



Message from the chairman of the Social, Ethics and Sustainability (SES) committee

Sanlam's key objective is the creation of shared value for stakeholders and the sustainability of Sanlam over the long term. Therefore, the Group drives diversity and innovation to position itself as a leader in client-centric wealth creation, management and protection. This means that Sanlam must treat its clients fairly, while doing business in a profitable and sustainable way.

Successful execution of the above depends on the Group's ability to deliver on business promises and principles through sound practices and processes. The SES committee assists Sanlam with its sustainability and social and ethics responsibilities, and oversees the Group's sustainability performance.

As a signatory to the United Nations Global Compact (UNGC), Sanlam is committed to aligning its operations and strategies with 10 globally accepted principles in the fields of human rights, labour, the environment and anti-corruption. We are required to submit a periodic communication on progress (COP). The communication for the period under review was submitted in June 2017. Sanlam is actively involved with the UNGC as part of its working group on combating corruption. The communication expresses Sanlam's continued commitment to these principles. Sanlam's strategic goals remain unchanged, and continue to endorse Sanlam's commitment to creating long term shared value within Sanlam businesses and society.

To ensure that we continue engaging with our stakeholders on what is particularly relevant to Sanlam's resilience, we have adapted our sustainability reporting approach.

Building on last year's efforts to integrate our financial and non-financial reporting, we reviewed our material sustainability matters and restructured our Annual Reporting Suite. Internal working sessions were hosted, followed by discussions with the Group Chief Executive and executive team. Through these discussions, we refined our strategic and reporting approach based on the resilience theme. This theme encapsulates our

previous material sustainability matters. A key change from 2016 is the replacement of the sustainability theme reports with the Resilience Report.



Read more about this process in the Resilience Report online.

Resilience through sustainability

Client-centricity is achieved in part through our products, which create opportunities for people with vastly different incomes. This allows them to participate in wealth creation and preservation solutions that address their unique financial needs. Through the Sanlam Foundation, the Group provides focused contributions that build and support communities, business development and consumer financial education.

We understand that we cannot create economic and social prosperity without safeguarding the natural resources on which businesses and people rely. In addition to greenhouse gas (GHG) emissions targets, Sanlam has sustainability targets linked to paper consumption, electricity, water, travel, waste and recycling. To this end, the Group is committed to recording and tracking at least 80% of its scope 3 emissions. Sanlam has an ongoing partnership with the World Wide Fund for Nature South Africa (WWF-SA). The Group initiated various projects with WWF-SA to conserve and to support the healthy functioning of South Africa's water systems.

Embracing and accelerating transformation, including gender diversity, remains a priority and one of Sanlam's key strategic pillars. Overall, the number of black professionals has continued to increase at a steady pace – from 203 employees in 2014, to 270 in 2016 and 325 in 2017. Year on year, this is an increase of 20%. However, we need to increase the percentage of black middle and senior management in the Group. This has been flagged as a business priority for 2018.



Read more about our resilience thinking in the online Resilience Report.

Looking ahead

South Africa continues to face economic and social pressures. The global environment has been tumultuous and faced its own challenges. These conditions impact the Group, our clients and the communities within which we operate. To maintain business resilience in these uncertain times, the Group recognises that it must take a long-term view. This has prompted Sanlam to re-examine what sustainability means to the business: looking back at almost 100 years of success, and the factors that will ensure the same resilience going forward. The result would be a common sustainability vision and message that will deliver on our strategic pillars, while creating long-term value for our stakeholders.

MV Moosa
SES committee chairman