of present and future generations of humankind.

The Bill is undergoing extensive public consultation and generated wide interest, with approximately 13 200 written submissions received by Parliament. Once finalized, the Bill will become enacted into law as an official Act.

Sanlam engages with policy makers regarding South Africa's Climate Change Bill through its involvement with Business Unity South Africa (BUSA). BUSA subsequently engages directly with relevant South African government departments, such as the Department of Forestry, Fisheries and the Environment, which responsible for the Climate Change Bill.

Sanlam's position on the policy generally aligns with BUSA's position, which emphasizes the need for greater specificity to facilitate long-term corporate planning related to the risks and opportunities presented by climate change.

We accept that climate change action requires a multi-stakeholder approach and partnerships. We are active participants in the industry bodies that engage government and civil society on issues of Climate Change action and the implementation of the transition to a low-carbon economy in a just way. These organizations include:

- Member of the Presidential Climate Change Commission;
- Business Leadership South Africa;
- National Business Initiative;
- Business for South Africa; and
- Partnership for Risk and Resilience.

We also participated in the deliberations as part of the South African business delegation at COP27 in Egypt to support global climate action.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Association for Savings and Investments (ASISA))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The South African Insurance Association (SAIA) represents the short-term insurance industry and recognizes its responsibility in addressing broader sustainability issues. These include risk management in a changing natural and built environment, encompassing climate change, disaster management, as well as economic and societal challenges like the energy and water crisis in South Africa. SAIA acknowledges that climate change presents significant financial challenges to insurers, posing threats to insurability and affordability. Failure to adequately address climate risks can impact the sector's sustainability. By redefining insurers' understanding, communication, and action on climate risks, clients and policymakers can be incentivized to reduce their exposure to these risks, contributing to mitigation efforts and the promotion of resilient economies.

Santam actively participates in various SAIA committees, playing an active role in knowledge sharing. Through these committees, Santam shares insights gathered from environmental scanning processes that assess macro and micro factors affecting the general insurance operating environment. Santam holds positions on the boards of both the UN's Principles for Sustainable Insurance and ClimateWise, actively contributing to discussions and initiatives related to sustainable practices in the insurance industry. All relevant and valuable information collected through these engagements is shared with SAIA, either through the committees themselves or via the leadership channels, ensuring a comprehensive exchange of insights and expertise.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

10605271.25

Describe the aim of your organization's funding

By paying the membership fees of the trade organization Sanlam aims to achieve a comprehensive understanding of the climate risks that its insurance businesses are exposed to. We aim to assist our clients and policymakers reduce their exposure to these risks, contributing to mitigation efforts and the promotion of resilient economies. In addition, Sanlam aims to promote a just and fair transition to a low carbon economy through membership in this industry association.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (South African Insurance Association)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The South African Insurance Association (SAIA) represents the short-term insurance industry and recognizes its responsibility in addressing broader sustainability issues. These include risk management in a changing natural and built environment, encompassing climate change, disaster management, as well as economic and societal challenges like the energy and water crisis in South Africa. SAIA acknowledges that climate change presents significant financial challenges to insurers, posing threats to insurability and affordability. Failure to adequately address climate risks can impact the sector's sustainability. By redefining insurers' understanding, communication, and action on climate risks, clients and policymakers can be incentivized to reduce their exposure to these risks, contributing to mitigation efforts and the promotion of resilient economies.

Santam actively participates in various SAIA committees, playing an active role in knowledge sharing. Through these committees, Santam shares insights gathered from environmental scanning processes that assess macro and micro factors affecting the general insurance operating environment. Santam holds positions on the boards of both the UN's Principles for Sustainable Insurance and ClimateWise, actively contributing to discussions and initiatives related to sustainable practices in the insurance industry. All relevant and valuable information collected through these engagements is shared with SAIA, either through the committees themselves or via the leadership channels, ensuring a comprehensive exchange of insights and expertise.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

World Wide Fund for Nature (WWF-SA)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

9202522.6

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

At Sanlam, we have been a proud partner of WWF for over 15 years, actively supporting a wide range of their conservation efforts. Initially, our collaboration focused on marine conservation, and for the past decade, we have been dedicated supporters of their critical freshwater initiatives. Through our long-standing partnership, we have invested over R75 million in WWF-SA, specifically contributing to water-related projects and conservation activities.

Our shared vision with WWF is to foster collaboration among government, civil society, and the private sector, working together to build a sustainable future where healthy freshwater ecosystems are at the core of South Africa's development. We believe that by enhancing the quality of life for all its people, we can create a thriving society built upon the sustainable management of water resources.

Sanlam's funding has provided a crucial foundation for WWF's work, enabling them to pursue their 2025 outcome of improving freshwater quantity and quality in strategic water source areas, benefiting both ecological systems and local communities. Additionally, our partnership explores the intersection of finance and sustainability, leveraging our expertise to drive positive change in these areas.

Together with WWF, we have actively advocated for water-related legislation in South Africa, playing a significant role in shaping policy discourse and emphasizing the importance of ecological infrastructure on a national scale. Through the support of the Sanlam Foundation, our partnership extends its reach, promoting water stewardship and empowering local governments to integrate freshwater protection into their policies and plans. By fostering collaboration and inclusivity, we aim to ensure that everyone can participate in and benefit from a thriving, sustainable ecosystem.

As Sanlam, we take great pride in our partnership with WWF and remain committed to their mission of conserving and protecting freshwater resources in South Africa. By working together, we are making a positive impact on the environment and contributing to the well-being of communities across the country.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

sustainability-report-2022.pdf

Page/Section reference

Sanlam Position on Global ESG commitments pg 5

Sustainability approach pg. 17-24

Governance pg. 28-29,

Risks and opportunities pg. 30-38

Strategy pg. 50-66

Emissions figures pg.75-78

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Comment

Sanlam's 2022 Sustainability Report considers the challenges and risks to the sustainability of our business posed by climate change. We believe any action to reduce greenhouse gas (GHG) emissions and mitigate the impacts of climate change should be aligned with the "Just Transition" principles, especially in the developing world. Our business supports employees in some of Africa's carbon intensive sectors to live with financial confidence. We also support the communities that rely on these sectors for their sustained livelihoods. As we explore the complexities of climate change mitigation and adaptation in a just way, we take a systematic approach by considering and protecting all human rights in business decisions.

Publication

In mainstream reports

Status

Complete

Attach the document

Sanlam-IR-2022.pdf

Page/Section reference

Governance pg. 35-42, 64-74

Strategy pg. 43-56

Risk and opportunities pg. 57-63

Content elements

Governance

Strategy

Risks & opportunities

Comment

Sanlam's 2022 Integrated Report forms part of our annual reporting suite, which enables our stakeholders to make informed assessments about our performance and prospects. The report provides readers with material information and insights about our performance for the financial year from 1 January to 31 December 2022. We take a longer-term and future-oriented view of external factors, risks and opportunities, including those related to climate change matters. We aim to provide stakeholders with a concise yet sufficiently informative view of the Group's governance, strategy performance and risk, in the context of our operating environment. This enables readers to effectively assess Sanlam's ability to create and preserve value, our sustainability and prospects.

Publication

In voluntary communications

Status

Complete

Attach the document

2022_SUSTAINABLE_INVESTMENTS_REPORT.pdf

Page/Section reference

Page 1-66

Content elements

Strategy

Risks & opportunities

Comment

Sanlam Investments' 2022 Sustainable Investments Report outlines the Sanlam group's commitment to playing an all-encompassing role in securing a sustainable future for South Africa and all those who live in it, as well as those beyond our borders. Sanlam believes that safeguarding economic, environmental and social assets is the foundation for a healthy economy that generates sustainable returns for the future.

Accordingly, the group promotes the incorporation of environmental, social and governance factors into investment frameworks in order to make better, more informed decisions about our investments.

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	ClimateWise Principles Principle for Responsible Investment (PRI) UNEP FI Principles for Sustainable Insurance	<p>Sanlam and the Sanlam Investment Group (SIG) are signatories to the United Nations Principles for Responsible Investment (UN PRI), which commits Sanlam to start considering social and environmental criteria in investment analysis and the decision-making processes, accompanied by annual reporting.</p> <p>Sanlam is a founding signatory of the UN Environment Programme's Principles for Sustainable Insurance and we share the view that sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing and monitoring risks and opportunities associated with sustainability or environmental, social and governance (ESG) issues.</p> <p>Sanlam is an active participant in various South African Insurance Association (SAIA) committees. Through these committees Sanlam shares the findings from the environmental scanning process which considers the macro and micro factors that impact the general insurance operating environment. Sanlam sits on the Board of both the PSI and ClimateWise. All relevant and pertinent information gathered from these committees are shared with SAIA either through the various committees or via the leadership.</p> <p>Lastly, we are currently working towards implementing scenario analyses. After such work has been completed, we will work towards our science based targets.</p>

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Investments, our approach to responsible investment is guided by a comprehensive Responsible Investment Policy. This policy ensures that all our equity and debt investments align with ESG principles, including considerations related to climate change.

To assess climate-related risks, we have subscribed to ESG research conducted by an external ratings provider. This research incorporates publicly available information and provides valuable insights that are integrated into our investment process. We are committed to taking climate risks into account, and upon request, we can provide an assessment of these risks.

While our current process does not include a quantitative analysis of carbon emissions, we are actively working towards enhancing our approach. In the coming years, specifically in FY2023, we will be focusing on further exploring the integration of TCFD scenario analysis, which will enable us to better understand and manage climate-related risks.

At Sanlam Investments, we recognize the importance of addressing climate change and its potential impacts on investment portfolios. By incorporating ESG principles and ongoing research, we are committed to making informed investment decisions that consider climate-related risks and contribute to a sustainable future.

Details of calculation

<Not Applicable>

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Investments, we believe in incorporating environmental, social, and governance (ESG) factors into our investment process to achieve better outcomes and fulfil our fiduciary duty toward a sustainable future. Our Responsible Investment Policy governs all equity and debt investments, ensuring that ESG principles, including climate change considerations, are incorporated. While we currently rely on ESG research conducted by external ratings providers for climate-related risk assessments, we are committed to further exploring quantitative carbon emissions analysis in the future, aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Details of calculation

<Not Applicable>

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Investments, our approach to equity and debt investments is guided by a Responsible Investment Policy, which integrates ESG principles, including climate change considerations, into our investment processes. As part of our risk assessment, we subscribe to ESG research conducted by an external ratings provider, utilizing publicly available information. The insights derived from this research inform our investment decisions. We are also able to conduct assessments specifically focused on climate-related risks upon request.

It's important to note that, currently, our risk assessment process does not involve a quantitative analysis of carbon emissions. However, we have plans to explore this aspect further in FY2023 through our TCFD scenario analysis. This analysis will provide us with a more comprehensive understanding of the carbon-related risks associated with our investments.

Details of calculation

<Not Applicable>

Investing all carbon-related assets (Asset owner)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Investments, we have implemented a Responsible Investment Policy that governs all our equity and debt investments. As part of our commitment to ESG principles, we actively incorporate climate change considerations into our investment processes. We recognize the importance of assessing climate-related risks in order to make informed investment decisions.

To evaluate climate-related risks, we subscribe to ESG research conducted by an external ratings provider. This research utilizes public information and provides valuable insights that are integrated into our investment process. We also offer the option to conduct specific assessments focused on climate-related risks upon request.

However, it is important to note that, currently, our risk assessment process does not include a quantitative analysis of carbon emissions. We acknowledge the significance of carbon emissions as a critical factor in evaluating investments, and we are dedicated to addressing this aspect. In FY2023, we have plans to further explore and incorporate quantitative analysis of carbon emissions into our investment framework through our TCFD scenario analysis.

As responsible asset owners, we are actively considering the implications of carbon-related assets in our investment portfolio. We recognize the importance of aligning our investment strategies with the transition to a low-carbon economy and the need to manage the associated risks. Our commitment to responsible investing extends to actively monitoring and engaging with carbon-related assets to ensure they align with our sustainability goals and contribute to a sustainable future.

Details of calculation

<Not Applicable>

Investing in coal (Asset owner)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Investments all equity and debt investments are governed by a Responsible Investment Policy. As a result, investment processes incorporate ESG principles, including climate change. Climate-related risks are assessed through a subscription to ESG research conducted by an external ratings provider using public information and the findings are factored into the investment process. An assessment of climate related risks can be done on request. However, this process does not include a quantitative analysis of carbon emissions at this stage. This will be further explored in FY2023 in relation to our TCFD scenario analysis.

Details of calculation

<Not Applicable>

Investing in oil and gas (Asset owner)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Investments, we adhere to a Responsible Investment Policy that governs all our equity and debt investments. This policy ensures that our investment processes incorporate ESG principles, including climate change considerations. As responsible asset owners, we recognize the importance of evaluating climate-related risks associated with various sectors, including the oil and gas industry.

When it comes to investing in oil and gas assets, we assess climate-related risks through a subscription to ESG research conducted by an external ratings provider. This research utilizes public information and provides valuable insights that are taken into account during our investment decision-making process. Additionally, we offer the option to conduct specific assessments focused on climate-related risks upon request.

It is important to note that our current risk assessment process does not include a quantitative analysis of carbon emissions specifically related to oil and gas investments. However, we are committed to enhancing our analysis and understanding of carbon emissions in relation to our investments. In the coming years, specifically in FY2023, we will further explore and integrate quantitative analysis of carbon emissions through our TCFD scenario analysis. This analysis will enable us to better evaluate the carbon footprint and associated risks of our investments in the oil and gas sector.

As responsible asset owners, we are mindful of the evolving environmental landscape and the transition to a low-carbon economy. We aim to manage climate-related risks effectively and align our investment strategies with sustainability goals. Our commitment to responsible investing guides us in engaging with oil and gas assets to encourage sustainable practices and support the transition to a greener and more sustainable energy future.

Details of calculation

<Not Applicable>

Insuring all carbon-related assets

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Insurance, our policies for insuring all types of assets, including coal-related assets, are guided by our commitment to Responsible Underwriting. When it comes to insuring carbon-related assets, we recognize the importance of evaluating climate-related risks associated with these investments. To support this evaluation, we subscribe to ESG research conducted by an external ratings provider, which analyzes public information and provides valuable insights. The findings from this research are carefully considered and incorporated into our investment decision-making process.

While our current risk assessment process includes a thorough analysis of climate-related risks, it does not encompass a quantitative analysis of carbon emissions specific to carbon-related assets. However, we are committed to expanding our analysis and understanding of carbon emissions in relation to these assets. In the upcoming years, particularly in FY2023, we will further explore the integration of quantitative analysis of carbon emissions through our TCFD scenario analysis. This will enable us to better evaluate and address the carbon-related risks associated with insuring carbon-intensive assets.

As responsible insurers, we are cognizant of the environmental challenges posed by carbon-related assets. We strive to manage climate-related risks effectively and align our insurance practices with sustainability objectives. Through our responsible investment approach, we actively engage with stakeholders in the carbon-intensive sectors, encouraging sustainable practices and supporting the transition to a low-carbon economy. By incorporating ESG principles, including climate change considerations, into our insurance operations, we aim to contribute to a more sustainable and resilient future.

Details of calculation

<Not Applicable>

Insuring coal

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Insurance, our policies for insuring all types of assets, including coal-related assets, are guided by our commitment to Responsible Underwriting. We recognize the importance of considering environmental, social, and governance (ESG) factors, including climate change, in our insurance practices.

When it comes to insuring coal-related assets, we carefully assess the associated climate-related risks. We rely on ESG research conducted by external ratings providers, which analyze publicly available information. The insights gained from this research are integrated into our underwriting processes to ensure that climate risks are appropriately considered.

While we currently provide assessments of climate-related risks upon request, we are continually enhancing our approach. Although our current process does not include a quantitative analysis of carbon emissions, we are actively exploring the inclusion of such analysis in our future operations. In the coming years, specifically in FY2023, we will conduct a comprehensive TCFD scenario analysis to further evaluate the implications of climate-related risks, including those specific to coal, and to refine our underwriting practices accordingly. Our aim is to align our insurance services with sustainable practices and promote responsible decision-making in the industry.

Details of calculation

<Not Applicable>

Insuring oil and gas

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (Work is ongoing to assess the portfolio's exposure and results will be published once available)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Work is ongoing to assess the portfolio's exposure and results will be published once available.

At Sanlam Insurance, our responsible underwriting practices extend to all forms of investments, including oil and gas assets. Our policies for insuring all types of assets, including oil and gas-related assets, are guided by our commitment to Responsible Underwriting.

When insuring oil and gas assets, we conduct thorough assessments of climate-related risks. To inform our decision-making process, we subscribe to ESG research conducted by an external ratings provider. This research, based on publicly available information, provides valuable insights into the climate-related risks associated with oil and gas investments. We incorporate these findings into our underwriting procedures to ensure that climate risks are appropriately factored into our insurance coverage.

While we currently offer assessments of climate-related risks upon request, our process does not currently involve a quantitative analysis of carbon emissions. However, we are actively working towards enhancing our approach. In the upcoming years, specifically in FY2023, we will embark on a TCFD scenario analysis to delve deeper into the evaluation of climate-related risks related to oil and gas. This analysis will enable us to refine our underwriting practices, considering the evolving landscape of climate change and its impact on the oil and gas sector.

By aligning our insurance services with responsible investment practices, we aim to contribute to a sustainable and resilient future.

Details of calculation

<Not Applicable>

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	<Not Applicable>	<Not Applicable >	<Not Applicable>
Investing (Asset manager)	No, but we plan to do so in the next two years	<Not Applicable >	<p>Work is ongoing to assess the portfolio's exposure and results will be published once available.</p> <p>Sanlam Investments upholds a Responsible Investment Policy that guides our approach to equity and debt investments. Our investment processes fully integrate environmental, social, and governance (ESG) principles, with a specific focus on climate change considerations.</p> <p>To evaluate climate-related risks, we rely on ESG research conducted by an external ratings provider. This research, utilizing publicly available information, provides valuable insights that are carefully considered in our investment decisions. The findings from this research play an integral role in our investment process, ensuring that climate-related risks are adequately factored into our decision-making.</p> <p>While our current assessment of climate-related risks does not encompass a quantitative analysis of carbon emissions, we are committed to further exploring this aspect. In FY2023, we have plans to conduct a comprehensive TCFD (Task Force on Climate-related Financial Disclosures) scenario analysis. This analysis will enable us to delve deeper into the assessment of climate-related risks, including the quantitative analysis of carbon emissions. By doing so, we will enhance our understanding of the potential impacts and align our investment strategies with climate-related challenges.</p> <p>Our dedication to responsible investing, incorporating ESG principles and considering climate-related risks, reflects our commitment to sustainable and future-focused investment practices.</p>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable >	<p>Work is ongoing to assess the portfolio's exposure and results will be published once available.</p> <p>Sanlam Investments upholds a Responsible Investment Policy that guides our approach to equity and debt investments. Our investment processes fully integrate environmental, social, and governance (ESG) principles, with a specific focus on climate change considerations.</p> <p>To evaluate climate-related risks, we rely on ESG research conducted by an external ratings provider. This research, utilizing publicly available information, provides valuable insights that are carefully considered in our investment decisions. The findings from this research play an integral role in our investment process, ensuring that climate-related risks are adequately factored into our decision-making.</p> <p>While our current assessment of climate-related risks does not encompass a quantitative analysis of carbon emissions, we are committed to further exploring this aspect. In FY2023, we have plans to conduct a comprehensive TCFD (Task Force on Climate-related Financial Disclosures) scenario analysis. This analysis will enable us to delve deeper into the assessment of climate-related risks, including the quantitative analysis of carbon emissions. By doing so, we will enhance our understanding of the potential impacts and align our investment strategies with climate-related challenges.</p> <p>Our dedication to responsible investing, incorporating ESG principles and considering climate-related risks, reflects our commitment to sustainable and future-focused investment practices.</p>
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	<Not Applicable >	<p>Work is ongoing to assess the portfolio's exposure and results will be published once available.</p> <p>In September 2021, Sanlam's subsidiary Santam's board officially embraced the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, leading to Santam's commitment as a TCFD signatory. Sanlam's subsidiary Santam is dedicated to advancing our TCFD reporting practices. Our goal is to achieve mature TCFD reporting, aligning with the recommended guidelines and seamlessly integrating climate change considerations into our existing risk management framework.</p> <p>In pursuit of a comprehensive understanding of our portfolio's impact on the climate, Santam will explore the measurement of our environmental footprint. This exploration will involve conducting a climate scenario analysis, which will enable us to assess the potential effects of climate change on our operations and formulate a robust response to mitigate risks and seize opportunities.</p> <p>Through our ongoing commitment to TCFD reporting and the integration of climate change considerations, Santam aims to enhance transparency, strengthen resilience, and contribute to a sustainable and climate-conscious future.</p>

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<p>As an asset manager, Sanlam Investing is dedicated to aligning our portfolio with a 1.5-degree world and embracing the principles of the just transition. We have taken actions to integrate climate considerations into our investment approach.</p> <p>Our Responsible Investment Policy governs all equity and debt investments, ensuring that ESG principles, including climate change, are integrated into our processes. By incorporating ESG factors, we identify and assess climate-related risks and opportunities in our portfolio.</p> <p>To enhance our understanding of climate-related risks, we subscribe to ESG research conducted by an external ratings provider. This research, based on public information, provides valuable insights that inform our investment decisions. While our current assessment of climate-related risks can be requested, we are actively exploring ways to incorporate quantitative analysis of carbon emissions into our evaluation process for more effective measurement of our portfolio's carbon footprint.</p>	<Not Applicable>
Investing (Asset owner)	Yes	<p>In terms of investing as an asset owner, Sanlam recognizes the importance of aligning investment portfolios with a 1.5-degree world. We actively engage with our investee companies to promote sustainable practices and encourage them to align their business strategies with climate goals. Through active ownership and dialogue, we strive to influence positive change and advocate for the adoption of sustainable practices across our investment portfolio.</p> <p>By taking these actions as both an asset manager and an asset owner, Sanlam Investing is committed to driving the transition to a sustainable and climate-resilient future. We embrace the principles of the just transition and work towards aligning our portfolios with a 1.5-degree world, ensuring a balanced approach to addressing climate-related risks and opportunities.</p>	<Not Applicable>
Insurance underwriting (Insurance company)	Yes	<p>Sanlam recognizes the significance of the "just transition" movement in mitigating the adverse impacts on workers and communities during the shift to a zero-carbon economy while ensuring equitable distribution of benefits. We are committed to aligning our portfolio with a 1.5-degree world and have taken several actions to support this goal.</p> <p>Sanlam has closely observed South Africa's emergence as a pioneer in the global just transition movement. We believe that the experiences and lessons learned by South Africa can provide valuable insights for other countries as they embark on their own just transition efforts.</p> <p>To align our portfolio with a 1.5-degree world, we have implemented specific actions as an insurance company. Firstly, we actively engage with our underwriting clients to promote sustainable practices and encourage them to align their business strategies with climate goals. By integrating climate considerations into our underwriting processes, we aim to support the transition to a low-carbon economy.</p> <p>In addition, we have enhanced our risk assessment and management frameworks to incorporate climate-related risks. This includes evaluating the potential impacts of climate change on insured assets, considering long-term climate scenarios, and implementing appropriate risk mitigation measures.</p> <p>Furthermore, Sanlam offers insurance products specifically designed to support and incentivize climate-resilient practices. These products aim to encourage clients to adopt sustainable measures, such as renewable energy installations, energy-efficient technologies, and climate adaptation strategies.</p> <p>We also actively collaborate with industry associations, regulatory bodies, and research institutions to stay informed about emerging climate-related risks and industry best practices. This collaboration allows us to continuously improve our underwriting strategies and ensure they align with a 1.5-degree world.</p>	<Not Applicable>

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes, for some	<p>Sanlam Investments conducts enhanced due diligence and risk assessments involving climate-related information for some clients, considering their relevance to our Responsible Investment Policy. This policy governs all equity and debt investments, ensuring that ESG principles, including climate change, are integrated into our processes. By incorporating ESG factors, we identify and assess climate-related risks and opportunities in our portfolio.</p> <p>To enhance our understanding of climate-related risks, we subscribe to ESG research conducted by an external ratings provider. This research, based on public information, provides valuable insights that inform our investment decisions. While our current assessment of climate-related risks can be requested, we are actively exploring ways to incorporate quantitative analysis of carbon emissions into our evaluation process, as well as consideration of whether clients/investees' business strategies are aligned with a 1.5°C, for more effective measurement of our portfolio's carbon exposure.</p>
Investing (Asset owner)	Yes, for some	<p>Sanlam Investments conducts enhanced due diligence and risk assessments involving climate-related information for some clients, considering their relevance to our Responsible Investment Policy. This policy governs all equity and debt investments, ensuring that ESG principles, including climate change, are integrated into our processes. By incorporating ESG factors, we identify and assess climate-related risks and opportunities in our portfolio.</p> <p>Sanlam Corporate remains committed to actively engaging in the assessment and communication of climate-related risks and opportunities within the Sanlam Group. This includes evaluating and aligning the group's owned assets, such as investments in stocks, bonds, and shares, with a 1.5-degree Celsius world.</p> <p>When it comes to portfolios managed by Sanlam, climate-related matters are incorporated within the broader Environmental, Social, and Governance (ESG) policy of Sanlam Corporate. This ensures that climate considerations are integrated into the investment decision-making process and form an integral part of the company's responsible investment approach.</p>
Insurance underwriting (Insurance company)	Yes, for some	<p>At Sanlam Insurance, our policies for insuring all types of assets, including coal-related assets, are guided by our commitment to Responsible Underwriting.</p> <p>In order to achieve the objective of the Paris Agreement to limit global temperature rise to below 1.5 degrees Celsius, significant transformations in both local and global energy infrastructure, as well as climate adaptation infrastructure, are necessary. Santam recognizes the need for comprehensive responses to address these challenges. As part of its commitment, Santam has identified numerous opportunities to develop climate adaptation and insurance risk solutions that effectively mitigate physical climate risks.</p> <p>To contribute to this endeavor, Santam's subsidiaries, Emerald and Mirabilis, offer insurance coverage specifically tailored for renewable energy projects. By providing insurance solutions in the renewable energy sector, Santam supports the development and implementation of sustainable energy sources. This not only helps to mitigate climate risks but also facilitates the growth and resilience of renewable energy initiatives. Through these initiatives, Santam aims to play a significant role in driving the transition to a more sustainable and climate-resilient future.</p>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, board-level oversight	<p>Sanlam is committed to addressing biodiversity-related issues at all levels of the organization. The ownership and oversight of decisions linked to biodiversity concerns are entrusted to the Board sub-committee called the Social, Ethics and Sustainability (SES) Committee, which is chaired by an independent non-executive director. This ensures that biodiversity is given the necessary attention and consideration in Sanlam's strategic decisions.</p> <p>The SES Committee plays a vital role in recommending, monitoring, and advising on social, ethics, and sustainability matters, including biodiversity, that significantly impact the Sanlam Group and its material stakeholders. It reports on the progress of Sanlam's sustainability journey through regular feedback to the Board. Additionally, the committee contributes to the yearly production of Sanlam's Annual Reporting Suite, which communicates the company's sustainability initiatives and performance to stakeholders.</p> <p>The Chairman of the SES committee actively participates in Sanlam's annual general meeting, demonstrating the committee's commitment to transparent reporting and accountability.</p> <p>In line with its dedication to biodiversity conservation and responsible environmental principles, Sanlam became a member of the African Natural Capital Alliance in 2022. As part of this membership, Sanlam participated in the organization's pilot program to develop locally relevant guidelines based on the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. By engaging in this initiative, Sanlam aims to quantify biodiversity and climate transition risks and incorporate this data into its investment processes.</p> <p>Sanlam recognizes that biodiversity-related issues have the potential to impact the stability and quality of human society, which in turn affects the financial resilience and prosperity of its clients and the communities it serves. Through the SES Committee's oversight and the integration of biodiversity considerations into decision-making processes, Sanlam strives to ensure that its solutions, support structures, and business practices align with responsible environmental principles.</p>	<p>Risks and opportunities to our own operations</p> <p>Risks and opportunities to our investment activities</p> <p>The impact of our investing activities on biodiversity</p> <p>The impact of our insurance underwriting activities on biodiversity</p>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Other, please specify (TNFD Pilot Program)	SDG Other, please specify (Every Action Counts' coalition)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations
Portfolio activity

Portfolio activity

Investing portfolio (Asset manager)
Investing portfolio (Asset owner)
Insurance underwriting portfolio (Insurance company)

Tools and methods to assess impacts and/or dependencies on biodiversity

TNFD – Taskforce on Nature-related Financial Disclosures

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

In 2022, Sanlam became an African Natural Capital Alliance member and participated in the organisation's pilot to develop locally relevant guidelines based on the Taskforce on Nature related Financial Disclosures (TNFD) recommendations. While our focus has been on climate change, we believe that biodiversity risk demands greater attention.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations
Portfolio activity

Portfolio activity

Investing portfolio (Asset manager)
Investing portfolio (Asset owner)
Insurance underwriting portfolio (Insurance company)

Tools and methods to assess impacts and/or dependencies on biodiversity

TNFD – Taskforce on Nature-related Financial Disclosures

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

In 2022, Sanlam became an African Natural Capital Alliance member and participated in the organisation's pilot to develop locally relevant guidelines based on the Taskforce on Nature related Financial Disclosures (TNFD) recommendations. While our focus has been on climate change, we believe that biodiversity risk demands greater attention.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Risks and opportunities	Page 78 sustainability-report-2022.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive: Group Market Development and Sustainability	Other C-Suite Officer

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s) or committee(s)	Responsibilities for forests- and/or water-related issues
Forests Water	Board-level committee	<p>Sanlam acknowledges its responsibility for addressing forests- and/or water-related issues that may arise due to environmental concerns. The ownership and oversight of decisions related to these matters are entrusted to the Social, Ethics and Sustainability (SES) Committee, chaired by an independent non-executive director. Through the SES Committee's recommendations, monitoring, and advice on social, ethics, and sustainability matters, including forests and water, Sanlam ensures that these issues are addressed at the highest levels of the organization. The SES Committee reports on the progress of Sanlam's sustainability initiatives to the Board through quarterly feedback and communicates this progress to stakeholders in the Annual Reporting Suite. The Chairman of the SES Committee actively participates in Sanlam's annual general meeting, further demonstrating the company's commitment to transparent reporting and accountability. The SES Committee facilitated the approval of the Group's Sustainability strategy, which encompasses forests and water-related issues, reinforcing Sanlam's dedication to fulfilling its responsibilities in these areas.</p> <p>The Risk and Compliance Committee plays a crucial role in advising and supporting the Board in overseeing risk governance at Sanlam. It provides guidance on how risk management should be approached and addressed, including the identification, mitigation, and management of water-related and forestry-related risks that the Group may encounter. The committee meets on a quarterly basis and provides regular feedback during Board meetings.</p> <p>The Chair of the Risk and Compliance Committee, who is an independent non-executive director, holds oversight responsibilities regarding environmental issues. Depending on the nature of the water or forestry-related matters brought before either the Risk and Compliance Committee or the SES Committee, the committee will take note of, provide approval for, monitor, or offer advice on the matter and other relevant issues that may impact the Group and its material stakeholders. When necessary, the committee escalates water-related or forestry-related matters to the Board for consideration and/or approval.</p> <p>The Risk and Compliance Committee incorporates ESG principles, including water and forestry issues, into the Group's approach to risk management and responsible investing. This demonstrates Sanlam's commitment to integrating environmental considerations into its risk management practices.</p>

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)

Forests

Frequency with which the issue area(s) is a scheduled agenda item

Scheduled - all meetings

Governance mechanisms into which this issue area(s) is integrated

Reviewing and guiding strategy

Reviewing and guiding the risk management process

Monitoring progress towards corporate targets

Other, please specify (Monitoring implementation and performance of objectives)

Scope of board-level oversight

Risks and opportunities to our investment (asset management) activities

Risks and opportunities to our investment (asset ownership) activities

Risks and opportunities to our insurance underwriting activities

Please explain

The Board of Directors at Sanlam exercises oversight of forests- and/or water-related issues through various committees and governance structures. The Social, Ethics, and Sustainability (SES) Committee, which is established as a statutory governance structure under the Companies Act, plays a significant role in monitoring Sanlam's compliance with social, ethical, and legal requirements, as well as best-practice codes. This committee receives reports on environmental performance against corporate targets, sustainability reporting, and disclosure on material non-financial aspects.

In 2022, the SES Committee expanded its responsibilities to include oversight of ESG matters and environmental risks and opportunities. The committee actively reviews and approves the Group's sustainability strategy, ensuring it aligns with the Board's objectives and key deliverables. It also influences the Group's investment mandate and policy, promoting responsible investment principles and good governance decision-making.

The Risk Committee and Investment Committee also contribute to the Board's oversight of forests- and/or water-related issues. The Risk Committee assists in risk assessment related to forestry and ensures the implementation of governance, ethics management, compliance, and risk management processes. The Investment Committee plays a role in setting key metrics, reviewing the Group's exposure and response to climate-related risks, and advocating for responsible investment practices.

Throughout the year, the Board receives regular reports on governance, ethics management, compliance, risk management processes, and sustainability initiatives. These reports enable the Board to stay informed about Sanlam's environmental performance, sustainability strategy, and progress towards corporate targets. In addition, the Board reviews and approves Sanlam's TCFD report, which addresses climate-related risks, and oversees the publication of the company's carbon footprint report, with the latest inventory published in March 2022.

The integration of forests- and/or water-related issues into board agendas is mandatory for all business units and subsidiaries, ensuring that social, ethics, and sustainability matters are given proper consideration at all levels of the organization. This comprehensive oversight and integration of environmental concerns demonstrate Sanlam's commitment to responsible environmental practices and sustainability.

Issue area(s)

Water

Frequency with which the issue area(s) is a scheduled agenda item

Scheduled - all meetings

Governance mechanisms into which this issue area(s) is integrated

Reviewing and guiding strategy

Reviewing and guiding the risk management process

Monitoring progress towards corporate targets

Other, please specify (Monitoring implementation and performance of objectives)

Scope of board-level oversight

Risks and opportunities to our investment (asset management) activities

Risks and opportunities to our investment (asset ownership) activities

Risks and opportunities to our insurance underwriting activities

The impact of our investing (asset management) activities on forests and/or water security

Please explain

Sustainability, including water-related issues, forms part of board agendas and it is mandatory for all business units and subsidiaries to include social, ethics and sustainability issues onto the board agendas.

The engagement and oversight at Board level facilitates the integration of multiple functions involved in water-related risk, across the business.

The SES Committee recommended for approval the Group's Sustainability strategy. Other key focus areas related to:

- Environmental performance against corporate targets;
- Sustainability reporting and the disclosure on material non-financial aspects; and
- Consideration of the risks and opportunities associated with the committee's mandate and key deliverables, including reviewing emerging risks on an ongoing basis.

At Santam Executive Management reports on a quarterly basis to the Board on the progress of the Building a FutureFit Santam strategy which includes water considerations.

The SES committee has expanded its role to include oversight of ESG matters and environmental risks and opportunities. The investment committee and risk committee also assist the Board in their respective responsibilities for responsible investment and water risk assessment.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area

Yes

Criteria used to assess competence of board member(s) on this issue area

During FY2022, board was given training via a webinar on Climate Change matters. Such training will become more regular in the future.

Primary reason for no board-level competence on this issue area

<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future

<Not Applicable>

Water

Board member(s) have competence on this issue area

Yes

Criteria used to assess competence of board member(s) on this issue area

During FY2022, board was given training via a webinar on Climate Change matters. Such training will become more regular in the future.

Primary reason for no board-level competence on this issue area

<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future

<Not Applicable>

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Position or committee

Other C-Suite Officer, please specify (Group Executive: Market Development and Sustainability)

Issue area(s)

Forests
Water

Forests- and/or water-related responsibilities of this position

Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our investing (asset management) activities
Risks and opportunities related to our investing (asset ownership) activities
Risks and opportunities related to our insurance underwriting activities

Reporting line

CEO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line

Quarterly

Please explain

The Group Executive: Market Development and Sustainability, who reports to the CEO, plays a crucial role in both assessing and managing risks and opportunities related to environmental and sustainability matters. This position holds a significant management-level responsibility within the organization. They report quarterly, providing updates and feedback on forests- and water-related issues to the CEO.

The Group Executive for Market Development and Sustainability is responsible for evaluating and analyzing environmental risks and opportunities that may impact Sanlam's operations and sustainability goals. They conduct thorough assessments to identify potential risks and develop strategies to mitigate them effectively. Similarly, they identify opportunities for sustainable practices, such as energy efficiency, waste reduction, and resource conservation, that align with Sanlam's sustainability objectives.

By collaborating with various departments and stakeholders, the Group Executive for Market Development and Sustainability promotes a culture of sustainability and drives continuous improvement in environmental performance. They play a vital role in driving positive change and ensuring that Sanlam remains at the forefront of sustainable business practices.

Position or committee

Risk committee

Issue area(s)

Forests
Water

Forests- and/or water-related responsibilities of this position

Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our investing (asset management) activities
Risks and opportunities related to our investing (asset ownership) activities
Risks and opportunities related to our insurance underwriting activities

Reporting line

Risk – CRO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line

Quarterly

Please explain

The Risk and Compliance Committee at Sanlam is a high-level management committee responsible for overseeing risk governance within the organization. This committee is chaired by an independent non-executive director and meets regularly, typically on a quarterly basis.

They provide guidance on the direction and approach to risk management at Sanlam and ensure that effective risk mitigation strategies are in place. This includes identifying, assessing, and managing various types of risks, including water and forest risks

The Risk and Compliance Committee reports its findings, recommendations, and at every board meeting.

Overall, the Risk and Compliance Committee provides invaluable guidance and support in fulfilling oversight responsibilities for risk management and compliance. They play a critical role in ensuring that Sanlam maintains a robust risk governance framework and effectively manages risks while complying with relevant regulations and standards.

Position or committee

Other, please specify (Santam Group Strategy Unit)

Issue area(s)

Forests
Water

Forests- and/or water-related responsibilities of this position

Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our insurance underwriting activities

Reporting line

CEO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line

Quarterly

Please explain

Text field [maximum 3,000 characters]

Their primary responsibilities include:

Overall ESG Responsibility and Reporting for Santam : They are responsible for the overall management of environmental, social, and governance (ESG) matters within the organization. This includes ensuring compliance with initiatives and TCFD They oversee the reporting process and ensure accurate and timely submission of ESG data to relevant platforms.

Monitoring Performance and Goals: The manager tracks the organization's performance against ESG goals and targets. They establish metrics and indicators to assess progress and identify areas for improvement. Regular monitoring enables them to measure the effectiveness of sustainability initiatives and make data-driven decisions.

Stakeholder Engagement and Surveys: They serve as the main internal and external point of contact for ESG-related matters. This includes managing relationships with external stakeholders, responding to surveys and inquiries, and engaging with industry peers to exchange best practices and benchmark performance.

Reviewing Climate Goals and Targets: The manager reviews the organization's performance against climate-related goals and targets. This involves analyzing key climate indicators, assessing the impact of climate risks and opportunities, and recommending actions to align with long-term climate objectives.

Advising and Engaging Internal Teams: They provide guidance and advice to internal teams on ESG including forests and water matters. This includes working closely with various departments to integrate sustainability considerations into decision-making processes and engaging employees to drive awareness and participation in sustainability initiatives.

The reporting line ensures that sustainability efforts receive top-level attention and support within the organization, facilitating strategic decision-making and effective implementation of environmental and sustainability practices.

Position or committee

Other committee, please specify (Social, Ethics and Sustainability (SES) Committee)

Issue area(s)

Forests
Water

Forests- and/or water-related responsibilities of this position

Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our investing (asset management) activities
Risks and opportunities related to our investing (asset ownership) activities

Reporting line

Reports to the Board directly

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line

Quarterly

Please explain

The SES Committee at Sanlam is responsible for overseeing and managing various aspects related to social, ethics, and sustainability matters. The committee comprises four independent non-executive directors and one executive director. It plays a crucial role in ensuring the Group's adherence to ethical practices, sustainable business operations, and social responsibility.

One of the primary responsibilities of the SES Committee is to oversee the Group's disclosure of ESG and transformation performance. This includes monitoring Sanlam's progress against specific targets and objectives related to sustainability and social impact. When necessary, the committee provides recommendations to the Board on further actions or improvements.

In addition to its oversight role, the SES Committee also reviews and evaluates any material non-financial and sustainability-related matters. This involves considering the work carried out by the Sanlam Foundation, which addresses key aspects that are integral to the committee's mandate. The Sanlam Foundation plays a vital role in driving social impact and community development initiatives.

By actively monitoring performance, ensuring compliance, and making informed recommendations, the SES Committee helps Sanlam demonstrate its commitment to responsible and sustainable business practices. The committee's work contributes to the Group's overall ESG including water and forest performance and its efforts to create long-term value for stakeholders

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking – Forests exposure	<Not Applicable>	<Not Applicable>
Banking – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests exposure	Yes	<Not Applicable>
Investing (Asset manager) – Water exposure	Yes	<Not Applicable>
Investing (Asset owner) – Forests exposure	Yes	<Not Applicable>
Investing (Asset owner) – Water exposure	Yes	<Not Applicable>
Insurance underwriting – Forests exposure	Yes	<Not Applicable>
Insurance underwriting – Water exposure	Yes	<Not Applicable>

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Investing (Asset manager) – Forests exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative only

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

External consultants
Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Sanlam Investments uses all public information to assess ESG risk for all investments (inclusive of forestry-related issues).

Towards the end of FY2020, Sanlam Investments entered into a strategic partnership with Robeco. Robeco is an international asset manager offering an extensive range of active investments, from equities to bonds, including sustainable investing. They launched their first sustainable investing product in 1995 and has been at the forefront of sustainable investing ever since. Through Robeco, Sanlam Investments now offer clients a wider range of sustainability solutions, ESG integration, rich data and technology, stewardship and governance, powered by leading research and insights. In 2022, Sanlam continues to partnership with Robeco and the proposed partnership with Allianz, which are sustainability leader. Such partnerships enhance the alignment of SIG (Sanlam Investment Group) with global best practices. Through this collaboration, SIG gains valuable access to Robeco's platform, research, and expertise. This facilitates the rapid development of SIG's workforce and the integration of sustainable investing practices into its investment processes. Additionally, the partnership supports the promotion of positive and enduring sustainability outcomes in South Africa. Furthermore, it enables the scaling of sustainability engagements and the expansion of capabilities to address significant issues in both domestic and international contexts, thanks to value-enhanced engagements. Sanlam's partnership with them provides access to niche sustainability expertise and the rigour required to track, monitor and influence change.

Investing (Asset manager) – Water exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative only

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

External consultants
Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Sanlam Investments uses all public information to assess ESG risk for all investments (inclusive of forestry-related issues).

Towards the end of FY2020, Sanlam Investments entered into a strategic partnership with Robeco. Robeco is an international asset manager offering an extensive range of active investments, from equities to bonds, including sustainable investing. They launched their first sustainable investing product in 1995 and has been at the forefront of sustainable investing ever since. Through Robeco, Sanlam Investments now offer clients a wider range of sustainability solutions, ESG integration, rich data and technology, stewardship and governance, powered by leading research and insights. In 2022, Sanlam continues to partnership with Robeco and the proposed partnership with Allianz, which are sustainability leader. Such partnerships enhance the alignment of SIG (Sanlam Investment Group) with global best practices. Through this collaboration, SIG gains valuable access to Robeco's platform, research, and expertise. This facilitates the rapid development of SIG's workforce and the integration of sustainable investing practices into its investment processes. Additionally, the partnership supports the promotion of positive and enduring sustainability outcomes in South Africa. Furthermore, it enables the scaling of sustainability engagements and the expansion of capabilities to address significant issues in both domestic and international contexts, thanks to value-enhanced engagements. Sanlam's partnership with them provides access to niche sustainability expertise and the rigour required to track, monitor and influence change.

Investing (Asset owner) – Forests exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative only

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

External consultants
Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Sanlam Corporate has embedded ESG risk assessment through our investment policy statement. Where multi-managed portfolios are concerned, the buying of securities is outsourced to external service providers who may or may not incorporate climate-related issues in their policy framework. Sanlam Corporate assesses their process and ESG integration, which feeds into our risk assessment in our manager selection process. Sanlam Corporate assesses and manage climate-related risks and opportunities through Active Ownership as a key component of our ESG framework. It encompasses two important areas: 1) Engaging with companies on material ESG issues 2) Exercising the right to vote on behalf of clients. We consider shareholder engagement as a core driver of change where investors seek to improve investee companies' practices with a specific objective in mind. When engaging with companies, the purpose is to either seek additional understanding or, where necessary, to seek change that will protect and enhance the value of investments for which we are responsible. Along with engagement activity, we consider voting to be a crucial aspect of being an active shareholder. It is an important element of the ESG framework and an opportunity to influence the company. Our voting and engagement activities are closely aligned as we regularly engage with companies before and after the vote. Our voting process is governed by our internal proxy voting guidelines which provide our preferences on governance matters and expectations for companies on sustainability themes.

Investing (Asset owner) – Water exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative only

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

External consultants
Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Sanlam Corporate has embedded ESG risk assessment through our investment policy statement. Where multi-managed portfolios are concerned, the buying of securities is outsourced to external service providers who may or may not incorporate climate-related issues in their policy framework. Sanlam Corporate assesses their process and ESG integration, which feeds into our risk assessment in our manager selection process. Sanlam Corporate assesses and manage climate-related risks and opportunities through Active Ownership as a key component of our ESG framework. It encompasses two important areas: 1) Engaging with companies on material ESG issues 2) Exercising the right to vote on behalf of clients. We consider shareholder engagement as a core driver of change where investors seek to improve investee companies' practices with a specific objective in mind. When engaging with companies, the purpose is to either seek additional understanding or, where necessary, to seek change that will protect and enhance the value of investments for which we are responsible. Along with engagement activity, we consider voting to be a crucial aspect of being an active shareholder. It is an important element of the ESG framework and an opportunity to influence the company. Our voting and engagement activities are closely aligned as we regularly engage with companies before and after the vote. Our voting process is governed by our internal proxy voting guidelines which provide our preferences on governance matters and expectations for companies on sustainability themes.

Insurance underwriting – Forests exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

External consultants
Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Santam is a signatory of the UN Environment's Finance Initiative's Principles for Sustainable Insurance and ClimateWise and follows their guiding principles in all underwriting. To reduce the risk for the Group and clients, Santam engages with government, municipalities, universities and other stakeholders to initiate projects to better understand and manage these risks. One programme is the P4RR (Partnership for Risk and Resilience Programme). Santam as underwriter is exposed to catastrophic events such as floods and fire. It therefore partnered with P4RR Programme, which brings together our proactive risk management activities in municipalities, our CSI spend, stakeholder relations functions and sustainability initiatives, and is fully aligned with the 'Help Build Resilient Societies' theme of Santam's FutureFit strategy. Through P4RR, the Emthunzini Community Trust invests in risk reducing interventions that are managed by Santam and other willing partners, such as the South African Special Risk Insurance (SASRIA). The objective of P4RR is to strengthen the institutional and participatory development capacity of local municipalities to proactively reduce the impact of fire and flood disaster events. Ultimately our efforts help to contribute to climate adaption efforts. We do this by assisting service delivery and providing support to local government infrastructure, economic development, and governance.

Insurance underwriting – Water exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative only

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

External consultants
Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio’s exposure to forests- and/or water-related risks and opportunities

Santam is a signatory of the UN Environment’s Finance Initiative’s Principles for Sustainable Insurance and ClimateWise and follows their guiding principles in all underwriting. To reduce the risk for the Group and clients, Santam engages with government, municipalities, universities and other stakeholders to initiate projects to better understand and manage these risks. One programme is the P4RR (Partnership for Risk and Resilience Programme). Santam as underwriter is exposed to catastrophic events such as floods and fire. It therefore partnered with P4RR Programme, which brings together our proactive risk management activities in municipalities, our CSI spend, stakeholder relations functions and sustainability initiatives, and is fully aligned with the ‘Help Build Resilient Societies’ theme of Santam’s FutureFit strategy. Through P4RR, the Emthunzini Community Trust invests in risk reducing interventions that are managed by Santam and other willing partners, such as the South African Special Risk Insurance (SASRIA). The objective of P4RR is to strengthen the institutional and participatory development capacity of local municipalities to proactively reduce the impact of fire and flood disaster events. Ultimately our efforts help to contribute to climate adaption efforts. We do this by assisting service delivery and providing support to local government infrastructure, economic development, and governance.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	<Not Applicable>	<Not Applicable>
Banking – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests-related information	No, but we plan to do so within the next two years	Forestry-related information is not focused on as a material issue, but this will be explored in the near-future.
Investing (Asset manager) – Water-related information	No, but we plan to do so within the next two years	Water-related information is not focused on as a material issue, but this will be explored in the near-future.
Investing (Asset owner) – Forests-related information	No, but we plan to do so within the next two years	Forestry-related information is not focused on as a material issue, but this will be explored in the near-future.
Investing (Asset owner) – Water-related information	No, but we plan to do so within the next two years	Water-related information is not focused on as a material issue, but this will be explored in the near-future.
Insurance underwriting – Forests-related information	No, but we plan to do so within the next two years	Forestry-related information is not focused on as a material issue, but this will be explored in the near-future.
Insurance underwriting – Water-related information	No, but we plan to do so within the next two years	Water-related information is not focused on as a material issue, but this will be explored in the near-future.

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk1

Portfolio where risk driver occurs

Insurance underwriting (Insurance company) portfolio

Issue area risk relates to

Forests

Risk type & Primary risk driver

Acute physical	Wildfire
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Primary potential financial impact

Increased insurance claims liability

Risk type mapped to traditional financial services industry risk classification

Systemic risk

Company-specific description

Devastating storms and floods pose severe financial risks to individuals, families, and insurers, threatening Sanlam's business. Even smaller events like hailstorms damage agriculture, infrastructure, housing, and production facilities, leading to increased insurance claims.

While risk mitigation measures help, complete elimination is impossible. The insurance sector assumes this risk by providing coverage against such events. In society, insurance serves as a risk manager, investor, and carrier. General insurance protects consumers and businesses financially after incidents.

Africa, especially the developing world, faces catastrophic climate change impacts. Water shortages hinder future development. Extreme weather events affect Sanlam's general insurance, leading to earnings declines, driven by adverse weather, rising claims, costs, and lower investment returns.

Traditional approaches fail to meet customer needs. A significant protection gap exists between economic and insured losses. Accordingly, the risk of increased severity and frequency of extreme weather means that Sanlam's risks relate to increased liabilities on insurance claims which largely lie within Santam.

Insurance lays the foundation for a sustainable society, encouraging sustainable practices. The UNEP FI's Principles for Sustainable Insurance (PSI) aim to bridge the gap and support a sustainable economy.

Sanlam and Santam, as founding members, follow four sustainable insurance principles:

1. Embed relevant ESG issues in decision-making.
2. Collaborate with clients to raise awareness, manage risk, and find solutions.
3. Engage with governments and stakeholders to promote action on ESG issues.
4. Demonstrate transparency by publicly disclosing progress in implementing the Principles.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4400000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The largest singly financial impact of extreme weather events on Sanlam's business in 2022 was R4.4 billion in claims. This was a result of the 2022 floods in the KwaZulu-Natal province, which became the largest natural catastrophe-insured loss in the country's history.

Sustainable insurance entails adopting a strategic approach that encompasses all aspects of the insurance value chain. This approach involves engaging responsibly and proactively with stakeholders while identifying, evaluating, managing, and monitoring risks and opportunities associated with environmental, social, and governance (ESG) issues.

According to the Swiss Re Institute, natural catastrophes like Hurricane Ian (2022), winter storms in Europe, floods in Australia and South Africa, and hailstorms in France and the US have led to approximately USD 115 billion in insured losses this year. This marks the second consecutive year where insured losses have exceeded USD 100 billion, continuing the trend of an average annual increase of 5-7% over the past decade.

Reinsurance premium rates have increased since 2017, following high volumes of catastrophe events and commercial fires. Santam has subsequently improved its risk survey and underwriting capacity, and tightened the focus on risk selection. The aim was to contain and manage exposures better and improve risk management practices.

Cost of response to risk

0

Description of response and explanation of cost calculation

Traditionally, the mitigation measures put in place to manage these risks forms part of the underwriting and (re)pricing, reinsurance and reserving and capital processes for the insurance businesses. The terms over which these mitigation strategies are applied depends on the nature of the product and the risk appetite. For example – it is easier to reprice short term insurance products, versus long term insurance products. The mitigation actions fall under the usual business continuity plans and are tested regularly and is a factor when entering into an outsourced arrangement / procurement process. COVID-19 has been an effective means of testing the robustness of business interruption for the industry. For catastrophic event such as the flood mentioned above, to mitigate against such risk, Sanlam either excludes the areas with high flood risks or increases the premium associated with individuals in such areas. Our underwriters do extensive data analysis and risk modelling to identify location-based risk factors. This is supported by geographic information systems to understand risk at a particular location, known as geocoding. By understanding which areas are high-risk (across multiple risk factors) we can price our premiums more accurately, make efforts to de-risk areas, and understand risk trends such as which areas might become uninsurable in the future. In addition to the above, to reduce the risk for the Group and clients, Santam engages with government, municipalities, universities and other stakeholders to initiate projects to better understand and manage these risks. In November 2022, Santam signed an agreement with the eThekweni municipality to bolster the metro's ability to handle future catastrophes such as floods, fires and droughts. This three-year partnership will see Santam providing risk management support, capacity building and advisory services to the municipality. This is part of Santam's Partnership for Risk and Resilience programme (P4RR), which already provides risk

management support to 82 municipalities. The objective of the P4RR is to strengthen the institutional and participatory development capacity of local municipalities to proactively reduce the impact of fire and flood disaster events. The costs of this response are borne in-house and is therefore reported as 0.

Comment

N/A

Identifier

Risk2

Portfolio where risk driver occurs

Investing (Asset manager) portfolio

Issue area risk relates to

Water

Risk type & Primary risk driver

Chronic physical	Water scarcity
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Risk type mapped to traditional financial services industry risk classification

Systemic risk

Company-specific description

Water scarcity is a major risk to the global economy, especially in South Africa. The country is preparing to re-enter the El Nino cycle, which is expected to result in droughts and unpredictable rainfall patterns. If we continue using water at the current rate, demand will exceed supply by 2025, putting unsustainable pressure on freshwater ecosystems.

In particular, the Western Cape went through the worst drought ever recorded in 2017. Dam levels were at an all-time low, and Cape Town was at risk of running out of water completely. This situation, known as Day Zero, would have had a devastating impact on businesses, including Sanlam and Santam, as both companies have their head offices in Cape Town. Furthermore, more recently, there is a severe water crisis in Gqeberha which is counting down to day zero as a result of recurring drought.

Sanlam appreciates that its business activities have broad social and environmental consequences that affect a wide range of stakeholders, not just policyholders and shareholders. Although a non-water-intensive business, it recognizes its responsibility to preserve water and reduce consumption in light of the systematic risks associated with water crises and the resultant impact on the economies in which it functions.

The water shortage within operating regions will impact Sanlam as it may result in decrease revenues due to reduced production capacity. Offices may be temporary closed as the drought will impact the operations, employees and customers of Sanlam.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

178200000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Temporary office closure due to water shortages or Day Zero will impact on continued operations, employees and customers resulting in loss of income. Other costs relate to the repair of damaged equipment. A one week shut down of country wide operations could result in loss of profits of approximately R178.2 million based on current normalised headline earnings.

Cost of response to risk

746000

Description of response and explanation of cost calculation

The cost of response to this risk includes the provision of capital or operational expenses to climate proof the Sanlam offices. In the reporting year, at Sanlam's Head Office, expansion of the rainwater harvest system occurred, together with the extended water use licence of the borehole. Such activities cost Sanlam a total of R746 000 in the reporting year.

This expense forms part of an ongoing programme. Due to the risk of drought and water shortages in the future, Sanlam implemented an energy and water management programme towards the end of 2021. The programme is managed through the Group-wide Energy Forum monthly. The role of the Energy Forum is to ensure that Sanlam-owned buildings are energy and water efficient by managing consumption and investigating opportunities to integrate renewable energy sources through the direct installation of green energy or power-wheeling agreements. Throughout 2022 the team developed an impressive pipeline of projects, with one focusing on energy and water efficiency.

Sanlam's water reduction target remained the same for this year (10% reduction against a 2019 baseline to be achieved by 2025). In 2023 Sanlam will be announcing water intensity targets and expanding the scope to include other jurisdictions outside South Africa. Our partnership with WWF has gone a long way towards assisting us in mitigating our day-to-day water impacts and risks. We work to reduce our water consumption on a number of levels at our head office in Cape Town as well as our offices in Johannesburg. These efforts include retrofitting water systems with more water efficient fittings, continued harvesting of rainwater for irrigation, as well as recycling our

unused drinking water. We also have grey water systems to reduce potable water usage.

Comment

In the reporting year, Sanlam did consider the installation of a grey water system at Head Office. However, such activity was not feasible as local government has not been able to connect water since 2021. Under investigation is the implementation of motion sensor taps. Such initiative has not been implemented but is under investigation. It is identified that such initiatives will have the potential to save 30%-50% of water.

Identifier

Risk3

Portfolio where risk driver occurs

Insurance underwriting (Insurance company) portfolio

Issue area risk relates to

Water

Risk type & Primary risk driver

Acute physical	Flood (coastal, fluvial pluvial, groundwater)
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Primary potential financial impact

Increased insurance claims liability

Risk type mapped to traditional financial services industry risk classification

Systemic risk

Company-specific description

Catastrophe events such as large-scale fires, floods and earthquakes can financially ruin businesses, families or individuals; but smaller events can also do harm. Recurring natural disasters like hailstorms continually damage critical public infrastructure, housing and the means of production.

Individuals, businesses and governments can take measures to mitigate risks, but cannot entirely prevent it. The insurance sector takes on this exposure by insuring against these risks.

The insurance sector plays three roles in society: risk manager, investor and risk carrier. The general insurance sector's role is to pool risk and ensure consumers and businesses remain in the same financial position they were in before the incident that resulted in an insurance claim.

Today most of the developing world in particular Africa continues to face ESG pressures and environmental catastrophes are increasing. Cities will continue to deal with water shortages and climate change as inhibitors for the development of optimum conditions for future generations. With Sanlam and Santam operating in 33 emerging markets in Africa, these conditions impact the Group, its clients and the communities within which it operates.

Customer needs are no longer served by traditional approaches. A huge risk protection gap exists - the gap between economic losses from natural catastrophe and insured losses.

The insurance industry has laid the foundation for supporting a sustainable society in which people are aligned and incentivised to adopt sustainable practices. The UNEP FI Principles for Sustainable Insurance (PSI) build on this foundation with the aim to close the protection gap and support the transformation to a sustainable economy.

Sanlam and Santam are founding members of the initiative and subscribe to the 4 sustainable insurance principles:

- Principle 1: Embed in decision-making ESG issues relevant to insurance business.
- Principle 2: Work together with clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.
- Principle 3: Work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues.
- Principle 4: Demonstrate accountability and transparency by regularly disclosing publicly progress in implementing the Principles.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4400000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing and monitoring risk and opportunities associated with ESG issues.

According to Swiss Re the costs of natural disasters in 2018 was USD 155 billion while the insurance protection gap for Africa was USD 1 billion.

After the high volume of catastrophe events and commercial fires in 2017, the reinsurance premium rates increased. Santam subsequently improved its risk survey and underwriting capacity and tightened the focus on risk selection. The aim was to contain and manage exposures better and improve risk management practices. In 2021, Santam assisted farmers by paying gross crop claims of R1.1 billion toward the end of the financial year when they were adversely affected by extreme weather events. The fair and timely payment of claims of a total of R24.5 billion (including CBI claims) is testament to the value of general insurance for the economy.

The largest singly financial impact of extreme weather events on Sanlam's business in 2022 was R4.4 billion in claims. This was a result of the 2022 floods in the KwaZulu-

Natal province, which became the largest natural catastrophe-insured loss in the country's history. It is estimated that the magnitude of fire-related claims can be used as a proxy for flood-related claims.

Cost of response to risk

0

Description of response and explanation of cost calculation

Traditionally, the mitigation measures put in place to manage these risks forms part of the underwriting and (re)pricing, reinsurance and reserving and capital processes for the insurance businesses. The terms over which these mitigation strategies are applied depends on the nature of the product and the risk appetite. For example – it is easier to reprice short term insurance products, versus long term insurance products. The mitigation actions fall under the usual business continuity plans and are tested regularly and is a factor when entering into an outsourced arrangement / procurement process. COVID-19 has been an effective means of testing the robustness of business interruption for the industry. For catastrophic event such as the flood mentioned above, to mitigate against such risk, Sanlam either excludes the areas with high flood risks or increases the premium associated with individuals in such areas. Our underwriters do extensive data analysis and risk modelling to identify location-based risk factors. This is supported by geographic information systems to understand risk at a particular location, known as geocoding. By understanding which areas are high-risk (across multiple risk factors) we can price our premiums more accurately, make efforts to de-risk areas, and understand risk trends such as which areas might become uninsurable in the future. In addition to the above, to reduce the risk for the Group and clients, Santam engages with government, municipalities, universities and other stakeholders to initiate projects to better understand and manage these risks. In November 2022, Santam signed an agreement with the eThekweni municipality to bolster the metro's ability to handle future catastrophes such as floods, fires and droughts. This three-year partnership will see Santam providing risk management support, capacity building and advisory services to the municipality. This is part of Santam's Partnership for Risk and Resilience programme (P4RR), which already provides risk management support to 82 municipalities. The objective of the P4RR is to strengthen the institutional and participatory development capacity of local municipalities to proactively reduce the impact of fire and flood disaster events.

The costs of this response are borne in-house and is therefore reported as 0.

Comment

N/A

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

FW-FS2.4a

(FW-FS2.4a) Provide details of forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Portfolio where opportunity occurs

Insurance underwriting (Insurance company) portfolio

Issue area opportunity relates to

Forests

Opportunity type & Primary opportunity driver

Products and services	Ability to diversify business activities
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Primary potential financial impact

Increased revenues through access to new and emerging markets

Company- specific description

The world is facing increasing ESG challenges. The changing risk landscape is leading to diverse, interconnected and complex risk that also present new opportunities. It is prudent for the insurance industry to adjust the range of risk factors considered in managing its business to maintain viability. Risk pooling is integral to the efficient functioning of markets, economies and society. By managing the risk pool, it ensures proactive and sustainable risk management. Santam's corporate social investment strategy is directed primarily at investing in social and environmental programmes for building resilience in communities. It recognises that developing emerging farmers is key to ensuring food security, transformation and creating income-generating opportunities. Agricultural production has drastically increased in recent years, and studies predict that aggregate agricultural consumption worldwide will increase by 69% from 2010 to 2050. In order to contribute to a resilient society, Santam developed and implemented an emerging market strategy through appropriate channels in the business to support growth and diversification to reach the insured and uninsured markets in Africa.

Nature loss would be material for the insurance sector/Santam through increased claims. Santam is/will be exposed through 3 key channels - physical, transition, and liability risks. Land-related damages could result in unexpected increase in claims for our agricultural and property engineering businesses. Business interruptions as results of land degradation could exacerbate the claims, ultimately impacting underwriting margins. Furthermore our liability business could be vulnerable to nature-related litigation as claimants may look to hold companies accountable for the (perceived) role in causing nature related loss.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

78300000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact figure

General insurance companies have three main sources of revenue: premiums, investment income on insurance funds from insurance activities, and investment returns on shareholder investments. Insurance income is generated by upfront premiums. The gross written premiums for crop insurance in 2022 was R 1 566 million. A conservative 5% increase in crop insurance sold could increase premium income by R78.3 million.

Cost to realize opportunity

239000000

Strategy to realize opportunity and explanation of cost calculation

Santam Agriculture, in collaboration with the South African Insurance Association (SAIA) and relevant government departments, has successfully conducted a pilot project for Soil Moisture Index insurance. The primary goal of this initiative is to expand the market reach of Santam Agriculture by offering the product to small, medium, and micro enterprises (SMMEs) as well as smallholder farmers. Furthermore, Santam Agriculture aims to customize solutions for markets outside of South Africa. It's important to note that index insurance, such as the Soil Moisture Index product, is not currently regulated under the Insurance Act. The research and development cost of R239 million was considered for the cost to realize this opportunity.

Index insurance operates by setting predetermined levels for specific parameters like rainfall or soil moisture. When these measures fall below or exceed the set level, the policy pays out without the need for manual assessment, providing immediate support to the insured. While index insurance products are not legislated in South Africa, Santam has conducted a pilot project in collaboration with various stakeholders, including government departments and regulatory authorities. A decision regarding the inclusion of this product is currently pending. However, similar index insurance products are available in other African countries, albeit dependent on government support and subsidies.

If permitted in South Africa, index insurance could have a significant impact on the long-term economic performance of farms. Insurance provides stability to farm income through indemnity payments, enabling farmers to secure financial loans and make necessary investments for farm growth. Additionally, insurance allows farmers to adjust their production strategies and improve economic performance in situations where on-farm risk reduction measures may be insufficient or ineffective.

Comment

N/A

Identifier

Opp2

Portfolio where opportunity occurs

Investing (Asset owner) portfolio

Issue area opportunity relates to

Water

Opportunity type & Primary opportunity driver

Products and services	Development and/or expansion of financing products and solutions supporting water security
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Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company- specific description

If Sanlam wants to survive another 100 years, then Sanlam has to adapt to the changing environment and it needs to do more than only rolling out products and services; it needs to understand what the level of risk on the ground is.

Sanlam recognises that climate change presents an important business and global risk that could impact the stability and quality of human society, thereby eroding the financial resilience and prosperity of clients and the societies in which it operates. This also represents specific opportunities for the insurance sector.

The Group is therefore embarking on a mind shift away from the conventional way of doing insurance by embedding ESG into thinking thereby improving strategy for both the life and general insurance business resulting in a valuable source of new ideas with improved outcomes.

Sanlam understands that sustainable business requires a sustainable environment and therefore continuously investigates how best to bring socio-economic and environmental factors into investment decisions, while increasing its share of investments in environmentally-responsible markets where feasible.

The Sanlam Investment Group (SIG) provides retail and institutional clients in South Africa, the United Kingdom and elsewhere in Europe access to a comprehensive range of specialised investment management and risk management expertise.

This is guided by a responsible investment policy where sustainability is embedded into core investment processes with broadened and extended investment horizons.

The expansion into credit assets means that Sanlam is investing more in longer-term infrastructure projects, such as renewable energy and water projects.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

33300000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The Climate Investor One fund was an initiative by Climate Fund Managers, Sanlam's joint venture with the Dutch Development Bank, FMO. With the support of broad public and private sector commitment, Climate Investor One mobilised commercial funds. These have been allocated to renewable energy infrastructure projects, for example, a river-run-off hydro project in Uganda, an offshore wind project in India and a near-shore wind project in Vietnam. Sanlam's opportunity relates to the profits made by the fund.

Climate Investor Two was launched in January 2020. Over the next few years, Climate Investor Two will continue raising funds to reach a final close goal of US\$1 billion while simultaneously putting the capital raised to work. Similarly, Sanlam's opportunity relates to the profits made by the fund.

The fund focuses on water, sanitation, and oceans infrastructure, as these are fundamental to human life and economic development but are also the medium through which the effects of climate change will be felt on earth. Climate Investor Two provides expertise, technology, and financing to projects that help vulnerable societies mitigate and adapt to these global climate changes

The potential financial impact was calculated as the sum of the capital that has been mobilised and is expected to be mobilised by Sanlam's Climate Investor Funds: R33.3 billion.

Climate Investor One mobilised R15.3 billion (US\$850 million) of commercial funds on its close in 2019. Climate Investor Two is targeting a final close of R18 billion (USD 1 billion). At its second close in December 2022, the fund reached R15.39 billion (USD 855 million) in commitments.

The figure excludes the Sanlam Sustainable Infrastructure Fund, which currently has nearly R1 billion in new capital to deploy and which is separate to the further R6 billion that the Sanlam balance sheet expects to deploy to new assets in the next two to three years. These financial impacts were excluded as the Sanlam Sustainable Infrastructure Fund also funds non-climate related infrastructure.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Sanlam's strategy to realise the opportunities associated with increasing capital to develop large-scale climate-related infrastructure projects involves the employment of a sustainable investment approach. Sanlam's investment activities are largely done through the internal Sanlam Specialised Finance and Sanlam Investments Group, through the course of daily business operations. These are internal costs and the costs to realise these opportunities are reported as 0.

ESG is integrated into the decision-making processes to ensure that Sanlam creates positive impact alongside mandated financial returns. To further integrate ESG additionality into its investment decision-making, Sanlam has partnered with Business Day and Intellidex to launch the Sanlam ESG Barometer research project.

In traditional investment decisions, ESG ratings based on external views of countries and companies play a significant role. Investors utilize these ratings in a passive screening process to direct capital towards strong performers and avoid those engaged in activities with adverse ESG impacts. These activities may include countries with high inequality, dependence on coal, a history of corruption, or companies involved in fracking and known for labour abuses, making it difficult for them to access ESG-linked investment.

However, relying solely on historical data from rating agencies limits insights into entities' efforts to improve their ESG performance. This means that investors may miss opportunities to actively drive transformative and measurable ESG change. This concept is known as ESG additionality, which refers to achieving positive environmental or social outcomes that would not be possible without specific investments.

By embracing ESG considerations and seeking opportunities to support sustainable practices, Sanlam aims to navigate the challenges posed by climate change while actively contributing to a more sustainable future.

Comment

N/A

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments

Sanlam incorporates forestry-related concerns into its business strategy through responsible investment guidelines across its products and services, spanning short, medium, and long-term periods. The company emphasizes the integration of ESG principles into investment decisions to better assess risks and opportunities inherent in their investments.

Since 2013, Sanlam's Credit Risk Framework has included ESG principles, along with a responsible lending policy for hedge funds. In 2015, the fixed interest team received approval to integrate ESG factors into the credit approval process, ensuring ESG principles are considered in lending decisions.

Sanlam Investments views land projects as financially attractive opportunities and is committed to actively managed funds that bring about social, environmental, and economic change in South Africa.

The company's expansion into credit assets involves increased investment in longer-term infrastructure projects, which cater to clients' long-term cash-flow needs.

Towards the end of 2020, Sanlam Investments entered into a strategic partnership with Robeco, a leading international asset manager offering an extensive range of active investments, from equities to bonds, including sustainable investing. They launched their first sustainable investing product in 1995 and has been at the forefront of sustainable investing ever since. Furthermore, strategy in 2022 identified that Sanlam partnerships with Robeco, and the proposed partnership with Alliance, will be used to accelerate the integration of ESG into our investment and insurance businesses.

Through Robeco, Sanlam Investments now offer clients a wider range of sustainability solutions, ESG integration, rich data and technology, stewardship and governance, powered by leading research and insights. Further, sustainability engagements can be scaled and capabilities expanded to address material issues for both domestic and international exposure through their value enhanced engagements.

Through its partnership, Sanlam gains access to specialized sustainability knowledge and the necessary diligence to monitor and drive change. The insurance sector has established a strong basis for fostering a sustainable society, promoting the adoption of sustainable practices through alignment and incentives. Sanlam and Santam, as founding members of the UNEP FI Principles for Sustainable Insurance (PSI), adhere to the four principles of sustainable insurance.

Financial planning elements that have been influenced

Revenues

Access to capital

Description of influence on financial planning

Forest-related risks and opportunities are considered in Sanlam's access to capital and influences the organisation's revenues. For example, The Sanlam Investment Group (SIG) together with FMO, the Dutch development bank, provided seed capital of R5.3 billion to establish the Climate Investor One (CIO). Following the success of CIO, the Climate Investor Two fund was launched in January 2020, focusing on two areas of impact:

- Water, sanitation and oceans across emerging markets.
- Structure and focus.

Such fund has been implemented with US\$855 million raised in two tranches to date.

There are numerous impact funds that are used to contribute to the SDGs. For example, the Sanlam Resilient Investment Fund, launched a decade ago, is used to support a wide range of impact themes such as climate mitigation and adaptations. Furthermore, the Sustainable Infrastructure Fund which focuses on economic growth, job growth, market development and environmental sustainability. Through these funds we are working to mitigate the impact of climate and help to build a more sustainable environment for our people and plant

Case Study for Sanlam sustainable infrastructure fund has to do with The Bokpoort Concentrated Solar Power (CSP) project. The plant is one of the first concentrated solar power projects awarded under South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP).

CIO therefore gives SIG's clients the opportunity to invest in a fund that has a positive impact on the environment, while benefiting from the unique profile of an asset class that delivers long-term assets to meet the long-term cash-flow needs of clients. The infrastructure angle of this project intersects with land and forestry-related issues.

The initiative seeks greater impact efficiency in contributing to the SDGs with greater net positive social and development impact per dollar invested. With this approach there is an increasing overlap and combination between climate, impact, land and infrastructure.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

<Not Applicable>

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments

The incorporation of water-related risks and opportunities into Sanlam's strategy is primarily achieved through the Santam cluster.

As extreme weather events become more common, insurance related costs will rise, and some areas could become uninsurable. This compels insurers to consider how they cover such risks, and how they price the coverage. Insurers will need improved models and data, which are driving greater engagement between insurers, policyholders, local authorities and intermediaries to mitigate risk proactively in the short, medium and long term.

Taking this into consideration, Santam introduced the Santam Short-Term Insurance Barometer in 2019. This Barometer is the outcome of a comprehensive survey conducted with over 400 participants, aimed at capturing the prevailing perceptions concerning a wide range of challenges crucial for long-term sustainability. By conducting this survey, Santam gained valuable insights into how different markets perceive prominent risks, the efficacy of current risk management practices, and the areas where insurers need to focus their attention.

Santam's aim is to take the collective "temperature" of consumers, intermediaries and corporates annually and to highlight trends and insights to minimise the impact of extreme weather events on the economy and claims over the short and medium term.

Furthermore, Sanlam has introduced the Sanlam ESG Barometer. Such barometer will focus on ESG additionality and initiatives made by South African companies to improve their performance. The findings will be used to develop best practice principles

In recent years, Santam has extended its approach to disaster risk management, shifting towards a more comprehensive shared risk management methodology aligned with Sustainable Insurance principles.

One of the key focus areas within Santam's ESG framework is the Partnerships for Risk and Resilience Programme (P4RR) initiative. This program aids municipalities in enhancing their disaster resilience by implementing practical preventive measures. By effectively implementing this approach, significant mutual benefits can be achieved, including minimising the likelihood of catastrophic floods or fires, resulting in reduced losses and ultimately fewer insurance claims.

P4RR actively identifies and mitigates systemic risk at the municipal level through on-the-ground initiatives that safeguard the lives of vulnerable communities residing in disaster-prone and high-risk areas.

Financial planning elements that have been influenced

Revenues

Capital allocation

Description of influence on financial planning

The growth of the South African economy relies heavily on infrastructure, making it a crucial factor. By comprehending the connection between water-related risks and opportunities and infrastructure, Sanlam can strategically allocate capital towards these investments. This approach enables Sanlam to generate associated revenues and capitalise on the potential for growth.

On 1 September 2021, Sanlam Investments launched a sustainable infrastructure fund. Such fund focuses on economic growth, job growth, market development and environmental sustainability.. ESG criteria are applied to support sustainable development. The fund, which provides predominantly debt finance, received commitments of R1 billion (over and above Sanlam's investment of R7 billion across more than 25 assets over recent years) with commitment of a further R6 billion to new assets.

Sanlam implemented an energy and water management programme towards the end of 2021. The programme is managed through the Group-wide Energy Forum monthly. The role of the Energy Forum is to ensure that Sanlam-owned buildings are energy and water efficient by managing consumption and investigating opportunities to integrate renewable energy sources through the direct installation of green energy or power-wheeling agreements.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

<Not Applicable>

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used

<Not Applicable>

Parameters, assumptions, analytical choices

<Not Applicable>

Description of outcomes for this issue area

<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy

<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

Although Sanlam does take climate change scenarios into account, particularly in relation to its responsible investment policy, the utilisation of formal climate-related scenario analyses that specifically incorporate forest-related issues is a recently adopted approach to inform its business strategy.

In FY2021 Sanlam published its Climate Change Resilience Report as a TCFD 'beginner report'. Similarly, Santam published its first stand-alone climate related disclosure report aligned to TCFD recommendations in FY2021.

In FY2022 PwC assisted Sanlam in understanding climate-related risk and scenario analysis capabilities and actions throughout the cluster. Furthermore, Sanlams Sustainability report has included a TCFD disclosure index table, instead of publishing a stand-alone report.

Water

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used

<Not Applicable>

Parameters, assumptions, analytical choices

<Not Applicable>

Description of outcomes for this issue area

<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy

<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

Although Sanlam does take climate change scenarios into account, particularly in relation to its responsible investment policy, the utilisation of formal climate-related scenario analyses that specifically incorporate forest-related issues is a recently adopted approach to inform its business strategy.

In FY2021 Sanlam published its Climate Change Resilience Report as a TCFD 'beginner report'. Similarly, Santam published its first stand-alone climate related disclosure report aligned to TCFD recommendations in FY2021.

In FY2022 PwC assisted Sanlam in understanding climate-related risk and scenario analysis capabilities and actions throughout the cluster. Furthermore, Sanlams Sustainability report has included a TCFD disclosure index table, instead of publishing a stand-alone report.

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, but we plan to set targets within the next two years	This is not an immediate business priority but we will further engage in this issue in connection with the TCFD process currently been undertaken.
Water Security	No, but we plan to set targets within the next two years	This is not an immediate business priority but we will further engage in this issue in connection with the TCFD process currently been undertaken.

FW-FS3.4

(FW-FS3.4) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	No, but we plan to address this within the next two years	This is not an immediate business priority but we will further engage in this issue in connection with the TCFD process currently been undertaken as potential opportunities for these products and services are unlocked.
Water	No, but we plan to address this within the next two years	This is not an immediate business priority but we will further engage in this issue in connection with the TCFD process currently been undertaken as potential opportunities for these products and services are unlocked.

FW-FS3.5

(FW-FS3.5) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	No, but we plan to include this issue area within the next two years	Sanlam's current approach to understanding how its portfolio impacts the changing climate is to engage with the management of companies and to create awareness thereof.
Water	No, but we plan to include this issue area within the next two years	Sanlam's current approach to understanding how its portfolio impacts the changing climate is to engage with the management of companies and to create awareness thereof.

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, but we plan to within the next two years	This is not an immediate business priority, but we will further engage in this issue in connection with the TCFD process that is occurring.
Clients – Water	No, but we plan to within the next two years	This is not an immediate business priority, but we will further engage in this issue in connection with the TCFD process that is occurring.
Investees – Forests	No, but we plan to within the next two years	This is not an immediate business priority, but we will further engage in this issue in connection with the TCFD process that is occurring.
Investees – Water	No, but we plan to within the next two years	This is not an immediate business priority, but we will further engage in this issue in connection with the TCFD process that is occurring.

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	Yes	Halting deforestation Other, please specify (Reduced water withdrawal and/or consumption)	Sanlam Corporate assesses and manages risks and opportunities through Active Ownership as a key component of our ESG framework. Such component consists of Sanlam using their own ownership position to influence the activities or behaviour of investee entities. It encompasses two important areas: <ul style="list-style-type: none"> Engaging with companies on material ESG issues Exercising the right to vote on behalf of clients <p>We view shareholder engagement as a fundamental catalyst for driving change, where investors actively strive to improve the practices of the companies in which they invest, with specific objectives in mind. When engaging with companies, our purpose is twofold: to gain additional insights and understanding, and if necessary, to advocate for changes that safeguard and enhance the value of the investments we oversee. In addition to engagement, we consider voting to be a vital component of our role as active shareholders. It forms a critical part of our ESG framework and presents an opportunity to exert influence on the company. Our voting and engagement activities are closely intertwined, as we regularly engage with companies both before and after casting our votes. Our voting process adheres to our internal proxy voting guidelines, which outline our preferences regarding governance matters and our expectations for companies in terms of sustainability themes.</p>	<Not Applicable>
Water	Yes	Reduce water withdrawal and/or consumption Improve water efficiency Reduce water pollution Water, Sanitation and Hygiene (WASH) provision for all workers	Sanlam Corporate assesses and manages risks and opportunities through Active Ownership as a key component of our ESG framework. Such component consists of Sanlam using their own ownership position to influence the activities or behaviour of investee entities. It encompasses two important areas: <ul style="list-style-type: none"> Engaging with companies on material ESG issues Exercising the right to vote on behalf of clients <p>We view shareholder engagement as a fundamental catalyst for driving change, where investors actively strive to improve the practices of the companies in which they invest, with specific objectives in mind. When engaging with companies, our purpose is twofold: to gain additional insights and understanding, and if necessary, to advocate for changes that safeguard and enhance the value of the investments we oversee. In addition to engagement, we consider voting to be a vital component of our role as active shareholders. It forms a critical part of our ESG framework and presents an opportunity to exert influence on the company. Our voting and engagement activities are closely intertwined, as we regularly engage with companies both before and after casting our votes. Our voting process adheres to our internal proxy voting guidelines, which outline our preferences regarding governance matters and our expectations for companies in terms of sustainability themes.</p>	<Not Applicable>

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	Yes	Cattle products	<Not Applicable>	<Not Applicable>

FW-FS4.3a

(FW-FS4.3a) Describe how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity.

Cattle products

Financial service provided

Insurance

Smallholder financing/insurance approach

Financial incentives for sustainable practices

Other smallholder engagement approaches

Support for smallholders in high-risk water stress regions

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity

Sanlam has implemented an Agriculture Insurance solutions. Such insurance option is used to help farmers and producers create a sustainable future by protecting their farm and assets from losses resulting from extreme weather and catastrophe events. This reduces the need for post-event assessments and allows for the claims settlement process to be quicker and more objective. The project aims to benefit smallholder farmers in South Africa by adopting new technologies to increase their resilience to extreme weather shocks, such as droughts, excessive rainfall, and extreme temperatures.

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Not assessed	<Not Applicable>	<Not Applicable>
Water	Not assessed	<Not Applicable>	<Not Applicable>

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Banking – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	At Sanlam Investments all equity and debt investments are governed by a Responsible Investment Policy. Sanlam Investments believes that by evaluating environmental, social and governance (ESG) factors, asset managers can make better informed investments decisions and improve the sustainability of investment returns for clients. Climate-related risks are assessed through a subscription to ESG research conducted by an external ratings provider using public information and the findings are factored into the investment process. An assessment of climate related risks can be done on request. However, this process does not include a quantitative analysis of carbon emissions at this stage. This will be further explored in FY2022 and FY2023 in relation to our TCFD scenario analysis.
Investing (Asset manager) – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	At Sanlam Investments all equity and debt investments are governed by a Responsible Investment Policy. Sanlam Investments believes that by evaluating environmental, social and governance (ESG) factors, asset managers can make better informed investments decisions and improve the sustainability of investment returns for clients. Climate-related risks are assessed through a subscription to ESG research conducted by an external ratings provider using public information and the findings are factored into the investment process. An assessment of climate related risks can be done on request. However, this process does not include a quantitative analysis of carbon emissions at this stage. This will be further explored in FY2022 and FY2023 in relation to our TCFD scenario analysis.
Investing (Asset owner) – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Sanlam, a prominent South African private sector asset owner, has demonstrated its commitment to responsible investing by becoming a signatory to the United Nations Principles for Responsible Investing (UN PRI). At Sanlam Investments, a comprehensive Responsible Investment Policy governs all equity and debt investments. As part of this policy, Environmental, Social, and Governance (ESG) principles, including a focus on climate change, are integrated into the investment processes. To assess climate-related risks, Sanlam subscribes to ESG research conducted by an external ratings provider. This research utilises publicly available information to evaluate and identify potential risks. The findings from this research are then factored into the investment process to ensure informed decision-making. While Sanlam offers the option to conduct an assessment of climate-related risks upon request, it is important to note that, at present, this assessment does not involve a quantitative analysis of carbon emissions. However, in the upcoming fiscal years (FY2022 and FY2023), Sanlam has plans to further explore this aspect. Specifically, they aim to conduct a quantitative analysis of carbon emissions and incorporate them into their investment processes. This effort aligns with the implementation of the Task Force on Climate-related Financial Disclosures (TCFD) scenario analysis, which will provide valuable insights for informed investment decisions related to climate change.

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Investing (Asset owner) – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	<p>Sanlam, a prominent South African private sector asset owner, has demonstrated its commitment to responsible investing by becoming a signatory to the United Nations Principles for Responsible Investing (UN PRI). At Sanlam Investments, a comprehensive Responsible Investment Policy governs all equity and debt investments. As part of this policy, Environmental, Social, and Governance (ESG) principles, including a focus on climate change, are integrated into the investment processes.</p> <p>To assess climate-related risks, Sanlam subscribes to ESG research conducted by an external ratings provider. This research utilises publicly available information to evaluate and identify potential risks. The findings from this research are then factored into the investment process to ensure informed decision-making.</p> <p>While Sanlam offers the option to conduct an assessment of climate-related risks upon request, it is important to note that, at present, this assessment does not involve a quantitative analysis of carbon emissions. However, in the upcoming fiscal years (FY2022 and FY2023), Sanlam has plans to further explore this aspect. Specifically, they aim to conduct a quantitative analysis of carbon emissions and incorporate them into their investment processes. This effort aligns with the implementation of the Task Force on Climate-related Financial Disclosures (TCFD) scenario analysis, which will provide valuable insights for informed investment decisions related to climate change.</p>
Insurance underwriting – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	<p>In September 2021, Santam's board officially embraced and implemented the recommendations put forth by the Task Force on Climate-related Financial Disclosures (TCFD). As a result, Santam became a signatory of the TCFD, demonstrating its commitment to promoting transparency and accountability in climate-related reporting.</p> <p>During the reporting year, Santam published its first TCFD report, outlining its approach and progress in addressing climate-related risks and opportunities. This inaugural report signifies Santam's dedication to providing stakeholders with valuable insights into its climate-related strategies, actions, and performance.</p> <p>By adopting the TCFD recommendations and releasing its TCFD report, Santam highlights its proactive stance in managing climate risks and integrating climate considerations into its business and decision-making processes.</p> <p>In 2022., Santam released its Climate Change Resilience Report in, ensuring compliance with the recommendations outlined by the Task Force on Climate-related Financial Disclosures (TCFD). The report provided comprehensive information on Santam's efforts to enhance resilience in the face of climate change.</p> <p>Moreover, Santam incorporated climate-related disclosure in alignment with the TCFD framework within its sustainability report for the fiscal year 2022. This integration allowed for a comprehensive overview of Santam's sustainability initiatives and their approach to addressing climate-related challenges.</p>
Insurance underwriting – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	<p>In September 2021, Santam's board officially embraced and implemented the recommendations put forth by the Task Force on Climate-related Financial Disclosures (TCFD). As a result, Santam became a signatory of the TCFD, demonstrating its commitment to promoting transparency and accountability in climate-related reporting.</p> <p>During the reporting year, Santam published its first TCFD report, outlining its approach and progress in addressing climate-related risks and opportunities. This inaugural report signifies Santam's dedication to providing stakeholders with valuable insights into its climate-related strategies, actions, and performance.</p> <p>By adopting the TCFD recommendations and releasing its TCFD report, Santam highlights its proactive stance in managing climate risks and integrating climate considerations into its business and decision-making processes.</p> <p>In 2022., Santam released its Climate Change Resilience Report in, ensuring compliance with the recommendations outlined by the Task Force on Climate-related Financial Disclosures (TCFD). The report provided comprehensive information on Santam's efforts to enhance resilience in the face of climate change.</p> <p>Moreover, Santam incorporated climate-related disclosure in alignment with the TCFD framework within its sustainability report for the fiscal year 2022. This integration allowed for a comprehensive overview of Santam's sustainability initiatives and their approach to addressing climate-related challenges.</p>

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	This is not an immediate business priority but we will further engage on this issue to report on the amount of finance/insurance provided for this commodity in the near future.
Investing (asset manager) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	This is not an immediate business priority but we will further engage on this issue to report on the amount of finance/insurance provided for this commodity in the near future.

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Focus of the Publication

Water Security

Publication

In a voluntary sustainability report

Status

Complete

Attach the document

sustainability-report-2022.pdf

Page/Section reference

Pages 86 and 87

Page 79

Content elements

Risks and opportunities

Response to forests- and/or water-related risks and opportunities

Comment

Sanlam's partnership with WWF-SA, the world's largest and most experienced independent conservation organisation, has been helping to safeguard the resilience of freshwater sources. With additional contributions from the Sanlam Foundation, the partnership has been able to promote water stewardship and empower local governments to integrate freshwater protection into their policies and plans. This enables everyone to participate with confidence in a thriving, sustainable ecosystem and allows for agriculture and forestry land users to implement water stewardship best practices.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms